

Agenda Item No: 9
Report To: CABINET
Date of Meeting: 8 February 2018
Report Title: Budget 2018/19
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Portfolio Holder: Cllr. Shorter
Portfolio Holder for: Finance & ICT



Summary: This report is the culmination of a number of financial planning reports that have been received by Cabinet over the last year. In November Cabinet received a report updating the Council's Medium Term Financial Plan 2018-2023; 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 2018/19 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 22 February.

The budget supports the third year of the Council's 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 £3.50 (2.272%) rise in the Borough's annual council tax with a Band D (the standard council tax band) charge moving to £157.50 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: All
Recommendations: The Cabinet is recommended to:-

Part 1

- I. Note the budget context and MTFP position (table 2)

Part 2

- II. Recommend the Revenue Budget 2018/19 including the net budget requirement of **£14,410,760 (excluding parish precepts)**
- III. Recommend the level of Discretionary Fees to be levied from 1st April 2018 (as set out in **Appendix D**)
- IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
- V. Note the reserves summary **Table 6** and **Appendix C**
- VI. Note the Equality Impact Assessment in **Appendix E**
- VII. Recommend the Band D council tax at **£157.50**.
- VIII. Recommend that Members allocated £500 of the member's grants to WWI commemorative events

Part 3

- IX. Resolve that the Housing Revenue Account budget for 2018/19 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.

Part 4

- XI. Recommend to Council that the Capital Budget for 2018/19 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 updated Financial Procedure Rules are approved **Appendix J**
- XIV. Approve the Risk Based Verification policy as outlined in **Appendix K**

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 £3.50 to £157.50 at a Band D
- Staff cost of living increase of £400 or 1.5% whichever is greater
- 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 2018/19

Introduction and Background

1. This report presents the final draft 2018/19 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 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 2018/19' 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 22 February 2018 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 22 February 2018 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. To be given at the meeting.

PART ONE – CONTEXT AND GOVERNMENT GRANT

The Corporate Plan

9. The Council adopted the Corporate Plan in October 2015 and 2018/19 forms the third year of 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
10. 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 November 2017 Cabinet. This report discussed a future emerging budget gap and how this will be managed through managing demand on services through digital transformation and investment strategies currently being developed.
11. The Council also has A Better Choice for Property a subsidiary company which are exploring opportunities to enable the Council to work towards the self-sufficiency agenda adopted by the Council.
12. The budget included in this report has been built in accordance with the strategy adopted.

Provisional Settlement

13. Overall it is a positive picture for next year when taking into account the reductions in government grant and New Homes Bonus, the Council accepted the Governments offer of a 4 year settlement which has provided a degree of certainty to the councils funding.

Formula Grant

14. The Revenue Support Grant (RSG) formed 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 was receivable in 2018/19. This has been accommodated in the MTFP over recent years.
15. The current year's grant of £615,360 was to reduce to £264,160 for 2018/19 which was reported in the draft budget. Following the announcement of Kent being accepted as a 100% Business Rate Pool Pilot this grant will now reduce the tariff payable to the Pool by Ashford Borough Council.

Business Rates

16. The calculation for business rates is quite complicated as a number of factors (tariff, yield and Small Business Rate Relief) affect the budget.
17. The statutory business rates forecast return (called the NNDR1 report) has been submitted and shows a decrease to the budgeted position, however, this is offset by an increase of the section 31 grant, given by Government to compensate for the increase in reliefs that is affecting the income position.
18. The budget has a net total of Business Rate income and Section 31 grant of £4,674,760. The NNDR1, submitted to government at the end of January, is

broadly in line with these figures. The budget has not been updated to reflect the small £137,000 variance.

19. The elements of these estimates are discussed below.

Yield

20. The NNDR1 calculates a yield of £19,292,485. 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 the pool; for 2018/19 Government have adjusted the tariff levels, Ashford's tariff is slightly lower than budgeted, but is, overall, broadly in line with estimates.

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 £1,461,000.

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 £1,059,600. The NNDR1 shows this figure as £1,809,000, this increase in grant income compensates for the reduction in net rates payable, which is a direct result of reliefs given by Government to businesses.
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 2018/19 financial year is the first year the Council receives the reduced allocation based on house building over 4 years for New Home Bonus. The initial offer was to receive a grant for 6 years based on new homes within the district. For 2017/18 all historic grants had been cut to 5 years and 2018/19 4 years.
27. The final budget assumed a New Homes Bonus of £3,424,310, a reduction of £933,080 from 2017/18 contributions.

Council Tax

28. The draft budget assumed a £3.50 (2.272%) increase in Council Tax bringing in the band D payment to £157.50 (£154 in 2017/18), this Council can opt to raise the Council Tax by the higher of 2% or £5 (£5 equates to 3.175%).

29. 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 over £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 2018/19

District	Increase		Band D charge
Ashford	£3.50	2.27%	£157.50
Canterbury	£5.00	2.51%	£204.26
Dartford	£4.95	2.95%	£172.80
Dover	£5.00	2.82%	£182.39
Gravesham	£4.95	2.58%	£196.56
Maidstone	£4.95	2.02%	£250.56
Sevenoaks	£5.00	2.47%	£207.77
Shepway	£4.74	2.00%	£241.75
Swale	£4.95	3.00%	£169.83
Thanet	£5.00	2.27%	£224.87
Tonbridge & Malling	£5.00	2.53%	£202.51
Tunbridge Wells	£5.00	2.97%	£173.59

Medium Term Financial Plan

30. The Medium Term Financial Plan was updated and reported to members at the November Cabinet meeting. The forecast has been updated to reflect the details of the settlement, Business Rates forecast and other movements in the final budget. The update has reduced the deficits in the earlier years however the later year surpluses have been reduced.
31. Overall the forecast shows a fairly balanced position over the next few years. However due to the reduction of New Homes Bonus funding it is currently planned to reduce the allocation to corporate projects in 2018/19, however an additional £682,000 for a one-off interest receivable (deferred) will be allocated to fund corporate projects, bringing the contribution in line with 2017/18. It is the Council's aim to ensure the allocation is restored to 50% for projects in future years.

Table 2 – MTFP 2018/19-2022/23

	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's
<i>Revenue Support Grant</i>	(264)	140	211	283	358
<i>S31 Grant NNDR reliefs</i>	(1,060)	(59)	(68)	(69)	(70)
<i>Retained Business Rates</i>	(3,317)	(3,985)	(3,702)	(4,144)	(4,746)
<i>New Homes Bonus (50% allocated to support base budget)</i>	(2,694)	(3,074)	(3,310)	(3,291)	(3,366)
Government Funding	(7,335)	(6,978)	(6,869)	(7,221)	(7,824)
Council Tax	(7,195)	(7,522)	(7,855)	(8,210)	(8,588)
Total Income Receipts (Including Specific Grants)	(49,106)	(48,254)	(48,098)	(47,945)	(47,773)
Base Budget Gross Expenditure	64,680	64,971	65,365	66,049	66,711
Budget Increases	(1,110)	(2,079)	(2,510)	(2,723)	(2,740)
BUDGET GAP	(66)	138	33	(50)	(214)

32. The plan does place reliance on the Council's ability to generate new income streams, with some of these strategies currently under development, 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.

33. The budget includes a savings target equivalent to 1% of the net budget requirement, this saving is yet to be achieved but is part of the inflation management strategy, digital transformation 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)

34. The Cabinet is asked to:
 - I. Note the budget context and MTFP position (table 2)

PART TWO – GENERAL FUND BUDGET

35. A summary of the general fund budget, including a forecast of outturn for 2017/18 as at 30 September 2017, is shown at Table 3 below.
36. Necessary changes to the preliminary draft budget have been made and raised with the Overview and Scrutiny Committee’s Budget Task Group.
37. 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 2018/19, however they acknowledged that the financial position in subsequent years is going to be increasingly challenging. They supported the increase in Council Tax of 2.272% based on the MTFP pressures going forward and its cumulative impact.

Table 3 - General Fund Summary

Budget 2017/18 £	Detail	Budget 2018/19 £
13,692,770	Service Expenditure	13,182,580
1,319,040	Contribution to/(from) Balances	1,228,179
(615,360)	Government Grant	0
(3,422,120)	Retained Business Rates	(2,728,400)
(500,000)	Business Rates S31 Grants	(1,809,270)
(3,394,890)	New Homes Bonus	(2,478,399)
(200,000)	Council Tax Surplus	(200,000)
(6,879,440)	Council Tax	(7,194,690)
0		0

Table 4 - Analysis of Contributions to From Balances

Detail	Budget 2018/19 £
NHB & New Initiative Reserve Transfer	1,037,459
Transfer to Repairs & Renewals	250,000
GF Reserves Funding	(259,280)
Service Contingency	200,000
Contribution to/(from) Balances	1,228,179

38. A summary of service expenditure is provided at **Appendix A** and **Appendix B**. The detailed budget pages available in the draft budget book 2018/19 support this.

Principal changes to December’s preliminary draft budget

39. Following government announcements and in consultation with the Leader and Cabinet there are some changes to the draft budget to report as detailed below.
40. The provisional settlement and the completion of the NNDR1 form (business rate estimates) have resulted in the following changes:

- a) Reduced business rate income of £137,000
- b) New Homes Bonus grant decreased by £177,701, this is due to the properties calculated at draft budget time being lower than expected.
- c) Council Tax Surplus distribution of £200,000
- d) Approval of a one year trial Residents Magazine at a cost of £95,000.

41. These movements are detailed in the table below:

Table 5 – movement from draft budget

	£'000
Draft budget position reported to the October Cabinet	0
Business Rates	(137)
Approved budget increase, residents magazine	95
New Homes Bonus	178
Council Tax surplus	(200)
Revenue Support Grant	264
Movement in Reserves	(200)
Final draft budget position	0

Council Tax

- 42. The Final Budget in summarised in **Table 3** includes a Council Tax increase of 2.272% would result in an annual Council Tax amount of £3.50 per household based on a band D property.
- 43. Ashford Borough Council would remain the lowest Council Tax in Kent and also has an increasing differential in tax level with our county neighbours.
- 44. 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

- 45. 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 3%. Some charges will vary from this recommended level due to operational reasons, see **Appendix D** for details
- 46. The Garages rent has been increase by CPI plus 1.5%. CPI was 2.9% in September therefore the increase will be 4.4% (to the nearest penny).
- 47. Disregarding previous discounts the Green Waste charge has stayed the same this year for Direct Debit and Card payments however the charge for other payment methods has increased by £2.50, there is now a £5 differential for Card and Direct Debit and other payment types. This cost is lower as the Council is promoting a digital agenda and encouraging residents to switch to electronic payment methods which reduce administrative costs for the Council.
- 48. The Building Control Fee Earning Account aims to break even in accordance with the building control regulations.
- 49. The budget has been built with this level of fees and charges.

Reserves

- 50. A schedule of reserves is attached at **Appendix C**, which shows a total of revenue reserves estimated at 31 March 2018 of £10.5m, 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 2018/19 which will reduce reserves to a lower level and closer to the minimum requirement set by the council.

51. 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 31/03/2017 £000	Estimated as at 31/03/2018 £000	Estimated as at 31/03/2019 £000
General fund balance	(2,602)	(2,999)	(2,795)
Fund future expenditure	(8,125)	(8,025)	(6,806)
Provide for the maintenance or purchase of assets	(1,569)	(1,374)	(1,429)
Required by statute reserves	(278)	(159)	(159)
Total revenue reserves	(12,574)	(12,557)	(11,189)

52. 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.
53. 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 2018/19 this will be £2,161,600.
54. 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.

WWI Commemorative Events

55. This year will include a number of commemorative events to remember those that fought in the First World War. There will be a variety of events including the Fields of Battle photographic exhibition. Members are asked to commit £500 each from their Members grant allowance towards these events.
56. This commitment does not exclude Members choosing to allocate more of the grant on these or other commemorating events.

Budget Scrutiny and Risk

57. 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 sound and deliverable and supports the recommendations to Cabinet and Council to approve the proposed budget. The task group noted that the Council Tax could be raised above current proposed levels but also feels the 2.272% 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.
58. 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

59. 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.
60. Members are referred to the attached Assessment at **Appendix E**.

