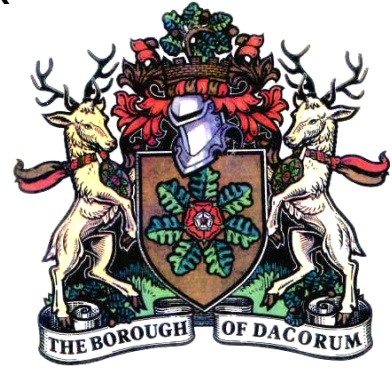


# Public Document Pack



## **SUMMONS**

### **MEETING OF THE COUNCIL**

**Wednesday 26 February 2020**

### **DBC Council Chamber - The Forum**

You are hereby summoned to a meeting of the Dacorum Borough Council in the County of Hertfordshire to be held in the DBC Council Chamber - The Forum on Wednesday 26 February 2020 at 7.30 pm to transact the business set out below.

A handwritten signature in black ink, appearing to read 'Sally Marshall'.

**SALLY MARSHALL  
CHIEF EXECUTIVE**

**TO ALL MEMBERS OF THE COUNCIL**

**Contact: Corporate & Democratic Support  
ext 2209**

# AGENDA

## 1. MINUTES

To confirm the minutes of the meeting held on 27 November 2019 and 22 January 2020 (to be circulated separately).

## 2. DECLARATIONS OF INTEREST

To receive any declarations of interest

## 3. PUBLIC PARTICIPATION

To consider questions (if any) by members of the public of which the appropriate notice has been given to the Assistant Director (Corporate and Contracted Services)

## 4. ANNOUNCEMENTS

To receive announcements and business brought forward by the Mayor, Leader, and Members of the Cabinet or the Chief Executive.

4.1 By the Mayor:

4.2 By the Chief Executive:

4.3 By the Group Leaders: Any apologies for absence

4.4 Council Leader and Members of the Cabinet:

Cllr Williams

Cllr G Sutton

Cllr Williams

Cllr Elliot

Cllr Mrs Griffiths

Cllr Anderson

Cllr Banks

Leader of the Council

Planning and Infrastructure

Corporate and Contracted Services

Finance and Resources

Housing

Environmental Services

Community and Regulatory Services

## 5. QUESTIONS

To consider questions (if any) by members of the Council of which the appropriate notice has been given to the Solicitor to the Council.

## 6. BUSINESS FROM THE LAST COUNCIL MEETING

To consider any business referred from the previous meeting

## 7. CABINET REFERRALS (Pages 4 - 8)

To consider the following referrals from Cabinet:

7.1	CA/018/20	11 February 2020	Budget 2020/21
7.2	CA/019/20	11 February 2020	Q3 Budget Monitoring Report
7.3	CA/021/20	11 February 2020	Senior Officer Pay Policy

**8. MOTION TO COUNCIL** (Pages 9 - 14)

**9. OVERVIEW AND SCRUTINY REFERRALS**

None.

**10. CHANGES TO COMMITTEE MEMBERSHIP**

To consider any proposals for changes to committee membership

**11. CHANGE TO COMMITTEE DATES**

To consider the following changes to committee dates:

- Additional SPAE OSC meeting on 22 April 2020.
- Move SPAE OSC from 21 October to 27 October 2020.

**12. COUNCIL TAX DECLARATION 2020/21**

Report to follow

# Agenda Item 7

## Cabinet referrals

11 February 2020

7.1 CA/018/20 BUDGET 2020/21

### Decision

#### RESOLVED TO RECOMMEND:

#### General Fund Revenue Estimate

- a) set a Dacorum Borough Council General Fund Council Tax requirement of £12.086m, and a provisional amount of £13.058m for the combined Borough Council and Parish Councils' requirement for 2020/21;
- b) approve a Band D Council Tax increase of £5 (2.48%) for Dacorum Borough Council;
- c) approve the base estimates for 2020/21, as shown in Appendix A1, and the indicative budget forecasts for 2020/21 – 2023/24, as shown in Appendix A2;
- d) approve the forecast balances of Revenue Reserves as shown in Appendix J, and approve section 10 of this report as the updated Reserves Strategy;
- e) approve increases in Fees and Charges for 2020/21 as set out in Appendices C3, D3, and E3;
- f) approve and adopt the Treasury Management Strategy for 2020/21, attached at Appendix K;
- g) approve and adopt the Capital Strategy for 2020/21, attached at Appendix L;
- h) note that this budget paper, if approved by Council, will form part of the Medium Term Financial Strategy.

