

Agenda Item No: 7

Report To: CABINET

Date of Meeting: 9 February 2017

Report Title: Budget 2017/18

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Summary:

This report is the culmination of a number of financial planning reports that have been received by Cabinet over the last year. In October Cabinet received a report updating the Council's Corporate Plan 2015-2020 including the Medium Term Financial Plan; this informed the draft budget that was presented to Cabinet in December and a consultation exercise and scrutiny process followed. This budget has been updated for the provisional funding announcements and this report presents the final budget for 2017/18 for consideration by Cabinet. Cabinet's recommendations will then be presented to the full Council. The consultation process is still open and responses will either be presented to this meeting or to the full Council meeting on the 16 February.

The budget supports the second year of the Council's updated Corporate Plan, and includes changes to services following the Housing Service review, after consultation. The report covers the Housing Revenue Account which includes a 1% reduction in rents, the second of a four year reduction programme. Capital programme and the council's Treasury Management Strategy.

For some time this Borough's council tax has been the lowest of Kent districts and well below the national average. This budget proposes a £4 (2.67%) rise in the Borough's annual council tax with a Band D (the standard council tax band) charge moving to £154.00 for the year. It is expected this will remain the lowest of any Kent district. This excludes changes to Parish Councils' precepts, which vary from parish to parish.

Key Decision: YES

Significantly Affected Wards:

Recommendations: The Cabinet is recommended to:-

Part 1

- I. Note the budget context and MTFP position (table 2)
- II. Note that the Council Tax Support Scheme adopted is as reported to Cabinet in December **paragraphs 31-33**

Part 2

- III. Recommend the Revenue Budget 2017/18 including the net budget requirement of **£15,248,991 (excluding parish precepts)**
- IV. Recommend the level of Discretionary Fees to be levied from 1st April 2017 (as set out in **Appendix D**)
- V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- VI. Note the reserves summary (from **paragraph 54 -58 and Table 6**), **Appendix C**
- VII. Note the Equality Impact Assessment in **Appendix E**
- VIII. Recommend the Band D council tax at **£154.00**.

Part 3

- IX. Resolve that the Housing Revenue Account budget for 2017/18 be approved
- X. Resolve the estimated average rent decrease of 1%, in accordance with government guidelines, and that rent setting for the future continues to follow movements in the 'limit rent' set by government. See **paragraphs 67- 70**

Part 4

- XI. Recommend to Council that the Capital Budget for 2017/18 in **Appendix G** is approved.

Part 5

- XII. Recommend the Prudential Indicators and MRP Policy as set out in **Appendix H** and the Treasury Management Strategy Statement at **Appendix I**.

Part 6

- XIII. Recommend that the Accountancy Manager is appointed as the Deputy Section 151 Officer in addition to the Deputy Chief Executive
- XIV. Approve the Risk Based Verification policy as

outlined in **Appendix J**

Part 7

- XV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves.

Policy Overview:

The council's revenue budget is intended to support the priorities set out within the Corporate Plan and flows through from the Medium Term Financial Plan (MTFP).

The Corporate Plan is geared to ensuring that priorities are delivered and that the council's service activities are managed within the constraints of the forecast cuts in government funding.

Financial Implications:

The key implications of this budget are:

- Council Tax rise of £4 to £154 at a Band D
- Staff cost of living increase of £350 or 1% whichever is greater
- Council Tax Support Scheme limiting contributions to 17.5% whilst protecting the disabled and the elderly, as reported at the December Cabinet
- Housing rents to reduce by 1% as per Government policy
- Revised services fees and charges

Legal Implications

The Council is legally required to set a balanced budget at the start of every year to meet our financial responsibilities.

Equalities Impact Assessment

See Attached in **Appendix E**

Other Material Implications:

The budget's plans are in-line with the Corporate Plan. In the light of the risks and opportunities associated with the government's financial reforms, the Management Team should monitor these and establish recommendations for handling future budget gaps.

Exempt from Publication:

NO

Background Papers:

None

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Report Title: Budget 2017/18

Introduction and Background

1. This report presents the final draft 2017/18 budget for approval and recommendation to the full Council. A draft budget was approved by Cabinet in December.
2. This budget supports the corporate plan's key themes reported to Council in October 2015 and covers; the general fund revenue budget; discretionary fees; the housing revenue account; the capital programme; the prudential indicators; the treasury management and annual investment strategies; key decision thresholds and risks.
3. It follows on from the corporate plan 2015-2021 and also scrutiny by the Overview and Scrutiny Committee's Budget Task Group. Public consultation through the channels of the council's website commenced in January.
4. Full details of the revenue budget, HRA budget and capital programme will be contained in the 'Budget Book 2017/18' that will be published before the Full Council meeting.
5. This report is presented in seven parts:
 - Part One - Policy Context and Government Grant
 - Part Two - General Fund Revenue Budget
 - Part Three - Housing Revenue Account
 - Part Four - Capital Programme
 - Part Five - Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy
 - Part Six - Key Decision Thresholds and Financial Regulations
 - Part Seven - Robustness of Estimates and Adequacy of Reserves

Consultation

6. Consultation with the public and the business community is taking place and the results will either be reported to this meeting or the Full Council meeting on 16 February 2017 depending on when comments are received. To facilitate this, a summary of the Budget proposals was posted on the council's website for general access.
7. Consultation will take place with the Joint Consultative Committee on 2 February 2017 due to the meeting taking place before this report had to be submitted any updated will be made at the meeting.

Portfolio Holder's Views

8. Looking forward this budget has recognised the changing grants landscape and through good forward planning, prudential investment securing revenue income, sound treasury management and careful financial management the Council has been presented a balanced budget that is credible.
9. With this budget going forward, the Council has a firm foundation to further develop its commercial ambition and to be financially secure to deliver a borough where residents benefit from these aspirations.

PART ONE – CONTEXT AND GOVERNMENT GRANT

The Corporate Plan

10. The Council adopted the Corporate Plan in October 2015 and the 2017/18 forms the second year of the plan. The plan The Plan identified the key themes for the council to focus upon over the next five years, which are:
 - a) Enterprising Ashford
 - b) Living Ashford
 - c) Active and Creative Ashford
 - d) Attractive Ashford
11. The council has a Medium Term Financial Plan which is a rolling five yearly budget that seeks to put the Corporate Plan into financial terms. This is reviewed regularly with any changes in priorities of new projects being incorporated. The most recent review of this reported to members was included in the report to the October 2016 Cabinet “the corporate delivery programme & MTFP.” This report discussed the emerging budget gap and introduced 3 strategies to manage this, these are:
 - 1) Inflation Management
 - 2) Borrowing & Acquisitions
 - 3) Closing the gap, 2020/21
12. The Council also has two companies which are exploring opportunities to enable the Council to work towards the self-sufficiency agenda adopted by the Council.
13. The budget included in this report has been built in accordance with the strategy adopted.

Provisional Settlement

14. Overall it is a positive picture for next year when taking into account the settlement figures, the Council accepted the Governments offer of a 4 year settlement which has provided a degree of certainty to the councils funding.

Formula Grant

15. The Revenue Support Grant (RSG) forms part of the four year settlement which was accepted at the October Cabinet meeting. The RSG has been reducing over a number of years and the final grant will be received in 2018/19. This has been accommodated in the MTFP over recent years.
16. The current year’s grant is £1.3m, this will be reducing to £0.6m for 2017/18 which was reported in the draft budget.

Business Rates

17. The calculation for business rates is quite complicated as a number of factors (tariff, yield and Small Business Rate Relief) affect the budget
18. The statutory business rates forecast return (called the NNDR1 report) has been submitted and shows an overall net income position of £278,000 higher than budgeted.
19. The budget has a net total of in Business Rate income and Section 31 grant £4,200,200. The elements of these estimates are discussed below.

Yield

20. The NNDR1 calculates a yield of £19,788,350. This is complicated by the revaluation of all business properties and the changes made to transitional relief to cushion the impact of the revaluation, accordingly, as stated above this is a risk to the budget.

Tariff

21. The level of Tariff is a fixed amount that we pay to government; for 2017/18 we have budgeted for a Tariff of £15,262,000.

Levy

22. This is made on income received over the government's baseline and charged at a rate of 50%. The Council has reduced this by being a member of the Kent Business rates pool and in reality will pay a lower levy rate closer to 10% but for budgeting purposes we retain the national level. This is budgeted at £1,452,961.

Section 31 Grant

23. To compensate Local Government for changes that have been imposed on the Business Rates Retention scheme by central government a grant is paid.
24. Government has for some time doubled the level of Small Business Rate relief offered, because this is outside the business rate retention scheme a compensatory grant is paid to the council in the form of a S31 Grant the budget assumes that S31 grants for Small Business Rate Relief will be £1,067,340 and is supported by the NNDR1 return.
25. Government also compensates authorities for capping the NNDR multiplier and other changes to the system, it is unclear at this time whether these will continue to be compensated for and therefore have not been included in the budget.

New Homes Bonus

26. The 2017/18 financial year is a transitional year for the reduction in New Home Bonus contributions. The initial offer was to receive a grant for 6 years based on new homes within the district. For 2017/18 all historic grants have been cut to 5 years and effectively only 5 years' worth of contributions will be received.
27. The draft budget assumed a New Homes Bonus of £3,424,310, this was based on a retention of 5 year contributions (reduced from 6) and an element of reduction due to possible top slicing to fund adult social services (upper tier authorities).
28. The settlement amount has come in fairly close to this at £3,394,891 therefore only £29,419 less than expected.

Council Tax

29. The draft budget assumed a £4 (2.67%) increase in Council Tax bringing in the band D payment to £154 (£150 in 2016/17), this Council can opt to raise the Council Tax by the higher of 2% or £5 (£5 equates to 3.33%).
30. The table below shows the proposed (not approved) Council Tax increases in Kent. This table shows that Ashford will still be the lowest Council Tax in Kent by around £10 and an increasing differential in tax level with our county

neighbours. If there are any changes to these it will be reported at the meeting.

Table 1 – Proposed Council Tax increases 2017/18

District	Increase		Band D charge
Ashford	£4.00	2.67%	£154.00
Canterbury	£4.95	2.55%	£199.26
Dartford	£5.00	3.07%	£167.90
Dover	£4.99	2.89%	£177.43
Gravesham	£4.95	2.65%	£191.61
Maidstone	£5.00	2.08%	£245.66
Sevenoaks	£5.00	2.53%	£202.82
Shepway	£4.65	2.00%	£237.21
Swale	£4.95	3.10%	£164.88
Thanet	£4.95	2.30%	£219.87
Tonbridge & Malling	£5.00	2.60%	£197.51
Tunbridge Wells	£4.98	3.04%	£168.59

Council Tax Support Scheme

31. The Council Tax Support scheme has been reviewed and updated for 2017/18 and the changes to the scheme were approved by Cabinet on 8 December 2016. The main changes can be summarised as follows:
 - a) Full protection to pensioner claimants has been retained
 - b) Increase the contribution rate for working age claimants from 10% to 17.5%
 - c) 95% protection will continue to eligible disabled claimants
 - d) Introduction of an exceptional hardship scheme
 - e) Various components of the scheme have been changed for working age claimants, these being: capital threshold reduced to £10,000; minimum income floor for self-employed claimants based on National Living Wage x 16 hours per week; flat rate £10 per week deduction for non-dependants; band D cap on entitlement; removal of second adult rebate.
32. These changes will have the effect of reducing the overall cost of the scheme and these estimates have been used to calculate Council Tax Support costs based on implementation in 2017/18.
33. Complete details - and the full version - of the scheme are published on the council's website <http://www.ashford.gov.uk/counciltaxsupport>

Medium Term Financial Plan

34. The Medium Term Financial Plan was updated and reported to members in the October report. The forecast has been updated to reflect the details of the settlement, Business Rates forecast and other movements in the draft budget. The update has reduced the deficits in the earlier years however the later year surpluses have been reduced.
35. Overall the forecast shows a fairly balanced position over the next few years. The plans come under pressure during 2021/22 and plans for this will need to be developed and could include savings through efficiencies, Business Rate growth, and income targets set from the borrowing and acquisitions policy.

Table 2 – MTFP 2017/18-2021/22

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's
<i>Revenue Support Grant</i>	(615)	(213)	0	0	0
<i>S31 Grant NNDR reliefs</i>	(1,067)	(1,000)	(1,000)	(1,000)	(1,000)
<i>Retained Business Rates</i>	(3,073)	(3,236)	(4,018)	(4,858)	(4,950)
<i>New Homes Bonus (50% allocated to support base budget)</i>	(3,395)	(2,596)	(2,947)	(2,947)	(2,947)
Government Funding	(8,150)	(7,045)	(7,965)	(8,805)	(8,897)
Council Tax	(6,879)	(7,136)	(7,367)	(7,624)	(7,925)
Total Income Receipts (Including Specific Grants)	(49,488)	(49,444)	(49,423)	(49,033)	(48,853)
Base Budget Gross Expenditure	64,427	64,181	64,284	63,398	64,511
Budget Increases	2	(300)	(893)	1,106	1,581
Budget Reduction Strategy	(41)	0	0	0	0
Allocation to/from reserves	129	0	750	750	750
BUDGET GAP	0	256	(615)	(208)	1,166

36. The plan does place reliance on the Council's ability to generate new income streams through its borrowing and acquisitions policy and this does represent a risk to the forecast should suitable investments not be found or that they deliver lower returns. It is important that the risks within the total programme are monitored due to the impact they could have on the budget going forward.
37. The budget includes saving target the equivalent of 1% the net budget requirement, this saving is yet to be achieved but is part of the inflation management strategy and Management Teams commitment to ensure efficient service delivery. A paper will be presented to Management Team early in the year to discuss how this is going to be achieved

Recommendations (Part One)

38. The Cabinet is asked to:
- I. Note the budget context and MTFP position (table 2)
 - II. Note that the Council Tax Support Scheme adopted is as reported to Cabinet in December **paragraphs 31-33**

PART TWO – GENERAL FUND BUDGET

39. A summary of the general fund budget, including a forecast of outturn for 2016/17 as at 30 September 2016, is shown at Table 3 below.
40. Necessary changes to the preliminary draft budget have been made and raised with the Overview and Scrutiny Committee's Budget Task Group.
41. The Overview and Scrutiny Budget Task Group scrutinised the budget during December and January and did not raise any issues of concern over the draft budget for 2017/18 however they acknowledge that the financial position in subsequent year is going to be increasingly challenging. They supported the increase in Council Tax of 2.67% based on the MTFP pressures going forward and its cumulative impact.

Table 3 - General Fund Summary

Budget 2016/17 £	Detail	Estimate 2017/18 £
14,205,480	Service Expenditure	13,651,870
1,316,670	Contribution to/(from) Balances	1,597,120
15,522,150	Net Budget Requirement	15,248,990
(1,269,920)	Government Grant	(615,360)
(3,410,410)	Retained Business Rates	(3,666,600)
(538,000)	Business Rates S31 Grants	(533,600)
(3,782,820)	New Homes Bonus	(3,394,890)
41,500	Parish CTS Payment	40,900
0	Collection Fund Surplus	(200,000)
(6,562,500)	Council Tax	(6,879,440)
0	Budget Gap	0

Table 4 - Analysis of Contributions to From Balances

Contribution	£
New Homes Bonus to fund corporate projects	1,454,960
Deficit funding from reserve	(57,840)
Service Contingency	200,000
Total	1,597,120

42. A summary of service expenditure is provided at **Appendix A** and **Appendix B**. The detailed budget pages available in the draft budget book 2017/18 support this.

Principal changes to December's preliminary draft budget

43. Following government announcements and in consultation with the Leader and Cabinet there are some changes to the draft budget to report as detailed below.
44. The provisional settlement and the completion of the NNDR1 form (business rate estimates) have resulted in the following changes:
- a) Additional business rate income of £278,000

- b) New Homes Bonus grant decreased by £29,451
45. The collection fund surplus has been calculated and included within the budget to be used as an in year service contingency. This surplus is a one-off amount based on previous year's collection of Council Tax. The surplus is made of a number of elements including:
- a) Higher increase of homes in the borough than estimated, including Charter House properties completing early in the 2016/17 financial year
 - b) Collection of historical bad debts increasing collection levels, including partnership working initiatives with Kent County Council and data matching exercises.
 - c) Collection rates for the current year higher than estimated
 - d) After a review of the scheme, council tax support costs have not been as high as expected over the last few years
46. These movements are detailed in the table below:

Table 5 – movement from draft budget

	£'000
Draft budget position reported to the October Cabinet	89
Business Rates	(278)
New Homes Bonus	29
Collection Fund Surplus	(200)
Service contingency	200
Focus reserve funding removed	255
Projected increase in investment income	(25)
Other smaller movements	(12)
Budgeted deficit from reserve	(58)
Final draft budget position	0

Council Tax

47. The Final Draft Budget in **Table 3** includes a Council Tax increase of 2.67% would result in an annual Council Tax amount of £4 per household based on a band D property.
48. Ashford Borough Council would remain the lowest Council Tax in Kent and also has an increasing differential in tax level with our county neighbours.
49. This increase allows the council to have a balanced budget with a contingency for operational service risks in this year, and is in accordance with the council's adopted inflation management strategy and in line with the council's Medium Term Financial Plan assumptions.

Discretionary Fees

50. The inflation management strategy determined that discretionary fees for several services should be increased above the level of inflation. For 2017/18 this results in average increases of 2%. Some charges will vary from this recommended level due to operational reasons, see **Appendix G** for details
51. The Garages rent has been increase by CPI plus 1.5%. CPI was 1% in September therefore the increase will be 2.5% (to the nearest penny).
52. The Building Control Fee Earning Account aims to break even in accordance with the building control regulations.
53. The budget has been built with this level of fees and charges.

