



Public Document Pack

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY AGENDA

Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committees promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.

WEDNESDAY 1 DECEMBER 2021 AT 7.30 PM

ROOM TO BE CONFIRMED

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Chapman	Councillor Sinha
Councillor Guest	Councillor Townsend (Vice-Chairman)
Councillor Tindall	Councillor Claughton
Councillor Adeleke	Councillor Symington
Councillor Arslan	Councillor Allen
Councillor Sobaan Mahmood	Councillor Douris
Councillor Suqlain Mahmood (Chairman)	

For further information, please contact Corporate and Democratic Support on 01442 228209 or via email member.support@dacorum.gov.uk

AGENDA

- 1. MINUTES**
To confirm the minutes from the previous meeting
- 2. APOLOGIES FOR ABSENCE**
To receive any apologies for absence
- 3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

6. ACTION POINTS FROM THE PREVIOUS MEETING

7. BUDGET PREPARATIONS 22/23 (Pages 3 - 38)

8. WORK PROGRAMME (Pages 39 - 40)



Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	1st December 2021
PART:	1
If Part II, reason:	

Title of report:	BUDGET PREPARATION 2022/23
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources Nigel Howcutt, Chief Finance Officer Fiona Jump, Group Manager, Financial Services
Purpose of report:	To provide Members with an overview of the draft budget strategy and proposals in order to provide Members the opportunity to scrutinise them and provide feedback to Cabinet.
Recommendations	That the Scrutiny Committee reviews and scrutinises the draft budget proposals for 2022/23 and provides feedback, to be considered by Cabinet, for each Committee's specific area of responsibility.
Corporate Objectives:	All. Setting a balanced budget supports all of the Council's corporate objectives.
Implications:	The financial and value for money implications are set out in the body of the report.
Risk Implications	The Council is required to set a balanced budget and scrutiny of the overall budget proposals will assist in the challenge process required.
Community Impact Assessments	Where appropriate, Community Impact Assessments for proposed budgets amendments have been undertaken by relevant service areas.
Health And Safety Implications	None.
Consultees:	Budget Review Group; Portfolio Holders; Senior Leadership Team Group Managers.
Background Papers:	Agenda item 9 September 2021 Cabinet - Medium Term Financial Strategy 2021/22 – 2025/26.

Key Terms, Definitions & Acronyms	GF – General Fund HRA – Housing Revenue Account MTFS – Medium Term Financial Strategy OSC – Overview and Scrutiny Committee RSG – Revenue Support Grant MHCLG- Ministry for Housing, Communities and Local Government DLUHC- Department for Levelling Up, Housing and Communities
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Introduction

This report includes information in relation to the corporate service planning process which has been undertaken by all services for 22/23 and the draft General Fund and HRA budget proposals which have been developed following this exercise. It also sets out the key assumptions which have been used to develop the budget and highlights the position in relation to reserves and the management of risk.

The report provides information on the development of the Council's Commercial Strategy and Programme as this represents a significant change in approach which is designed to support the Council to identify income generation options in order to provide longer-term financial resilience.

Background

This report presents the draft budget proposals for 2022/23 and the outline plan for the development of a commercial strategy for scrutiny and review.

1. Budget detail at a strategic level has been provided for every area of the Council and this has been made available to all Members. A glossary of budget categories, and specific budget section groupings, is set out in Annexe A.
2. With the exception of the Finance & Resources Committee, which scrutinises all budgets, individual Overview and Scrutiny Committees (OSCs) will focus only on those budget changes and Capital Programme elements which relate directly to their remit.
3. A senior Finance Officer will be present at each of the committees to support the Chair.
4. The following appendices are relevant to the draft budget proposals for 2022/23:

General Fund

- Appendix A – General Fund Budget Summary 2022/23
- Appendix B – Budget Change Analysis 2021/22 – 2022/23
- Appendix B(i) – Budget Change Analysis Finance and Resources 2021/22 – 2022/23
- Appendix B(ii) – Budget Change Analysis Strategic Planning and Environment 2021/22 – 2022/23
- Appendix B(iii) – Budget Change Analysis Housing and Community 2021/22 – 2022/23
- Appendix C – General Fund Budget Change Summary by Committee