#### Capital Programme

- i) approve the Capital Programme for 2020/21 to 2024/25, as detailed in Appendix I and Appendix M respectively;
- j) approve the financing proposals in Appendix I subject to an annual review of the financing options by the Corporate Director (Finance & Operations), in consultation with the Portfolio Holder for Finance and Resources, during the preparation of the Statement of Accounts.

#### Housing Revenue Account (HRA)

- k) set dwelling rents according to the new MHCLG Rent Standard, which provides for a rent increase of CPI+1% (2.7% in total). The average dwelling rents is proposed to increase to £103.12 in 202/21, from its current level of £100.47(based on 52 weeks);
- l) approve the HRA estimate for 2020/21 as shown in Appendix F.

#### Employer Terms & Conditions

m) note that the hourly rate of all Council employees continues to exceed the rate proposed by the rates of the Living Wage Foundation, for 2019/20 (to be reviewed annually thereafter).

#### **Statement by Chief Finance Officer**

n) approve the statement by the Chief Finance Officer regarding the robustness of the budget estimates and level of reserves as set out in Appendix M.

#### **Corporate objectives**

All of the Council's corporate objectives are reflected in the Budget proposals.

#### **Monitoring Officer:**

Under the Council's Constitution it is the responsibility of Cabinet to draw up firm proposals for the Budget, having regard to the responses to the consultation, and to present those proposals to full Council for approval. Once full Council has approved the Budget it is the responsibility of Cabinet to implement it.

#### **S.151 Officer:**

Comments contained in body of report. Chief Finance Officer Statement contained in Appendix N of the report.

#### **Advice**

Councillor Elliot introduced the report and said he was pleased to present the council's budget proposals for next year. All elements of the budget have been through a rigorous scrutiny process and the content of the report should be familiar to members. The headlines that are worth noting:

- achieved a General Fund savings target of £780k whilst maintaining front line services.
- The proposed capital programme will provide £320m of investment over the next five years.
- The HRA new build programme will provide £115m of development for affordable housing.

This budget proposal represents a culmination of several months of hard work from officers across the council.

Councillor Birnie said the report was the clearest and most comprehensive report he had read for a long time so congratulated officers. He referred to page 23 and the sum of money that had been put aside funded by negative RSG to fund future investment and questioned whether this would be enough in light of the complaints received from residents about the website and the planning system. He said suggestions had been made at SPAE OSC and the Task and Finish Group about the recruitment of a marketing officer to look at viability of the general website and complaints had been made about the hardware that had been bought for planning.

Councillor Williams said this was a reserve the council didn't have before.

J Deane said there was a technology reserve in the past. The RSG is for one-off benefits like further investment of the IT systems. This works hand in hand with the management of change reserve. There is a clear idea of investment and could create a reserve to cover all eventualities but this would be at the expense of another service.

Councillor Birnie said the matter needs immediate consideration as it is so important to residents.

S Marshall said she would like to speak to Councillor Birnie outside the meeting as this is the first time she has been made aware of website issues. There was a website refresh a year ago. The council have implemented a new planning system and there has been hiccups as we are in the implementation period. It would be premature to look at a complete review now.

Councillor Williams said he raised this issue with the service and has been assured the teething problems have been addressed. There have been some recruitment problems in the website team but now have three team members in place.

Councillor Griffiths said most comments on the budget had been made at the different Overview and Scrutiny Committees or will be raised at Full Council.

Recommendations agreed

## **7.2 CA/019/20 Q3 BUDGET MONITORING REPORT**

### **Decision**

#### **RESOLVED TO RECOMMEND:**

- 1. Consider the budget monitoring position for each of the above accounts;**
- 2. Recommend to Council approval of the revised capital programme to move £4.956m slippage identified at Quarter 3 into financial year 2020/21 as detailed in Appendix C;**
- 3. Recommend to Council approval of supplementary revenue budgets funded from reserves:**
  - Supplementary budget of £40k in the Neighbourhood Delivery service, funded from the Management of Change reserve, to fund interim resource to support delivery of new service initiatives**
  - Additional budget of £30k in the Elections service, funded from drawdown of £30k from the Election reserve**
  - Supplementary budget in the Planning service of £103k to fund the revenue costs of implementation of new Planning software, funded from the Planning & Regeneration reserve**
  - Supplementary budget of £170k to fund costs relating to the Hand Arm Vibration legal case, to be funded from the Litigation Reserve.**
  - Supplementary budget of £28k in Waste Services to fund consultancy work to support service improvements, funded from the Management of Change reserve**
  - Supplementary budget of £80k in the garages employees budget to fund interim resource, funded from the Invest to Save reserve**