Recommendations (Part Two)

61. The Cabinet is asked to:
 - II. Recommend the Revenue Budget 2018/18 including the net budget requirement of **£14,410,760 (excluding parish precepts)**
 - III. Recommend the level of Discretionary Fees to be levied from 1st April 2018 as set out in **Appendix D**
 - IV. Delegate to the Chief Finance Officer the powers to establish local discounts in Business Rates in accordance with government policy.
 - V. Note the reserves summary **Table 6 and Appendix C**
 - VI. Note the Equality Impact Assessment in **Appendix E**
 - VII. Recommend the Band D council tax at **£157.50**.
 - VIII. Recommend that Members allocated £500 of the member's grants to WWI commemorative events

PART THREE – HOUSING REVENUE ACCOUNT

Housing Revenue Account Budget

62. The 2018/19 position is broadly in line with the position reported to Members in the 30 year HRA business plan (December 2017 Cabinet).
63. **Table 7** shows a net deficit in the HRA for 2018/19 this reflects the drawdown from HRA reserves approved for the repayment of debt and capital expenditure including a number of affordable housing projects.
64. This deficit will be funded from HRA reserves, the HRA revenue reserve was £6,753,000 at the start of 2017/18, and will be utilised for a number of affordable housing projects. 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 2018/19

REVENUE BUDGET				
Housing Revenue Account				
Actual 2016/17 £	Budget 2017/18 £	Projected Outturn 2017/18 £	DETAIL	Budget 2018/19 £
4,142,152	5,149,750	5,127,730	Supervision & Management	5,264,580
(24,372,599)	(25,511,220)	(24,952,720)	Income	(24,978,930)
17,994,718	21,923,480	21,923,480	Other	17,449,220
3,350,305	3,328,470	3,352,704	Repairs & Maintenance	3,418,400
1,114,576	4,890,480	5,451,194	SERVICE EXPENDITURE	1,153,270

Rent Decrease

65. In line with rent setting formula, set by Government, rents will continue to decrease by 1% per annum, this is expected to continue until 2019/20, when rents are expected to revert back to an increase of CPI+1%.
66. For 2018/19 this means that the average weekly rent, for social housing will be £88.90 (£89.90 in 2017/18). 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.
67. 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 2018/19 will be £135.05 (£136.40 in 2017/18).
68. The impact of this reduction is being monitored by officers, and has been modelled in the 30 year Business Plan, and as such the HRA is affordable for the next 30 years.

Recommendations (Part Three)

69. The Cabinet is asked to:
- IX. Resolve that the Housing Revenue Account budget for 2018/19 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.

PART FOUR – CAPITAL PROGRAMME

Capital Resources and New Allocations to Projects

70. This section gives consideration to the level of capital resources that are potentially available to support priorities including the business plan and other requirements
71. 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 2018/19 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 £8.5m (capital & revenue), £1m 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)

72. Following the HRA reform there was room within the HRA Business Plan to invest in projects including new housing and sheltered redevelopments. However, in response to the annual 1% rent reduction (for 4 years, from 2016/17) the Housing Revenue Account has reprioritised its plans and reduced its capital spend, over the life of the business plan.
73. Earlier in the year officers approached DCLG about increasing Ashford's debt cap to allow for investment in affordable rented properties and the continued refurbishment and redevelopment of Sheltered Housing. In response to this request it was announced (Autumn Budget 2017) that there will be an opportunity, in 2019/20, for council's to bid for a £1b pot of additional borrowing capacity.
74. It is expected that Ashford will be among those council's to bid for additional borrowing.
75. In addition to borrowing up to the Debt Cap, HRA funding sources include:
- External contributions from 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 up to the Debt Cap.

Borrowing and Acquisition Policy

76. At the October 2016 Cabinet meeting, the agenda item titled “Corporate Plan Update: The Corporate Delivery Programme & MTFP” re-endorsed the Borrowing and Acquisitions Strategy which was previously adopted and approved in January 2014. The strategy amalgamates a number of capital and investment projects into one Policy including:
1. Delivery of strategic priorities
 2. Property and commercial investment
 3. Development of cultural and community facilities
 4. 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, approved on a case by case basis. 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)
 - 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 £2m.
 - 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 the three R’s below:
- Recovering the borrowing within a reasonable time frame
 - Replacing income lost from grants, so that we work towards self-sufficiency
 - Reputational enhancement for the Borough and the Council

Capital Expenditure 2018/19

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 £2m 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.

Regeneration Projects

Carlton Road Industrial Units

82. To encourage and attract new business to develop and grow with the borough, the Council will invest £6.8m and purchase 28 light industrial units at the former Rimmel site at Carlton Road. The redevelopment of this area will bring additional employment opportunities and provide a revenue stream for the Council in the long term.

Elwick Place

83. Work on the Council's investment as part of the regeneration of the Elwick Road site is now well underway. When completed this will provide a mixed use leisure development incorporating a cinema, hotel and several eateries on the complex.

Property Company – A Better Choice for Property

84. The Council's property company, A Better Choice for Property, requires financing to purchase its assets. The company has this year revisited its business plan and put forward ambitious plans to acquire 400 - 500 properties over the next 5 years, loans to the company have been included in the plan for the period 2018-21 totalling £79m.
85. The company is currently in discussion with a number of developers to acquire larger off plan acquisitions, which will be considered by the Council on a case by case basis before draw down of the loan facility is completed. These off plan acquisitions will be purchased at a discounted price and are an efficient method of achieving the company's aims.
86. The Council will finance this £79m 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.

Support to Disabled and Homeless People

87. During 2017/18 the Council will purchase a further property to support short stay temporary accommodation, similar to the Christchurch House accommodation it currently owns. The new acquisition will need conversion works to provide 8 individual units with washing facilities for both families and single people. A budget of £500,000 has been included in 2018/19 to complete the works.

88. To reduce waiting times for Disabled Facility Grants the Council has allocated a one off amount in 2018/19 of £200,000 to support those applying for the grants.

Digital Transformation

89. The Council will allocate £200,000 during 2018/19 to support the Council's Digital Transformation Strategy which will see the Council's services becoming more accessible online and encouraging smarter working particularly moving away from paper.

Housing Revenue Account Capital Programme

90. Housing HRA projects during 2018/19 includes:
- Continuation of the affordable housing programme with a number of sites
 - Continuation and completion of the Danemore Sheltered Housing Scheme
 - Works to being on a new 20 unit sheltered housing block at Halstow Way
Work to remodel East Stour Court will begin
 - 12 affordable family homes at Bushy Royds

Recommendations (Part Four)

91. The Cabinet is asked to:
- XI. Recommend to Council that the Capital Budget for 2018/19 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 ensuring it is affordable, prudent and sustainable.
93. 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'.
94. The prudential indicators recommended for 2018/19 are detailed in **Appendix H**.

Treasury Management Strategy Statement & Annual Investment Strategy

95. The Council adopted the CIPFA Code of Treasury Management 2011 edition in March 2012 following publication. A new 2017 code has just been published following consultation, once fully reviewed any changes will be reported accordingly for adoption, it should be noted though that there are no significant changes.
96. 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.
97. 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 29 December 2017 the Council had £117.6m of borrowing relating to HRA reform and £17m relating to general fund capital investment. The Council had investments of £37.2m at this time.
98. In 2018/19 the Council's General Fund Net Interest on Borrowing and Investments is forecast to generate a net surplus of circa £1.73m. This is an increase of £1.37m from 2017/18 of which £852,000 represents interest due on the funding of the Elwick Development. The remaining £518,000 of additional income comes from the decision to borrow now for previous investment decisions, this enables the internally borrowed funds now released to be invested. This enables the Council to take advantage of the current low interest rate environment which are below the returns being generated on the Council's long term strategic investments. Officers continually evaluate and take advice on all investment and borrowing decisions and will look to take opportunities as they arise.

99. The proposed Treasury Management Strategy Statement for 2018/19 is attached at **Appendix I** (it is a requirement to review this annually).

HRA Debt Pools

100. 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.
101. 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

102. Each year the council must agree a statement on its policy for making a minimum revenue provision (MRP) (set aside for debt repayment).
103. 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

104. Options 3 and 4 apply to new capital expenditure, and Option 3 is the most practical to adopt.
105. In relation to option 3 there are two methods under this option for estimating the MRP requirement are,
- 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.
106. The Council has previously adopted option 'a', (pre 2017/18) but now uses option 'b' as this generates short term savings for the Council and more appropriately matches the MRP expense with the cash flows for the assets going forward.
107. 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.
108. 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.
109. The Council had the ability to use bespoke MRP policies where they are deemed prudent, any bespoke MRP policies considered will be reported through Council as necessary.

110. DCLG have recently closed a consultation on proposed changes to the Prudential Framework of Capital Finance which includes the MRP options.
111. The proposed changes look to reduce the flexibility of the MRP framework and impose maximum asset lives of 40 years on buildings where as the Council currently uses 50 years. This could impact on the current and future MRP calculations dependent on the outcomes of the consultation.
112. The Council has responded to the consultation, and will monitor and respond to any changes in legislation and report the consequences through the appropriate channels.

Recommendations (Part Five)

113. 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

114. The Council has reviewed its Financial Procedure Rules and has made adjustments to the following areas:
- I. Preventing Fraud and Corruption
 - II. Whistleblowing
 - III. Money Laundering
115. Please see **Appendix J** for amendments.

Risk Based Verification

116. 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.
117. The policy for 2018/19 needs to be adopted, and there have been no changes made.
118. The full policy can be found in **Appendix K**

Recommendations (Part Six)

119. The Cabinet is asked to:
- XIII. Recommend that the updated Financial Procedure Rules are approved **Appendix J**
 - XIV. Approve the Risk Based Verification policy as outlined in **Appendix K**

PART SEVEN – ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Background

120. 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 Director of Finance & Economy) 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.
121. The past year and the foreseeable future for local government continue to be dominated by public spending reduction plans. In October 2016 the Council accepted the Governments offer of a provisional four year financial settlement for local authorities. This gave a measure of certainty to the Councils Funding however New Homes Bonus and Business Rates are outside of this offer.
122. 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 and the Kent and Medway Towns business rates pilot application has been accepted. 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 C**.
123. For prudence and as a financial planning target our Medium Term Financial Plan reflects government formula grants to a 'de minimis' level, which is now incorporated into the 100% Business Rate Retention scheme. 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 for projects (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 a reducing amount with a floor of 2% per annum which is less than the maximum allowed at £5 building in some scope to manage funding risk if necessary.
124. 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.
125. 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

126. 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

127. 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.
128. 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.
129. This budget is set at a time when the economy is performing fairly strongly, however there is considerable uncertainty in light of Brexit negotiations on the UK's exit from the EU. Inflation has risen, however it is expected to return to trend after a period of correction, and interest rates remain low. There has been a fall in consumer confidence, although unemployment levels are at low levels. 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.
130. Ashford's local position is relatively stronger with positive signs of commercial expansion over the coming years and new housing supply remaining buoyant.
131. We are now reaching the end of the five year of the business rates retention scheme and had encouraging results for business rate yield and a growth above target of the locally retained element. The Council, along with all Kent colleagues have been had the pilot 100% business rates retention pool approved for 2018/19. This is a one year agreement and should generate additional one off funds for the Council, in the region of £500,000 (not currently in the budget) and around £4m for East Kent Regeneration.
132. With good opportunities and risks still to manage this 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.
133. During 2018/19 the Council 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.

134. The Council has worked hard to manage budget reductions in recent years, without passing through significant increases in Council Tax or service reductions. Whilst we have been able to manage this, the Council's budgetary flexibility and ability to respond to sudden changes in spending power has been reduced. This is a particular threat when we consider regulatory changes that could be imposed upon the Council with short notice, for example the Fair Funding review, changes in borrowing and investment regulations, etc. To manage these risks the Council will need to continue to be actively involved in consulting with government on policy changes.

Key components of the budget

135. Detailed advice is set out in **Appendix L**, 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.
136. The Chairman of the Task Group has focused the work of the group on a number of key areas, the risk of:
- I. NNDR reset and other changes in government legislation/policy,
 - II. delay in income generation projects,
 - III. resources for planning appeals and enforcement and Homelessness Reduction Act.
 - IV. the Impact of Universal Credit
137. In addition the Chairman identified a number of areas beyond the remit of the Budget Scrutiny Task Group where it was felt that reviews by the Overview and Scrutiny Committee may be beneficial. These will be passed to the full Committee for consideration when setting its 2018/19 work programme
138. 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.
139. The Secretary of State announced a change in the rules for capping increases in Council Tax, the allowable increase without a referendum from 2% or £5 to 3% or £5. This budget sets an increase in council tax of 2.272% which is a real terms reduction in the level of council tax. Whilst this is manageable within the medium term financial plan should inflation continue to be above increases in council tax pressure could build up within the council's financial plan that will need to be managed.