Reserves

54. A schedule of reserves is attached at **Appendix C**, which shows a total of revenue reserves estimated at 31 March 2017 of £12.2m, excluding Developer Contributions. There has been significant investment in the Borough over the last few years and there will be further investment in the borough during 2017/18 which will reduce reserves to a lower level and closer to the minimum requirement set by the council.
55. Whilst these levels are planned for and within the tolerances agreed, consideration will need to be given to the replenishment of these reserves in the medium term. The risk contingency for Business Rates and unallocated new homes bonus are sources for increasing the reserves to fund future expenditure and have offset the planned reductions.

Table 6 - Summary of Reserves

	As at 31/03/2016 £000	Estimated as at 31/03/2017 £000	Estimated as at 31/03/2018 £000
General fund balance	(1,891)	(2,821)	(2,740)
Fund future expenditure	(7,209)	(5,476)	(6,676)
Provide for the maintenance or purchase of assets	(1,542)	(3,879)	(2,124)
Required by statute reserves	(298)	(298)	(298)
Total revenue reserves	(10,940)	(12,474)	(11,838)

56. CIPFA (the principal accounting body that provides statutory advice and guidance on accounting and financial management to local government chief finance officers) issues guidance (last updated in 2014) covering the relevant legal background and importantly emphasises that Authorities should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary. The advice goes on to say that a well-managed authority, for example, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. CIPFA does not consider it necessary or appropriate to quantify a minimum level of reserves; this is for Chief Finance Officers and councils to consider. The government retains a power to impose a minimum, but is only intended to be used in circumstances where it is apparent to government that a council is not acting prudently and not following advice.
57. The Council has a policy that the general fund balance was reviewed last year and states that it should be no less than 15% of net budget requirement, for 2017/18 this will be £2,287,350.
58. The Council's agenda for it to be self-sufficient over the life of the MTFP. This reserves strategy supports the direction of the Corporate Plan with the economic expansion of housing and business in the district helps to underpin the risks that have been transferred to the Council.

Budget Scrutiny and Risk

59. The Overview and Scrutiny Committee has examined the detailed budget proposals and the committee's findings are reported separately elsewhere on this agenda. The committee concluded that it had confidence the budget is

deliverable and supports the recommendations to Cabinet and Council to approve the proposed budget. The task group also feels the 2.67% increase in Council Tax should go ahead following the Governments draft settlement which includes future financing of Local Authorities should come from increases in Council Tax.

60. A commentary of the risks associated with the budget is included as part of the statutory advice needed on 'budget robustness and the adequacy of reserves' within Part Seven of this report and at **Appendix E** Equality Impact Assessment.

Equalities Impact Assessment

61. The equality impact assessment (EIA) screening tool has been completed to identify whether the budget policy treats any group differently. The EIA assumes that individual policies and initiatives will have separate impact assessments completed by the services concerned. The assessment does highlight some areas however overall the budget does not discriminate against any group in society.
62. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

63. The Cabinet is asked to:
- III. Recommend the Revenue Budget 2017/18 including the net budget requirement of **£15,248,990 (excluding parish precepts)**
 - IV. Recommend the level of Discretionary Fees to be levied from 1st April 2017 as set out in **Appendix D** and in **paragraphs 50-53**
 - V. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
 - VI. Note the reserves summary (from **paragraph 54 -58** and **Table 6**), **Appendix C**
 - VII. Note the Equality Impact Assessment in **Appendix E**
 - VIII. Recommend the Band D council tax at **£154.00**.

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

64. The 2017/18 position is broadly in line with the position reported to Members in the 30 year HRA business plan (December 2016 Cabinet), and includes the proposed savings reported to Cabinet as part of the Housing Review (December 2016).
65. **Table 7** shows a net deficit in the HRA for 2017/18 this reflects the drawdown from HRA reserves approved for the repayment of debt and capital expenditure including the remodelling of the Danemore scheme.
66. This deficit will be funded from HRA reserves, which were increased in 2015/16 by £2,143,000. The HRA business plan shows that the current plan remains affordable over the life of the plan. The information in **Table 7** is shown in more detail, analysed to subjective level, at **Appendix F**

Table 7 – Housing Revenue Account Budget 2017/18

ACTUALS 2015/16 £	ESTIMATE 2016/17 £	PROJECTED OUTTURN 2016/17 £	DETAIL	ESTIMATE 2017/18 £
(25,187,114)	(24,227,210)	(25,001,610)	Income	(25,463,220)
7,264,654	5,183,570	5,163,140	Supervision and Management	5,101,750
3,273,922	3,449,760	3,262,440	Repairs	3,328,470
16,791,373	18,763,270	18,373,980	Other Expenditure	21,923,480
2,142,835	3,169,390	1,797,950	DEFICIT/ (SURPLUS) IN YEAR	4,890,480

Rent Decrease

67. From 1 April 2016 Government made changes to the rent setting formula for social housing, instead of an annual increase of CPI+1% Councils now needed to apply a decrease of 1% for four years, however it is not yet known what the formula will be after this period.
68. For 2017/18 this means that the average weekly rent, for social housing will be £89.90 (£90.77 in 2016/17). For tenants receiving housing benefit the decrease will not have any cash impact, although some council tenants may be affected by other aspects of the government's welfare reforms.
69. The 1% decrease in rent also applies to those tenants in affordable housing which will be applied. It should be noted that affordable rents are re-based to 80% of market rent each time a new tenancy agreement is made (i.e. upon vacancy) and will be decreased by the 1% each year thereafter. The average rent for 2017/18 will be £134.70 (£135.42 in 2016/17).
70. This four year 1% cumulative decrease has been modelled in the 30 year Business Plan, the impact of the reduction in income has been analysed and capital works and planned maintenance programmes have been adjusted

accordingly. Following these adjustments the HRA is affordable for the next 30 years. Work will continue on Sheltered housing and new affordable homes.

Recommendations (Part Three)

71. The Cabinet is asked to:

- IX. Resolve that the Housing Revenue Account budget for 2017/18 be approved
- X. Resolve the estimated average rent decrease of 1%, in accordance with government guidelines, and that rent setting for the future continues to follow movements in the 'limit rent' set by government. See paragraphs 67- 70

PART FOUR – CAPITAL PROGRAMME

Capital Resources and New Allocations to Projects

72. This section gives consideration to the level of capital resources that are potentially available to support priorities including the business plan and other requirements
73. Capital investment currently may be funded from:
- a) Internal resources such as capital receipts and revenue reserves.
 - b) New Homes Bonus
 - c) Prudential (external) borrowing.
 - The 2017/18 budget provides specific support to borrow £500,000 for general fund property works, with a further £2m for strategic acquisitions that must be supported by a business plan.
 - Decision on additional borrowing will be subject to an affordability test and the HRA debt cap (explained below).
 - d) Third party grants and contributions from government, other local authorities or private organisations.
 - e) Section 106 developer contributions – currently we hold contributions amounting to £7.8m (capital & revenue), £5.2m of section 106, will be used to support projects in the current capital programme and expected to be spent over the next few years on community assets such as community buildings, open space and play areas throughout the borough.
 - f) In the future from the Community Infrastructure Levy

Debt Cap (Housing Revenue Account)

74. Following the HRA reform there is room within the HRA Business Plan to invest in projects including new housing and sheltered redevelopments. However the reform introduced a HRA debt cap limiting the amount councils can borrow to fund major works. When considering the Housing programme regard will need to be given to the impact the projects will have on the debt cap and more generally on the viability of the HRA.
75. Due to the limitations on HRA borrowing for projects, future funding sources will be:
- External contributions from the HCA (Homes & Community Agency)
 - Capital receipts, including retained 'Right to Buy' capital receipts for 'one for one replacement'
 - Surpluses within the revenue budget could be used rather than repayment of borrowing.
 - Borrowing, the HRA has a debt cap, the transfer of the garage stock to the General Fund in 2015/16 created headroom to borrow of circa £3m and repayment of borrowing is due early this year.

Borrowing and Acquisition Policy

76. At the October 2016 Cabinet the report (originally approved at the July 2014 Cabinet) titled Informing the Next Five Years the Borrowing and Investment Strategy was presented which amalgamated a number of capital and investment projects into one Policy including:
1. Delivery of strategic priorities
 2. For property and commercial investment
 3. Development of cultural and community facilities
 4. For investment in the Housing Revenue Account (must operate within the statutory debt cap)
77. The main elements of the strategy included:
- To achieve self-sufficiency from government grant
 - Set sensible principles for making investments and undertaking borrowing
 - Future General Fund borrowing to be around £100m, HRA borrowing will be within the debt cap
 - To allocate a proportion of the Council's reserves to form a 'cash backed' element to investments
 - A minimum of 10% of any return on an investment will be allocated to an investment reserve (debt/cash backed) to support future investments
78. To ensure all risks are monitored and managed the following measures will be required before an investment can take place:
- A project list will be maintained and prioritised to enable decisions to be taken in the round.
 - Each project will have a full business case (including NPV and Internal Rate of Return Calculations) which will demonstrate it delivers acceptable worth for the Council.
 - All investments will be appraised using the 25 year PWLB interest rate (or rate applicable to the life of the asset if it is lower)
 - Loan to the value of the project will not exceed 90%
 - The Economic Regeneration & Investment Board will provide the authority to enter into land transactions (including at an undervalue) and contractual obligations (including the lending of money and the making of grants) up to the value of £2 million.
 - Decisions on capital expenditure above £2m will be recommended to Full Council for approval.
 - Capital receipts from the sale of any asset will firstly repay any debt secured upon it and secondly be recycled for further investment
79. The acceptable worth to the Council will be established by Cabinet and should take into account:
- Recovering the borrowing within a reasonable time frame
 - Replacing income lost from grants, so that we work towards self-sufficiency by 2018/19
 - Reputational enhancement for the Borough and the Council

Capital Expenditure 2017/18

Property Portfolio

80. Included in the capital programme is an amount set aside annually for the maintenance of property assets and the purchase of replacement IT equipment, this is to enable the required works to lengthen the lives of the assets saving future replacement costs.
81. There has been £2,000,000 set aside for strategic acquisitions, this allocation was approved in January 2014 and now forms part of the Borrowing and Acquisition Strategy. All projects will be supported with a business plan ensuring all investments are viable.

Commercial Quarter

82. The works to the new offices within the Commercial Quarter started in January 2017 and is expected to complete in May 2018. On completion the Council will lease 24,000 sq ft of space within the new building.
83. The works to the Commercial Quarter area will be enhanced by investment in Ashford Digital Hub delivering incubator space for digital business start-ups and small digital business's looking to expand. The project is estimated to cost £650,000 and will consist of demolition of the former Ashford Youth Theatre building and refurbishment of the Old Corn Mill & Store, located in Dover Place. This project is currently under review and will be subject to a further report.

Elwick Place

84. The Council will invest as part of the regeneration of the Elwick Road site, providing a mixed use leisure development incorporating a cinema, hotel and several eateries on the complex.

Junction 10a

85. The Council will receive £16,000,000 forward funding from Communities and Local Government for a new motorway junction and associated link roads to relieve congestion at junction 10 of the M20. The new junction will be known as 10A and will deliver growth in southern and eastern Ashford. In a similar arrangement to the RIF agreement that funded improvements to Junction 9 and Drivers roundabout, this funding will be repaid to the HCA from S106 and CIL collected by the Council from developers

Property Company – A Better Choice for Property

86. The Council's property company, A Better Choice for Property, requires financing to purchase its assets. The Council set aside an allocation of £10m that can be accessed by the company, based on a draw down over 5 years. 2017/18 will be the fourth year of the agreement.
87. The company as at January 2017 has drawdown £3,645,000 resulting in the purchase of 21 properties within the borough. A further £2.3m is still available for draw down which is approved to be released by the Trade and Enterprise Board in November 2015. This leaves a remaining amount of £4m which can be accessed if appropriate investments can be made subject to a business plan.
88. The Council will finance this £10m from accessing loans from the Public Works Loan Board (PWLB) or temporary borrowing and charging the

company a competitive market rate above the PWLB or market rate which will attract a net revenue interest receipt for the Council.

89. This financing investment was approved under the Borrowing and Acquisition Policy.

Housing Revenue Account Capital Programme

90. Housing HRA projects during 2017/18 includes:
- Continuation of the affordable housing programme with a number of sites coming forward from early 2017.
 - Danemore Sheltered Housing Scheme redevelopment will start early in 2017/18.

Recommendations (Part Four)

91. The Cabinet is asked to:
- XI. Recommend to Council that the Capital Budget for 2017/18 in **Appendix G** is approved.

PART FIVE – PRUDENTIAL INDICATORS, TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

Prudential Indicators

92. It is a requirement for the council to set prudential indicators on an annual basis. These are a framework designed to govern decision-making over the financing of capital expenditure. They are set to a level that will allow the council to meet its Medium Term Financial Plan, accommodate the debt for HRA reform and make provision for the Council's Capital Programme. This informs the recommended "Affordable Borrowing Limit" as shown under the heading 'Authorised Limit for External Debt'. The council must have regard to the prudential code when setting the Affordable Borrowing Limit. This essentially ensures that our total capital investment remains within sustainable limits as defined by the Council, and in particular, that the impact upon its future council tax and council rent levels is 'acceptable'
93. The prudential indicators recommended for 2017/18 are detailed in **Appendix H**.

Treasury Management Strategy Statement & Annual Investment Strategy

94. The Council adopted the CIPFA Code of Treasury Management on 20th March 2002. Any subsequent amendments will also be followed.
95. The code provides a framework to ensure that the Council gives appropriate consideration to its Borrowing and investment activities and sets appropriate controls commensurate with the Council's risk appetite.
96. As part of a proactive approach to treasury management officers consider both investment opportunities and also the opportunities for debt restructuring to benefit from discounts offered on existing debt and lower interest rates. As at 9 January 2017 the Council had £119.6m of borrowing relating to HRA reform and Investments of £48.3m.
97. In 2017/18 the Council's General Fund Net Interest on Borrowing and Investments is forecast to be a net surplus of circa £291,000. This reflects the low interest rates currently available for short term borrowing which are below the returns being generated on the Council's long term strategic investments. However, Officers will evaluate all investment and borrowing decisions as they arise with a view to achieving the best rates over the period of the borrowing. The use of internal balances will also be considered as a means of financing, although the benefits between internal and external borrowing will be monitored.
98. The proposed Treasury Management Strategy Statement for 2017/18 is attached at **APPENDIX I** (it is a requirement to review this annually).

HRA Debt Pools

99. The regulations allow councils to determine the number of debt pools (one, two or three) it wishes to operate. A 'two-pool' approach has been adopted; loans are split between the HRA & GF and new loans are added to each pool as required. Interest expenditure on external borrowing attributed to the HRA is

charged directly to the HRA. Interest expenditure on external borrowing attributed to the General Fund will be charged to the General Fund.

100. Where the HRA or GF has surplus cash balances which allow either account to have external borrowing below its level of CFR (internal borrowing), the rate charged on this internal borrowing will be based on the average rate of interest earned on cash balances for the financial year.

Annual Minimum Revenue Provision Statement

101. Each year the council must agree a statement on its policy for making a minimum revenue provision (MRP) (set aside for debt repayment).
102. There are four options available to the council as set out below:
- Option 1: Regulatory Method (4% borrowing requirement)
 - Option 2: Capital Financing Requirement (CFR) Method (4% of non-housing borrowing requirement)
 - Option 3: Asset Life Method (based on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure)
 - Option 4: Depreciation Method (dependent on depreciation policy)

Proposed MRP Policy

103. Options 3 and 4 apply to new capital expenditure, and Option 3 is the most practical to adopt.
104. In relation to option 3 there are two methods under this option for estimating the MRP requirement,
- a) based on equal instalments over the useful life of the asset,
and
 - b) based on an annuity repayment based on an appropriate annual interest rate.
105. The Council has previously adopted 'a', but has now recommending option 'b' as this generates short term savings and better matches the MRP expense with the cash flows for the assets going forward.
106. MRP for Loans to wholly owned Council companies will be calculated on an annuity basis using the interest rates agreed for the loan for 50 years or an appropriate term based on the life of the asset being funded.
107. MRP in respect of PFI (Private Financing Initiative) and leases brought on to the balance sheet will match the annual principal repayment for the associated deferred liability. This is a mandatory requirement, although in this instance does not affect the council's net expenditure.

Recommendations (Part Five)

108. The Cabinet is asked to:

XII) Recommend the Prudential Indicators and MRP Policy as set out in **Appendix H** and the Treasury Management Strategy Statement at **APPENDIX I**.

PART SIX –FINANCIAL PROCEDURE RULES & CHANGES TO VIREMENT LIMITS

Financial Procedure Rules

109. Last year as part of the succession planning the Head of Finance was made the S151 Officer with the Deputy Chief Executive as deputy. This year it is proposed that provision is made for an additional deputy within the constitution with the role being filled by the Accountancy Manager.