- **Supplementary budget of £60k to fund one-off expenditure for a garage stock condition survey, funded from the Invest to Save reserve**
4. **Recommend to Council approval of supplementary capital budgets required to deliver several service changes as set out below:**
    - **A capital budget of £66k to fund replacement boilers at Berkhamsted Leisure Centre**
    - **A capital budget of £55k to fund new poolside flooring at Berkhamsted Leisure Centre**
    - **Additional capital budget of £598k in the Affordable Housing Development fund, funded from Housing one-for-one ('1-4-1') receipts**
  5. **Recommend to Council additional reserves drawdowns as set out below:**
    - **Drawdown of £1,750k from the Vehicle Replacement Reserve to fund capital investment in the Council's waste fleet**
    - **Drawdown of £8k from Tring Swimming Pool reserve to fund capital works at the site.**
  6. **Approve a capital virement of £900k to reallocate budget for the acquisition of Eastwick Row from the HRA New Build General budget to the Eastwick Row budget**
  7. **Agree the annual update of the Council's flexible use of capital receipts strategy at Appendix D of this report.**

**Deputy Section 151 Officer:**

Comments included within the body of this report.

**Monitoring Officer:**

No comments to add to the report.

**Advice**

Councillor Elliot introduced the report. There is a pressure of £148k forecast in the general fund but this is projected to balance out in Q4.

Recommendations agreed.

### **7.3 CA/021/20 SENIOR OFFICER PAY POLICY**

#### **Decision**

#### **RESOLVED TO RECOMMEND**

- 1. The adoption of the Pay Policy for 2020/21 as set out in appendix 1 to the Cabinet report.**
2. That any amendments to the Pay Policy throughout the financial year 2020/2021 which may be required as a result of legislative changes can be approved by the Chief Executive in conjunction with the Council's Monitoring Officer.

#### **Corporate objectives**

The Council's policies in respect of pay and terms and conditions support all five of the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness

#### **Deputy Monitoring Officer:**

The Senior Pay Policy is required by virtue of section 38 of the Localism Act 2011 and this Pay Policy complies with the statutory requirement and associated guidance.

#### **Deputy S.151 Officer:**

No further comments to add to the report.

#### **Advice**

Councillor Williams introduced the report. This was an annual report.

Councillor Tindall referred to page 200 and the footnote to paragraph 5.7 that mentions lease car allowances are consolidated within basic pay and raised concerns about this.

S Marshall said this was looked at 2 or 3 years ago and consulted with the trade union. It was a collective agreement after negotiations. It was a compromise to protect both parties' interests. The key reason for change was that it was a historic arrangement where car allowances were granted at a time about 15 years ago where recruitment and retention of staff was difficult and it became untenable.

Recommendations agreed.



# Agenda Item 8

Motion proposed by Councillor Ron Tindall, seconded by Councillor Adrian England

## LIBERAL DEMOCRAT BUDGET PROPOSAL 2020/2021

### General Fund

These proposals are intended as a supplement to the council's budget and we have not proposed any cuts to existing services. We accept that there will be a council tax increase of £5.00 as there is more need for services than there is for a tax freeze. We have also taken note of the Medium Term Financial Strategy and have only proposed new services and initiatives that can be paid from existing resources and reserves in order that the financial stability of the council is not put at risk.

The following tables outline additional, one-off expenditure plans totalling £1.35m for 2020/21 with provision for a further £180k in 2021/22 for the initiatives in Table 2, subject to review at the end of the first year.

The maximum total funding requirement over the two years is £1.53m, which would be funded through the New Homes Bonus receipt of £1.78m currently proposed for the Dacorum Development Reserve. If these initiatives were implemented in full, there would be a residual contribution of £250k to the Dacorum Development Reserve in 2020/21.