Weighing-up

140. This budget is developed against a backdrop of substantial external influence, the economic climate is fairly strong, but nevertheless not without continuing pressures and uncertainty. **Appendix L** 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.
141. 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

142. Section Two covers the reserves position with a detailed forecast included in **Appendix L**.
143. 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.
144. For 2018/19 this amounts to a minimum unallocated reserve requirement of circa £2.18m. Un-earmarked reserves, after planned drawings will stand at £2.8m.
145. Earmarked reserves (excluding section 106 developer contributions), again after planned drawings stand at £10m. By the end of 2017/18 total revenue reserves are expected to amount to circa £9.5m.
146. 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.
147. As ever reserve levels need close management to ensure they remain adequate and that longer term MTFP plans for resilience are sustainable.
148. 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.
149. 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) are £1,204,000 as at 31/03/2017, however these allocated to the College on Elwick Road when the loan transfers to a grant.
150. 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.

151. As **Appendix L** 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.
152. 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):

153. The Cabinet is asked to:

- XV. 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

Part Two	A	Summary of Expenditure
	B	Service Expenditure
	C	Analysis of Reserves
	D	Discretionary Fees
	E	Equality Impact Assessment
Part Three	F	HRA Budget, analysed to subjective level
Part Four	G	Capital Programme
Part Five	H	Prudential Indicators
	I	Treasury Management Strategy Statement and Annual Investment Strategy
Part Six	J	Amended Financial Procedure Rules
	K	Risk Based Verification Policy
Part Seven	L	Robustness of Estimates and Adequacy of Reserves

Appendix A

FINAL REVENUE BUDGET				
DIRECTORATE SUMMARY				
Actuals 2016/17 £	Budget 2017/18 £	Projected Outturn 2017/18 £	Directorate	Budget 2018/19 £
817,720	838,340	987,330	Chief Executive	1,060,760
3,556,382	3,070,680	3,238,165	Director of Finance & Economy	2,945,230
1,381,241	1,967,940	1,877,491	Director of Law & Governance	2,088,570
9,392,290	9,598,720	9,641,446	Director of Place & Space	10,219,590
15,147,633	15,475,680	15,744,432	Service Expenditure	16,314,150
614,029	(463,870)	(653,870)	Non service specific	(1,903,391)
15,761,662	15,011,810	15,090,562	ABC Budget Requirement	14,410,759
(15,721,932)	(15,011,810)	(15,011,810)	Financing	(14,410,759)
39,730	0	78,752		0

Appendix A continued

FINAL REVENUE BUDGET				
SERVICE SUMMARY				
Actuals 2016/17 £	Budget 2017/18 £	Projected Outturn 2017/18 £	Service	Budget 2018/19 £
817,720	838,340	987,330	Corporate Policy, Economic Development & Communications	1,060,760
1,281,899	1,361,440	1,254,852	Legal & Democratic Services	1,414,090
1,667,822	1,646,090	1,681,136	Planning	1,787,440
4,189,463	3,815,280	3,732,215	Finance & IT	3,668,940
(5,849)	90,010	115,610	HR & Customer Services	105,010
636,937	654,790	779,644	Housing Services	689,780
105,190	516,490	507,029	Health, Parking & Community Safety	569,470
4,464,702	4,939,690	4,929,960	Environmental & Land Management	5,186,090
(1,270,018)	(1,399,390)	(1,273,694)	Corporate Property & Projects	(1,413,490)
3,259,766	3,012,940	3,030,350	Culture	3,246,060
15,147,633	15,475,680	15,744,432	Service Expenditure	16,314,150
(2,632,128)	(2,032,910)	(2,222,910)	Capital Charges & Net Interest	(3,387,820)
244,828	250,000	250,000	Levies	256,250
3,001,329	1,319,040	1,319,040	Contribution to Balances	1,228,179
15,761,662	15,011,810	15,090,562	ABC Budget Requirement	14,410,759
			Income	
(1,381,270)	(615,360)	(615,360)	Government Grant	0
(3,027,776)	(3,422,120)	(3,422,120)	Retained Business Rates	(2,728,400)
(669,587)	(500,000)	(500,000)	Business Rates S31 Grants	(1,809,270)
(3,788,826)	(3,394,890)	(3,394,890)	New Homes Bonus	(2,478,399)
	(200,000)	(200,000)	Council Tax Surplus	(200,000)
(6,854,473)	(6,879,440)	(6,879,440)	Council Tax	(7,194,690)
39,730	0	78,752		0

General Fund Final Budget 2018/19				
Actuals 2016/17 £	Budget 2017/18 £	Projected Outturn 2017/18 £	Department	Budget 2018/19 £
			Corporate Policy, Economic Development & Communications	
60,431	0	69,910	Chilmington	71,400
168,032	210,400	268,720	Policy and Performance	245,100
270,538	291,840	292,600	Economic Development	318,740
318,720	336,100	356,100	Communications & Marketing	425,520
817,720	838,340	987,330		1,060,760
			Legal & Democratic Services	
864,812	876,850	867,320	Democratic Representation	852,470
371,145	435,320	417,030	Electoral Services	503,210
(7,001)	0	(78,768)	Legal	0
52,944	49,270	49,270	Mayor	58,410
1,281,899	1,361,440	1,254,852		1,414,090
			Planning	
142,150	110,240	114,300	Building Control	117,810
972,870	898,330	926,982	Development Control	1,066,350
(5,528)	(5,750)	(5,150)	Land Charges	(41,150)
(0)	(10)	(5,396)	Planning Administration	31,920
558,329	643,280	650,400	Strategic Planning	612,510
1,667,822	1,646,090	1,681,136		1,787,440
			Finance & IT	
52,805	65,800	(1,370)	Accountancy	35,840
0	50	50	Audit Partnership	(60)
738,794	766,220	783,750	Benefits Administration	912,910
275,037	457,150	460,610	Council Tax Collection	417,870
(1,145)	(1,030)	500	Debtors/Debt Recovery	120
47,809	(19,610)	(10,950)	Exchequer	10,840
(467,817)	(256,000)	(256,000)	Housing Benefits Payments	(256,040)
(109,197)	(65,230)	(69,100)	NNDR Collection	(64,220)
2,351,186	1,695,970	1,467,820	Non-Distributed Costs	1,653,810
(6,002)	7,070	22,210	ICT	7,760
(0)	40	160	Telephony	(30)
1,307,993	1,164,850	1,334,535	Allocable Corporate Costs	950,140
4,189,463	3,815,280	3,732,215		3,668,940
			HR & Customer Services	
(847)	90,000	151,270	Human Resources	105,000
(5,002)	10	(35,660)	Visitor & Call Centre	10
(5,849)	90,010	115,610		105,010

Appendix B continued

General Fund Final Budget 2018/19				
Actuals 2016/17 £	Budget 2017/18 £	Projected Outturn 2017/18 £	Department	Budget 2018/19 £
			Housing Services	
178,342	141,260	128,720	Private Sector Housing	117,410
58,522	53,220	55,310	Housing Strategy and Enabling	36,880
606,812	528,390	664,991	Housing Options	535,270
(993)	(66,020)	(53,250)	Facilities Management	9,060
(211,159)	750	1,200	Refugee Project	0
5,412	(2,810)	(17,327)	Gypsy Site - Chilmington	(8,840)
636,937	654,790	779,644		689,780
			Health, Parking & Community Safety	
493,402	496,720	517,834	Community Safety,AMC,Licencing	574,040
622,263	659,710	677,664	Environmental Health	618,160
(1,010,475)	(639,940)	(688,469)	Parking & Engineering	(622,730)
105,190	516,490	507,029		569,470
			Environmental & Land Management	
701,703	568,800	572,070	Street Scene	502,690
2,628,747	3,010,760	3,070,760	Refuse,Recycling,Street Clean	3,292,380
1,134,252	1,360,130	1,287,130	Grounds Maintenance	1,391,020
4,464,702	4,939,690	4,929,960		5,186,090
			Corporate Property & Projects	
17,298	37,920	27,390	Project Delivery Team	6,960
111,245	144,430	164,660	Town Centre Development	157,410
(1,398,560)	(1,581,740)	(1,465,744)	Corporate Property	(1,577,860)
(1,270,018)	(1,399,390)	(1,273,694)		(1,413,490)
			Culture	
392,064	241,250	242,494	Cultural Services Management	279,780
1,562,308	1,539,240	1,568,540	Leisure Centres	1,591,700
199,050	267,380	248,936	Open Spaces and Conservation	260,080
363,466	359,760	359,760	Single Grants Gateway	359,760
137,895	144,180	144,830	Tourism & Heritage	236,440
604,983	461,130	465,790	Cultural Projects	518,300
3,259,766	3,012,940	3,030,350		3,246,060
15,147,633	15,475,680	15,744,432	NET EXPENDITURE ON SERVICES	16,314,150
			Other Items	
(2,632,128)	(2,032,910)	(2,222,910)	Capital Charges & Net Interest	(3,387,820)
244,828	250,000	250,000	Levies & Precepts	256,250
3,001,329	1,319,040	1,319,040	Contributions to/from Reserves	1,228,179
15,761,662	15,011,810	15,090,562		14,410,759

Analysis of Reserves

	2017/18			2018/19			Balance at 31st March 2019 £'000
	Balance at 31st March 2017 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31st March 2018 £'000	Transfers In £'000	Transfers Out £'000	
	General Fund Balance	(2,602)	(397)	0	(2,999)	204	
	(2,602)	(397)	0	(2,999)	204	0	(2,795)
Earmarked Reserves							
Business Rate Income Res	(1,258)		200	(1,058)		200	(858)
Elections	(129)	(40)		(169)	(40)		(209)
Green Transport Initiatives	(55)			(55)			(55)
Land Searches Reserve	(159)			(159)			(159)
Members' IT	(28)	(5)		(33)	(5)		(38)
New Homes Bonus	(2,104)	(1,179)	1,095	(2,188)	(353)	1,550	(991)
New Initiatives Reserve	(2,829)	(426)		(3,255)	(681)	500	(3,436)
Planning Delivery Grant	(407)		263	(144)		144	0
Chilmington reserve	(100)		50	(50)		50	0
Repairs & Renewals	(1,511)	(40)	240	(1,311)	(290)	240	(1,361)
Section 106 Monitoring Fee	(90)		20	(70)		20	(50)
Service Pressure Reserve	(775)			(775)			(775)
Small property maintenance reserves	(59)	(5)		(64)	(5)		(69)
Stour Centre	(139)	(72)		(211)	(72)		(283)
Transport Initiatives	(119)		119	0			0
Refugee Reserve	(210)		50	(160)		50	(110)
Developer Contributions							
S106 Unapplied Grants	(5,273)		800	(4,473)		500	(3,973)
Commuted Sums Unapplied Grants	(1,003)		180	(823)		180	(643)
Spg6 Unapplied Grants	(643)			(643)		200	(443)
Total Earmarked Reserves	(16,891)	(1,767)	3,017	(15,641)	(1,446)	3,634	(13,453)