Risk Based Verification

110. The risk based verification procedure for Housing Benefit and Council Tax Benefit/Support was introduced from 1 April 2012. DWP guidance at the time specified that any such policy must be approved by members annually.
111. The policy for 2017/18 needs to be adopted, and there have been no changes made.
112. The full policy can be found in **Appendix J**

Recommendations (Part Six)

113. The Cabinet is asked to:
- XII. Recommend that the Accountancy Manager is appointed as the Deputy Section 151 Officer in addition to the Deputy Chief Executive
 - XIII. Approve the Risk Based Verification policy as outlined in **Appendix J**

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

114. The council has a legal duty to set a balanced budget and must take all reasonable factors into account when doing so. Under the Local Government Act 2003 the Chief Financial Officer (the Head of Finance) has a duty to advise the council about the robustness of the budget and the adequacy of the council's reserves. This section contains that advice.
115. The past year and the foreseeable future for local government continue to be dominated by public spending reduction plans. In October the Council accepted the Governments offer of a provisional four year financial settlement for local authorities. This gives a measure of certainty to the Councils Funding however New Homes Bonus and Business Rates are outside of this offer.
116. Government has announced reducing grant funding linked to its intention to allow authorities to retain 100% of Business Rates and having a greater share of responsibilities. This principle is generally welcomed as it would enable the Council to become less reliant on Government funding. However greater financial independence and possible extra financial gain also attracts more risk as councils would carry much of the downside risks associated with business rates which includes Business Rates appeals which are expected to increase in view of the recent revaluation. To help mitigate this risk the Council currently holds an earmarked reserve as set out in **Appendix X**.
117. For prudence and as a financial planning target our Medium Term Financial Plan reflects falling government formula grants to a 'de minimis' level with a target for the council to become un-reliant on revenue support grant by 2018-2019. This plan then relies on the council growing its income base from other sources including: a growing retention of business rates under the government's local retention scheme, new revenue from targeted housing and property investments. The plan also assumes continued support from new homes bonus at approximately 50% (although at reduced levels with a reduction in payment from 6 years to 4) of the total potential bonuses. The Plan also assumes modest increases in Council Tax at 2% per annum which is less than the maximum allowed at £5 building in some scope to manage funding risk if necessary.
118. Given the lengthy and comprehensive business, financial planning and scrutiny processes leading up to this point including members' roles in business plan project delivery; the corporate plan including financial planning involving the cabinet, and the full part played recently by the Overview and Scrutiny Committee and its Task Group, there is no doubt that members and officers have had a full opportunity to understand the context and the issues facing the council.
119. This evidence is clear demonstration the council and its management team give serious regard to financial planning, to the management of resources, and to assessments of financial and operational risk.

Robustness

120. Robustness involves three considerations:
- I. consideration of the **context** in which the budget is set and how that context is understood, may develop and therefore influence budgetary issues,
 - II. consideration of the various **components** of the budget, and
 - III. **weighing-up** all factors and taking a balanced view.

Context

121. As previously highlighted and reported comprehensive advice was provided to members concerning our financial forecasts and their underlying assumptions. Final assumptions are the results of reviews with the cabinet over the summer, and a review by the Overview and Scrutiny Committee's budget task group.
122. As with any budget there are uncertainties as no budget can capture all future risks, however there is a corporate contingency within the budget for general unforeseen pressures.
123. This budget is set at a time when the economy is performing more strongly, though there is considerable uncertainty in the future in light of the referendum result and subsequent negotiations on the UK's exit from the EU. Inflation is expected to rise in light of the devaluation of the pound, however it is expected to return to trend after a period of correction, and interest rates remain low. Pressures on personal incomes continue, though more recently with surveys showing increased consumer confidence and some wage growth. However, some service pressures remain for local authorities associated with the welfare reforms and pressures on housing (both HRA and temporary accommodation) which are likely to continue for the foreseeable future.
124. Ashford's local position is relatively stronger with positive signs of commercial expansion over the coming years and new housing supply remaining buoyant.
125. We are now reaching the end of the fourth year of the business rates retention scheme with encouraging results for business rate yield and a growth above target of the locally retained element. The business rates pool for much of Kent provides significant opportunities to increase the retained element.
126. With good opportunities and risks still to manage this draft budget (and the associated Medium Term Financial Plan) takes a considered view of both. It builds in prudent allowances as contingencies, and contributions for reserves given the cuts in future funding – the council needs a cushion to help manage the transition. The policy of not budgeting to use new homes bonus rewards for new projects until bonuses are achieved is to be maintained.
127. The MTFP aims to replace the revenue support grant element of formula grant with other sustainable sources of income by 2018/19. .

128. Consequently 2017/18 will continue to see proposals and affects arising from the expanded use of the council's prudential borrowing to support asset purchases and other investments, including further lending to the council's property company. Appropriate business planning and governance arrangements are in place to ensure that opportunities and associated risks are evaluated as part of the decision-making processes. It is important these processes are maintained.

Key components of the budget

129. Detailed advice is set out in **Appendix X**, which considers the budget across a number of key components. Additionally, members have received the advice and recommendations from the Overview and Scrutiny Committee, which has commented comprehensively on areas of risk within and agreed a risk matrix for on-going review. After considerable work its Task Group agreed to recommend that the draft budget is deliverable and accepted the service risk registers as the risks within the budget. The Chairman of the Task Group has highlighted staffing pressures, and resource programming as overarching areas of risk to be managed.
130. The Task Group's work highlighted areas of the budget that present some higher risks to delivery, which will be taken into account by services and our corporate risk management arrangements. Higher risks continue to be associated with the government's funding policies for local authorities and the risks inherent in the council exploring investment opportunities aimed at securing revenue streams to substitute for longer term grant reductions. Here the Cabinet and the Council's governance arrangements are designed to ensure that risks are evaluated, monitored and mitigated.
131. Inevitably there will be times when unplanned and unforeseeable pressures arise. Where this happens the Management Team will first consider the scope to absorb such pressures, but where this is not possible, then, and using the flexibility within financial procedure rules, the Management Team has the ability to deal with urgent pressures. The budget contains a service contingency provision for such risks.

Weighing-up

132. This budget is developed against a backcloth of substantial externally influenced change and an economic climate that is recovering, with good potential locally, but nevertheless not without continuing pressures and uncertainty. **Appendix J** and the Overview and Scrutiny Committee's review highlight, risks should be manageable through processes in place supported by the totality of the council's contingencies and reserves.
133. Supported by our strong governance of financial management and the council's commitment to deliver sustainable longer-term positions, members can be confident this budget is robust.

Adequacy of Reserves

134. Section Two covers the reserves position with a detailed forecast included in **Appendix K**.

135. The proposed policy position is that reserves need to be maintained at adequate levels, with the **un-earmarked general fund reserve** maintained at 15% of net general fund revenue spending.
136. For 2017/18 this amounts to a minimum unallocated reserve requirement of circa £2.25m. Un-earmarked reserves, after planned drawings will stand at £2.29m, therefore it is proposed in Part 2 of this report to amalgamate some of the earmarked reserves into the General Reserves to achieve the 15% level.
137. Earmarked reserves (excluding section 106 developer contributions), again after planned drawings stand at £9.05m. By the end of 2016/17 total revenue reserves are expected to amount to circa £9.3m.
138. Overall the advice is the council has adequate levels of reserves to support its budget and other requirements for the coming year and future liabilities, including the planned cushion for the next two years against grant reductions forecast while alternative revenues develop in scale.
139. As ever reserve levels need close management to ensure they remain adequate and that longer term MTFP plans for resilience are sustainable.
140. Our budget monitoring will continue to highlight to Cabinet and Management Team approved movements in the use of reserves including reporting any actions of the management team taken to address new pressures or priority needs.
141. On the capital side General Fund capital receipts (cash from asset disposals) remain fairly limited with reduced scope for new general fund commitments that are unsupported by income returns to offset the borrowing costs. Usable capital reserves for the General Fund (excluding Section 106 developer contributions held) were minimal, at £2,246 as at 31/03/2016 and after the proposed programme will stand around the same.
142. Officers will continue to focus on optimising the value of our assets, though some priority will be given to achieving greater revenue returns where achievable as an alternative to outright sales. The council is also intending to make more use of its prudential borrowing power, as this can and will be used to fund investments that yield suitable returns that cover financing costs. Further, New Homes Bonus has provided an alternative source for capital investments and this may continue, although the scope is likely to reduce assuming NHB funds are cut.
143. As **Appendix K** and the Overview and Scrutiny Committee's review highlight, risks should be manageable through this proposed budget and the decision-making processes in place. The Council's reserves although reducing due to the investments made remain reasonably healthy and provide the means to cushion unexpected shocks.
144. Supported by our strong processes of financial management and the council's commitment to deliver sustainable longer-term positions, members can be confident this budget is robust.

Recommendations (Part Seven):

145. The Cabinet is asked to:

- XIV. Note the advice from the Chief Financial Officer concerning the robustness of the estimates and the adequacy of reserves.

Contact and Email

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LIST OF APPENDICES

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	B	Service Expenditure
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Appendix A

REVENUE BUDGET				
SUMMARY				
Actuals	Budget	Projected	Detail	Estimate
2015/16	2016/17	Outturn		2017/18
£	£	2016/17		£
£	£	£		£
1,257,747	1,270,720	1,360,180	Corporate & Strategy	1,375,250
1,237,036	1,380,320	1,449,310	Legal & Democratic	1,361,440
2,128,990	1,983,050	1,886,620	Planning & Development	1,937,930
845,169	2,554,620	2,538,580	Financial Services	2,643,320
181,637	291,010	351,990	HR, Communications and Technology	433,210
769,142	915,720	823,770	Housing Services	654,790
393,553	838,400	671,340	Health, Parking & Community Safety	516,490
4,714,705	4,963,150	4,736,900	Environment and Customer Services	4,909,440
(1,375,820)	(1,500,070)	(1,336,680)	Corporate Property & Projects	(1,399,390)
3,095,743	2,713,130	2,839,460	Cultural Services	2,972,040
13,247,902	15,410,050	15,321,470	Service Expenditure	15,404,520
(2,340,864)	(1,475,830)	(2,058,080)	Capital Charges & Net Interest	(2,032,910)
40,190	30,260	30,260	Concurrent Functions Grant	30,260
241,098	241,000	241,000	Levies	250,000
3,632,509	1,316,670	1,991,670	Contribution to Balances	1,319,041
14,820,834	15,522,150	15,526,320	ABC Budget Requirement	14,970,911
			Income	
(2,114,651)	(1,269,920)	(1,269,920)	Government Grant	(615,360)
(2,281,862)	(3,410,410)	(3,410,410)	Retained Business Rates	(3,422,120)
(933,921)	(538,000)	(538,000)	Business Rates S31 Grants	(500,000)
(3,150,387)	(3,782,820)	(3,782,820)	New Homes Bonus	(3,394,891)
41,280	41,500	41,500	Parish CTS Payment	40,900
0	0	0	Collection Fund Surplus	(200,000)
(6,352,539)	(6,562,500)	(6,562,500)	Council Tax	(6,879,440)
28,754	0	4,170	Budget Gap	0

Appendix B

Service Expenditure				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Corporate & Strategy	
761,243	834,450	886,130	Corporate Allocable Costs	681,390
360,917	274,970	250,280	Corporate Management	483,460
(17,803)	0	0	Chilmington	0
153,390	161,300	223,770	Policy and Performance	210,400
1,257,747	1,270,720	1,360,180		1,375,250
			Legal & Democratic	
823,136	903,220	849,890	Democratic Representation	876,850
331,102	422,920	448,640	Electoral Services	435,320
26,889	4,850	101,450	Legal	0
55,908	49,330	49,330	Mayor	49,270
1,237,036	1,380,320	1,449,310		1,361,440
			Planning & Development	
182,099	144,580	151,530	Building Control	110,240
1,065,824	906,920	945,910	Development Control	898,330
405,973	392,000	295,450	Economic Development	291,840
(39,680)	(8,620)	(2,690)	Land Charges	(5,750)
(71)	0	(55,240)	Planning Administration	(10)
514,845	548,170	551,660	Strategic Planning	643,280
2,128,990	1,983,050	1,886,620		1,937,930
			Financial Services	
1,888	2,050	2,050	Accountancy	0
(5,079)	40	2,180	Audit Partnership	50
778,754	823,710	805,120	Benefits Administration	766,220
256,369	442,070	422,180	Council Tax Collection	457,150
993	(1,130)	7,170	Debtors/Debt Recovery	(1,030)
77,296	71,250	71,250	Exchequer	46,190
(1,859,481)	(256,000)	(256,000)	Housing Benefits Payments	(256,000)
63,311	0	0	Miscellaneous Expenditure	0
(89,788)	(82,120)	(70,120)	NNDR Collection	(65,230)
1,620,907	1,554,750	1,554,750	Non-Distributed Costs	1,695,970
845,169	2,554,620	2,538,580		2,643,320
			HR, Communications and Technology	
230,139	279,260	279,260	Communications & Marketing	336,100
0	(10)	(10)	Telephony	40
(45,911)	(81,360)	(15,210)	ICT	7,070
(2,591)	93,120	87,950	Personnel & Development	90,000
181,637	291,010	351,990		433,210

Appendix B continued

Service Expenditure				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Housing Services	
79,928	51,620	99,080	Private Sector Housing	26,010
128,289	145,770	64,370	Housing Strategy and Enabling	53,220
582,562	721,460	691,460	Housing Options	644,390
(8,370)	10	(8,070)	Facilities Management	(66,020)
(13,267)	(3,140)	(23,070)	Gypsy Site - Chilmington	(2,810)
769,142	915,720	823,770		654,790
			Health, Parking & Community Safety	
474,110	525,020	553,560	Community Safety,AMC,Licencing	496,720
652,265	669,590	629,460	Environmental Health	659,710
(732,822)	(356,210)	(511,680)	Parking & Engineering	(639,940)
393,553	838,400	671,340		516,490
			Environment and Customer Services	
3,428	(20)	(20)	Visitor & Call Centre	10
678,574	784,030	755,820	Street Scene	568,800
2,788,238	3,006,470	2,846,680	Refuse,Recycling,Street Clean	3,010,760
1,244,465	1,172,670	1,134,420	Grounds Maintenance	1,329,870
4,714,705	4,963,150	4,736,900		4,909,440
			Corporate Property & Projects	
13,394	41,560	41,560	Project Delivery Team	37,920
30,439	12,000	101,050	Town Centre Development	144,430
(1,419,653)	(1,553,630)	(1,479,290)	Corporate Property	(1,581,740)
(1,375,820)	(1,500,070)	(1,336,680)		(1,399,390)
			Cultural Services	
351,400	219,070	300,200	Cultural Services Management	239,050
1,675,424	1,343,460	1,434,240	Leisure Centres	1,539,240
160,988	161,590	169,090	Open Spaces and Conservation	267,380
309,161	418,860	368,860	Single Grants Gateway	318,860
221,085	146,340	146,340	Tourism & Heritage	144,180
377,685	423,810	420,730	Cultural Projects	463,330
3,095,743	2,713,130	2,839,460		2,972,040
13,247,902	15,410,050	15,321,470	NET EXPENDITURE ON SERVICES	15,404,520

Analysis of Reserves

	2016/17			2017/18			Balance at 31st March 2018 £'000
	Balance at 31st March 2016 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2017 £'000	Transfers In £'000	Transfers Out £'000	
	General Fund Balance	(1,891)	(1,071)	141	(2,821)	0	
	(1,891)	(1,071)	141	(2,821)	0	81	(2,740)
<i>Earmarked Reserves</i>							
Business Rate Income Res	(1,877)		757	(1,120)			(1,120)
Elections	(269)	(60)	200	(129)	(60)		(189)
Focus 2013-15	(494)		494	0			0
Green Transport Initiatives	(50)	(5)	50	(5)	(5)		(10)
Interest Rate Reserve	(117)		117	0		100	100
Insurance Reserve	(215)		215	0			0
Land Searches Reserve	(153)			(153)			(153)
Members' IT	(23)	(5)		(28)	(5)		(33)
Netball Centre Reserve	(12)	(5)		(17)	(5)		(22)
New Homes Bonus	(1,255)	(1,355)		(2,610)	(1,455)		(4,065)
New Initiatives Reserve	(500)	(2,329)	135	(2,694)		1,680	(1,014)
Planning Delivery Grant	(400)		200	(200)		200	0

Appendix C continued

	2016/17			2017/18			Balance at 31st March 2018 £'000
	Balance at 31st March 2016 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2017 £'000	Transfers In £'000	Transfers Out £'000	
Chilmington reserve	(100)		100	0			0
Repairs & Renewals	(997)	(183)	50	(1,130)		85	(1,045)
Section 106 Monitoring Fee	(94)		25	(69)		25	(44)
Service Pressure Reserve	(1,240)			(1,240)			(1,240)
St Mary's Church Ruin	(5)			(5)			(5)
Stour Centre	(1,075)		1,000	(75)			(75)
Transport Initiatives	(145)			(145)			(145)
Waterside Reserve	(28)	(5)		(33)	(5)		(38)
<i>Developer Contributions</i>							
S106 Unapplied Grants	(5,473)			(5,473)			(5,473)
Commuted Sums Unapplied Grants	(865)			(865)			(865)
Spg6 Unapplied Grants	(777)			(777)			(777)
Total Earmarked Reserves	(16,164)	(3,947)	3,343	(16,768)	(1,535)	2,090	(16,213)