**Table 1, General Fund one-year expenditure initiatives:**

		2020/21 £000's	2021/22 £000's
1.	Increase the Strategic Planning and Environment Budget by £100k to fund new, one-off initiatives to improve air quality, particularly around schools, evaluation on site, and investment in public Electric Charging Points.	100	0
2.	Increase the Strategic Planning and Environment Budget by £50k to fund a trial of 10 solar powered compactor litter bins across the borough, at a cost of c£5k each.	50	0
3.	In recognition of the urgency of the work, increase the Strategic Planning and Environment Budget by £100k to fund the catch-up in outstanding tree work including the assessment of sites for additional planting.  It is also envisaged that this will include an overview of Development in Dacorum in order that the right number and in particular the right species of trees are planted as a contribution towards the work of reducing the Borough's carbon footprint.	100	0
4.	Addition to the Housing and Communities Budget to fund four additional Enforcement Officers for a trial period of one year.	120	0

5.	Addition to the Finance and Resources Budget to fund a comprehensive study of the present communication methods of the council including improvement of the telephone system.	100	0
6.	Increase the contribution to the Climate Change Reserve by a further £700k, over and above the £300k proposed in the Budget Report to deliver a total reserve contribution of £1m.  These funds would be available to the Strategic Planning and Environment Budget to provide one-off finance for climate change measures to reduce the Council's carbon footprint, including a Community Climate Change Fund available to residents and community groups. Although the reserve contribution would be made in a single year, it is anticipated that it would fund projects over a two- to three-year period.	700	0
<b>Sub-Total of A</b>		<b>1,170</b>	<b>0</b>

**Table 2, General Fund two-year expenditure initiatives:**

		2020//21 000's	2021/22 000's
7.	Addition to the Finance and Resources Budget for a part-time fixed-term post, the holder to advise and coordinate councillors, towns and parishes to use Community Infrastructure Levy funds for the benefit of local residents in accordance with agreed local protocols. Subject to review for the second year.	50	50
8.	An addition to the Housing and Communities budget to fund community facing Sports and Leisure Projects for an initial trial two-year period. Subject to review for the second year.	50	50
9.	An addition to the budget of Clean, Safe and Green to enhance the appearance of the Borough by work on verge maintenance, graffiti removal and clearance of growth from paths. Second year subject to review.	80	80
Sub-Total of B		180	180
<b>General Fund Total Budget Amendment</b>		<b>1,350</b>	<b>180</b>

## Housing Revenue Account

**Table 3, HRA one-year expenditure initiative:**

		2020//21 000's	2021/22 000's
10	<p>An addition of £1m to the Housing Revenue Account to provide for the introduction of energy saving measures on the council's housing stock.</p> <p>In order not to detract from the current new build programme or the investment in existing stock already outlined in the HRA Business Plan, this will be funded by borrowing £1m over a period of 20 years. The repayment will be made as a single amount at the end of the 20 year period.</p>	1,000	

### **S151 Officer Comments**

#### **General Fund**

The proposed spending plans are all for a fixed term and therefore can be funded through one off funding streams without additional risk to the Council's financial sustainability in the medium-term.

The £180k required to fund the second year proposals, if progressed, would still be funded through the New Homes Bonus received in 20/21, and would need to be ring-fenced within reserves in case required in 2021/22.

#### **Housing Revenue Account**

The duration of borrowing should not exceed the life of the asset it is funding. Therefore in order to borrow £1m for this initiative over a 20-year period, the expenditure would need to meet the following criteria:

- The individual elements of expenditure would need to be in excess of £10k; and,
- The council would need to benefit from the expenditure for a period of 20 years.

Assuming that these conditions were met, and that the repayment of principal was made on maturity of the debt, the financial implications for the HRA Business Plan would be:

- Additional interest costs of c£30k per annum, which could be funded through a reduction in the annual Revenue Contribution to Capital – this would not have a material impact on the planned capital programme; and,
- A repayment of £1m in 2040/41, which at today's prices would equate to roughly £600k. This amount is low enough that a decision on whether to refinance or repay could be made nearer the time, informed by an updated HRA Business Plan.