Discretionary Fees 2017/18

DISCRETIONARY & STATUTORY FEES 2018/19								
LICENSING FEES								
Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %	
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	0.00%	
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	Statutory		NB	10.50	10.50	10.50	0.00%	
Designated premises supervisor	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	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 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Animal Welfare and Public Health Licences							
Dog Breeding Establishments	Discretionary	New Licence	NB	557.00	563.00	577.00	2.49%
	Discretionary	Renewal	NB	138.00	139.00	142.00	2.16%
	Discretionary	Variation	NB	138.00	139.00	142.00	2.16%
	Discretionary	Concurrent 2nd application	NB	69.00	70.00	72.00	2.86%
Animal Boarding Establishments	Discretionary	New Licence	NB	557.00	563.00	577.00	2.49%
	Discretionary	Renewal	NB	138.00	139.00	142.00	2.16%
	Discretionary	Variation	NB	138.00	139.00	142.00	2.16%
	Discretionary	Concurrent 2nd application	NB	69.00	70.00	72.00	2.86%
Home Boarding	Discretionary	New Licence	NB	87.00	88.00	90.00	2.27%
	Discretionary	Renewal	NB	67.00	68.00	70.00	2.94%
Pet Shops	Discretionary	New Licence	NB	557.00	563.00	577.00	2.49%
	Discretionary	Renewal	NB	138.00	139.00	142.00	2.16%
	Discretionary	Variation	NB	138.00	139.00	142.00	2.16%
	Discretionary	Concurrent 2nd application	NB	69.00	70.00	72.00	2.86%
Riding Establishments	Discretionary	New Licence	NB	557.00	563.00	577.00	2.49%
	Discretionary	Renewal	NB	403.00	407.00	417.00	2.46%
	Discretionary	Variation	NB	76.00	77.00	79.00	2.60%
	Discretionary	Concurrent 2nd application	NB	35.00	35.00	36.00	2.86%
Dangerous Wild Animals	Discretionary	New Licence (2 year licence)	NB	922.00	931.00	954.00	2.47%
	Discretionary	Renewal (2 year licence)	NB	631.00	637.00	653.00	2.51%
	Discretionary	Variation	NB	325.00	328.00	336.00	2.44%
	Discretionary	Concurrent 2nd application	NB	82.00	83.00	85.00	2.41%
Zoos	Discretionary	Consideration	NB	1,149.00	1,160.00	1,189.00	2.50%
	Discretionary	Licence (4 year licence)	NB	1,894.00	1,913.00	1,961.00	2.51%
	Discretionary	Renewal (6 year licence)	NB	2,842.00	2,870.00	2,942.00	2.51%
	Discretionary	Dispensation - 14(1)(a)	NB	462.00	467.00	479.00	2.57%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Public Health Licences							
Acupuncture	Discretionary	Initial registration practitioner/premises	NB	171.00	173.00	177.00	2.31%
	Discretionary	Additional practitioner/premises	NB	105.00	106.00	109.00	2.83%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Tattooing (including semi-permanent skin-colouring)	Discretionary	Initial registration practitioner/premises	NB	331.00	334.00	342.00	2.40%
	Discretionary	Additional practitioner/premises	NB	105.00	106.00	109.00	2.83%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Electrolysis	Discretionary	Initial registration practitioner/premises	NB	171.00	173.00	177.00	2.31%
	Discretionary	Additional practitioner/premises	NB	105.00	106.00	109.00	2.83%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Cosmetic Piercing (excluding ear piercing)	Discretionary	Initial registration practitioner/premises	NB	331.00	334.00	342.00	2.40%
	Discretionary	Additional practitioner/premises	NB	105.00	106.00	109.00	2.83%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Ear Piercing	Discretionary	Initial registration practitioner/premises	NB	171.00	173.00	177.00	2.31%
	Discretionary	Additional practitioner/premises	NB	29.00	29.00	30.00	3.45%
	Discretionary	Minor variation	NB	29.00	29.00	30.00	3.45%
Hairdressing	Statutory	Registration		No fee payable			
Sex Establishments Licence							
Sex Shops, Sex Cinemas and Sexual Entertainment Venue Licences	Discretionary	Grant	NB	3,204.00	3,236.00	3,317.00	2.50%
	Discretionary	Renewal	NB	350.00	300.00	308.00	2.67%
	Discretionary	Transfer	NB	350.00	300.00	308.00	2.67%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Street Trading and Consents							
Publicity Displays	Statutory			No fee payable			
Street Collection Permit	Statutory			No fee payable			
Street Trading Licence	Discretionary	Yearly	NB	72.00	73.00	75.00	2.74%
Casual Street Trading Licence/Consent For One Off Event	Discretionary	Grant	NB	12.00	12.00	13.00	8.33%
Casual Street Trading Licence for Market	Discretionary	Monthly	NB	26.00	26.00	27.00	3.85%
Street Trading Consent	Discretionary	Yearly	NB	72.00	73.00	75.00	2.74%
New Site Street Trading Consent - static	Discretionary	Grant -if planning permission already granted	NB	100.00	101.00	104.00	2.97%
New Site Street Trading Consent - static	Discretionary	Grant - if no planning permission at time of application	NB	200.00	202.00	207.00	2.48%
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	72.00	73.00	75.00	2.74%
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	152.00	152.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, weekdays and Sundays	NB	50.00	51.00	51.00	0.00%
Town Centre Commercial Booking	Discretionary	Small, local businesses, Saturdays	NB	75.00	76.00	76.00	0.00%
Town Centre Commercial Booking	Discretionary	1 day (Saturday)	NB	200.00	200.00	200.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Street Trading Consent Rents							
Furners Wood Lay-by - cherry stall	Discretionary	Monthly rents	NB	150.00	150.00	150.00	0.00%
Furners 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	270.00	270.00	277.00	2.59%
	Discretionary	per non-operating day	NB	190.00	190.00	195.00	2.63%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Food Hygiene							
Level 1 course	Discretionary		EX			35.00	
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	96.00	97.00	99.00	2.06%
Inspection (Voluntary Surrender) or plus tipping charge at cost	Discretionary	Per hour	NB	94.00	95.00	97.00	2.11%
	Charged by tip			N/A	N/A	N/A	N/A
Export Certificate for food manufacture	Discretionary		NB	159.00	55.00	60.00	9.09%
Miscellaneous							
Scrap Metal Site Licence	Discretionary		NB	305.00	308.00	316.00	2.60%
Scrap Metal Collectors Licence	Discretionary		NB	205.00	207.00	212.00	2.42%
Scrap Metal Site Licence - Renewal	Discretionary		NB	205.00	207.00	212.00	2.42%
Scrap Metal Collectors Licence - Renewal	Discretionary		NB	102.00	103.00	106.00	2.91%
Scrap Metal Variations	Discretionary		NB	77.00	78.00	80.00	2.56%
Scrap Metal Replacement Licence	Discretionary		NB	11.00	11.00	11.00	N/A

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Gambling Act							
New small casino	Statutory	New application	NB	6,570.00	6,570.00	6,734.00	2.50%
		Annual fee	NB	3,730.00	3,730.00	3,823.00	2.49%
		Variation	NB	2,690.00	2,690.00	2,757.00	2.49%
		Transfer	NB	1,564.00	1,564.00	1,603.00	2.49%
		Re-instatement	NB	1,314.00	1,314.00	1,347.00	2.51%
		Provisional statement	NB	6,570.00	6,570.00	6,734.00	2.50%
		Provisional statement holders	NB	2,335.00	2,335.00	2,393.00	2.48%
		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	7,860.00	7,860.00	8,057.00	2.51%
		Annual fee	NB	7,520.00	7,520.00	7,708.00	2.50%
		Variation	NB	3,555.00	3,555.00	3,644.00	2.50%
		Transfer	NB	1,835.00	1,835.00	1,881.00	2.51%
		Re-instatement	NB	2,070.00	2,070.00	2,122.00	2.51%
		Provisional statement	NB	7,860.00	7,860.00	8,057.00	2.51%
		Provisional statement holders	NB	3,860.00	3,860.00	3,957.00	2.51%
		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	12,380.00	12,380.00	12,690.00	2.50%
		Annual fee	NB	11,610.00	11,610.00	11,900.00	2.50%
		Variation	NB	5,800.00	5,800.00	5,945.00	2.50%
		Transfer	NB	4,230.00	4,230.00	4,336.00	2.51%
		Re-instatement	NB	4,230.00	4,230.00	4,336.00	2.51%
		Provisional statement	NB	12,380.00	12,380.00	12,690.00	2.50%
		Provisional statement holders	NB	6,030.00	6,030.00	6,181.00	2.50%
		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	2,250.00	2,250.00	2,306.00	2.49%
		Annual fee	NB	700.00	700.00	718.00	2.57%
		Variation	NB	1,540.00	1,540.00	1,579.00	2.53%
		Transfer	NB	855.00	855.00	876.00	2.46%
		Re-instatement	NB	855.00	855.00	876.00	2.46%
		Provisional statement	NB	2,250.00	2,250.00	2,306.00	2.49%
		Provisional statement holders	NB	930.00	930.00	953.00	2.47%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Gambling Act							
Betting Premises (excluding tracks)	Statutory	New application	NB	2,290.00	2,290.00	2,347.00	2.49%
		Annual fee	NB	455.00	455.00	466.00	2.42%
		Variation	NB	1,300.00	1,300.00	1,333.00	2.54%
		Transfer	NB	855.00	855.00	876.00	2.46%
		Re-instatement	NB	855.00	855.00	876.00	2.46%
		Provisional statement	NB	2,250.00	2,250.00	2,306.00	2.49%
		Provisional statement holders	NB	930.00	930.00	953.00	2.47%
		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	1,760.00	1,760.00	1,804.00	2.50%
		Annual fee	NB	700.00	700.00	718.00	2.57%
		Variation	NB	1,180.00	1,180.00	1,210.00	2.54%
		Transfer	NB	855.00	855.00	876.00	2.46%
		Re-instatement	NB	855.00	855.00	876.00	2.46%
		Provisional statement	NB	1,760.00	1,760.00	1,804.00	2.50%
		Provisional statement holders	NB	930.00	930.00	953.00	2.47%
		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	1,760.00	1,760.00	1,804.00	2.50%
		Annual fee	NB	605.00	605.00	620.00	2.48%
		Variation	NB	795.00	795.00	815.00	2.52%
		Transfer	NB	855.00	855.00	876.00	2.46%
		Re-instatement	NB	855.00	855.00	876.00	2.46%
		Provisional statement	NB	1,760.00	1,760.00	1,804.00	2.50%
		Provisional statement holders	NB	770.00	770.00	789.00	2.47%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17	Charge 2017/18	Proposed Charge 2018/19	Increase / Decrease on 2017/18
				£	£	£	%
Gambling Act							
Adult Gaming Centre	Statutory Maximum	New application	NB	1,760.00	1,760.00	1,804.00	2.50%
		Annual fee	NB	705.00	705.00	723.00	2.55%
		Variation	NB	795.00	795.00	815.00	2.52%
		Transfer	NB	855.00	855.00	876.00	2.46%
		Re-instatement	NB	855.00	855.00	876.00	2.46%
		Provisional statement	NB	1,760.00	1,760.00	1,804.00	2.50%
		Provisional statement holders	NB	930.00	930.00	950.00	2.15%
		Copy licence	NB	25.00	25.00	25.00	0.00%
		Notification of change	NB	50.00	50.00	50.00	0.00%
Temporary Use Notices	Statutory Maximum	New application	NB	204.00	204.00	204.00	0.00%
		Copy licence	NB	25.00	25.00	25.00	0.00%
Licensed Premises Gaming Machine	Statutory	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%		

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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%

DISCRETIONARY & STATUTORY FEES 2018/19

LICENSING FEES

Item	Statutory or Discretionary	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Hackney Carriage/Private Hire							
Hackney Carriage & Private Hire Drivers Licence	Discretionary	For 1 year	NB	50.00	51.00	52.00	1.96%
		For 3 years	NB	100.00	101.00	104.00	2.97%
Vehicle Licence	Discretionary	New	NB	305.00	308.00	316.00	2.60%
		Renewal	NB	285.00	288.00	295.00	2.43%
Additional Hackney Carriage & Private Hire Drivers licence	Discretionary		NB	20.00	20.00	21.00	5.00%
Private Hire Operators	Discretionary	1-3 Vehicles	NB	125.00	126.00	129.00	2.38%
		4-10 Vehicles	NB	420.00	424.00	435.00	2.59%
		11-20 Vehicles	NB	840.00	848.00	869.00	2.48%
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	20.00	20.00	0.00%
Replacement Plate (internal/external)	Discretionary		NB	25.00	26.00	20.00	-23.08%
Additional Vehicle under an Operators Licence	Discretionary	Category 1-3 to 4-10	NB	290.00	293.00	300.00	2.39%
	Discretionary	Category 4-10 to 11-20	NB	420.00	424.00	435.00	2.59%
Replacement Licence	Discretionary		NB	11.00	11.00	11.00	0.00%
Hackney carriage knowledge test	Discretionary			50.00	51.00	52.00	1.96%
CRB	Set by Home Office		NB	44.00	44.00	44.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Season Tickets (Ashford)						
	Edinburgh Road Reserved 12 months	VT	1,520.00	1,520.00	no longer required	
	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 Business Permit 12 months	VT		360.00	360.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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%
	<i>*Season Tickets issued for Bridewell Lane car park are also valid in the rear car park at Tenterden Leisure Centre</i>					
	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 B Annual - Off Street Residents Parking Permit	VT	135.00	135.00	135.00	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 2018/19