Discretionary Fees 2017/18

DISCRETIONARY & STATUTORY FEES 2017/18								
LICENSING FEES								
Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %	
Licensing Act								
Premises - new application	Statutory	Fee band - A	NB	100.00	100.00	100.00	0.00%	
		Fee band - B	NB	190.00	190.00	190.00	0.00%	
		Fee band - C	NB	315.00	315.00	315.00	0.00%	
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	450.00	450.00	450.00	0.00%	
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	635.00	635.00	635.00	0.00%	
		Premises allowing 5000+ people attract additional		See regulation for detail				
		Premises where only licensable activity is regulated entertainment & premises is education, church hall, village hall or similar		No fee payable				
Premises - annual fee	Statutory	Fee band - A	NB	70.00	70.00	70.00	0.00%	
		Fee band - B	NB	180.00	180.00	180.00	0.00%	
		Fee band - C	NB	295.00	295.00	295.00	0.00%	
		Fee band - D - if exclusively or primarily for supply, sale or consumption of alcohol <u>double</u> the fee	NB	320.00	320.00	320.00	0.00%	
		Fee band - E - if exclusively or primarily for supply, sale or consumption of alcohol <u>triple</u> the fee	NB	350.00	350.00	350.00	0.00%	
		Premises allowing 5000+ people attract additional fees		See regulation for detail				
		Personal	Statutory		NB	37.00	37.00	37.00
Temporary Event Notice	Statutory		NB	21.00	21.00	21.00	0.00%	
Change of address notification	Statutory		NB	10.50	10.50	10.50	0.00%	
Replacement licence etc (due to loss/theft)	Statutory		NB	10.50	10.50	10.50	0.00%	
Designated premises supervisor variation	Statutory		NB	23.00	23.00	23.00	0.00%	
Premises licence transfer	Statutory		NB	23.00	23.00	23.00	0.00%	
Club registration change	Statutory		NB	10.50	10.50	10.50	0.00%	
Club name or rules notification	Statutory		NB	10.50	10.50	10.50	0.00%	
Interim Authority Notice	Statutory		NB	23.00	23.00	23.00	0.00%	
Provisional Statement	Statutory		NB	315.00	315.00	315.00	0.00%	
Freeholder notification of licensing matters	Statutory		NB	21.00	21.00	21.00	0.00%	
Minor Variation	Statutory		NB	89.00	89.00	89.00	0.00%	

DISCRETIONARY & STATUTORY FEES 2017/18

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Animal Welfare and Public Health Licences							
Dog Breeding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Animal Boarding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Home Boarding	Discretionary	New Licence	NB	86.00	87.00	89.00	2.30%
	Discretionary	Renewal	NB	67.00	67.00	68.00	1.49%
Pet Shops	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	137.00	138.00	141.00	2.17%
	Discretionary	Variation	NB	137.00	138.00	141.00	2.17%
	Discretionary	Concurrent 2nd application	NB	69.00	69.00	70.00	1.45%
Riding Establishments	Discretionary	New Licence	NB	555.00	557.00	568.00	1.97%
	Discretionary	Renewal	NB	401.00	403.00	411.00	1.99%
	Discretionary	Variation	NB	75.00	76.00	78.00	2.63%
	Discretionary	Concurrent 2nd application	NB	35.00	35.00	36.00	2.86%
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	916.00	922.00	940.00	1.95%
	Discretionary	Renewal (2 year licence)	NB	627.00	631.00	644.00	2.06%
	Discretionary	Variation	NB	323.00	325.00	332.00	2.15%
	Discretionary	Concurrent 2nd application	NB	81.00	82.00	84.00	2.44%
Zoos	Discretionary	Consideration	NB	1,141.00	1,149.00	1,172.00	2.00%
	Discretionary	Licence (4 year licence)	NB	1,881.00	1,894.00	1,932.00	2.01%
	Discretionary	Renewal (6 year licence)	NB	2,822.00	2,842.00	2,899.00	2.01%
	Discretionary	Dispensation - 14(1)(a)	NB	459.00	462.00	471.00	1.95%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Public Health Licences							
Acupuncture	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	329.00	331.00	338.00	2.11%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Electrolysis	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Cosmetic Piercing (excluding ear piercing)	Discretionary	Initial registration practitioner/premises	NB	329.00	331.00	338.00	2.11%
	Discretionary	Additional practitioner/premises	NB	104.00	105.00	107.00	1.90%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Ear Piercing	Discretionary	Initial registration practitioner/premises	NB	170.00	171.00	174.00	1.75%
	Discretionary	Additional practitioner/premises	NB	104.00	29.00	29.00	0.00%
	Discretionary	Minor variation	NB	29.00	29.00	29.00	0.00%
Hairdressing	Statutory	Registration		No fee payable			
Sex Establishments Licence							
Sex Shops, Sex Cinemas and Sexual Entertainment Venue Licences	Discretionary	Grant	NB	3,204.00	3,204.00	3,268.00	2.00%
	Discretionary	Renewal	NB	350.00	350.00	300.00	-14.29%
	Discretionary	Transfer	NB	350.00	350.00	300.00	-14.29%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Street Trading and Consents							
Publicity Displays	Statutory			No fee payable			
Street Collection Permit	Statutory			No fee payable			
Street Trading Licence	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
Casual Street Trading Licence/Consent For One Off Event	Discretionary	Grant	NB	11.50	12.00	12.00	0.00%
Casual Street Trading Licence for Market	Discretionary	Monthly	NB	25.00	26.00	26.00	0.00%
Street Trading Consent	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
New Site Street Trading Consent - static	Discretionary	Grant -if planning permission already granted	NB	100.00	100.00	100.00	0.00%
New Site Street Trading Consent - static	Discretionary	Grant - if no planning permission at time of application	NB	200.00	200.00	200.00	0.00%
New Site Street Trading Consent - short term static	Discretionary	Grant - 1 site £100 (£25 extra for each additional site, i.e. £125 for 2 sites, £150 for 3 sites	NB	£100 per site plus £25 per additional site	£100 per site plus £25 per additional site	£100 per site plus £25 per additional site	0.00%
Hawker Street Trading Consent	Discretionary	Yearly	NB	71.00	72.00	73.00	1.39%
Town Centre Commercial Booking	Discretionary	Daily (Monday - Friday, Sunday).For 4 consecutive days deduct £100 from total cost 5 consecutive days deduct £150, and for 6 consecutive days deduct £200)	NB	150.00	150.00	150.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, weekdays and Sundays	NB		50.00	50.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, Saturdays	NB		75.00	75.00	0.00%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	200.00	200.00	200.00	0.00%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Street Trading Consent Rents							
Fumers Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Fumers Wood Lay-by - hot food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Tenterden bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Tenterden bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Great Chart - A28 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Great Chart - A28 Ashford bound Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Maidstone bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Maidstone bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Hothfield - A20 Ashford bound - Non Food	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Hothfield - A20 Ashford bound - Food	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Henwood	Discretionary	Monthly rents	NB	206.50	206.50	206.50	0.00%
Recreation Ground Road car park	Discretionary	Monthly rents	NB	380.00	380.00	380.00	0.00%
Potters Corner, Hothfield	Discretionary	Monthly rents	NB	225.00	225.00	225.00	0.00%
Hall Avenue, Sevington	Discretionary	Max 28 days use per year	NB	240.00	240.00	240.00	0.00%
Chilham Mill	Discretionary		NB	225.00	225.00	225.00	0.00%
Council Land							
Charity	Discretionary			No fee payable			
Commercial (e.g. circuses and funfairs)	Discretionary	per operating day	NB	267.00	270.00	275.00	1.85%
	Discretionary	per non-operating day	NB	190.00	190.00	194.00	2.11%

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Food Hygiene							
Level 2 course	Discretionary		EX	48.00	48.00	48.00	0.00%
Re-sit (at time of next course)	Discretionary		EX	18.00	18.00	18.00	0.00%
Re-sit (oral)	Discretionary		EX	42.00	42.00	42.00	0.00%
Food Safety Charges							
Food Surrender Certificate	Discretionary		NB	95.00	96.00	0.00	-100.00%
Inspection (Voluntary Surrender) or Disposal	Discretionary	Per hour	NB	93.00	94.00	50.00	-46.81%
plus tipping charge at cost	Charged by tip			NA	NA	NA	NA
Export Certificate for food manufacture	Discretionary		NB	158.00	159.00	55.00	-65.41%
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	303.00	305.00	311.00	1.97%
Scrap Metal Collectors Licence	Discretionary		NB	202.00	205.00	209.00	1.95%
Scrap Metal Site Licence - Renewal	Discretionary		NB	202.00	205.00	209.00	1.95%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	101.00	102.00	104.00	1.96%
Scrap Metal Variations	Discretionary		NB	76.00	77.00	79.00	2.60%
Scrap Metal Replacement Licence	Discretionary		NB	11.00	11.00	11.00	NA

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
New small casino	Statutory	New application	NB	6,506.00	6,570.00	6,570.00	0.00%
		Annual fee	NB	3,701.00	3,730.00	3,730.00	0.00%
		Variation	NB	2,671.00	2,690.00	2,690.00	0.00%
		Transfer	NB	1,553.00	1,564.00	1,564.00	0.00%
		Re-instatement	NB	1,305.00	1,314.00	1,314.00	0.00%
		Provisional statement	NB	6,506.00	6,570.00	6,570.00	0.00%
		Provisional statement holders	NB	2,319.00	2,335.00	2,335.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
New large casino	Statutory Maximum	New application	NB	7,806.00	7,860.00	7,860.00	0.00%
		Annual fee	NB	7,469.00	7,520.00	7,520.00	0.00%
		Variation	NB	3,530.00	3,555.00	3,555.00	0.00%
		Transfer	NB	1,822.00	1,835.00	1,835.00	0.00%
		Re-instatement	NB	2,055.00	2,070.00	2,070.00	0.00%
		Provisional statement	NB	7,806.00	7,860.00	7,860.00	0.00%
		Provisional statement holders	NB	3,831.00	3,860.00	3,860.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Regional casino	Statutory Maximum	New application	NB	12,299.00	12,380.00	12,380.00	0.00%
		Annual fee	NB	11,533.00	11,610.00	11,610.00	0.00%
		Variation	NB	5,766.00	5,800.00	5,800.00	0.00%
		Transfer	NB	4,198.00	4,230.00	4,230.00	0.00%
		Re-instatement	NB	4,198.00	4,230.00	4,230.00	0.00%
		Provisional statement	NB	12,299.00	12,380.00	12,380.00	0.00%
		Provisional statement holders	NB	5,989.00	6,030.00	6,030.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Bingo club	Statutory Maximum	New application	NB	2,236.00	2,250.00	2,250.00	0.00%
		Annual fee	NB	697.00	700.00	700.00	0.00%
		Variation	NB	1,527.00	1,540.00	1,540.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	2,236.00	2,250.00	2,250.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Betting Premises (excluding tracks)	Statutory	New application	NB	2,273.00	2,290.00	2,290.00	0.00%
		Annual fee	NB	449.00	455.00	455.00	0.00%
		Variation	NB	1,289.00	1,300.00	1,300.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	2,236.00	2,250.00	2,250.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Tracks	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	694.00	700.00	700.00	0.00%
		Variation	NB	1,170.00	1,180.00	1,180.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Family Entertainment Centres	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	601.00	605.00	605.00	0.00%
		Variation	NB	787.00	795.00	795.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	761.00	770.00	770.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Adult Gaming Centre	Statutory Maximum	New application	NB	1,749.00	1,760.00	1,760.00	0.00%
		Annual fee	NB	697.00	705.00	705.00	0.00%
		Variation	NB	788.00	795.00	795.00	0.00%
		Transfer	NB	849.00	855.00	855.00	0.00%
		Re-instatement	NB	849.00	855.00	855.00	0.00%
		Provisional statement	NB	1,749.00	1,760.00	1,760.00	0.00%
		Provisional statement holders	NB	921.00	930.00	930.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
Temporary Use Notices	Statutory Maximum	Notification of change	NB	50.00	50.00	50.00	0.00%
		New application	NB	202.00	204.00	204.00	0.00%
Licensed Premises Gaming Machine	Statutory	Copy licence	NB	25.00	25.00	25.00	0.00%
		Grant	NB	150.00	150.00	150.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Transfer	NB	25.00	25.00	25.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Lottery Registration	Statutory Maximum	New Application	NB	40.00	40.00	40.00	0.00%
		Renewal	NB	20.00	20.00	20.00	0.00%
Licensed Premises Automatic Notification Process	Statutory Maximum	Notification	NB	50.00	50.00	50.00	0.00%
Club Gaming Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
Copy of permit	NB	15.00	15.00	15.00	0.00%		

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Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Gambling Act							
Club Machine Permits	Statutory Maximum	Grant	NB	200.00	200.00	200.00	0.00%
		Grant (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Variation	NB	100.00	100.00	100.00	0.00%
		Renewal	NB	200.00	200.00	200.00	0.00%
		Renewal (Club Premises Certificate holder)	NB	100.00	100.00	100.00	0.00%
		Annual Fee	NB	50.00	50.00	50.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Family Entertainment Centre Gaming Machine Permit	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
Prize Gaming Permits	Statutory Maximum	Grant	NB	300.00	300.00	300.00	0.00%
		Renewal	NB	300.00	300.00	300.00	0.00%
		Existing operator grant	NB	100.00	100.00	100.00	0.00%
		Change of name	NB	25.00	25.00	25.00	0.00%
		Copy of permit	NB	15.00	15.00	15.00	0.00%
		Annual Fee	NB	20.00	20.00	20.00	0.00%

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LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Hackney Carriage/Private Hire							
Hackney Carriage & Private Hire Drivers Licence	Discretionary	For 1 year	NB	50.00	50.00	50.00	0.00%
		For 3 years	NB	100.00	100.00	101.00	1.00%
Vehicle Licence	Discretionary	New	NB	303.00	305.00	308.00	0.98%
		Renewal	NB	283.00	285.00	288.00	1.05%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	20.00	20.00	20.00	0.00%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	76.00	125.00	126.00	0.80%
		4-10 Vehicles	NB	253.00	420.00	424.00	0.95%
		11-20 Vehicles	NB	505.00	840.00	848.00	0.95%
Drivers Badge (replacement)	Discretionary		NB	11.00	11.00	11.00	0.00%
Fee for Returned (Bounced) Cheques	Discretionary		NB	16.00	16.00	16.00	0.00%
Transfer of vehicle licence (including plate)	Discretionary		NB	25.00	25.00	26.00	4.00%
Replcement Plate (internal/external)	Discretionary		NB	25.00	25.00	25.00	0.00%
			NB	25.00	25.00	25.00	0.00%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3 to 4-10	NB	177.00	290.00	293.00	1.03%
	Discretionary	Category 4-10 to 11-20	NB	253.00	420.00	424.00	0.95%
Replacement Licence	Discretionary		NB	11.00	11.00	11.00	0.00%
Hackney carriage knowledge test	Discretionary			50.00	50.00	50.00	0.00%
DBS	Set by Home Office		NB	44.00	44.00	44.00	0.00%

VAT Indicator:

NB = Non Business no VAT

EX = Exempt from VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Season Tickets (Ashford)						
	Edinburgh Road Reserved 12 months	VT	1,520.00	1,520.00	1,520.00	0.00%
	Flour Mills Car Park 1 month	VT	68.00	68.00	68.00	0.00%
	Flour Mills Car Park 3 months	VT	191.00	191.00	191.00	0.00%
	Flour Mills Car Park 6 months	VT	360.00	360.00	360.00	0.00%
	Flour Mills Car Park 12 months	VT	675.00	675.00	675.00	0.00%
	Town Centre 1 month	VT	76.00	76.00	76.00	0.00%
	Town Centre 3 Months	VT	215.00	215.00	215.00	0.00%
	Town Centre 6 Months	VT	405.00	405.00	405.00	0.00%
	Town Centre 12 Months	VT	760.00	760.00	760.00	0.00%
	Henwood Parking Area 1 month	VT	54.00	54.00	54.00	0.00%
	Henwood Parking Area 3 months	VT	153.00	153.00	153.00	0.00%
	Henwood Parking Area 6 months	VT	288.00	288.00	288.00	0.00%
	Henwood Parking Area 12 months	VT	540.00	540.00	540.00	0.00%
	Henwood Parking Area Business Permit 12 months	VT	380.00	380.00	380.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Season Tickets (Tenterden)						
	Bridewell Lane Car Park 1 month	VT	76.00	76.00	76.00	0.00%
	Bridewell Lane Car Park 3 months	VT	215.00	215.00	215.00	0.00%
	Bridewell Lane Car Park 6 months	VT	405.00	405.00	405.00	0.00%
	Bridewell Lane Car Park 12 months	VT	760.00	760.00	760.00	0.00%
	Bridewell Lane Reserved 12 months	VT	1,520.00	1,520.00	1,520.00	0.00%
	*Season Tickets issued for Bridewell Lane car park are also valid in the rear car park at Tenterden Leisure Centre					
	Admin Charge for loss of season ticket	VT	10.00	10.00	10.00	0.00%
	Admin Charge for refund of Season ticket	VT	10.00	10.00	10.00	0.00%
Residents Permits						
	Zone A Annual	EX	120.00	120.00	120.00	0.00%
	Zone B Annual	EX	50.00	50.00	50.00	0.00%
	Zone D Annual	EX	30.00	30.00	30.00	0.00%
	Zone E Annual	EX	30.00	30.00	30.00	0.00%
	Zone F Annual	EX	30.00	30.00	30.00	0.00%
	Zone G Annual	EX	30.00	30.00	30.00	0.00%
	Admin Charge for loss of permit	EX	5.00	5.00	5.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Other Permits						
	Visitor's permits each	EX	1.00	1.00	1.00	0.00%
	Staff (decrementing) card per day	VT	1.00	1.00	1.00	0.00%
	Staff permit per month	VT	18.00	18.00	18.00	0.00%
	Admin Charge for loss of staff card/permit	VT	5.00	5.00	5.00	0.00%
	HPA parking permit annual	VT	760.00	760.00	760.00	0.00%
	DSA parking permit annual	VT	760.00	760.00	760.00	0.00%
Misc Charges						
	Waivers	VT	30.00	30.00	30.00	0.00%
	Additional Charge for occupying on street pay and display bay, per bay per day	VT	10.00	10.00	10.00	0.00%
	Additional Charge for occupying on street pay and Bay Suspensions per month	VT	30.00	30.00	30.00	0.00%
	Replacement of lost cones per cone	VT	50.00	50.00	50.00	0.00%
	Locked Car park-vehicle release fee	VT	20.00	20.00	20.00	0.00%
	Install white access highlight markings (dog-bones)	VT	55.00	55.00	55.00	0.00%
	Refresh white access highlight markings (dog-bones)	VT	121.00	121.00	121.00	0.00%
	Printing Charges Up to 5 pages per page	VT	158.00	158.00	158.00	0.00%
	Printing Charges more than 5 pages per page	VT	0.50	0.50	0.50	0.00%
		VT	0.10	0.10	0.10	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Car Park Charges (Ashford)						
	Civic Centre and Stour Centre car park minimum charge up to 2 hours	VT	0.80	0.80	1.50	87.50%
	Civic Centre and Stour Centre car park per hour over 2 hours. Linear Charge in 5p increments	VT	1.00	1.00	1.10	10.00%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	10.00	10.00	11.00	10.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	4.50	4.50	5.00	11.11%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.50	1.50	1.70	13.33%
	Civic Centre and Stour Centre car park Coach charge	VT	10.00	10.00	11.00	10.00%
	Dover Place Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Dover Place Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Edinburgh Road Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Edinburgh Road Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Flour Mills Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Flour Mills Car Park charge over 4 hours	VT	4.00	4.00	4.40	10.00%
	Henwood Car Park per hour	VT	0.80	0.80	0.90	12.50%
	Henwood Car Park charge over 4 hours	VT	3.20	3.20	3.50	9.38%
	Station Road Ashford Car park per hour	VT	1.00	1.00	1.10	10.00%
	Station Road Ashford Car park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Vicarage Lane Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Vicarage Lane Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Car Park Charges (Tenterden)						
	Bridewell Lane Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Bridewell Lane Car Park charge over 4 hours	VT	4.50	4.50	5.00	11.11%
	Recreation Ground Road Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Recreation Ground Road Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Station Road Car Park Tenterden per hour	VT	1.00	1.00	1.10	10.00%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Station Road Car Park Tenterden per hour Coach	VT	1.50	1.50	1.70	13.33%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Tenterden Leisure Centre Car Park per hour	VT	1.00	1.00	1.10	10.00%
	Tenterden Leisure Centre Car Park charge over 4 hours	VT	10.00	10.00	11.00	10.00%
	Tenterden Leisure Centre Car Park Coach charge per hour	VT	1.50	1.50	1.70	13.33%
	Tenterden Leisure Centre Car Park Coach charge over 4 hours	VT	10.00	10.00	11.00	10.00%