**APPENDIX A1 - UPDATED FOR PROPOSED LIBERAL DEMOCRAT AMENDMENTS**

	<b>Original 2019/20 £000</b>	<b>Cabinet Approved Budget £000</b>	<b>Lib Dem Proposed Budget £000</b>	<b>Comments</b>
<b>Service Expenditure &amp; Income</b>				
<b>Employees</b>	24,625	28,220	28,470	Increase of £250k
Premises	4,448	4,739	4,739	
Transport	1,429	1,550	1,550	
<b>Supplies &amp; Services</b>	7,348	7,056	7,456	Increase of £400k
Third-Parties	756	902	902	
Transfer Payments	47,199	47,149	47,149	
Capital Charges & Bad Debts	4,917	4,917	4,917	
Income	(17,778)	(18,395)	(18,395)	
Grants and Contributions	(51,537)	(51,426)	(51,426)	
Recharge to HRA	(4,213)	(4,384)	(4,384)	
<b>Net Cost Of Services</b>	<b>17,194</b>	<b>20,328</b>	<b>20,978</b>	
<b>Less:</b>				
Interest Receipts	(188)	(300)	(300)	
Interest Payments & MRP	970	916	916	
Reversal of Capital Charges	(4,802)	(4,802)	(4,802)	
Revenue Contributions to Capital	0	350	350	
<b>Net movement to/(from) Earmarked Reserves</b>	<b>4,464</b>	<b>139</b>	<b>(511)</b>	A reduction in the transfer to reserves of £650k.
<b>Budget Requirement General Fund</b>	<b>17,638</b>	<b>16,631</b>	<b>16,631</b>	
Parish Precepts	816	972	972	
<b>Budget Requirement Including Parishes</b>	<b>18,454</b>	<b>17,603</b>	<b>17,603</b>	
<b>Funded by:</b>				
Revenue Support Grant/Tariff	0	0	0	
Business Rates Retained	(3,789)	(3,615)	(3,615)	
New Homes Bonus/Government Grants	(2,179)	(1,779)	(1,779)	
Council Tax (Surplus)/Deficit	(139)	(151)	(151)	
Business Rates (Surplus)/Deficit	0	1,000	1,000	
<b>Net Expenditure before Council Tax</b>	<b>12,347</b>	<b>13,058</b>	<b>13,058</b>	
<b>Demand on the Collection Fund</b>	<b>(12,348)</b>	<b>(13,058)</b>	<b>(13,058)</b>	
<b>Net Change in General Fund Balance</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	
General Fund Balance B/Fwd	(2,502)	(2,503)	(2,503)	
In year use	(1)	0	0	
General Fund Balance C/Fwd	<b>(2,503)</b>	<b>(2,503)</b>	<b>(2,503)</b>	

<b>Lib Dem Proposals</b>	<b>20/21</b>		<b>21/22</b>	
	<b>Supplies &amp; Services</b>	<b>Employees</b>	<b>Supplies &amp; Services</b>	<b>Employees</b>
1. SPE - Air Quality and Electric Charging Points.	100			
2. SPE - Trial of Solar Powered Bins	50			
3. SPE - Tree assessment and planning Work.	100			
4. H&C - Recruitment of additional enforcement officers		120		
5. H&C - Investment in review of Communications and Telephony.	100			
7. SPE - Review and facilitate CIL use		50		50
8. H&C - Sport and Leisure project review	50		50	
9. SPE - Verge maintenance, graffiti removal and clearance		80		80
<b>Total</b>	<b>400</b>	<b>250</b>	<b>50</b>	<b>130</b>

APPENDIX A - GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY, UPDATED FOR PROPOSED LIBERAL DEMOCRAT AMENDMENTS					
	Revised 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
	£000	£000	£000	£000	£000
<b>Service Expenditure &amp; Income</b>					
Employees	24,625	28,483	24,084	24,458	26,754
Premises	4,448	4,758	4,867	4,978	5,093
Transport	1,429	1,559	1,627	1,698	1,772
Supplies & Services	7,348	7,433	7,009	7,076	7,218
Third-Parties	756	914	852	869	887
Transfer Payments	47,199	47,149	47,149	47,149	47,149
Capital Charges & Bad Debts	4,917	4,917	4,920	4,922	4,924
Income	(69,315)	(69,842)	(70,318)	(70,874)	(71,095)
Recharge to HRA	(4,213)	(4,393)	(4,517)	(4,657)	(4,801)
Cumulative Savings	0	0	0	(604)	(1,254)
<b>Net Cost Of Services</b>	<b>17,194</b>	<b>20,978</b>	<b>15,672</b>	<b>15,015</b>	<b>16,647</b>
<b>Less:</b>					
Interest Receipts	(188)	(300)	(300)	(300)	(300)
Interest Payments & MRP	970	916	1,037	1,029	1,083
Reversal of Capital Charges	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)
Revenue Contributions to Capital	0	350	350	350	350
<b>Net movement to/(from) Earmarked Reserves</b>	<b>3,780</b>	<b>(511)</b>	<b>2,690</b>	<b>2,844</b>	<b>871</b>
<b>Budget Requirement General Fund</b>	<b>16,954</b>	<b>16,631</b>	<b>14,647</b>	<b>14,135</b>	<b>13,849</b>
Parish Precepts	816	972	1,006	1,041	1,077
<b>Budget Requirement Including Parishes</b>	<b>17,770</b>	<b>17,603</b>	<b>15,653</b>	<b>15,177</b>	<b>14,926</b>
<b>Funded by:</b>					
Use of General Fund Balance	1	0	0	0	0
Business Rates Retained	(2,969)	(3,115)	(3,177)	(3,241)	(3,305)
(Revenue Support Grant)/Tariff	0	0	2,440	3,225	3,230
Pilot Business Rates Funding	(820)	(500)	0	0	0
New Homes Bonus	(2,179)	(1,779)	(808)	(544)	0
Council Tax (Surplus)/Deficit	(139)	(151)	0	0	0
Business Rates (Surplus)/Deficit	684	1,000	0	0	0
<b>Net Expenditure before Council Tax</b>	<b>12,348</b>	<b>13,058</b>	<b>14,108</b>	<b>14,617</b>	<b>14,851</b>
<b>Demand on the Collection Fund</b>	<b>(12,348)</b>	<b>(13,058)</b>	<b>(13,516)</b>	<b>(13,980)</b>	<b>(14,460)</b>
General Fund Balance B/Fwd	(2,502)	(2,503)	(2,503)	(2,503)	(2,503)
In year use	(1)	0	0	0	0
General Fund Balance C/Fwd	<b>(2,503)</b>	<b>(2,503)</b>	<b>(2,503)</b>	<b>(2,503)</b>	<b>(2,503)</b>
<b>Total Savings Requirement</b>		<b>643</b>	<b>758</b>	<b>739</b>	<b>390</b>
of which,					
<b>Savings identified, and already delivered</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Savings identified, but still to be delivered</b>		<b>(643)</b>	<b>(165)</b>	<b>(102)</b>	<b>0</b>
<b>Savings still to be identified</b>		<b>(0)</b>	<b>593</b>	<b>637</b>	<b>390</b>