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Other Permits						
	Visitor's permits each	EX	1.00	1.00	1.00	0.00%
	Staff permit Pay as you Park	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%
	International House permit discounted 12 months	VT	380.00	380.00	380.00	0.00%
	International House permit full price 12 months	VT	760.00	760.00	760.00	0.00%
	Admin charge for lost permit	VT	10.00	10.00	10.00	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	VT	30.00	30.00	30.00	0.00%
	Bay Suspensions per month	VT	50.00	50.00	50.00	0.00%
	Replacement of lost cones per cone	VT	20.00	20.00	20.00	0.00%
	Locked Car park-vehicle release fee	VT	55.00	55.00	55.00	0.00%
	Clamping release fee	VT		40.00	40.00	0.00%
	Install white access highlight markings (dog-bones)	VT	121.00	121.00	121.00	0.00%
	Refresh white access highlight markings (dog-bones)	VT	158.00	158.00	158.00	0.00%
	Printing Charges Up to 5 pages per page	VT	0.50	0.50	0.50	0.00%
	Printing Charges more than 5 pages per page	VT	0.10	0.10	0.10	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Car Park Charges (Ashford)						
	Civic Centre and Stour Centre car park minimum charge up to 2 hours	VT	0.80	1.50	1.50	0.00%
	Civic Centre and Stour Centre car park per hour over 2 hours. Linear Charge in 5p increments	VT	1.00	1.10	1.10	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Mon-Fri	VT	10.00	11.00	11.00	0.00%
	Civic Centre and Stour Centre car park charge over 4 hours Sat and Sun	VT	4.50	5.00	5.00	0.00%
	Civic Centre and Stour Centre car park per hour Coach Charge (Linear Charge in 5p increments)	VT	1.50	1.70	1.70	0.00%
	Civic Centre and Stour Centre car park Coach charge	VT	10.00	11.00	11.00	0.00%
	Dover Place Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Dover Place Car Park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Elwick Road Car Park per hour	VT		1.10	1.10	0.00%
	Elwick Road Car Park charge over 4 hours	VT		5.00	5.00	0.00%
	Edinburgh Road Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Edinburgh Road Car Park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Flour Mills Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Flour Mills Car Park charge over 4 hours	VT	4.00	4.40	4.40	0.00%
	Henwood Car Park per hour	VT	0.80	0.90	0.90	0.00%
	Henwood Car Park charge over 4 hours	VT	3.20	3.60	3.60	0.00%
	Station Road Ashford Car park per hour	VT	1.00	1.10	1.10	0.00%
	Station Road Ashford Car park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Vicarage Lane Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Vicarage Lane Car Park charge over 4 hours	VT	10.00	11.00	11.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Parking Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Car Park Charges (Tenterden)						
	Bridewell Lane Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Bridewell Lane Car Park charge over 4 hours	VT	4.50	5.00	5.00	0.00%
	Recreation Ground Road Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Recreation Ground Road Car Park charge over 4 hours	VT	10.00	11.00	11.00	0.00%
	Station Road Car Park Tenterden per hour	VT	1.00	1.10	1.10	0.00%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	11.00	11.00	0.00%
	Station Road Car Park Tenterden per hour Coach	VT	1.50	1.70	1.70	0.00%
	Station Road Car Park Tenterden charge over 4 hours	VT	10.00	11.00	11.00	0.00%
	Tenterden Leisure Centre Car Park per hour	VT	1.00	1.10	1.10	0.00%
	Tenterden Leisure Centre Car Park charge over 4 hours	VT	10.00	11.00	11.00	0.00%
	Tenterden Leisure Centre Car Park Coach charge per hour	VT	1.50	1.70	1.70	0.00%
	Tenterden Leisure Centre Car Park Coach charge over 4 hours	VT	10.00	11.00	11.00	0.00%
On Street Parking Charges						
	Charge per hour before 6pm	EX	1.00	1.10	1.10	0.00%
	Charge after 6pm for parking up to 1 hour	EX	1.00	1.10	1.10	0.00%
	Charge after 6pm for parking over one hour	EX	2.70	3.00	3.00	0.00%
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.

DISCRETIONARY & STATUTORY FEES 2017/18

Charge for the Supply of Information and Photocopies of Documents

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
General Photocopying	Per sheet of photocopy (for the first 10 sheets)	VT	0.37	0.37	0.38	2.70%
	Further Copies	VT	0.18	0.18	0.18	0.00%
Fax	First Page	VT	1.40	1.42	1.46	2.82%
	Each page thereafter	VT	0.75	0.76	0.78	2.63%
Notices and Extracts	Authenticated Building Control Regulation Approval or Completion Certificate	VT	10.00	10.11	10.36	2.47%
	Architects Plans (A3 & A4)	VT	0.37	0.37	0.38	2.70%
	Architects Plans (A2+)	VT	6.25	6.32	6.48	2.53%
Fact sheets	Major Development Proposals in Ashford (per page)	VT	1.71	1.73	1.77	2.31%
	All other fact sheets (per page)	VT	0.37	0.37	0.38	2.70%
Requests for Planning Information*		VT	53.90	54.49	55.85	2.50%
Requests for Building Control Information*		VT	53.90	54.49	55.85	2.50%
Inspection of approved Building Regulation Plans*		VT	53.90	54.49	55.85	2.50%
Gas and Pipeline Extracts*		VT	6.74	6.81	6.98	2.50%
Hard Copy Provision of Weekly List		VT	175.25	177.18	181.61	2.50%
Postage and Packing		VT	0.94	0.95	0.97	2.11%

*Fee for additional 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 2016/17	Charge 2017/18	Proposed Charge 2018/19	Increase / Decrease on 2017/18	
			£	£	£	%	
Minutes	Council and Committees (excluding the Planning Committee)	- per annum	185.64	187.68	192.37	2.50%	
		- per cycle	37.54	37.95	38.90	2.50%	
	Cabinet only	- per annum	123.05	124.40	127.51	2.50%	
		- per cycle	25.19	25.47	26.11	2.51%	
	Planning Committee only	- per annum	123.05	124.40	127.51	2.50%	
		- per cycle	25.19	25.47	26.11	2.51%	
	A single committee and its Sub- Committee (excluding the Planning Committee)	- per annum	62.40	63.09	64.67	2.50%	
		- per cycle	12.95	13.09	13.42	2.52%	
	Agendas and Reports	Council and Committees (excluding the Planning Committee)	- per annum	332.32	335.98	344.38	2.50%
			- per cycle	67.03	67.77	69.46	2.49%
Cabinet only		- per annum	621.52	628.36	644.07	2.50%	
		- per cycle	26.64	26.93	27.60	2.49%	
Planning Committee only		- per annum	621.52	628.36	644.07	2.50%	
		- per cycle	26.64	26.93	27.60	2.49%	
A single committee and its Sub- Committee (excluding the Planning Committee)		- per annum	67.03	67.77	69.46	2.49%	
		- per cycle	13.96	14.11	14.46	2.48%	
<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	8.70	8.80	9.02	2.50%	
	- requested by commercial bodies	VT	42.77	43.24	44.32	2.50%	
	Council Year Book	VT	3.48	3.52	3.61	2.56%	
	Copy of Lease, Order etc	VT	7.66	7.74	7.93	2.45%	
	Copy of Byelaws - Statutory Fee	VT	0.26	0.26	0.27	3.85%	
Room Hire	Council Chamber	- Up to 4 hours	163.69	163.69	163.69	0.00%	
		- Full Day	287.34	287.34	287.34	0.00%	
		- Evening after 5pm	263.48	263.48	263.48	0.00%	
	Committee Rooms	- Up to 4 hours	85.79	85.79	85.79	0.00%	
		- Full Day	154.09	154.09	154.09	0.00%	
		- Evening after 5pm	148.30	148.30	148.30	0.00%	

DISCRETIONARY & STATUTORY FEES 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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	NB	1,122.00	1,122.00	1,122.00	0.00%
	(2) Double Grave Depth	NB	1,237.00	1,237.00	1,237.00	0.00%
	(3) Triple Grave Depth	NB	1,446.00	1,446.00	1,446.00	0.00%
	(4) Child under 3 months (Resident)	NB	FREE			
	(5) Child under 3 Months (Non Resident)	NB		80.00	80.00	
	(6) Child aged 3 to 5 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	NB	FREE			
	(7) Child aged 3 to 5 years (Non Resident) (please note 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>	NB		80.00	80.00	
	(8) Child aged 5 to 18 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>	NB	FREE			
	(9) Child aged 5 to 18 years (Non Resident) (please note 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>	NB		260.00	260.00	
	(10) Cremated Remains - Garden of Remembrance Willesborough	NB	403.00	403.00	403.00	0.00%
	(11) Single grave depth - includes boarding out with timber	NB	1,339.00	1,339.00	1,339.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Cemetery Charges - Bybrook and Willesborough Cemeteries						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	NB	530.00	530.00	530.00	0.00%
	(2) Double Grave Depth	NB	650.00	650.00	650.00	0.00%
	(3) Triple Grave Depth	NB	930.00	930.00	930.00	0.00%
	(4) Cremated Remains	NB	111.00	111.00	111.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)		By negotiation			
<i>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</i>						
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						

DISCRETIONARY & STATUTORY FEES 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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	NB	1,125.00	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)	NB	1,607.00	1,607.00	1,607.00	0.00%
	(3) Child under 3 months (Resident)			FREE		
	(4) Child under 3 Months (Non Resident)	NB		80.00	80.00	
	(5) Child aged 3 to 5 years (Resident) <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 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>	NB		80.00	80.00	
	(7) Child aged 5 to 18 years (Resident) <i>(NB If grave required to be reopened to enable further family burial(s) the fees in (2) and (3) apply)</i>			FREE		
	(8) Child aged 5 to 18 years (Non Resident) (please note 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>	NB		260.00	260.00	
	(9) Cremated Remains - Garden of Remembrance - Large Plot	NB	472.00	472.00	472.00	0.00%
	(10) Cremated Remains - Garden of Remembrance - Small Plot	NB	326.00	326.00	326.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Cemetery Charges - Tenterden Cemetery						
REOPENING OF EXISTING GRAVES/OPENING OF PRE-PURCHASED GRAVES	(1) Single Grave Depth	NB	606.00	606.00	606.00	0.00%
	(2) Double Grave Depth	NB	716.00	716.00	716.00	0.00%
	(3) Cremated Remains	NB	182.00	182.00	182.00	0.00%
Additional fee for Saturday interments	(consideration may be given in special circumstances)				By negotiation	
<i>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</i>						
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						

DISCRETIONARY & STATUTORY FEES 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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	NB	510.00	510.00	510.00	0.00%
	(2) One cremation plot - (holds 4 sets of ashes)	NB	285.00	285.00	285.00	0.00%
RIGHT TO ERECT A MEMORIAL	(1) Right to erect a headstone or tablet (including inscription to one person) (Resident) - Adult - Child up to 18 years	NB	167.00	167.00	167.00	0.00%
		NB	FREE			
	(2) Right to erect a headstone or tablet (including inscription to one person) (Non Resident) - Adult - Child up to 18 years	NB	334.00	334.00	334.00	0.00%
		NB	167.00	167.00	167.00	0.00%
	(3) Right to erect a kerbstone (including inscription to one person) (Resident) - Adult - Child to 18 years	NB	241.00	241.00	241.00	0.00%
		NB	FREE			
	(4) Right to erect a kerbstone (including inscription to one person) (Non Resident) - Adult - Child to 18 years	NB	482.00	482.00	482.00	0.00%
		NB	241.00	241.00	241.00	0.00%
	(5) Additional inscription (per person after first)	NB	55.00	55.00	55.00	0.00%
	(6) Right to place a vase (including inscription to one person)	NB	80.00	80.00	80.00	0.00%
PURCHASE OF WOODEN CROSS INCLUDING PLAQUE	(Ashford Borough Cemeteries only)	VT	40.00	40.00	40.00	0.00%
FAMILY MANAGED BURIALS	Additional administrative cost of this option	NB	166.00	166.00	166.00	0.00%
FAMILY HISTORY SEARCH	Per Name	VT	26.00	26.00	26.00	0.00%
	Over 4 Names	VT	80.00	80.00	80.00	0.00%
NB IF NOT ALREADY DETAILED ABOVE 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 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Cemetery Charges - All Cemeteries						
MAINTENANCE OF GRAVES	(1) Maintenance and Planting twice yearly with plants supplied by the Council	VT	157.00	157.00	157.00	0.00%
	(2) Cleaning of kerbstone (per annum)	VT	93.00	93.00	93.00	0.00%
	(3) Cleaning of headstone or memorial (per annum)	VT	156.00	156.00	156.00	0.00%
WOODLAND BURIALS						
BYBROOK CEMETERY	Woodland Burial Fee including grave purchase, digging, plaque and post					
	- one grave	EX	723.00	723.00	723.00	0.00%
	- two adjacent graves	EX	1,349.00	1,349.00	1,349.00	0.00%
	- double depth in new section	EX			1,349.00	
	Interment of cremated remains (in grave space) including grave purchase, digging, plaque and post	EX	1,349.00	621.00	621.00	0.00%
	Selection of grave space <i>(* These fees may be prepaid)</i>	EX	1,349.00	88.00	88.00	0.00%
TENTERDEN CEMETERY	Woodland Burial Fee including grave purchase, digging, plaque and post					
	- one grave	EX	787.00	787.00	787.00	0.00%
	- two adjacent graves	EX	1,416.00	1,416.00	1,416.00	0.00%
	Interment of cremated remains (in grave space) including grave purchase, digging, plaque and post	EX	692.00	692.00	692.00	0.00%
	Selection of grave space <i>(* These fees may be prepaid)</i>	EX	88.00	88.00	88.00	0.00%
ALL CEMETERIES	Further interment of cremated remains including casket					
	- Ashford	EX	129.00	129.00	129.00	0.00%
	- Tenterden	EX	196.00	196.00	196.00	0.00%
	Interment of a child to 18 years (Resident) (NOT including coffin or tree)	EX			Free	
	Interment of a child to 18 years (Non Resident) (NOT including coffin or tree)	EX			335.00	
	Grave reservation	EX	174.00	174.00	174.00	0.00%
	Selection of grave space	EX	88.00	88.00	88.00	0.00%