DISCRETIONARY & STATUTORY FEES 2017/18						
Parking Charges						
Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
On Street Parking Charges						
	Charge per hour before 6pm	EX	1.00	1.00	1.10	10.00%
	Charge after 6pm for parking up to 1 hour	EX	1.00	1.00	1.10	10.00%
	Charge after 6pm for parking over one hour	EX	2.70	2.70	3.00	11.11%
Penalty Charge Notices						
	Lower level	EX	50.00	50.00	50.00	0.00%
	Higher level	EX	70.00	70.00	70.00	0.00%

Where an actual recharge (based on hours worked) exceeds minimum figures above, the actual charge is to be levied unless commercial in which case an uplift of a minimum of 50% should be considered with Team Leader or Head of Service.

VAT Indicator:

EX = Exempt from VAT

VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Charge for the Supply of Information and Photocopies of Documents

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
General Photocopying	Per sheet of photocopy (for the first 10 sheets)	VT	0.37	0.37	0.37	0.00%
	Further Copies	VT	0.18	0.18	0.18	0.00%
Fax	First Page	VT	1.39	1.40	1.42	1.43%
	Each page thereafter	VT	0.74	0.75	0.76	1.33%
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate	VT	10.00	10.00	10.11	1.10%
	Architects Plans (A3 & A4)	VT	0.37	0.37	0.37	0.00%
	Architects Plans (A2+)	VT	6.21	6.25	6.32	1.12%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.70	1.71	1.73	1.17%
	All other fact sheets (per page)	VT	0.37	0.37	0.37	0.00%
Requests for Planning Information*		VT	53.50	53.90	54.49	1.09%
Requests for Building Control Information*		VT	53.50	53.90	54.49	1.09%
Inspection of approved Building Regulation Plans*		VT	53.50	53.90	54.49	1.09%
Gas and Pipeline Extracts*		VT	6.69	6.74	6.81	1.04%
Hard Copy Provision of Weekly List		VT	174.03	175.25	177.18	1.10%
Postage and Packing		VT	0.93	0.94	0.95	1.06%

*Fee for addition work on information that is freely available on website

DISCRETIONARY & STATUTORY FEES 2017/18

Sale of Documents and Room Hire

Item	Description/Comments	VAT Indicator	Charge 2015/16	Charge 2016/17	Proposed Charge 2017/18	Increase / Decrease on 2016/17
			£	£	£	%
Minutes	Council and Committees - per annum	VT	184.35	185.64	187.68	1.10%
	(excluding the Planning Committee) - per cycle	VT	37.28	37.54	37.95	1.09%
	Cabinet only - per annum	VT	122.19	123.05	124.40	1.10%
	- per cycle	VT	25.01	25.19	25.47	1.11%
	Planning Committee only - per annum	VT	122.19	123.05	124.40	1.10%
	- per cycle	VT	25.01	25.19	25.47	1.11%
	A single committee and its Sub- Committee - per annum	VT	61.97	62.40	63.09	1.11%
	(excluding the Planning Committee) - per cycle	VT	12.86	12.95	13.09	1.08%
Agendas and Reports	Council and Committees - per annum	VT	330.01	332.32	335.98	1.10%
	(excluding the Planning Committee) - per cycle	VT	66.56	67.03	67.77	1.10%
	Cabinet only - per annum	VT	617.20	621.52	628.36	1.10%
	- per cycle	VT	26.45	26.64	26.93	1.09%
	Planning Committee only - per annum	VT	617.20	621.52	628.36	1.10%
	- per cycle	VT	26.45	26.64	26.93	1.09%
	A single committee and its Sub- Committee - per annum	VT	66.56	67.03	67.77	1.10%
	(excluding the Planning Committee) - per cycle	VT	13.86	13.96	14.11	1.07%
	<i>NB Head of Legal and Democratic Services may determine a higher charge where the Agenda and Reports are in excess of 200 pages</i>					
Other Publications	Annual Budget Book / Statement of Accounts - requested by individuals	VT	8.64	8.70	8.80	1.15%
	- requested by commercial bodies	VT	42.47	42.77	43.24	1.10%
	Council Year Book	VT	3.46	3.48	3.52	1.15%
	Copy of Lease, Order etc	VT	7.61	7.66	7.74	1.04%
	Copy of Byelaws - Statutory Fee	VT	0.26	0.26	0.26	0.00%
Room Hire	Council Chamber - Up to 4 hours	VT	163.69	163.69	163.69	0.00%
	- Full Day	VT	287.34	287.34	287.34	0.00%
	- Evening after 5pm	VT	263.48	263.48	263.48	0.00%
	Committee Rooms - Up to 4 hours	VT	85.79	85.79	85.79	0.00%
	- Full Day	VT	154.09	154.09	154.09	0.00%
	- Evening after 5pm	VT	148.30	148.30	148.30	0.00%

VAT Indicator:
VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Bybrook and Willesborough Cemeteries						
COMPOSITE BURIAL FEE FOR NEW GRAVES (Includes Digging Fee, Purchase of Right of Burial for 30 years and wooden cross)	(1) Single Grave Depth	EX	1,114.00	1,122.00	1,122.00	0.00%
	(2) Double Grave Depth	EX	1,228.00	1,237.00	1,237.00	0.00%
	(3) Triple Grave Depth	EX	1,436.00	1,446.00	1,446.00	0.00%
	(4) Child under 3 months (Resident)		FREE			
	(5) Child under 3 Months (Non Resident)	EX			80.00	
	(6) Child aged 3 to 5 years (Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>		FREE			
	(7) Child aged 3 to 5 years (Non Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	EX			80.00	
	(8) Child aged 5 to 16 years (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required)				260.00	
	(9) Cremated Remains - Garden of Remembrance Willesborough	EX	400.00	403.00	403.00	0.00%
	(10) Single grave depth - includes boarding out with timber		1,339.00	1,339.00	1,339.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Bybrook and Willesborough Cemeteries						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	EX	530.00	530.00	530.00	0.00%
	(2) Double Grave Depth	EX	645.00	650.00	650.00	0.00%
	(3) Triple Grave Depth	EX	930.00	930.00	930.00	0.00%
	(4) Cremated Remains	EX	110.00	111.00	111.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)		By negotiation			

Non standard grave sizes may require the adjacent grave to be purchased if this grave is put out of use due to the over size coffin

NB: A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH. (THIS IS COMMON PRACTICE WITH OTHER AUTHORITIES)

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Tenterden Cemetery						
COMPOSITE BURIAL FEE FOR NEW GRAVES (Includes Digging Fee, Purchase of Right of Burial for 30 years and wooden cross)	(1) Single Grave Depth	EX	1,117.00	1,125.00	1,125.00	0.00%
	(2) Single Grave Depth (plus purchase of right of burial in adjoining grave) (i.e. single depth charge plus purchase charge)	EX	1,596.00	1,607.00	1,607.00	0.00%
	(3) Child under 3 months (Resident)		FREE			
	(4) Child under 3 Months (Non Resident)	EX			80.00	
	(5) Child aged 3 to 5 years (Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply</i>		FREE			
	(6) Child aged 3 to 5 years (Non Resident) (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply</i>	EX			80.00	
	(7) Child aged 5 to 16 years (please note the digging fee is waived for the digging of children's graves but if the family wish to erect a memorial at a future date a purchase fee and permit fee will be required)				260.00	
	(8) Cremated Remains - Garden of Remembrance - Large Plot	EX	469.00	472.00	472.00	0.00%
	(9) Cremated Remains - Garden of Remembrance - Small Plot	EX	318.00	326.00	326.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - Tenterden Cemetery						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	EX	602.00	606.00	606.00	0.00%
	(2) Double Grave Depth	EX	711.00	716.00	716.00	0.00%
	(3) Cremated Remains	EX	181.00	182.00	182.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)		By negotiation			

Non standard grave sizes may require the adjacent grave to be purchased if this grave is put out of use due to the over size coffin

NB: A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH. (THIS IS COMMON PRACTICE WITH OTHER AUTHORITIES)

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - All Cemeteries						
PURCHASE OF RIGHT OF BURIAL FOR 30 YEARS (Applies to pre-purchase of graves and where burial rights were not purchased prior to introduction of composite)	(1) One grave space	EX	510.00	510.00	510.00	0.00%
	(2) One cremation plot - (holds 4 sets of ashes)	EX	283.00	285.00	285.00	0.00%
	(3) One child grave aged 1 year to 16 years	EX	170.00	170.00	170.00	0.00%
RIGHT TO ERECT A MEMORIAL	(1) Right to erect a headstone or tablet (including inscription to one person) - Adult	EX	166.00	167.00	167.00	0.00%
		EX	FREE			
		EX	HALF ADULT FEE			
	(2) Right to erect a kerbstone (including inscription to one person) - Adult	EX	239.00	241.00	241.00	0.00%
		EX	HALF ADULT FEE			
	(3) Additional inscription (per person after first)	EX	55.00	55.00	55.00	0.00%
	(4) Right to place a vase (including inscription to one person)	EX	80.00	80.00	80.00	0.00%
	PURCHASE OF WOODEN CROSS INCLUDING PLAQUE	(Ashford Borough Cemeteries only)	EX	40.00	40.00	40.00
EX						
FAMILY MANAGED BURIALS	Additional administrative cost of this option	EX	165.00	166.00	166.00	0.00%
FAMILY HISTORY SEARCH	Per Name	EX	26.00	26.00	26.00	0.00%
	Over 4 Names	EX	79.00	80.00	80.00	0.00%

NB A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Cemetery Charges - All Cemeteries						
MAINTENANCE OF GRAVES	(1) Maintenance and Planting twice yearly with plants supplied by the Council	NB	156.00	157.00	157.00	0.00%
	(2) Cleaning of kerbstone (per annum)	NB	92.00	93.00	93.00	0.00%
	(3) Cleaning of headstone or memorial (per annum)	NB	155.00	156.00	156.00	0.00%

WOODLAND BURIALS

BYBROOK CEMETERY	Woodland Burial Fee excluding coffin, but including tree					
	- one grave	EX	718.00	723.00	723.00	0.00%
	- two adjacent graves	EX	1,340.00	1,349.00	1,349.00	0.00%
	Interment of cremated remains (in grave space) including casket and tree*	EX	617.00	621.00	621.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%
<i>(* These fees may be prepaid)</i>						
TENTERDEN CEMETERY	Woodland Burial Fee excluding coffin, but including tree					
	- one grave	EX	782.00	787.00	787.00	0.00%
	- two adjacent graves	EX	1,406.00	1,416.00	1,416.00	0.00%
	Interment of cremated remains (in grave space) including casket and tree*	EX	687.00	692.00	692.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%
<i>(* These fees may be prepaid)</i>						
ALL CEMETERIES	Further interment of cremated remains including casket					
	- Ashford	EX	128.00	129.00	129.00	0.00%
	- Tenterden	EX	195.00	196.00	196.00	0.00%
	Interment of a child to 16 years (NOT including coffin or tree)	EX	Free			
	Grave reservation	EX	173.00	174.00	174.00	0.00%
	Selection of grave space	EX	87.00	88.00	88.00	0.00%

NB: A SURCHARGE OF 100% ON THE ABOVE SCALE OF CHARGES IS MADE FOR PERSONS WHO LIVE OUTSIDE ASHFORD BOROUGH

DISCRETIONARY & STATUTORY FEES 2017/18

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
OTHER RELATED CHARGES						
MEMORIAL BENCH WITH DEDICATION INSCRIPTION (Subject to space being available)		EX	617.00	AT COST	AT COST	NA
TRANSFER OF EXCLUSIVE RIGHT OF BURIAL	per request	EX	50.00	50.00	50.00	0.00%
LATE ARRIVAL AT CEMETERY OF MORE THAN 30 MINS		NB	100.00	100.00	100.00	0.00%
EXTEND EXCLUSIVE RIGHT OF BURIAL FOR A PERIOD OF 5 YEARS	No more than 30 years can be held at one time	EX	85.00	85.00	85.00	0.00%
TO INTER 2 OR MORE SETS OF ASHES AT THE SAME TIME	additional fee to cover admin costs	EX	25.00	25.00	25.00	0.00%
EXHUMATION OF COFFIN IF REBURYING IN SAME PLOT		VT	AT COST	AT COST	AT COST	NA
EXHUMATION OF COFFIN IF REBURYING IN DIFFERENT PLOT		EX	AT COST	AT COST	AT COST	NA

DISCRETIONARY & STATUTORY FEES 2017/18

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2015/16	Charge 2016/17	Proposed Charge 2017/18	Increase / Decrease on 2016/17
			£	£	£	%
Pre-Application Planning & Policy Advice	Level 1 will be charged for written advice on all proposals that will require consent from the Local Planning Authority under the Planning Acts, other than those listed above and in levels 2 and 3		82.00	85.00	86.00	1.18%
	Level 2 will be charged for written advice on all minor developments		164.00	165.00	167.00	1.21%
	Level 3 will be charged for meetings with officers (If the meeting is on site then travelling time will be included in the assessment)	per hour or part thereof	436.00	440.00	445.00	1.14%
Compliance Check <i>(Confirmation that a development has been built in accordance with the approved plans</i>	For domestic Development		78.00	80.00	81.00	1.25%
	<i>For a Domestic proposal that requires a site visit</i>		157.00	158.00	160.00	1.27%
Research of Planning History	To confirm whether or not permitted development rights have been removed from a dwelling <i>(Copies of Decision Notices are charged extra)</i>		42.00	42.00	42.00	0.00%
Formal Complaint under High Hedges Legalisation			446.00	449.00	454.00	1.11%

All other Statutory charges apply

VAT Indicator:

NB = Non Business no VAT

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VT = Inclusive of VAT

DISCRETIONARY & STATUTORY FEES 2017/18

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Telecare/Lifeline						
Telecare Lifeline Installation (Within Kent)	One Off Payment per client	VT	30.00	30.00	30.00	0.00%
Telecare Lifeline Installation (Outside Kent)	One Off Payment per client	VT		60.00	60.00	
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	VT	154.99	154.99	156.69	1.10%
Telecare Lifeline Monitoring and Equipment Hire including TES	Annual Fee per client	VT	159.99	167.49	167.49	0.00%
Telecare Monitoring Fee only (no longer available to clients) - for purchased equipment - Prior to 1/04/11	Annual	VT	24.99	26.99	27.29	1.10%
TES Card monitoring for existing customers _Prior to 01/04/2014	One Off Payment per client	VT	10.56	12.50	12.50	0.00%
Supply of Second Pendant sensor	One off payment per client	VT	49.99	49.99	50.54	1.10%
Supply of Key safe - new style	One Off Payment per client	VT	72.60	73.50	74.31	1.10%
Supply of Key release Door Chain new style	One Off Payment per client	VT	28.19	58.99	59.64	1.10%
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	VT	191.67	191.46	193.57	1.10%
Additional sensor installation	One Off Payment per client per visit for install of items	VT	30.00	30.00	30.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Telecare/Lifeline						
Additional sensor Installation (Outside Kent)	One Off Payment per client	VT		60.00	60.00	
Purchase of Safe Socket	One off payment per safe socket required	VT	21.35	21.49	21.49	0.00%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	VT	11.28	11.49	11.49	0.00%
Purchase of Fall Detector	One off payment per fall detector	VT	99.99	99.99	99.99	0.00%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	VT	114.99	114.99	114.99	0.00%
Purchase of Flood Detector	One off payment per Flood Detector	VT	99.99	99.99	99.99	0.00%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	VT	15.38	15.49	15.49	0.00%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	VT	99.99	99.99	99.99	0.00%
Purchase of Power Cable	One off payment per Power Cable	VT	30.75	30.99	30.99	0.00%
Legionnaire Security Ltd: security checks for Liverpool, London & St Christopher Sites	Monthly Fee per site	VT	30.11	30.11	30.44	1.10%
Guardian Staff Safety	Monthly Fee	VT	70.04	70.04	70.04	0.00%

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DISCRETIONARY & STATUTORY FEES 2017/18

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
S9 Agreements	(including caution/note on Register)	NB	298.00	300.00	303.00	1.00%
S9 Transfers	Plus Land Registry Fees	NB	298.00	300.00	303.00	1.00%
S106 agreements		NB	868.00	874.00	884.00	1.14%
Grazing Licences		NB	109.00	110.00	111.00	0.91%
Licences to Assign		NB	200.00	201.00	203.00	1.00%
Sales or Easements	Up to £2,500 in value	NB	285.00	287.00	290.00	1.05%
Sales or Easements	over £2,500 in value - Basic Fee of £300.00 plus 1% of sale price	NB	320.00	322.00	326.00	1.24%
Ellingham Leases		NB	310.00	312.00	315.00	0.96%
Ellingham lease renewals		NB	210.00	211.00	213.00	0.95%
Surrenders		NB	190.00	191.00	193.00	1.05%
Landlord consent etc		NB	100.00	101.00	102.00	0.99%
Transfer of Equity (mortgage)		NB	211.00	212.00	214.00	0.94%
Redemptions		NB	109.00	110.00	111.00	0.91%
Mortgagees Enquiries		NB	92.00	200.00	202.00	1.00%
Deed of Postponement		NB	90.00	91.00	92.00	1.10%
Release of expired Statutory Charge		NB	97.00	98.00	99.00	1.02%
Waiver (Improvement Grant)		NB	97.00	98.00	99.00	1.02%
Notice of Charge		VT	72.00	72.00	73.00	1.39%
Counterpart Lease		VT	72.00	72.00	73.00	1.39%
Engross Transfer/conveyance		NB	50.00	50.00	51.00	2.00%
Notice to Assign		VT	72.00	72.00	73.00	1.39%
Wayleaves		NB	175.00	176.00	178.00	1.14%

The above represent a minimum level of charge, not a fixed level of charge.