Housing Revenue Account

- Appendix D – Housing Revenue Account Budget 2022/23
- Appendix E – Housing Revenue Account Movements 2021/22 – 2022/23

Capital Programme

- Appendix F – Capital Programme by OSC: Summary of new and amended projects 2022/23 - 2026/27
- Appendix F(i) – Strategic Planning and Environment Capital Programme by OSC: Summary of new and amended projects 2022/23 - 2026/27
- Appendix F(ii) – Housing and Community Capital Programme by OSC: Summary of new and amended projects 2022/23 - 2026/27
- Appendix G – Capital Programme 2022/23 - 2026/27

Reserves

- Appendix H – Statement of Earmarked Reserves

Service Planning & Commercial Strategy development

Corporate Service Planning

5. As outlined in the MTFFS, which was approved by Council in October 2021, there are significant medium term financial pressures which need to be addressed in order to deliver a sustainable medium term financial strategy for the Council. It is clear that the Council will not be able to find the level of savings required from 2023/24 onwards, without a detrimental impact on service delivery. For this reason, essential work has begun to develop a Commercial Strategy and Programme which will increase revenue income into the Council.
6. Earlier in the year, a corporate service planning process was undertaken to develop specific priorities and opportunities for service areas over a 3-year period. This process was then used to inform savings and commercial opportunities for the budget planning process.
7. The resulting service plans identified a number of consistent themes across service areas, including: Climate change action; Improving customer focus; Improving processes through digitisation and the development of a Digital Strategy; Developing positive leadership and culture and the need for a new People Strategy; Community Safety; Economic Recovery and a refreshed focus on the Council's place shaping programme.
8. During the year, the Council's Climate Change Action Plan was also developed and the investment requirements for this continue to be assessed.
9. The corporate service planning cycle will run on an annual basis from now on so that the Council's financial strategy can be closely aligned to support the delivery of the Council's service priorities.

Housing Services Review

10. In addition to the service planning process, a specific and detailed external Service Review was undertaken of the housing service. During the review, an action plan was developed which the Housing Services Management Team has used to prioritise service development activities. Key activities include:

- Making use of a 100% stock condition survey currently underway to advise and refine the HRA Asset Management Plan regrading improvements, component replacements and to advise on the fabric first requirements of the stock, as a key element of meeting the target to be net zero carbon by 2050. This “fabric first” work can be undertaken whilst national non-fossil fuel heating solutions and supply chains are further developed. Anticipating, and meeting, the requirements of the Social Housing Regulator and the impact of the Building Safety Bill with a major focus on both the skills required within the service and the increased priority of fire safety measures.
 - Delivering major improvements to IT systems to bring all data together to provide efficiencies in use and also service improvements to tenants. A key priority will be to provide the technology for more remote and estate based working, as part of the drive for staff to visit every home at least once in a three year period.
 - Establishing a cross-Council Housing Development Corporate Group which will provide oversight to the Council’s own housing development programme and will also provide focus to the broader strategic activities the Council is undertaking to meet housing need in the borough.
 - Preparing for and commencing, the procurement process for the significant contracts for the repair, maintenance and improvement of the Council’s housing stock.
 - Improving partnership working with key agencies to develop strong multi-agency working practices which support the Council’s most vulnerable households. There will also be a focus on improving the joint working between the Community Safety and Housing Teams to help tackle Domestic Abuse, ASB and more challenging issues, such as cuckooing.
 - Continuing to provide an excellent Homelessness prevention service and support to those families that become homeless and ensuring a sufficient supply of good quality Temporary Accommodation.
11. This Housing Services review has supported the development of the Housing Service Plan and has informed budgeting requirements over the next two years. There are detailed 22/23 budget proposals included in this report.