NB IF NOT ALREADY DETAILED ABOVE 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 2018/19

Cemetery Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
OTHER RELATED CHARGES						
MEMORIAL BENCH WITH DEDICATION INSCRIPTION (Subject to space being available)		EX	AT COST	AT COST	AT COST	N/A
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	N/A
EXHUMATION OF COFFIN IF REBURYING IN DIFFERENT PLOT		EX	AT COST	AT COST	AT COST	N/A
<i>NB IF NOT ALREADY DETAILED ABOVE 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)</i>						

DISCRETIONARY & STATUTORY FEES 2017/18

Planning Services

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Pre-Application Planning & Policy Advice	Level 1 will be charged for written advice on all proposals that will	VT	85.00	87.00	89.00	2.30%
	Level 2 will be charged for written advice on all minor developments	VT	165.00	168.00	172.00	2.38%
	Level 3 will be charged for meetings with officers (If the meeting is per hour or part thereof	VT	440.00	449.00	460.00	2.45%
Compliance Check (Confirmation that a development has been built in accordance with the approved plans	For domestic Development	VT	80.00	82.00	84.00	2.44%
	For a Domestic proposal that requires a site visit	VT	158.00	161.00	165.00	2.48%
Research of Planning History	To confirm whether or not permitted development rights have been (Copies of Decision Notices are charged extra)	VT	42.00	43.00	44.00 0.00	2.33%
Formal Complaint under High Hedges Legalisation		VT	449.00	458.00	469.00	2.40%

All other Statutory charges apply

DISCRETIONARY & STATUTORY FEES 2018/19

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Telecare/Lifeline						
Telecare Lifeline Installation (Within Kent)	One Off Payment per client	VT	30.00	30.00	31.00	0.00%
Telecare Lifeline Installation (Outside Kent)	One Off Payment per client	VT	60.00	60.00	62.00	0.00%
Telecare Lifeline Monitoring and Equipment Hire	Annual Fee per client	VT	154.99	156.69	161.00	0.00%
Telecare Monitoring Fee only (no longer available to clients) - for purchased equipment - Prior to 1/04/11	Annual	VT	26.99	27.29	28.00	0.00%
Supply of Second Pendant sensor	One off payment per client	VT	49.99	50.54	52.00	0.00%
Supply of Key safe - new style	One Off Payment per client	VT	73.50	74.31	76.00	0.00%
Supply of Key release Door Chain new style	One Off Payment per client	VT	58.99	59.64	61.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

Monitoring Centre

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Telecare/Lifeline						
Telecare/Lifeline Equipment	Replacement of Equipment due to Damage/Non Return	VT	191.46	193.57	199.00	0.00%
Additional sensor installation	One Off Payment per client per visit for install of items	VT	30.00	30.00	31.00	0.00%
Additional sensor Installation (Outside Kent)	One Off Payment per client	VT	60.00	60.00	62.00	0.00%
Purchase of Safe Socket	One off payment per safe socket required	VT	21.49	21.49	22.00	0.00%
Purchase of BT Cable for Lifeline	One off payment per BT cable required	VT	11.49	11.49	12.00	0.00%
Purchase of Fall Detector	One off payment per fall detector	VT	99.99	99.99	103.00	0.00%
Purchase of Carbon Monoxide Detector	One off payment per Carbon Monoxide Detector	VT	114.99	114.99	118.00	0.00%
Purchase of Flood Detector	One off payment per Flood Detector	VT	99.99	99.99	103.00	0.00%
Purchase of Pendant Easy Press	One off payment per Pendant Easy Press	VT	15.49	15.49	16.00	0.00%
Purchase of Smoke Alarm Detector	One off payment per Smoke Alarm Detector	VT	99.99	99.99	103.00	0.00%
Purchase of Power Cable	One off payment per Power Cable	VT	30.99	30.99	32.00	0.00%

DISCRETIONARY & STATUTORY FEES 2018/19

LEGAL & ELECTORAL SERVICES

Legal Fees

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
S9 Agreements	(including caution/note on Register)	NB	300.00	303.00	311.00	2.64%
S9 Transfers	Plus Land Registry Fees	NB	300.00	303.00	311.00	2.64%
S106 agreements		NB	874.00	884.00	906.00	2.49%
Grazing Licences		NB	110.00	111.00	114.00	2.70%
Licences to Assign		NB	201.00	203.00	208.00	2.46%
Sales or Easements	Up to £2,500 in value	NB	287.00	290.00	297.00	2.41%
Sales or Easements	over £2,500 in value - Basic Fee of £300.00 plus 1% of sale price	NB	322.00	326.00	334.00	2.45%
Ellingham Leases		NB	312.00	315.00	323.00	2.54%
Ellingham lease renewals		NB	211.00	213.00	218.00	2.35%
Surrenders		NB	191.00	193.00	198.00	2.59%
Landlord consent etc		NB	101.00	102.00	105.00	2.94%
Transfer of Equity (mortgage)		NB	212.00	214.00	219.00	2.34%
Redemptions		NB	110.00	111.00	114.00	2.70%
Mortgagees Enquiries		NB	200.00	202.00	207.00	2.48%
Deed of Postponement		NB	91.00	92.00	94.00	2.17%
Release of expired Statutory Charge		NB	98.00	99.00	101.00	2.02%
Waiver (Improvement Grant)		NB	98.00	99.00	101.00	2.02%
Notice of Charge		NB	60.00	61.00	63.00	3.28%
Counterpart Lease		NB	60.00	61.00	63.00	3.28%
Engross Transfer/conveyance		NB	50.00	51.00	52.00	1.96%
Notice to Assign		NB	60.00	61.00	63.00	3.28%
Wayleaves		NB	176.00	178.00	182.00	2.25%

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 2018/19

LEGAL & ELECTORAL SERVICES

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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%

DISCRETIONARY & STATUTORY FEES 2018/19

Property Services

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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	186.00	188.00	193.00	2.66%
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	186.00	188.00	193.00	2.66%
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	126.00	127.00	130.00	2.36%
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	126.00	127.00	130.00	2.36%
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	186.00	188.00	193.00	2.66%
Development Administration Fee	To cover overheads in relation to officer time for processing, site visits for monitoring purposes for duration of works, insurance checks, review of method statements and risk assessments.	VT	n/a	n/a	411.00	n/a
AutoCAD plan production fee	Production of drawings for the purpose of ABC legal agreements	VT	n/a	n/a	103.00	n/a
Wayleaves - inspection/administration	The cost of the site inspection has not previously been charged for.	VT	126.00	127.00	130.00	2.36%

DISCRETIONARY & STATUTORY FEES 2018/19

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Land Charges						
Standard Search Fee	Domestic Properties	NB	Cost Recovery			
	Non-Domestic Properties	NB				
Extra Questions		NB	Cost Recovery			
	<i>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.</i>					
Street Administration						
Street Naming and numbering	1 Unit	NB	49.00	50.00	51.00	2.00%
	2-10 units	NB	42.00	42.00	43.00	2.38%
	Over 10 units	NB	38.00	38.00	39.00	2.63%
New Street Name		NB	120.00	121.00	124.00	2.48%
Rename Existing Street		NB	256.00	259.00	265.00	2.32%
Address Change	per property	NB	49.00	50.00	51.00	2.00%
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	40.00	40.00	41.00	2.50%

DISCRETIONARY & STATUTORY FEES 2018/19

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Waste Collection						
Bulky Collection	Base Charge	NB	24.00	24.00	24.00	0.00
Garden Waste Bins	Wheelie Bin for Garden Waste	NB	35.00	35.00	40.00	0.14
Garden Waste Bins (DD/credit/debit charge)	Wheelie Bin for Garden Waste This cost is lower as the Council is promoting a digital agenda and encouraging residents to switch to electronic payment methods which reduce administrative costs for the Council.	NB	32.50*	33.00*	35.00	0.00%*
Dog Warden Fees						
Stray Dogs	Statutory fee for dog not being on lead	NB	26.00	26.00	27.00	3.85%
Dog Control Costs	Collection/delivery of dog	NB	40.00	40.00	41.00	2.50%
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	31.00	3.33%
Vetinary Treatment	As required	NB	Cost Recovery			

DISCRETIONARY & STATUTORY FEES 2018/19

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Chilmington Road Travellers Site						
Rent	Charge per week	NB	46.00	47.00	48.00	2.13%
Service Charge	Charge per week	NB	40.46	41.00	42.00	2.44%
Mobile Homes						
Annual monitoring fee	Charge per pitch	NB	30.00	30.00	5.40	-82.00%
Check & Depositing Site Rules		NB	60.40	61.00	63.00	3.28%
Site Licence Application Fees	Band 1 - 1-10 pitches	NB	388.20	392.00	402.00	2.55%
	Band 2 - 11-50 pitches	NB	453.60	459.00	470.00	2.40%
	Band 3 - 51-99 pitches	NB	631.40	638.00	654.00	2.51%
	Band 4 - 100-199 pitches	NB	762.30	771.00	790.00	2.46%
	Band 5 - 200+ pitches	NB	943.50	954.00	978.00	2.52%
Application to transfer a site licence	Band 1 - 1-10 pitches	NB	77.60	78.00	80.00	2.56%
	Band 2 - 11-50 pitches	NB	90.70	92.00	94.00	2.17%
	Band 3 - 51-99 pitches	NB	126.30	128.00	131.00	2.34%
	Band 4 - 100-199 pitches	NB	152.50	154.00	158.00	2.60%
	Band 5 - 200+ pitches	NB	188.70	191.00	196.00	2.62%
Application to amend a site licence	Band 1 - 1-10 pitches	NB	129.40	131.00	134.00	2.29%
	Band 2 - 11-50 pitches	NB	151.20	153.00	157.00	2.61%
	Band 3 - 51-99 pitches	NB	210.50	213.00	218.00	2.35%
	Band 4 - 100-199 pitches	NB	254.10	257.00	263.00	2.33%
	Band 5 - 200+ pitches	NB	314.50	318.00	326.00	2.52%

DISCRETIONARY & STATUTORY FEES 2018/19

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
Allotment Rents						
Plot rent		EX	6.00	6.00	6.00	0.00%
Key Deposit		EX	25.00	25.00	25.00	0.00%
Concessionary rate rent	50% for 1st 5 perch, full price after	EX	3.00	3.00	3.00	0.00%
Council Tax Collection						
Court costs	Summons costs	NB	60.00	61.00	60.00	-1.64%
	Liability orders	NB	65.00	66.00	65.00	-1.52%
Business Rates						
Court costs	Summons costs	NB	0.00	0.00	0.00	0.00%
	Liability orders	NB	180.00	182.00	180.00	-1.10%
Homelessness						
Copy of File		VT	13.80	14.00	10.00	-28.57%
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	N/A
Charge to carry out inspections in respect of a UK entry application		NB	83.00	84.00	86.00	2.38%
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	311.00	2.64%
Charge for making an emergency prohibition order - Housing Act 2004		NB	200.00	202.00	207.00	2.48%
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	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	2500.00	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	5000.00	N/A
House in Multiple Occupation Licence Fee	Five Year Licence - 1st property	NB	383.00	387.00	397.00	2.58%
	Five Year Licence - subsequent properties	NB	352.00	356.00	365.00	2.53%

DISCRETIONARY & STATUTORY FEES 2018/19

Other Charges

Item	Description/Comments	VAT Indicator	Charge 2016/17 £	Charge 2017/18 £	Proposed Charge 2018/19 £	Increase / Decrease on 2017/18 %
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%	0.00%
Sewerage Services						
Unmeasured Water - Supplies to premises without rateable value		EX	337.71	341.00	350.00	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	1.26	1.25	-0.79%
Credit Card Payments	Charge per booking on Agency Sales	VT	1.50	1.52	1.50	0.00%

VAT Indicator

NB = Non Business (no VAT)

EX = Exempt from VAT

VT = Inclusive of VAT

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 2018/19 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 2018/19 and associated recommendations.</p> <p>Approve the Treasury Strategy, investment policy, fees and charges, and the Housing and Council Tax Benefit E-Claim Risk Based Verification Policy for 2018/19.</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 2018/19 –</p> <p>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 and 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 task group 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 Positive – the Disabled Facility grants budget has been increased by £200,000 from 18/19 to reduce the waiting list, this is also attributable to all other age groups.
Middle age	Low	Negative – Increased level of contribution through Council Tax Support Scheme.