Where the value of the time worked on a matter exceeds the proposed charge stated above, the value of the time will be charged unless it is deemed by the Head of Legal Services to not be commercial or reasonable to charge the full cost.

DISCRETIONARY & STATUTORY FEES 2017/18

LEGAL & ELECTORAL SERVICES

Electoral Services						
Confirmation of Registration letters	Letters required due to the credit reference agencies not updating their information	VT	10.00	10.00	10.00	0.00%
Postal votes pack	Postal votes pack (Charge to Parish Councils for by-elections)	VT	1.30	1.30	1.30	0.00%
Poll Cards	Poll card (Charge to Parish Councils for by-elections)	VT	0.60	0.60	0.60	0.00%
	Statutory Charges (restricted availability for full register and overseas lists)					
Sales of full and edited register	Data £20 plus £1.50 per 1,000 entries or part of 1,000	NB	21.50	21.50	21.50	0.00%
Sales of full and edited register	Printed £10 plus £5 per 1,000 or part of 1,000	NB	15.00	15.00	15.00	0.00%
Overseas electors List	Data £20 plus £1.50 per 100 entries or part of 100	NB	21.50	21.50	21.50	0.00%
Overseas electors List	Printed £10 plus £1.50 per 100 or part of 100	NB	11.50	11.50	11.50	0.00%

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DISCRETIONARY & STATUTORY FEES 2017/18

Property Services

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Licences - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Licences - inspection/administration	The cost of the site inspection has not previously been charged for. The fee may be £75 or £100 depending upon whether a new boundary fence needs to be erected.	VT	185.00	186.00	188.00	1.08%
Land sales - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Land sales - inspection/administration	Cost of the site inspection	VT	185.00	186.00	188.00	1.08%
Easements - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Easements - administration		VT	125.00	126.00	127.00	0.79%
Release of covenant - valuation	If external valuers are appointed, the charge will be the amount invoiced by the valuer.	EX	at cost recovery	at cost recovery	at cost recovery	n/a
Release of covenant - administration		VT	125.00	126.00	127.00	0.79%
Boundary disputes	Charge only applies if unlawful encroachment on Council land is found to have occurred. Final cost will depend upon complexity of dispute.	EX	185.00	186.00	188.00	1.08%
Wayleaves - inspection/administration	The cost of the site inspection has not previously been charged for.	VT	125.00	126.00	127.00	0.79%

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DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Land Charges						
Standard Search Fee	Domestic Properties	NB				Cost Recovery
	Non-Domestic Properties	NB				
Extra Questions		NB				
	All Land Charges Fees are to be set at on full cost recovery Basis - these need to be reviewed periodically throughout the year to ensure that this is achieved.					Cost Recovery
Street Administration						
Street Naming and numbering	1 Unit	NB	48.00	49.00	50.00	2.04%
	2-10 units	NB	41.00	42.00	42.00	0.00%
	Over 10 units	NB	37.00	38.00	38.00	0.00%
New Street Name		NB	115.00	120.00	121.00	0.83%
Rename Existing Street		NB	256.00	256.00	259.00	1.17%
Address Change	per property	NB	48.00	49.00	50.00	2.04%
Building Control						
Discretionary Works	Including Party Wall surveying, Fire Risk assessments, Access audits, SBEM, SAP ratings and other surveying activities	VT				Cost Recovery
Exempt Letters		VT	39.00	40.00	40.00	0.00%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Waste Collection						
Bulky Collection	Base Charge	NB	24.00	24.00	24.00	0.00%
Garden Waste Bins	Wheelie Bin for Garden Waste - Previously agreed by Cabinet	NB	35.00	35.00	35.00	0.00%
New Refuse Bins	To be charged to Developers	NB	Cost Recovery			
Dog Warden Fees						
Stray Dogs	Statutory fee for dog not being on lead	NB	26.00	26.00	26.00	0.00%
Dog Control Costs	Collection/delivery of dog	NB	40.00	40.00	40.00	0.00%
Kennelling costs	Pe 24 hour period, day one due on admission	NB	10.00	10.00	10.00	0.00%
Administration charge	Office Hours	NB	15.00	15.00	15.00	0.00%
	Outside Office Hours	NB	30.00	30.00	30.00	0.00%
Vetinary Treatment	As required	NB	Cost Recovery			
Pest Control						
Wasp nest	Customer on Benefits	VT	21.00	58.50	59.00	0.85%
	Customer not on Benefits	VT	46.00	58.50	59.00	0.85%
Additional Wasp nest	Customer on Benefits	VT	4.00	10.00	10.00	0.00%
	Customer not on Benefits	VT	8.00	10.00	10.00	0.00%
Rats & Mice		VT	0.00	0.00	0.00	0.00%
Ants		VT	23.50	30.00	30.00	0.00%
Bedbugs & Cockroaches	Up to six rooms	VT	0.00	280.00	283.00	0.00%
	Additional four rooms	VT	0.00	0.00	0.00	0.00%
Fleas	Customer on Benefits - up to six rooms	VT	27.50	70.00	71.00	1.43%
	Customer not on Benefits - up to six rooms	VT	55.00	70.00	71.00	1.43%
	Additional four rooms	VT	10.00	10.00	10.00	0.00%
Other Household Pests (Flies, Lice, Silverfish)	Customer on Benefits	VT	27.50	70.00	71.00	1.43%
	Customer not on Benefits	VT	55.00	70.00	71.00	1.43%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Chilmington Road Travellers Site						
Rent	Charge per week	NB	46.00	46.00	47.00	2.17%
Service Charge	Charge per week	NB	40.46	40.46	41.00	1.33%
Mobile Homes						
Annual monitoring fee (Per Pitch)		NB			5.40	N/A
Check & Depositing Site Rules		NB	60.00	60.40	61.00	0.99%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	385.50	388.20	392.00	0.98%
	Band 2 - 11-50 pitches	NB	450.49	453.60	459.00	1.19%
	Band 3 - 51-99 pitches	NB	627.00	631.40	638.00	1.05%
	Band 4 - 100-199 pitches	NB	756.99	762.30	771.00	1.14%
	Band 5 - 200+ pitches	NB	936.99	943.50	954.00	1.11%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	77.10	77.60	78.00	0.52%
	Band 2 - 11-50 pitches	NB	90.10	90.70	92.00	1.43%
	Band 3 - 51-99 pitches	NB	125.40	126.30	128.00	1.35%
	Band 4 - 100-199 pitches	NB	151.40	152.50	154.00	0.98%
	Band 5 - 200+ pitches	NB	187.40	188.70	191.00	1.22%
Application to amend a site licence	Band 1 - 1-10 pitches	NB	128.50	129.40	131.00	1.24%
	Band 2 - 11-50 pitches	NB	150.16	151.20	153.00	1.19%
	Band 3 - 51-99 pitches	NB	209.00	210.50	213.00	1.19%
	Band 4 - 100-199 pitches	NB	252.33	254.10	257.00	1.14%
	Band 5 - 200+ pitches	NB	312.33	314.50	318.00	1.11%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
Allotment Rents						
Plot rent		EX	5.00	6.00	6.00	0.00%
Key Deposit		EX		25.00	25.00	
Concessionary rate rent	50% for 1st 5 perch,full price after	EX		3.00	3.00	
Council Tax Collection						
Court costs	Summons costs	NB	60.00	60.00	61.00	1.67%
	Liability orders	NB	65.00	65.00	66.00	1.54%
Business Rates						
Court costs	Summons costs	NB	0.00	0.00	0.00	0.00%
	Liability orders	NB	180.00	180.00	182.00	1.11%
Homelessness						
Copy of File		VT	13.70	13.80	14.00	1.45%
Private Sector Housing						
Charge for service of enforcement notices Housing Act 2004	Incorporating improvement notices, prohibition orders, emergency remedial action, emergency prohibition orders, demolition orders	NB	300.00 per notice	300.00 per notice	300.00 per notice	1.20%
Charge to carry out inspections in respect of a UK entry application		NB	82.00	83.00	84.00	
Making a prohibition notice (Housing Act 2004 sec 20 or 21)	Discretion regarding matters relating to over-crowding,but other issues which require a notice to be charged at £300	NB		300.00	303.00	N/A
Charge for making an emergency prohibition order - Housing Act 2004		NB		200.00	202.00	N/A
Charge for undertaking emergency remedial action (Housing Act 2004)	Charge between £100 - £500,depending on the extent of emergency works carried out	VT		100 - 500	100 - 500	N/A
Penalty Charge notices - the smoke and carbon monoxide alarm regulations 2015	First Offence £1500,an early payment will attract a discount of 25% making it £1,125	NB		1500.00	1517.00	N/A
	For subsequent offences the penalty will be £3,500 to deter continued non-compliance.No early payment discount would apply	NB		3500.00	3539.00	N/A
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	380.00	383.00	387.00	1.04%
	Five Year Licence - subsequent properties	NB	350.00	352.00	356.00	1.14%

DISCRETIONARY & STATUTORY FEES 2017/18

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2015/16 £	Charge 2016/17 £	Proposed Charge 2017/18 £	Increase / Decrease on 2016/17 %
ABC Lettings						
Management charge	Agreed with landlord	VT	10% -12.5%	10% -12.5%	10% -12.5%	0.00%
Landlords one-off set up fee		VT	250.00	250.00	250.00	0.00%
Repairs Service		VT	Cost +10%	Cost +10%	Cost +10%	
Sewerage Services						
Unmeasured Water - Supplies to premises without rateable value		EX	337.71	337.71	341.00	n/a
Tourist Information Service						
Ticket Sales - Charitable Organisations	Per ticket VAT charged on commission	VT	10%	10%	10%	0.00%
Ticket Sales - Commercial	Per ticket VAT charged on commission	VT	10%	10%	10%	0.00%
Ticket Sales - Revelations St. Mary's	Per Ticket 10% charge of face value to customers	VT	10%	10%	10%	0.00%
West End Theatre Tokens	Per ticket VAT charged on commission	VT	5%	5%	5%	0.00%
Accommodation Booking Fees	Set fee paid by customer	VT	5.00	5.00	5.00	0.00%
Ticket Sales - Leas Cliff Hall	Per ticket (no commission paid by organisations)	VT	1.25	1.25	1.26	0.80%
Credit Card Payments	Charge per booking on Agency Sales	VT	1.50	1.50	1.52	0.00%
National Express	Commission reduced to 5% so booking fee introduced per ticket for values over £10 from 01/10/16	VT	10% reduced to 9% & again to 5%	Oct 16 5% + £1 per ticket over £10	5% + £1 per ticket over £10	

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Equality Impact Assessment

Lead officer:	Head of Finance
Decision maker:	Full Council
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	The report contains the annual budget for 2017/18 which is supported by the five year corporate plan 2015-2020 (including the medium term financial plan) and individual service plans
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	Approved annually (February each year)
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<p>The budgets role is to set council tax and rent levels, providing a framework to measure performance and to allocate resources to match the priorities established within the business plan.</p> <p>The Members are asked to approve the revenue and capital budgets for both the General Fund and the Housing Revenue Account for 2017/18 and associated recommendations.</p> <p>Approve the Treasury Strategy, investment policy, the fees and charges and the Housing and Council Tax Benefit E-Claim Risk Based Verification Policy for 2017/18.</p> <p>The budget affects the whole borough and its population.</p>
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	<p>Quarterly Budget Monitoring reports for the current year 2016/17 – September/November/February Cabinet reports</p> <p>MTFP Cabinet report – October Cabinet</p> <p>Draft Budget report – December Cabinet</p> <p>Budget Scrutiny (O&S) task group – throughout December & January, each service ad budget area scrutinised</p> <p>Public consultation January and early February</p> <p>JCC – staff consultation early February</p>

<p>Consultation:</p> <ul style="list-style-type: none"> • What specific consultation has occurred on this decision? • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p>Budget Scrutiny (O&S) task group – throughout December & January, each service ad budget area scrutinised, a report from the TG is on this agenda.</p> <p>JCC – staff consultation early February (still to occur)</p> <p>Public consultation January and early February – Borough wide consultation, communicated via website and press article (not complete)</p>
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Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<u>AGE</u> Elderly	Low/Medium	Positive – No contribution required through Council Tax support Negative – Even though grants budget increased from 2015/16 levels, Disabled Facility grants budgets are still likely to be lower than demand
Middle age	Low	Negative – Increased level of contribution through Council Tax Support Scheme.

Young adult	Low	Negative - The provision of some services is not even across the borough (rural areas). Negative – Increased level of contribution through Council Tax Support Scheme.
Children	None	
<u>DISABILITY</u> Physical	Low/Medium	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people Negative – Disabled Facility grants budgets are usually lower than demand
Mental	Low	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people
Sensory	Low	Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people
<u>GENDER RE-ASSIGNMENT</u>	None	
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	None	
<u>PREGNANCY/MATERNITY</u>	None	
<u>RACE</u>	None	

<u>RELIGION OR BELIEF</u>	None	
<u>SEX</u> Men	None	
Women	None	
<u>SEXUAL ORIENTATION</u>	None	
Mitigating negative impact: Where any negative impact has been identified, outline the measures taken to mitigate against it.		

Is the decision relevant to the aims of the equality duty?

Guidance on the aims can be found in the EHRC's *Essential Guide*, alongside fuller *PSED Technical Guidance*.

Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	n/a
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	n/a
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	n/a

<p>Conclusion:</p> <ul style="list-style-type: none"> • Consider how due regard has been had to the equality duty, from start to finish. • There should be no unlawful discrimination arising from the decision (see guidance above). • Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified. • How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported? 	<p>There has been a full consultation process and Equalities Impact Assessment for the local council tax reduction scheme.</p> <p>Individual Services will look at discrimination for service provision, if a regular theme of those reviews suggests that financial resources are the key factor baring minorities from accessing our services then perhaps we need to elevate this higher.</p>
<p>EIA completion date:</p>	<p>27/01/2017</p>

Budget Housing Revenue Account 2016/17

SUBJECTIVE ANALYSIS - 2017/18 ESTIMATE					
Housing Revenue Account					
	Hra - Admin	Hra - Income	Hra - Other	Hra - Repairs	Total
EXPENDITURE					
Employees	2,167,980	-	-	-	2,167,980
Premises	831,870	-	-	3,295,470	4,127,340
Supplies and Services	709,670	-	60,000	33,000	802,670
Transport	116,550	-	-	-	116,550
TOTAL EXPENDITURE	3,826,070	-	60,000	3,328,470	7,214,540
INCOME					
Grants	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(105,770)	(25,463,220)	(16,930)	-	(25,585,920)
TOTAL INCOME	(105,770)	(25,463,220)	(3,016,780)	-	(28,585,770)
NET CONTROLLABLE EXPENDITURE	3,720,300	(25,463,220)	(2,956,780)	3,328,470	(21,371,230)
NON CONTROLLABLE ITEMS					
Support Services	1,462,200	-	913,000	-	2,375,200
Capital Charges	-	-	23,967,260	-	23,967,260
Recharges	(80,750)	-	-	-	(80,750)
Transfers to/from Reserves	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	1,381,450	-	24,880,260	-	26,261,710
NET EXPENDITURE	5,101,750	(25,463,220)	21,923,480	3,328,470	4,890,480

Appendix G

Capital Programme 2017/18 - 2019/20						
	Current budget	Previous Exp	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£	£
Corporate Property and Projects						
Planned Maintenance funded from borrowing	2,000,000	0	427,000	522,500	502,500	548,000
Provisional for Economic & Regeation Board	8,000,000	0	2,000,000	2,000,000	2,000,000	2,000,000
Court Wurtin - Shops	275,000	0	275,000	0	0	0
Property Company Acquisitions - based on current business plan	10,000,000	3,085,000	1,000,000	2,500,000	1,415,000	2,000,000
International House Works	650,000	204,051	110,000	112,000	112,000	111,949
Elwick Place leisure, retail and car park development	41,500,000	0	4,200,000	16,900,000	14,800,000	5,600,000
Market Gates	20,000	622	0	0	8,000	11,378
Elwick Temporary Car Park	105,000	0	20,000	85,000	0	0
Commercial Qrt Business Space (digital hub), Goods Yard Demolition	650,000	0	0	650,000	0	0
Commercial Qrt - pedestrian link path and footbridge	75,000	0	0	75,000	0	0
Taxi rank Stour Centre car park	120,000	0	0	120,000	0	0
Public realm Dover Place	500,000	0	0	500,000	0	0
Zebra crossing station approach	55,000	0	0	55,000	0	0
Total - Corporate Property and Projects	63,950,000	3,289,674	8,032,000	23,519,500	18,837,500	10,271,327
Community & Housing						
Mandatory Disabled Facility Grants						
Expenditure	2,737,600	0	684,400	684,400	684,400	684,400
External Funding	(2,377,600)	0	(594,400)	(594,400)	(594,400)	(594,400)
	360,000		90,000	90,000	90,000	90,000
Total - Community & Housing	2,737,600	0	684,400	684,400	684,400	684,400
Culture & the Environment						
Single Grants Gateway Fund	300,000	0	75,000	75,000	75,000	75,000
Stour Centre CHP, Roofing & PV Panels	2,060,000	1,377,611	0	682,389	0	0
Model Railway (AIMREC)	850,000	0	0	850,000	0	0
Park Farm S & E (Bridge Field Play & Amenities)						
Expenditure	800,000	0	50,000	750,000	0	0
External Funding	(800,000)	0	(50,000)	(750,000)	0	0
	0	0	0	0	0	0
Repton Park Community Centre						
Expenditure	1,892,000	93,732	882,053	916,215	0	0
External Funding	(1,892,000)	(93,732)	(882,053)	(916,215)	0	0
	0	0	0	0	0	0
Finberry/Cheeseman Green						
Expenditure	2,000,000	0	0	0	0	2,000,000
External Funding	(2,000,000)	0	0	0	0	(2,000,000)
	0	0	0	0	0	0
Total Culture & the Environment	7,902,000	1,471,343	1,007,053	3,273,604	75,000	2,075,000
Health, Parking and Community Safety						
CCTV	250,000	0	50,000	200,000	0	0
Street Lighting replacement	1,000,000	0	0	1,000,000	0	0
Total Health, Parking and Community Safety	1,250,000	0	50,000	1,200,000	0	0
Planning and Development						
Junction 10a M20						
Expenditure	16,000,000	0	0	8,000,000	8,000,000	0
External Funding	(16,000,000)	0	0	(8,000,000)	(8,000,000)	0
	0	0	0	0	0	0
Total Planning and Development	16,000,000	0	0	8,000,000	8,000,000	0
Environment and Customer Services						
Public toilet demolition works	330,000	0	50,000	280,000	0	0
Total Environment and Customer Services	330,000	0	50,000	280,000	0	0
General Fund Total	92,169,600	4,761,016	9,823,453	36,957,504	27,596,900	13,030,727
HRA Capital Works - as current business plan						
Programmed Works	20,745,000	0	4,286,000	4,848,000	5,360,000	6,251,000
Affordable Housing Programme Stage 1	1,233,000	0	1,107,000	126,000	0	0
Affordable Housing Programme Stage 2	1,646,000	0	1,436,000	210,000	0	0
Danemore	7,501,000	0	4,708,000	2,793,000	0	0
Court Wurtin - Flats and stairwell	300,000	0	300,000	0	0	0
Poplars	8,441,000	0	2,050,000	4,578,000	1,813,000	0
East Stour Court	5,837,000	0	0	1,925,000	1,925,000	1,987,000
	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
Total HRA	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
Total Capital Spend	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727

Appendix G continued

Capital Programme 2017/18 - 2019/20						
	Current budget	Previous Exp	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£	£
CAPITAL SUMMARY						
Corporate Property and Projects	63,950,000	3,289,674	8,032,000	23,519,500	18,837,500	10,271,327
Community & Housing	2,737,600	0	684,400	684,400	684,400	684,400
Culture & the Environment	7,902,000	1,471,343	1,007,053	3,273,604	75,000	2,075,000
Health, Parking and Community Safety	1,250,000	0	50,000	1,200,000	0	0
Planning and Development	16,000,000	0	0	8,000,000	8,000,000	0
Environment and Customer Services	330,000	0	50,000	280,000	0	0
GENERAL FUND	92,169,600	4,761,016	9,823,453	36,957,504	27,596,900	13,030,727
HOUSING REVENUE ACCOUNT	45,703,000	0	13,887,000	14,480,000	9,098,000	8,238,000
TOTAL CAPITAL PROGRAMME	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727

Funding Statement 2017/18 - 2019/20						
	Current budget	Previous Exp	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£	£
Funding Source						
Capital Receipts - HRA	4,358,000		1,287,000	1,045,000	1,123,000	903,000
Capital Receipts - GF	660,000	0	165,000	165,000	165,000	165,000
Borrowing HRA	331,000	0	331,000	0	0	0
Borrowing GF	66,585,000	4,666,662	8,062,000	24,766,889	18,829,500	10,259,949
External grants & contributions HRA	2,645,000	0	1,294,000	1,256,000	95,000	0
External grants & contributions GF	23,069,600	93,732	1,526,453	10,260,615	8,594,400	2,594,400
Major Repairs Reserve HRA	23,413,000	0	5,992,000	5,667,000	5,810,000	5,944,000
Repairs & Renewals Reserve	105,000	0	20,000	85,000	0	0
Other Reserve HRA	14,956,000	0	4,983,000	6,512,000	2,070,000	1,391,000
Other Reserve GF	1,750,000	622	50,000	1,680,000	8,000	11,378
	137,872,600	4,761,016	23,710,453	51,437,504	36,694,900	21,268,727
	0	0	0	0	0	0
External Grants						
Homes & Communities Agency (HCA)	2,107,000	0	756,000	1,256,000	95,000	0
Section 106	5,230,000	93,732	1,470,053	1,666,215	0	2,000,000
Better Care Fund - Disabled Facility Grants	2,377,600	0	594,400	594,400	594,400	594,400
Communities and Local Government	16,000,000	0	0	8,000,000	8,000,000	0
	25,714,600	93,732	2,820,453	11,516,615	8,689,400	2,594,400

PRUDENTIAL INDICATORS & MRP POLICY 2017/18 TO 2020/21

Prudential Indicators 2017/18 to 2019/20

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the capital programme, see **Appendix G**.

Capital Expenditure and Financing	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2019/20 Estimate £,000
General Fund	9,823	36,958	27,597	13,031
HRA	13,887	14,480	9,098	8,238
Total Expenditure	23,710	51,438	36,695	21,269
Capital Receipts	1,452	1,210	1,288	1,068
Reserves	11,045	13,944	7,888	7,346
Borrowing	8,393	24,767	18,830	10,260
External Grants	2,820	11,517	8,689	2,594
Total Financing	23,710	51,438	36,695	21,269

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Revised £,000	31.03.18 Estimate £,000	31.03.19 Estimate £,000	31.03.20 Estimate £,000
General Fund	22,452	47,219	66,048	76,308
HRA	145,537	141,380	137,682	133,866
Total CFR	167,989	188,599	203,730	210,174

The CFR is forecast to rise by £42.19m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Revised £,000	31.03.18 Estimate £,000	31.03.19 Estimate £,000	31.03.20 Estimate £,000
Borrowing	23,500	48,266	67,096	77,356
HRA	117,664	114,664	113,664	108,664
PFI liabilities	22,439	21,623	20,749	19,816
Total Debt	163,603	184,554	201,509	205,836

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

Operational Boundary	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2018/19 Estimate £,000
Borrowing	147,000	168,000	186,000	192,000
Other long-term liabilities	23,000	22,000	21,000	20,000
Total Debt	170,000	190,000	207,000	212,000

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Revised £,000	2017/18 Estimate £,000	2018/19 Estimate £,000	2018/19 Estimate £,000
Borrowing	344,000	386,000	422,000	434,000
Other long-term liabilities	25,000	24,000	23,000	23,000
Total Debt	369,000	410,000	445,000	457,000

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Revised %	2017/18 Estimate %	2018/19 Estimate %	2018/19 Estimate %
General Fund	0.99%	1.95%	2.72%	3.13%
HRA	15.81%	15.25%	15.25%	15.25%

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed earlier in this report.

These figures are the effect of the revised capital programme could have on the Council Tax and the HRA Rent but in reality is these impacts are not directly applied as the movements feed into wider budget setting processes. Additionally in relation to the HRA rents, these are directed by Government.

Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
General Fund - increase in annual band D Council Tax	-3.79	-5.24	-1.03
HRA - increase in average weekly rents	0.53	0.22	0.16

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in March 2002.

Annual Minimum Revenue Provision Statement 2017/18

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years (CLG Option 3).

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability (CLG Option 4).

MRP for Loans to wholly owned Council companies will be calculated on an annuity basis using the interest rates agreed for the loan for 50 years or an appropriate term based on the life of the asset being funded (Council approved policy).

No MRP will be charged in respect of assets held within the Housing Revenue Account.

MRP in respect of the £114m payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment.

Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2017, the budget for MRP has been set as follows:

	31.03.2017 Estimated CFR £,000	2017/18 Estimated MRP £,000
Capital expenditure before 01.04.2008	0	0
Supported capital expenditure after 31.03.2008	0	0
Unsupported capital expenditure after 31.03.2008	18,367	80
Finance leases and Private Finance Initiative	0	0
Transferred debt	0	0
Loans to wholly owned companies	4,085	144
Total General Fund	22,452	224
Assets in the Housing Revenue Account	31,537	0
HRA subsidy reform payment	114,000	3,000
Total Housing Revenue Account	145,537	0
Total	167,989	3,224

The MRP for unsupported capital expenditure after 31/03/2008 is low as this has been adjusted to represent the Council's move from the equal instalments method to the annuity method for calculating MRP.

Treasury Management Strategy Statement 2017/18

Introduction

In March 2012 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

External context covers the following areas and is detailed at Appendix A with supporting tables.

- Economic Background
- Credit Outlook
- Interest Rate Forecast

Local Context

The Authority currently (as at 9th January 2016) has £119m of borrowing and £46m of investments. This is set out in further detail at **Appendix 1**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.16 Actual £,000	31.3.17 Forecast £,000	31.3.18 Forecast £,000	31.3.19 Forecast £,000	31.3.20 Forecast £,000
General Fund CFR	15,464	22,452	47,219	66,048	76,308
HRA CFR	146,067	145,537	141,380	137,682	133,866
Total CFR	161,531	167,989	188,599	203,730	210,174
Less: Other debt liabilities *	(26,719)	(22,439)	(21,623)	(20,749)	(19,816)
Borrowing CFR	134,812	145,550	166,976	182,981	190,358
Less: External borrowing	0	(23,500)	(48,266)	(67,096)	(77,356)
Less: HRA External borrowing**	(119,664)	(117,664)	(114,664)	(113,664)	(108,664)
Internal borrowing	15,148	4,386	4,045	2,221	4,338
Less: Usable reserves	(15,604)	(17,023)	(16,213)	(16,213)	(16,213)
Less: Working capital	(6,205)	(6,205)	(6,205)	(6,205)	(6,205)
Investments	(6,661)	(18,842)	(18,373)	(20,197)	(18,080)

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** £119.6m of this value per annum relates to the HRA stock acquisition.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority will consider the best financing options available at the time of investments/acquisitions; currently the use of internal reserves provides an attractive option subject to the Authority holding a minimum investment balance of £8.

The Council has an increasing CFR due to the capital programme, which includes loans to A Better Choice for Property Ltd, Elwick project and Economic and Regeneration Board (the full capital plan can be seen at **Appendix G**). To cover of this capital investment, external borrowing of circa £77m is assumed over the forecasted period and is reflected in the table above, however as aforementioned decisions will be based at the time of investment/acquisition to best benefit the Authority.

Usable reserves are forecast to fall slightly over the forecasted period, this is due to reserves belong used to part fund the general fund acquisitions.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

Borrowing Strategy

The Authority currently holds £119.6m of loans which represent the costs of the HRA Buyout. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £48.3m by in 2017/18. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £410m.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead, again decisions will be bases accordingly at the time of investment/acquisition.

By using internal resources, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Kent County Council Pension Fund)
- capital market bond investors

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.

Municipal Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Authority's investment balance has ranged between £27 and £47 million, levels are expected to slowly reduce over the coming years as reserves are used to support General Fund and HRA capital programmes. Further reductions could be incurred if internal borrowing is used to support capital acquisitions rather the external borrowing.

Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: Given the inherent risk and continued low returns from short-term unsecured bank investments, the Authority aims to continue diversification into more secure and higher yielding asset classes during 2017/18. Diversification will be through the introduction of new money market funds and further use of equities which were introduced to the portfolio in 2015/16 and performed well through 2016/17. The council will work closely with its treasury management advisors 'Arlingclose' to explore new investment opportunities which will complement the portfolio including Tri-Repo's. This overall approach represents a continuation of the strategies which have been adopted over the last few years.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£5m 20 years	£5 m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£5m 10 years	£5m 25 years	£3m 10 years	£3m 10 years
AA	£3m 4 years	£5m 5 years	£5m 15 years	£3m 5 years	£3m 10 years
AA-	£3m 3 years	£5m 4 years	£5m 10 years	£3m 4 years	£3m 10 years
A+	£3m 2 years	5m 3 years	£3m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£5 m 2 years	£3m 5 years	£1m 2 years	£1m 5 years
A-	£3m 6 months	£5m 13 months	£3m 5 years	£1m 13 months	£1m 5 years
BBB+	£1m 100 days	£5 m 6 months	£1m 2 years	£.5m 6 months	£1m 2 years
BBB or BBB-	£1m next day only	£3 m 100 days	n/a	n/a	n/a
None	£1m 6 months	n/a	£3m 25 years	£50,000 5 years	£1 m 5 years
Pooled funds	£6m per fund				

Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

This table must be read in conjunction with the notes below

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment

with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and aim for a constant net asset value and will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,

- a UK local authority, parish council or community council, or
- a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares with the exception of Council owned companies. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£15m
CCLA property Fund *	£6m
Equities*	£8m
Council owned companies**	£110m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£0m

* Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

** This limit has been increased by 100m to reflect the aspiration of the Council’s companies and provides headroom if those plans are realised, it should be noted that this is only provision for the investment but any decision to lend would be appropriately reported to, and approved by members.

Investment Limits: The Authority’s revenue reserves available to cover investment losses were £18 million on 31st March 2016. In order that no more than 34% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£6m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management *	£6m per manager
Foreign countries	5m per country
Registered Providers	£10m in total
Unsecured investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Loans to Council subsidiaries	£110m in total
Money Market Funds	£25m in total

* Where investments are subject to capital appreciation/depreciation, the initial value of the investment is considered in relation to the table above.

Liquidity Management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium term financial plan and cash flow forecast.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6.0

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£15m	£15m	£15m

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools.

In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Officers attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant Officers are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by the need to justify the ongoing appointment of Arlingclose through the completion of a 'Use of Consultant' pro-forma as stipulated in contract procedure rules. The Authority's Treasury Management Function is also periodically reviewed by Internal and External audit

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the

intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be 2 years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2017/18 is £576,330, based on an average investment portfolio of £30m million at an interest rate of 1.92%. The budget for debt interest paid in 2017/18 is £168,750, based on an average debt portfolio of £20m at an average interest rate of 0.84%.

In relation to the HRA, the Interest on investment income for 2017/18 is forecast at circa 17k, based on an average investment portfolio of £3.385m at an interest rate of circa 0.5%. The budget for debt interest paid in 2016/17 is £3.6 million, based on an average debt portfolio of £119.6 million at an average interest rate of 3%. HRA balances are invested with general fund balances and an apportionment of interest is made at the end of the year through the item 8 calculation, this was covered previously in this report under 'Policy on Apportioning Interest to the HRA'.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer has consulted the Portfolio Holder for Finance and Budget, Resource Planning and Procurement, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2015 (minor amendments January 16 by ABC)

Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other

investment options available to the Authority; returns from cash deposits however continue to fall.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a distinct possibility, to keep long-term interest rates low.