Commercial Strategy and Programme

12. In September, Cabinet approved £400k of resources to support the delivery of a comprehensive and deliverable commercial strategy and programme. This approach to finding the Council’s commercial programme development is considered more prudent than baselining historic revenue costs, given the embryonic and emerging position of the Council’s commercial approach.
13. The Council has now appointed an interim Strategic Director for Corporate and Commercial Services to lead this work and additional external expertise and

resources, to develop the strategy and initial business cases by the end of the financial year, are also being procured.

14. The Senior Leadership Team will engage closely with Portfolio Holders as this work develops and will return to Cabinet in the spring with a proposed commercial strategy, programme and approach.
15. It is expected that a multi-year programme will then be implemented which will deliver a range of commercial opportunities to generate income which will support ongoing service delivery and help to provide financial resilience for the Council. This process is likely to culminate in a revised MTFS being presented to Members in spring 2022.
16. Commercial opportunities will be overseen by a Commercial Board, chaired by the Chief Executive, to bring both pace and assurance to the development of the commercial programme.
17. An effective commercial strategy will need to evaluate and develop a portfolio of opportunities and outline business cases across the following areas:
 - Effective Procurement, driving maximum value from the Council's external spend;
 - Strong Contract Management, ensuring that our suppliers deliver all their commitments to residents;
 - New Commissioning Models, making sure that services are designed in a way which delivers best value, long-term flexibility and resident focus;
 - Traded Services, where the Council has additional skills and capability which can be offered to residents, businesses or other councils;
 - Trading Companies, where commercial opportunities require different legal models or governance to succeed; and
 - Assets and Investments, where carefully appraised capital investment provides opportunities to generate long-term returns.
18. The commercial strategy work will commence in mid-December, with focused and rapid progress expected during January.

2022/23 Budget Setting and Medium Term Financial Strategy (MTFS)

19. The Development of the Commercial Strategy and the Implementation of a Continuous Service Planning Cycle will be supported by a refreshed MTFS next year. The current MTFS was approved by Council in October 2021 and contained the following key decisions which have informed the budget-setting process for 2022/23:
 - A General Fund savings target of £685k for 2022/23
 - A General Fund savings target of £1.92m over the duration of the MTFS period
 - A General Fund balance of between 5% and 15% of Net Cost of Services
 - A minimum HRA working balance of at least 5% of turnover
20. The draft budget presented in Appendix A has a balanced position. At this stage, this remains subject to a number of budgetary assumptions. Work continues on

these assumptions, and the finalised position will be reported to Members at the Joint OSC in February.

21. Following the budgetary outlook announced in the Autumn statement, the projected Dacorum 22/23 government funding level has been set at the same level as 2021/22. This is a change to the October 21 MTFS projections, resulting in a proposed funding level increase of £785k p.a. until 25/26.
22. The Council's MTFS is now forecast to become financially self-sustainable in 2025/26, which is a delay of 1 year). This approach is in line with the majority of the Local government sector.
23. Council has delegated authority to the S151 Officer to revise the MTFS if material changes to forecasts are required as a result of future government announcements. Members receive regular financial monitoring updates throughout the financial year. These will be supplemented by MTFS updates to Cabinet, as considered appropriate by the S151 Officer. The plan is to provide a refreshed MTFS to Cabinet in the spring following the development of the Council's Commercial Strategy and Programme.

Key Assumptions included in draft General Fund Budget

24. The following assumptions are incorporated within the draft budget:
 - £5 increase in Council Tax and 1% increase in taxbase
 - An average 2.5% pay settlement
 - Vacancy factor of 5% for non-front-line services
 - Business Rates funding levels set between safety net and baseline (See para 27)
 - Negative Revenue Support Grant (RSG) (See paragraphs 29 - 33)
 - New Homes Bonus reduced by just over 70% (£1.42m). (See para 34-35)