Young adult	Low	<p>Negative - The provision of some services is not even across the borough (rural areas).</p> <p>Negative – Increased level of contribution through Council Tax Support Scheme.</p>
Children	None	
<u>DISABILITY</u> Physical	Low/Medium	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p> <p>Negative – Disabled Facility grants budgets are usually lower than demand</p> <p>Positive – Although below demand, an additional £200,000 has been included in the 18/19 budget to reduce the waiting list.</p>
Mental	Low	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p>
Sensory	Low	<p>Positive - The Council Tax Support Scheme will impact upon this group however additional protection has been built into the scheme for disabled people</p>
<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.	The negative impacts relate to the Council Tax Support scheme which was introduced in 2017/18 and requires middle aged and young adults to contribute to Council Tax when in receipt of benefit. This was an agreed policy following consultation and therefore no mitigation is recommended. The other negative relates to the Disabled Facilities Grant being below demand, to support demand an additional £200,000 has been added to the 18/19 budget.	

Is the decision relevant to the aims of the equality duty?	
Guidance on the aims can be found in the EHRC's <i>Essential Guide</i> , alongside fuller <i>PSED Technical Guidance</i> .	
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>30/01/2018</p>

Budget Housing Revenue Account 2018/19

SUBJECTIVE ANALYSIS - 2018/19 BUDGET					
Housing Revenue Account					
	Supervision & Management	Income	Other	Repairs & Maintenance	Total
EXPENDITURE					
Employees	2,175,650	-	-	-	2,175,650
Premises	733,130	-	-	3,384,900	4,118,030
Supplies and Services	784,110	-	61,000	33,500	878,610
Transport	110,590	-	-	-	110,590
TOTAL EXPENDITURE	3,803,480	-	61,000	3,418,400	7,282,880
INCOME					
Grants	-	-	(2,999,850)	-	(2,999,850)
Fees & Charges	(78,520)	(24,978,930)	(3,200)	-	(25,060,650)
TOTAL INCOME	(78,520)	(24,978,930)	(3,003,050)	-	(28,060,500)
NET CONTROLLABLE EXPENDITURE	3,724,960	(24,978,930)	(2,942,050)	3,418,400	(20,777,620)
NON CONTROLLABLE ITEMS					
Support Services	1,620,370	-	944,130	-	2,564,500
Capital Charges	-	-	19,447,140	-	19,447,140
Recharges	(80,750)	-	-	-	(80,750)
Transfers to/from Reserves	-	-	-	-	-
TOTAL NON-CONTROLLABLE ITEMS	1,539,620	-	20,391,270	-	21,930,890
NET EXPENDITURE	5,264,580	(24,978,930)	17,449,220	3,418,400	1,153,270

Appendix G

Capital Programme 2018/19 - 2020/21						
	Current budget £	Previous Exp £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Corporate Property and Projects						
Planned Maintenance funded from borrowing	2,000,000	0	522,500	500,000	661,000	316,500
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	0	275,000	0	0
Property Company Acquisitions - based on current business plan	91,767,000	3,645,000	9,122,000	28,000,000	31,000,000	20,000,000
International House Works	650,000	297,080	230,000	122,920	0	0
Elwick Place leisure, retail and car park development	42,330,000	830,870	16,900,000	24,599,130	0	0
Commercial Qrt Business Space (digital hub), Goods Yard						
Demolition	650,000	6,630	100,000	543,370	0	0
Commercial Qrt - pedestrian link path and footbridge	75,000	0	0	75,000	0	0
Public realm Dover Place	500,000	0	150,000	350,000	0	0
Carlton Road light industrial units	6,800,000	0	650,000	6,150,000	0	0
Total - Corporate Property and Projects	153,047,000	4,779,580	29,674,500	62,615,420	33,661,000	22,316,500
Community & Housing						
Mandatory Disabled Facility Grants						
Expenditure	3,308,000	0	752,000	952,000	802,000	802,000
External Funding	(2,748,000)	0	(662,000)	(662,000)	(712,000)	(712,000)
	560,000	0	90,000	290,000	90,000	90,000
Conversion of 112 Beaver Road Homeless Shelter	500,000	0	0	500,000	0	0
Total - Community & Housing	3,808,000	0	752,000	1,452,000	802,000	802,000
Information Technology						
Digital Transformation	200,000	0	0	200,000	0	0
Total - Information Technology	200,000	0	0	200,000	0	0
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	1,377,610	175,000	507,390	0	0
Victoria Park Rejuvenation Project	200,000	0	0	200,000	0	0
Bowls Club Relocation	360,000	0	0	360,000	0	0
Memorial Gardens Enhancement	150,000	0	0	150,000	0	0
External Funding	(510,000)	0	0	(510,000)	0	0
	0	0	0	0	0	0
Total Culture & the Environment	3,070,000	1,377,610	250,000	1,292,390	75,000	75,000
Health, Parking and Community Safety						
Taxi rank Stour Centre car park	140,000	0	140,000	0	0	0
Zebra crossing station approach	82,000	0	82,000	0	0	0
Elwick Temporary Car Park	135,350	13,350	122,000	0	0	0
CCTV	229,000	29,000	200,000	0	0	0
Street Lighting replacement	1,000,000	990	30,000	969,010	0	0
Total Health, Parking and Community Safety	1,586,350	43,340	574,000	969,010	0	0
Planning and Development						
Junction 10a M20						
Expenditure	16,000,000	0	4,000,000	10,000,000	2,000,000	0
External Funding	(16,000,000)	0	(4,000,000)	(10,000,000)	(2,000,000)	0
	0	0	0	0	0	0
Total Planning and Development	16,000,000	0	4,000,000	10,000,000	2,000,000	0
General Fund Total	177,711,350	6,200,530	35,250,500	76,528,820	36,538,000	23,193,500
HRA Capital Works - as current business plan						
Programmed Works	19,729,000		4,443,000	4,892,000	4,768,000	5,626,000
Farrow Court Phase 2	2,194,000		2,194,000	0	0	0
Affordable Housing Programme Stage 5	7,619,000		7,619,000	0	0	0
Danemore	7,570,000		3,735,000	3,835,000	0	0
Court Wurtin - Flats and stairwell	675,000		300,000	0	0	375,000
Affordable Housing Development	13,179,000		1,446,000	2,534,000	3,841,000	5,358,000
East Stour Court	8,000,000		0	4,000,000	4,000,000	0
Street Purchases	8,820,000		2,820,000	2,000,000	2,000,000	2,000,000
	67,786,000		22,557,000	17,261,000	14,609,000	13,359,000
Total HRA	67,786,000	0	22,557,000	17,261,000	14,609,000	13,359,000
Total Capital Spend	245,497,350	6,200,530	57,807,500	93,789,820	51,147,000	36,552,500

Appendix G continued

Capital Programme 2017/18 - 2019/20						
	Current budget £	Previous Exp £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
CAPITAL SUMMARY						
Corporate Property and Projects	153,047,000	4,779,580	29,674,500	62,615,420	33,661,000	22,316,500
Community & Housing	3,808,000	0	752,000	1,452,000	802,000	802,000
Information Technology	200,000	0	0	200,000	0	0
Culture & the Environment	3,070,000	1,377,610	250,000	1,292,390	75,000	75,000
Health, Parking and Community Safety	1,586,350	43,340	574,000	969,010	0	0
Planning and Development	16,000,000	0	4,000,000	10,000,000	2,000,000	0
GENERAL FUND	177,711,350	6,200,530	35,250,500	76,528,820	36,538,000	23,193,500
HOUSING REVENUE ACCOUNT	67,786,000	0	22,557,000	17,261,000	14,609,000	13,359,000
TOTAL CAPITAL PROGRAMME	245,497,350	6,200,530	57,807,500	93,789,820	51,147,000	36,552,500

Funding Statement 2017/18 - 2019/20						
	Current budget £	Previous Exp £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Funding Source						
Capital Receipts - HRA	6,233,000	0	3,144,000	1,573,000	1,033,000	483,000
Capital Receipts - GF	860,000	0	165,000	365,000	165,000	165,000
Borrowing HRA	18,243,000	0	5,342,000	1,974,000	7,382,000	3,545,000
Borrowing GF	155,611,000	6,180,550	29,829,500	63,623,450	33,661,000	22,316,500
External grants & contributions HRA	3,715,000	0	2,239,000	816,000	176,000	484,000
External grants & contributions GF	19,258,000	0	4,662,000	11,172,000	2,712,000	712,000
Major Repairs Reserve HRA	10,164,000	0	3,337,000	3,901,000	0	2,926,000
Repairs & Renewals Reserve	135,350	13,350	122,000	0	0	0
Other Reserve HRA	29,431,000	0	8,495,000	8,997,000	6,018,000	5,921,000
Other Reserve GF	1,847,000	6,630	472,000	1,368,370	0	0
	245,497,350	6,200,530	57,807,500	93,789,820	51,147,000	36,552,500
	0	0	0	0	0	0
External Grants						
Homes & Communities Agency (HCA)	3,177,000	0	1,701,000	816,000	176,000	484,000
Section 106	1,048,000		538,000	510,000	0	0
Better Care Fund - Disabled Facility Grants	2,748,000		662,000	662,000	712,000	712,000
Communities and Local Government	16,000,000		4,000,000	10,000,000	2,000,000	0
	22,973,000	0	6,901,000	11,988,000	2,888,000	1,196,000

PRUDENTIAL INDICATORS & MRP POLICY 2018/19 TO 2021/22

Prudential Indicators 2018/19 to 2020/21

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 Estimates per annum	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund	35,251	76,529	36,538	23,194
HRA	22,557	17,261	14,609	13,359
Total Expenditure	57,808	93,790	51,147	36,553
Capital Receipts	3,309	1,938	1,198	648
Reserves	12,426	14,266	6,018	8,847
Borrowing	35,172	65,597	41,043	25,862
External Grants	6,901	11,988	2,888	1,196
Total Financing	57,808	93,790	51,147	36,553

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

Estimated Capital Financing Requirement	31.03.18 Revised £'000	31.03.19 Estimate £'000	31.03.20 Estimate £'000	31.03.21 Estimate £'000
General Fund	46,047	109,670	143,331	169,193
HRA	147,174	145,555	141,615	138,072
Total CFR	193,221	255,225	284,946	307,265

The CFR is forecast to rise by £125.4m 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.

Estimated Debt	31.03.18 Revised £'000	31.03.19 Estimate £'000	31.03.20 Estimate £'000	31.03.21 Estimate £'000
Borrowing	45,496	109,119	142,780	165,097
HRA	120,006	120,980	123,362	124,907
PFI liabilities	21,623	20,749	19,816	18,884
Total Debt	187,125	250,849	285,959	308,888

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 for Borrowing	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Borrowing	171,000	236,000	272,000	296,000
Other long-term liabilities	22,000	21,000	20,000	19,000
Total Debt	193,000	257,000	292,000	315,000

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 for Borrowing	2017/18 Revised £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Borrowing	392,000	522,000	594,000	642,000
Other long-term liabilities	25,000	24,000	23,000	23,000
Total Debt	417,000	546,000	617,000	665,000

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	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	1.90%	4.35%	5.67%	6.51%

HRA	11.84%	12.74%	13.24%	12.81%
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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.

Incremental Impact of Capital Investment Decisions	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £
General Fund - increase in annual band D Council Tax	47.59	26.95	27.43
HRA - increase in average weekly rents	0.30	0.60	0.55

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 2018/19

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), unless a bespoke MRP policy is more appropriate, bespoke MRP policies will be reported to Council accordingly.

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 £119m 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. The outstanding balance in relation to the HRA subsidy will be £115m as at 1st April 2018.

Capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2018, the budget for MRP has been set as follows:

	31.03.2018 Estimated CFR £'000	2018/19 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	33,280	221
Finance leases and Private Finance Initiative	0	0
Transferred debt	0	0
Loans to wholly owned companies	12,767	58
Total General Fund	46,047	279
Assets in the Housing Revenue Account	32,510	0
HRA subsidy reform payment	114,664	1,000
Total Housing Revenue Account	147,174	0
Total	193,221	1,279

Treasury Management Strategy Statement 2018/19

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 Council (as at 29th December 2017) had £134.6m borrowing, of which £17m related to the General Fund and £117.6 to the Housing Revenues Account. The Council also had investments of £37.2m. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.17 Actual £'000	31.3.18 Forecast £'000	31.3.19 Forecast £'000	31.3.20 Forecast £'000	31.3.21 Forecast £'000
General Fund CFR	16,217	46,047	109,670	143,331	169,193
HRA CFR	141,637	147,174	145,555	141,615	138,072
Total CFR	157,854	193,221	255,225	284,946	307,265
Less: Other debt liabilities *	(21,623)	(20,749)	(19,816)	(18,884)	(17,776)
Borrowing CFR	136,231	172,472	235,409	266,062	289,489
Less: External borrowing	0	(45,496)	(109,119)	(142,780)	(165,097)
Less: HRA External borrowing**	(119,664)	(120,006)	(120,980)	(123,362)	(124,907)
Internal borrowing	16,567	6,969	5,309	(81)	(516)
Less: Usable reserves	(39,168)	(31,437)	(31,577)	(26,643)	(26,643)
Less: Working capital	(6,485)	(6,485)	(6,485)	(6,485)	(6,485)
Investments	(29,086)	(30,953)	(32,753)	(33,209)	(33,644)

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

** £114.6m 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 Council will consider the best financing options available at the time of investments/acquisitions; currently the Council is taking the opportunity to borrow short term money from the market to take advantage of low interest rates and enable long term investments to remain in place.