A more detailed economic and interest rate forecast provided by Arlingclose is tabled below:-

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96

Appendix 1 – Existing Investment & Debt Portfolio Position

Treasury Management Portfolio as at 9 January 2017

Counter Party	Deal Date	Rate %	Amount £	Comment
Temporary Investments				
Lloyds Banking Group	04/01/2016	0.65	3,000,000	175 day notice account
National Counties	18/11/2016	0.35	3,000,000	Matures 22/02/2017
Total Temporary Investments			6,000,000	
Long Term Investments				
Blaenau Gwent	21/10/2014	2.00	3,000,000	Matures 21/10/2019
Newport City Council	10/11/2014	1.50	2,500,000	Matures 10/07/2017
Total Long Term Investments			5,500,000	
Investment Accounts				
Santander	Various	0.25	2,500,000	Deposit Account
National Westminster Bank plc	Various	0.15	808,357	Deposit Account
Goldman Sachs	Various		50,000	AAA rated deposit facility *
ICD Portal - Invesco	Various	0.30*	5,000,000	AAA rated deposit facility *
ICD Portal - BNP Paribas	Various	0.34*	5,000,000	AAA rated deposit facility *
ICD Portal - Black Rock	Various	0.18*	1,200,000	AAA rated deposit facility *
ICD Portal - HSBC	Various	0.21*	5,000,000	AAA rated deposit facility *
Payden Global MMF	Various	variable	3,000,000	AAA rated deposit facility *
Federated MMF	Various	variable	1,500,000	AAA rated deposit facility *
Total Investment Accounts			24,058,357	
Local Authority Property Fund	Estimate	4.90	6,000,000	Rate is Net of Management Fees (Variable Rate of Return)
Total pooled funds Accounts **			6,000,000	
City Financial Multi Asset Diversified Fund	27/08/2015	variable	997,687	Long term investment **
UBS Multi Asset Income Fund	26/08/2015	variable	994,504	Long term investment **
M&G Global Dividend Fund	27/08/2015	variable	997,914	Long term investment **
Schroder Income Maximiser	03/11/2015	variable	992,152	Long term investment **
Total Equity funds **			3,982,257	
Total Investment Portfolio			45,540,614	
Long Term Borrowing				
Public Works Loan Board***	various	various	119,664,150	Maturity Date - various
Total Long Term Borrowing			119,664,150	
Grand Total Borrowing			119,664,150	

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates shown are as at 19/10/2016 where readily available

** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values

*** HRA borrowing

Note: the loans made to ABCFP Ltd are not shown in the investment portfolio above, for clarity though the total draw down value of loans to the company as at 9th January 2017 was 3.645m.

Debt Portfolio

The shaded row matures in 2016/17 although it is anticipated that further borrowing will be made to cover off this maturity.

Loan Amount £'000	Start Date	Interest Type	Interest Rate %	Repayment Type	Redemption Date
7,000	28/03/2012	Variable	0.6200	Maturity	27/03/2022
2,000	28/03/2012	Fixed	1.2400	Maturity	27/03/2017
3,000	28/03/2012	Fixed	1.5000	Maturity	27/03/2018
1,000	28/03/2012	Fixed	1.7600	Maturity	27/03/2019
5,000	28/03/2012	Fixed	1.9900	Maturity	27/03/2020
2,000	28/03/2012	Fixed	2.2100	Maturity	27/03/2021
2,000	28/03/2012	Fixed	2.4000	Maturity	27/03/2022
2,000	28/03/2012	Fixed	2.5600	Maturity	27/03/2023
3,000	28/03/2012	Fixed	2.7000	Maturity	27/03/2024
3,000	28/03/2012	Fixed	2.8200	Maturity	27/03/2025
1,000	28/03/2012	Fixed	2.9200	Maturity	27/03/2026
1,000	28/03/2012	Fixed	3.0100	Maturity	27/03/2027
2,000	28/03/2012	Fixed	3.0800	Maturity	27/03/2028
2,000	28/03/2012	Fixed	3.1500	Maturity	27/03/2029
2,000	28/03/2012	Fixed	3.2100	Maturity	27/03/2030
8,000	28/03/2012	Fixed	3.2600	Maturity	27/03/2031
9,000	28/03/2012	Fixed	3.3000	Maturity	27/03/2032
10,000	28/03/2012	Fixed	3.3400	Maturity	27/03/2033
11,000	28/03/2012	Fixed	3.3700	Maturity	27/03/2034
12,000	28/03/2012	Fixed	3.4000	Maturity	27/03/2035
9,000	28/03/2012	Fixed	3.4200	Maturity	27/03/2036
16,713	28/03/2012	Fixed	3.4400	Maturity	27/03/2037
5,951	29/03/2011	Fixed	5.2600	Maturity	26/03/2061
119,664					

The shaded row matures in 2016/17 although it is anticipated that further borrowing will be made to cover off this maturity.

Housing and Council Tax Benefit E- Claim Risk Based Verification Policy



ASHFORD
BOROUGH COUNCIL

1. Introduction

The Verification Framework Policy was initially introduced by the Department of Work and Pensions as guidance in line with the Social Security Administration Act 1992 for administering Housing and Council Tax Benefit claims. Since the abolition of that Policy in 2006 by the Department of Work and Pensions, Ashford Borough Council has prepared the following robust procedure for E- Claim Verification of claims for Housing Benefit.

The emphasis of this procedure is to operate a strict regime of preventing fraud and error entering the system whilst continuing with live caseload intervention and will take effect from 1st April 2017. Risk Based Verification will also be used for E- Claim Verification of claims for Council Tax Support.

2. Background

Ashford Borough Council must adhere to Housing Benefit legislation and Council Tax Support legislation. The regulations within the legislation do not specify what information and evidence they should obtain from a benefit customer. However, it does require an authority to have information which allows an accurate assessment of a claimant's entitlement, both when a claim is first made and when the claim is reviewed.

Housing Benefit Regulation 86 states

“a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person's entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Furthermore; Section 1 of the Social Security (Administration) Act 1992 dictates a National Insurance number must either be stated or enough information provided to trace or allocate one. This legislation applies to both customers and their partners.

(1A) No person whose entitlement to any benefit depends on his making a claim shall be entitled to the benefit unless subsection (1B) below is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming benefit.

(1B) this subsection is satisfied in relation to a person if–

- (a) The claim is accompanied by–*
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or*
 - (ii) information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or*
- (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated.*

Given those requirements are at the core of the process of administering claims these shall be adhered to at all times and be considered process within the Quality Assurance checks completed on benefit claims assessed.

3. Risk Based Verification

Ashford Borough Council implemented an IT solution for Risk Based Verification in line with recommendations provided by the DWP in order to improve performance and improve the detection of fraud. Risk Based Verification is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. This in effect means being able to target activity toward checking those cases deemed to be at highest risk of involving fraud and/or error. The baseline of fraud in Ashford Borough Council based on benefit data extracts is 5%. The purpose of Risk Based Verification is to increase the levels of fraud and error detected by focusing resource appropriately.

The process of Risk Based Verification is for the process of assessing a New Housing and/or Council Tax Support E-Claim only. Paper applications or any change of circumstances will follow separate standards.

For the purposes of applying verification on a risk basis, each claim is ranked into one of three categories; these categories are Low, Medium and High Risk.

The RBV software will integrate with Callcredit data to optimise the risk scores by checking claimant, partner and non-dependant details against Credit Reference Agency (CRA) data. This will enable CRA checks to be carried out "in process" and in real-time, which is likely to extend the percentage of Low risk claims as detection rates in the High risk cases increase. All cases where the CRA check identifies a discrepancy within Callcredit's data will come back as High risk. The CRA information from Callcredit will also be supplied to Ashford Borough Council.

The table at *Appendix 1* shows the requirement to be upheld dependent on the risk grouping. A national Insurance number and identity confirmation must be made in all cases irrelevant of the risk grouping; this is to comply with aforementioned legislation.

Low Risk 65-55%

The only checks to be made on cases classed as low risk are proof of identity, production of a National Insurance Number and if they are a student formal confirmation.

Medium Risk 25-20%

Cases in this category must have the same checks as low risk plus for every type of income or capital declared documentation proof is required. The documentation can be photocopies or scanned copies in this instance.

High Risk 20-15%

All high risk categorised cases must have the same checks as low risk and documentation provided for each declared type of income or capital; however the documents must be original. High Risk claims will be either: visited, telephoned or sent a postal review, carried out to verify the circumstances declared on the application. Additional further checks may also be carried out.

4. Recording and Monitoring

In line with Department of Work and Pensions guidance around 65-55% of cases could be Low Risk, 25-20% Medium and 20-15% High.

All risk scores are recorded by the software used to process benefits and they must be recorded on the assessment officer's notebook in I World. Ashford Borough Council also has a minimum of 2% blind sampling which means cases from lower categories are upgraded to test the software assumptions and this information can be fed back into the propensity models supporting the parameters of the Risk Based Verification Portal. Cases cannot be downgraded at any time by an assessment officer; they can be increased though with approval from a Team Leader. All cases which are upgraded are recorded along with the reasons for this so that this information can be fed through to the parameters if errors are found.

Ashford Borough Council will monitor these splits on a monthly basis by using IT tools available. The reports will show the level of splits by percentage and the level of fraud across the authority in comparison to its baseline of 5%. This detection level will also be split across the areas of Low, Medium and High Risk. Information will be derived from cell 222 within the SHBE extract file in order to be able to produce statistical data.

Ashford Borough Council also undertakes to review a sample of cases. This will help monitor the effect of Fraud and Error detection rates compared to the baseline rate. It is expected that the levels of Fraud and Error will be a small amount in Low Risk and increased for Medium and increased further still in High Risk.

Monthly monitoring of RBV risk scores distribution and the processing information will provide accurate reporting on the time-scales for processing new claims, incomplete new claims and completing new claims upon receipt of the required further documentary evidence.

5. Audit

This Policy has been produced in line with Department of Work and Pensions guidance on the use of Risk Based Verification circular S11/2011.

DWP advised in January 2012 that "Auditors will carry out their audit against the terms of the risk-based verification procedure. They will not audit or in any way assess the accuracy of the guidance; that is the job of the local authority itself, in particular the Section 151 Officer and Revenues and Benefits Manager who sign off the procedure. If individual cases have been actioned correctly against the requirements of the guidance auditors will make no comment."

Ashford Borough Council will comply with the terms of the guidance which means that the high/medium/low risk cases are noted as such and verified as such. DWP guidance states auditors will check during the annual certification that the subsidy claim adheres to the Ashford Borough Council's RBV Policy; which states the necessary level of verification needed to support the correct processing of each type of HB/CTS claim. The risk category will be recorded on each E-claim application form.

Fraud Manager

Revenue and Benefits Manager

Audit Manager

Section 151 Officer

Dated

Appendix 1

Type of Evidence	Sub-category of evidence	Low Risk	Medium Risk	High Risk
Identity and S19	Identity	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required
	S19	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required
Residency/Rent	Private Tenants		Originals or Photocopies/Scanned Copies	Originals required
	Social Landlords		Originals or Photocopies/Scanned Copies	Originals required
	Public Sector			
	Registered		Originals or Photocopies/Scanned Copies	Originals required
Household Composition	Partner ID/S19/Income/Capital	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required
	Dependants under 18		Originals or Photocopies/Scanned Copies	Originals required
	Non-dependants - remunerative work		Originals or Photocopies/Scanned Copies	Originals required
	Non-dependants – pass-ported benefit			
	Non-dependant - student		Originals or Photocopies/Scanned Copies	Originals required
	Non-dependant - not in remunerative work/other		Originals or Photocopies/Scanned Copies	Originals required
Income	State Benefits			
	Earnings/SMP/SSP		Originals or Photocopies/Scanned Copies	Originals required
	Self-employed earnings		Originals or Photocopies/Scanned Copies	Originals required
Child Care Costs			Originals or Photocopies/Scanned Copies	Originals required
Student Status	Income also required	Originals or Photocopies/ Scanned copies	Originals or Photocopies/Scanned Copies	Originals required
Capital	Below lower capital limit		Originals or Photocopies/Scanned Copies accepted if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts	Originals if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts
	Above lower capital limit		Originals or Photocopies/Scanned Copies	Originals required
	Property		Originals or Photocopies accepted	Originals required

2017/18 Budget Report

Budget Robustness

A Commentary on Risks Associated with Components of the Budget
Budget Report

Please note this advice takes a broad view of the council's budget. It is separate from, but complementary to the detailed view undertaken by the Overview and Scrutiny Committee's Task Group and is prepared by the council's statutory Chief Financial Officer in fulfilment of his statutory duty to advise the council on the robustness of the estimates – see also part seven of the main report.

Budget Component	Financial standing and management
1. Inflation	<p>The review of the Medium Term Financial Plan (MTFP) undertaken during 2016 has considered advice from various sources about future cost price inflation, assumptions for pay settlements, and the prospects for interest rates. December's preliminary draft budget to Cabinet included the results of this work. These assumptions were considered by the Overview & Scrutiny task group. The net impact of inflation on the council's budget is circa £500,000 pa. This primarily driven by inflation being applied to the £60m general fund expenditure, but inflationary increases in the £45m fees and charges income being restricted by both local decisions and government policy. The outcome of the EU referendum has lowered the value of the pound and introduced an inflationary pressure into the economy which is forecast to last for 12-18 months</p> <p>Government grants and other sources of income are not expected to compensate fully for the overall effects of inflationary pressures.</p> <p>Pay inflation and salary increments in the budget assumes a 1.7% full year increase. 1% salary increase (payable from April) and 0.7% for increments.</p> <p>For inflation on service contracts the budget assumes retail prices index forecasts as used by the Government's Office of Budget Responsibility (2.4%).</p> <p>For other cost inflation (excluding utilities), the budget assumes the consumer prices index forecast (0.6%). For utilities inflation the budget assumes higher cost increases, given trends and expectations (2.6%).</p>

Budget Component	Financial standing and management
<p>2. Demand-led service pressures</p>	<p>For several services the council is less able to control demand during times of economic pressure on households. In this category are services such as: homelessness, the payment of housing benefit and council tax support payments, and servicing general customer enquiries.</p> <p>During 2016 benefit caseload has declined slightly, having risen to its highest ever level in 2013/14. This reduction has reduced service pressures. The Council's local Council Tax Support Scheme has been comprehensively reviewed and the scheme agreed for 2017/18 is considered affordable with low risk to the budget. The council continues to receive financial support to administer the scheme from the major precepting authorities; this is likely to continue for a further three years, subject to a review should a new government decide to cut support from the current level. Without the preceptors support our ability to manage the demand on the service and maintain high council tax collection rates would be stretched.</p> <p>The housing market poses a number of risks to this authority, with rising house prices rents are escalating and this will create a pressure on welfare and housing services.</p> <p>Management Team receives budget monitoring information, and has some flexibility to manage demand through transferring resources from other services, and the prudent use of reserves (subject to limits). A restraint on spending will continue to ensure that resources are directed at priorities and there remains enough leeway to tackle unexpected pressures. There is a recognition that priority project workload will demand more resource if it is all to be managed according to the council's corporate plans, and some project work is of course influenced by government (for example, the welfare reform responses). The council has adequate reserves, including new homes bonus receipts to help with such pressures.</p>
<p>3. New service developments</p>	<p>The grounds maintenance service has been brought back to an in-house service. The budget has been built with this in mind. It is believed that the Budget is sufficient however due to the significant change to the service, the operations and finance will be closely monitored in 2017/18 into 2018/19.</p> <p>The Elwick development is also due to start during 2017/18 and the budget has made an allowance for the additional costs and return on the investment.</p>

Budget Component	Financial standing and management
4. Assumptions about increases in service income.	<p>The budget proposes that service income are is increased by an average of 0.7%, for legislative reasons or demand some charges will be lower of higher than this.</p> <p>This increase does not apply to car parking fees, these were reviewed and reported to members in June 2016.</p> <p>The proposed service charges are presented in detail as part of the budget report. Any amendments to the proposals may involve a slight risk to the budget.</p> <p>The Council's strategy to manage its budget is dependent on the development of service income streams from property and as the portfolio increases this becomes a more significant risk to the council. Experience of downturns suggests that many of the councils rental streams hold up well in times of recession there are some areas that may be more vulnerable (Shop and Office units).</p>
5. Housing Revenue Account	<p>The Housing Revenue, following Government announcements, has reduced rents by 1% this year and will continue to do so for a further three years. As the HRA is a ring-fenced fund this pressure needs to be managed within the fund. This change triggered a comprehensive review of the business plan that was reported to Members in December 2016 that re-set the priorities for the service, in conjunction with the review the impact of the changes was factored into the business plan which was approved on the same agenda. The plan includes some staff redundancies as well as cutting back on future developments such as the affordable housing programme.</p> <p>Regular updating of the HRA business plan and financial monitoring will occur during 2017/18.</p>
6. Estimates of the level and timing of capital receipts.	<p>Capital receipts are now low in the General Fund, the budgets and financing of the capital plan reflects this.</p> <p>The Housing Revenue Account capital receipts have increased over the last couple of years due to the invigorated 'Right to Buy' policy.</p> <p>The majority of RTB receipts need to be held to fund affordable housing (funds 30% of the total cost) within the Borough, and this Council took the opportunity to retain these receipts for this purpose, these receipts are called 1-4-1 capital receipts.</p> <p>Following the recent government announcements (reduction in rents of 1%) the estimated retained reserves within the HRA, to match-fund the affordable housing works have been significantly reduced.</p> <p>The receipts and capital plans are being closely monitored and ensure these receipts are used to avoid repayment which would attract interest of 4% above base. (See Part 3 HRA)</p>

Budget Component	Financial standing and management
7. Major Capital Projects	<p>The Council agreed the Corporate Plan at the October 2015 Cabinet meeting and work is in progress to prepare proposals for the detailed Corporate Delivery Plan.</p> <p>This plan will carefully consider the delivery of the project and the funding overall and will be monitored by the Strategic Delivery Board.</p>
8. Business Rates	<p>Advice on the risk to the council's business rates yield has been included in the report. However a major risk to the budget is the revaluation of rates and the level of appeals against new valuations that are likely to affect the overall level of rateable value within the borough.</p> <p>The level of income from business rates is affected by the overall performance of the economy, with the UK seemingly well placed to manage the global uncertainty. Business rates are monitored regularly and any downturn will be flagged in the monitoring.</p> <p>The nature of the system for accounting for business rates means that the general fund is guaranteed to get the level of income forecast in the budget, however in the event of an decrease or increase in income it will not be distributed to the general fund and preceptors until the following year. Therefore the budget is insulated from business rates risk for the current year.</p>
9. Welfare Reform	<p>The government's welfare reform agenda has been reported to cabinet and the council has established a welfare reform task group to monitor and manage the risks of this agenda. The reforms have very few direct impacts on the council however they have the potential of affecting the level of demand for council services and have an impact on the council's ability to collect taxes and rents due.</p>