**Lib Democrats Proposals (highlighted in yellow)**

1. In 20/21 - Increase in employees of £250k and Supplies and Services of £400k, funded through a reduced contribution to reserves of £650k.
2. In 21/22 - Increase in employees of £130k and Supplies and Services of £50k, funded by a draw down from reserves of £180k.

**HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2020/21, AMENDED FOR LIBERAL DEMOCRAT PROPOSALS**

£000	Original 2019/20	Cabinet Approved Budget	Liberal Democrat Proposed Budget	Liberal Democrat Proposed Budget
<b>Income</b>				
Dwelling Rents	(52,536)	(54,435)	(54,435)	
Non-Dwelling Rents	(102)	(102)	(102)	
Tenant Service Charges	(1,626)	(1,517)	(1,517)	
Leaseholder Charges	(487)	(593)	(593)	
Interest and Investment Income	(435)	(192)	(192)	
Contributions to Expenditure	(645)	(645)	(645)	
<b>Total Income</b>	<b>(55,831)</b>	<b>(57,484)</b>	<b>(57,484)</b>	
<b>Expenditure</b>				
Repairs and Maintenance	12,068	12,068	12,068	
Revenue Contribution to Capital	5,480	5,855	5,825	Reduction in revenue contribution to capital to offset increased borrowing costs.
Supervision & Management	12,783	14,196	14,196	
Corporate and Democratic Core	307	335	335	
Rent, Rates, Taxes & Other Charges	35	36	36	
Provision for Bad Debts	975	975	975	
Interest Payable	11,558	11,586	11,616	Increase of £30k of interest costs related to borrowing of £1m over 20 years.
Depreciation	12,625	12,866	12,866	
<b>Total Expenditure</b>	<b>55,831</b>	<b>57,917</b>	<b>57,917</b>	
<b>HRA Deficit / (Surplus)</b>	<b>0</b>	<b>433</b>	<b>433</b>	
<b>Housing Revenue Account Balance:</b>				
Opening Balance at 1 April	(2,892)	(2,892)	(2,892)	
Deficit / (Surplus) for the year	0	0	0	
<b>Closing Balance at 31 March</b>	<b>(2,892)</b>	<b>(2,892)</b>	<b>(2,892)</b>	
<b>Earmarked Reserves:</b>				
Opening Balance at 1 April	(18,146)	(18,579)	(18,579)	
Contribution from / (to) Pension Reserve		433	433	
<b>Closing Balance at 31 March</b>	<b>(18,146)</b>	<b>(18,146)</b>	<b>(18,146)</b>	

**Lib Democrat Proposal Changes.**

1. The cost of borrowing an additional £1m from PWLB over a 20 year period is circa £30k p.a. in interest.
2. The additional £1m would be a new capital project/investment and would be represented in the HRA capital programme spend.