Government funding – Business Rates

25. Due to the global pandemic, the Local Government Fair Funding Review has been further delayed and the sector awaits confirmation as to when this will be conducted. The Autumn Statement 2021 initially raised expectations of local authorities receiving a multi- year financial settlement in the Local Government Finance Settlement, expected in December 2021. This remains uncertain. The Autumn Statement provided no clear statement or understanding of whether Local Government funding mechanisms are to be reviewed or what the future of business rate retention as a process of funding Local Government.
26. In the absence of specific detail, this budget makes a series of funding assumptions, outlined in subsequent paragraphs. Confirmation of 2022/23 Government funding levels will be announced within the Local Government Finance Settlement, expected in December, and incorporated within the second draft budget brought for Members' scrutiny in February 2022.
27. Uncertainty over the level of funding the Council will receive from Government next year continues. This proposed budget has therefore taken a prudent approach. Retained Business Rates funding has been set between the 'safety net' level, (the Government-guaranteed minimum level of funding under the current system) and the baseline funding level for DBC set by central

government, (the threshold over which the Council pays a proportion of business rates growth to the Government).

28. The approved MTFs continues to compartmentalise Covid- related pressures and provides for this shortfall to be supported through the use of the Economic Recovery Reserve. This ensures that the Council can take a prudent approach to likely funding levels and control the impact through use of reserves without making unnecessary and potentially damaging short-term changes to its underlying business model.

Government funding – Revenue Support Grant (RSG)

29. The Local Government Finance Settlement 2021/22, issued by the former MHCLG (now DLUHC) in December 2020, suspended ‘**negative RSG**’ payments for 21/22. The Government has given no subsequent indication that there will be a further suspension in 2022/23.
30. The concept of ‘negative RSG’ was introduced to enable Government to reduce the level of funding paid to an authority when there was no further RSG left to reduce. The idea was that the negative RSG would net off against the Business Rates funding to bring total authority funding down to a level, which, in Government’s opinion, reflected its level of need.
31. In this respect ‘negative RSG’ was only ever a transitional tool until each authority’s needs-level funding is captured and baselined within the Business Rates future funding methodology. Government has previously stated that RSG will cease to exist as a funding stream once the new funding model is rolled out.
32. It is prudent to assume that Government has not fundamentally changed its medium-term assessment of Dacorum’s level of need, and that the suspension of negative RSG last year was a temporary relief, and not guaranteed to be reflected in the funding methodology beyond the current year. Consequently, this budget assumes that negative RSG will reduce the Council’s funding by £940k in 22/23.
33. Any decision by Government to suspend negative RSG again in 22/23, in whole or in part, will lead to a financial gain for Dacorum. Unless explicitly announced otherwise by Government, this benefit should be seen as a one-off and accordingly used by the Council to fund one-off expenditure. Final confirmation of Government’s decision around negative RSG is expected in December as part of the Local Government Finance Settlement, and any implications will be reported back to Members in February. The growing opinion across local authority sector advisers is that negative RSG will be suspended again in 22/23.

Government funding – New Homes Bonus

34. New Homes Bonus (NHB) was also planned for review under the now-delayed Fair Funding Review. In the absence of any further updates, this budget assumes no change to Government’s previous commitments on future years’ payments, i.e. that NHB will cease after 22/23.
35. In line with the approved MTFs, this budget assumes a continuation of the Council’s current strategy, i.e. due to its time-limited nature NHB funding is not used to support ongoing service provision, but is instead contributed to the Dacorum Development Reserve for future one-off spending.

Key General Fund budget savings since last year

36. Detailed budget changes between 2021/22 and 2022/23 are shown in Appendix B. Key items include:

- £210k total staff efficiency savings driven by service reviews, including Revenues and Benefits and the Central Administration and Elections teams.
- £834k increase in income. This is related to a series of items including grant funding, income generated from Planning-related fees and increased commercial activity associated with the recovery from the pandemic.
- £81k reduction in Supplies and Services costs following a review of requirements within Revenues and Benefits, Central Administration and Human Resources.