The Council has an increasing CFR due to the capital programme, which includes loans to A Better Choice for Property Ltd, Elwick project and the funding work undertaken by the Economic and Regeneration Board (the full capital plan can be seen at Appendix X). To cover off this capital investment, external borrowing of circa £165m is assumed over the forecasted period and is reflected in the table above. However, this is only planned at present and decisions on individual investments will be reported and fully considered at the time of investment/acquisition to best benefit the Council.

Usable reserves are forecast to fall slightly over the forecasted period, this is due to general fund and HRA reserves being used to part 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 in 2018/19, although forecasts show that for the 2019/20 and 2020/21 the Council will

be slightly over borrowed. This is as a result of debt profiling not reducing in line with MRP contributions and it is anticipated that this will correct as the period unfolds.

Borrowing Strategy

The Council currently holds £117.6m of loans which represent the costs of the HRA Buyout and £17m of general fund loans which are being used to fund previous capital expenditure. The balance sheet forecast in table 1 shows Council expects to have borrowing of up to £109.1m by the end of 2018/19. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £546m.

Objectives: The Council'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. The Council monitors interest rate forecasts and takes advice where appropriate to determine when/if rates should be fixed.

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 made accordingly at the time of investment/acquisition.

The Council is currently favouring the use of short term borrowing which enables the Council to pay interest below that forecasted in business plans, and take advantage of the low interest rate environment. This has enabled the long term investments funded from reserves to remain in place which support the borrowing costs and provides a return to the Council. The benefits of changing strategy will be monitored regularly considering interest rate forecasts (which are set to rise modestly) and try to capture the moment when fixing borrowing long term will be advantageous over short term funds. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2018/19, 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 Council may borrow further 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 Council 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 Council 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 Council 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 Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's investment balance has ranged between £23m and £48m, 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 Council 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 Council'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 2018/19. 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 have performed well. 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 and Alternatives. This overall approach represents a continuation of the strategies which have been adopted over the last few years.

Approved Counterparties: The Council 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
None	£1m 6 months	n/a	£3m 25 years	£50,000 5 years	£1 m 5 years
Pooled funds	£10m 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.

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 very low or no volatility 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 Council 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 Council's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council'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.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity

Other Information on the Security of Investments: The Council 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 Council’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 Council 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 Council does not intend to make any investments denominated in foreign currencies or company shares with the exception of Council owned companies. Where investments are defined as capital expenditure by legislation, the Council will report on these investments to Members providing justification. 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	£35m
CCLA property Fund *	£10m
Equities*	£40m
Council owned companies**	£112m
Total investments without credit ratings or rated below A- (except UK Government and local authorities.	£5m

* 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 £102m 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 Council’s revenue reserves available to cover investment losses are forecast to be £19m on 31st March 2018. In order that no more than 53% 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 £10m. 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	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership**	£10m per group
Any group of pooled funds under the same management *	£10m 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	£112m 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.

** Except where significant segregation of assets is confirmed which would stop any cross subsidising of investments in the event of default.

Liquidity Management: The Council 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 Council's medium term financial plan and cash flow forecast.

Treasury Management Indicators

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

Security: The Council 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 Council’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:

	2018/19	2019/20	2020/21
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 Council’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 Council’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 Council 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 Council 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 Council 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 Council 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 Council'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 Council 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 Council 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 Council’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 Council is not required to link particular loans with particular items of expenditure.

Financial Implications

The general fund budget for net investment interest for 2018/19 is £1.74m, this represent debt expenses of £677,000 and interest of £2.4m of which £852,000 is interest from the Elwick Development. The remaining £1.55m is based on an investment portfolio of around £45m which is anticipated to provide an average return of 3.4%, this represents the change in strategy to now borrow for capital investments and place reserves in long term investments such as equities.

The budget for debt interest paid in 2018/19 £676,000, this is based on an average debt portfolio of £77m at an average interest rate of 0.88%.

In relation to the HRA, the Interest on investment income for 2018/19 is forecast at circa £53,000 which represents interest payable on their reserves. The budget for debt interest paid in the HRA for 2018/19 is forecast at £3.74m, based on an average long debt portfolio of £114.6m (HRA buyout) and internal borrowing charges from the GF with an overall average interest rate of 3.1%. 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. The actual position against budget is monitored through the Council’s budget monitoring processes and reported to management on a quarterly basis accordingly.

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 2017

Economic background: The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

Credit outlook: High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic 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. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

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 remain very low.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly

stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

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

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50													
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50													
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.77								
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Appendix B – Existing Investment & Debt Portfolio Position as at 29/12/2017

Counter Party	Deal Date	Rate %	Amount £	Fair Value £	Comment
Long Term Investments					
Blaenau Gwent	21/10/2014	2.00	3,000,000	3,000,000	Matures 21/10/2019
Total Long Term Investments			3,000,000	3,000,000	
Investment Accounts					
Santander	Various	0.50	2,723,000	2,723,000	Deposit Account
Goldman Sachs	Various	0.32	50,000	51,295	AAA rated deposit facility *
ICD Portal - BNP Paribas	Various	0.40*	5,000,000	5,000,000	AAA rated deposit facility *
ICD Portal - Invesco	Various	0.35*	5,000,000	5,000,000	AAA rated deposit facility *
ICD Portal - Black Rock	Various	0.31*	1,519,600	1,519,600	AAA rated deposit facility *
Payden Global MMF	Various	variable	3,000,000	3,004,259	AAA rated deposit facility *
Total Investment Accounts			17,292,600	17,298,154	
Pooled Funds					
CCLA Local Authority Property Fund	Estimate	4.60	10,000,000	10,932,865	Rate is Net of Management Fees (Variable Rate of Return)
Total pooled funds Accounts **			10,000,000	10,932,865	
Equity Funds					
City Financial Multi Asset Diversified Fund	27/08/2015	3.37%	997,687	968,635	Long term investment **
UBS Multi Asset Income Fund	26/08/2015	4.00%	994,504	1,012,321	Long term investment **
M&G Global Dividend Fund	27/08/2015	2.13%	997,914	1,481,633	Long term investment **
Schroder Income Maximiser	03/11/2015	7.47%	992,152	1,068,068	Long term investment **
CCLA Diversified Income Fund	Various	1.71%	2,988,360	2,989,949	
Total Equity funds **			6,970,617	7,520,606	
Total Investment Portfolio			37,263,217	38,751,625	
Temporary Borrowing					
Middlesbrough Council	20/11/2017	0.50%	5,000,000		Maturity 20/04/2018
Middlesbrough Council	21/11/2017	0.45%	5,000,000		Maturity 09/04/2018
Basildon Borough Council	15/12/2017	0.43%	2,000,000		Maturity 18/04/2018
Durham County Council	15/12/2017	0.50%	5,000,000		Maturity 16/04/2018
Total Temporary Borrowing			17,000,000		
Long Term Borrowing					
Public Works Loan Board***	various	various	117,664,150		Maturity Date - various
Total Long Term Borrowing			117,664,150		
Grand Total Borrowing			134,664,150		

* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset

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

*** HRA borrowing

Note: the loans made to ABCFP Ltd are not shown in the investment portfolio above, for completeness though the total draw down value of loans to the company as at 29th December 2017 was 5.767m.

Breakdown of HRA Debt Portfolio as at 29/12/2017

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
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
117,664					

Preventing Fraud and Corruption

- 4.7 The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the Authority.
- 4.8 The Council's expectation of propriety and accountability is that Members and Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.9 The Council also expects that individuals and organisations (e.g. suppliers, contractors and service providers) with whom it comes into contact will act towards the Council with integrity.
- 4.10 The Investigation & Enforcement Support Manager shall maintain the Council's Corporate Anti-Fraud and Corruption policy.
- 4.11 It is the duty of all Officers and Members who are aware of any financial irregularity to follow the Corporate Anti-fraud and Corruption Policy whenever any matter arises involving irregularities concerning cash, stores, council property, or loss or irregularity of any kind, shall raise those concerns with their Head of Service & the Investigation & Enforcement Support Manager. The Investigation & Enforcement Support Manager will investigate.
- 4.12 The Investigation & Enforcement Support Manager shall inform the relevant Head of Service if an investigation identifies evidence of financial irregularity or any other unacceptable behaviour on the part of a member of their staff.
- 4.13 In the event that the investigation produces evidence of illegal acts the presumptions will be that the matter will be referred for prosecution possibly through the Police. Prior to referral to the Police, the Investigation & Enforcement Manager will seek the endorsement of the Council's Section 151 Officer and the Monitoring Officer to the proposed course of action.
- 4.14 A copy of the Council's Anti-Fraud and Corruption Policy is available to all staff on the Council's Intranet.

Whistleblowing

- 4.15 The Council has a Whistleblowing Charter to enable employees to raise their concerns at an early stage and in the right way.
- 4.16 This Charter is available on the Council's intranet.

Money Laundering

- 4.17 It is the Council's policy to do all it can to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.
- 4.18 The Head of the Internal Audit Partnership shall maintain the Council's Anti-Money Laundering Policy.
- 4.19 It is the legal responsibility of every Officer engaged in receiving cash, cheques and other forms of payment for goods, asset sales and the provision of services to make themselves aware of their personal responsibilities as set out in the Anti-Money Laundering Policy.
- 4.20 The Council has nominated the Head of the Internal Audit Partnership as the Money Laundering Reporting Officer and the Chief Finance Officer to be the deputy.
- 4.21 The Council expects any member of staff who has a suspicion regarding money laundering to report this immediately to the Money Laundering Reporting Officer; failure to do so may lead to criminal prosecution.
- 4.22 The Anti-Money Laundering Policy is available on the Council's Intranet.

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 2018. 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. As per DWP Circular A34/2004 checks performed by DWP can be accepted as sufficient by Local Authorities for the purpose of awarding HB/CTS. A CIS check should be carried out and evidenced, a dated notebook will suffice.

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

2018/19 Budget Report

Budget Robustness

A Commentary on Risks Associated with Components of the Budget

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 2017 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 £650,000 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 2.7% full year increase. 2% 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 (3.5%).</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 (2.5%).</p>

Budget Component	Financial standing and management
2. Demand-led service pressures	<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 2017 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 was 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>
3. New service developments	<p>The Elwick development is due to open in December 2018 and the budget has made an allowance for the additional costs and income from the scheme.</p> <p>Members have expressed concern over the resourcing of the planning department to cover workloads and the costs of planning appeals. The Budget has allowed for a 20% increase in planning fees. This is being recycled into the service with an element used to support a growth in establishment and replenish reserves that are used to fund appeals and the costs of the local plan.</p> <p>The budget includes a cost differential for Green Waste income which is to act as an incentive to encourage people to sign up to payment methods that are on line to support the digital agenda.</p> <p>The budget has been adjusted to reflect the decision to produce a council magazine.</p> <p>The Council will have new responsibilities as a result of the implementation of the Homelessness Reduction Act. A plan has</p>

Budget Component	Financial standing and management
	<p>been developed which is within the resources available for the service to switch the focus from funding costs of temporary accommodation to a prevention agenda. This does remain a risk to the budget as there may be a period where accommodation costs are still incurred while the prevention works take effect. There is a service contingency for these costs.</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 3.0%, for legislative reasons or demand some charges will be lower of higher than this.</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. The budget has been built to reflect the vacancy levels at International house and the other commercial property that the Council operates. If tenants are found we would expect there to be an increase in income.</p> <p>Experience of downturns suggests that many of the council's 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 2017 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 2018/19.</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>

Budget Component	Financial standing and management
	<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>
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 a 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> <p>The Council is part of the 100% business rates retention pilot and the bid provides additional funding for the financial sustainability of Councils (estimated to be £500,000). This has not been included in the budget and will be held in reserve to cover risks in the budget, it is recommended that this is not utilised until the value can be quantified later in the 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>