Key General Fund budget growth since last year

37. Detailed ongoing growth areas (i.e. not one-off items of expenditure to be funded from reserves or additional grants) are shown in Appendix B. Key items include:

- £1.56m secondary pension contribution lump sum payment- a technical accounting adjustment
- £1.62m other staffing growth, the estimated pay award and social care national insurance levy
- £200k expected increase in insurance costs
- £260k Income reduction arising from the forecast impact of Covid (see para 41) on rental income relating to the Forum.

38. The Council's strategy for managing the Covid-related impact on its income streams was detailed within the MTFs approved in November. The £260k income reduction highlighted above will be managed through the Economic Recovery Reserve. For more detail, see the Reserves section later in this report.

22/23 Budget Risks

39. As part of the budget setting process, several areas of risk have been assessed and the inherent and potential Service delivery financial risks are assessed and mitigations applied to the budget where required. These risks do require ongoing monitoring and reporting.

40. The most significant risk to Dacorum's budget setting would be if approved government funding did not meet the budgeted expectations. This risk is considered low following the Autumn Spending review announcements. The Councils projected government funding levels for 22/23 are prudent when compared to the Local Authority Sector.

41. At present, the Council faces uncertain times and hence projections are more open to challenge and change than in previous years. As a result, there are a number of service risks where financial performance and service development processes remain under careful scrutiny and monitoring and will be reported back to Members if performance differs from expectations. The high risk areas include;

- The continued impact of the Covid recovery on service delivery and general income generating services.

- Car parking income. Income projections, as at period 7 21/22, are 20% down on pre-Covid levels and, although performance is improving, this continues to be monitored.
- Refuse Service. There are a multitude of pressures in the refuse service including increased demand for waste routes, increased volumes of waste collection/disposal and additional complications in service delivery in a post Covid landscape.
- Impact of increasing utility costs. The budget proposals include above inflation budget increases, but prices will continue to be monitored.

Housing Revenue Account

42. The draft HRA Budget for 2022/3 is attached at Appendix D, with explanations of major movements between the Original Budget 2021/22 and Draft Budget 2022/23 shown in Appendix E.
43. Key assumptions have been incorporated into the draft budget. These reflect assumptions in the HRA 30 year Business Plan which is reviewed annually by Cabinet;
- Annual rent increase of CPI + 1% on all properties, totalling 4.1% (£1.8m)
 - Continuation of the Stock Condition Survey, £375k
 - Supervision and Management budget to support service delivery (£1.8m), including:
 - a technical accounting adjustment for secondary pensions contributions (£440k)
 - the estimated pay award and social care national insurance levy (£290k)
 - growth arising from the Housing Service Review (£500k).
 - Reduction in the revenue contribution to capital (£2.8m)
 - Increase in depreciation (£2.7m)

Capital Programme

44. The draft Capital Programme is set out in Appendix G.
45. There have been a number of bids for new capital projects from across the Council's services. The financial implications of the new bids and amendments are summarised in Appendix F and total £2.8m in 22/23 and in totality £8.4m over the life of the Capital Programme, 2022/23 - 2026/27.
46. In summary the majority of this capital spend is to provide;
- £2.5m for the provision of a new DEN's One stop shop and foodbank.
 - £2.9m included for the addition of the financial year 26/27.
 - £1.1m for continued investment in the Commercial property portfolio.
 - £0.5m investment into local play areas.

Reserves

47. The draft 22/23 budget includes a net contribution from reserves of £3.1m for 2022/23. The majority, £2.7m, of this contribution is related to short term pressures as a result of the impact of Covid. This has been forecast as part of the 21/22 budget setting and 2021 MTFs.

48. The detailed proposed movements in General Fund reserves are set out in Appendix H. The significant reserve movements within the 2022/23 budget are detailed below:

- **Economic Recovery Reserve** – This reserve was created in 2020/21 to fund the forecast financial implications of Covid over the medium-term.

The reserve has a balance of £5.14m at the start of 21/22. The current forecasts are that around £2.86m will be drawn down to cover Covid implications in 21/22, with a further £1.73m in 22/23.

- **Capital Development Reserve** – a transfer of £300k from the Capital Development Reserve to the Management of Change reserve is proposed to support investment in service change.
- **Management of Change Reserve** – This reserve was created to support the significant investment required when preparing and implementing service redesign and changes. A net contribution of £133k is required in 22/23. This includes the transfer of £330k from other reserves, plus funding for fixed-term officer posts such as apprentices, the Diversity & Inclusion officer and a Communications officer. This net contribution also includes the draw-down of funding to support the Transformation programme service review and the Waste Transformation programme.
- **Technology Reserve** – Draw down of £45k to fund a Junior Web Developer post. This reserve was set up to be utilised with the Management of Change Reserve to invest in technology improvements to improve efficiency and resilience across the Council.
- **Savings Efficiency Reserve** – net drawdown of £175k. This reserve was created from the achievement of savings made by the Council in advance of need, and is retained to offset the risk of delays to initiatives planned to generate future savings. This figure includes a £130k contribution achieved on the cost of pensions by making an upfront contribution payment to the pension fund.
- **Local Development Framework** – net drawdown of £150k. This reserve was created to support the significant research and consultancy costs associated with the development of the Council's Local Plan. Included here is a proposed transfer from the Dacorum Development reserve.
- **Dacorum Development Reserve** – net drawdown of £335k. This reserve was created to support regeneration and economic development initiatives across the borough and in recent years has been funded primarily through one-off, growth-related funding streams.

The planned movements in 22/23 comprise an £544k contribution of New Homes Bonus offset by:

- a £300k draw down to fund costs associated with the Hemel Garden Communities Programme
- a £250k draw down to support the Hemel Place Strategy
- a £160k draw down to support the Energy Performance Certificates programme

- a draw down of £99k to fund the following fixed term posts: an additional Planning enforcement officer, an additional Planning Officer and an additional Economic Development Officer (filming).
 - a transfer to the Local Development Framework reserve of £70k.
- **Vehicle Replacement Reserve**- net contribution of £350k. This reserve helps fund the replacement of the Council's fleet.
 - **Funding Equalisation Reserve** - £1.02m forecast draw down from reserve to support the estimated deficit on the Collection Fund payable in 2022/23. This deficit arises from the annual timing differences in the receipt of Collection Fund income to the Council. Balances on this reserve are held in part to support these deficits when they arise, funded by any prior year surpluses on the Collection Fund.
 - **Pension Reserve** – Contribution of £200k. This reserve is used to support one-off pension contribution payments following triennial pension fund valuation, to smooth out these costs. The next payment is due in 2023/24.
 - **Training and Development reserve**- draw down of £75k to support the second year of the Council's participation in the National Graduate Development programme.
49. The HRA retains a working balance of at least 5% of turnover as part of the Council's reserves strategy. A transfer of £104k to the HRA earmarked reserves in 21/22 is proposed in order to maintain the working balance at this level.
50. The budget presented in draft in this document is robust in its formulation and the level of reserves set for 2022/23 adequate to mitigate the foreseeable risks to the organisation at this point in the process.

Governance Statement

51. The DBC Annual Governance Statement (AGS) was reviewed as part of the 20/21 external audit of the financial processes and statements, and presented to the Audit Committee in September. The external Auditor raised no issues with the content or processes included. The external auditor confirmed the AGS was prepared in line with CIPFA Code and supporting guidance and were consistent with the financial statements.

Next Steps

52. Members of the individual OSCs are asked to review and scrutinise the draft budget proposal for 2022/23, and to provide feedback for Cabinet to consider ahead of the next Joint OSC, in February 2022.
53. Additional granular level budget appendices will be made available for all Members, and any queries can be raised with officers, officers will feedback any significant issues to Scrutiny Chairs.

Annexe A

Explanation of expenditure categories used in appendices

Budget Categories Glossary

Employees

This group includes the cost of employee expenses, both direct and indirect, for example:

- Salaries
- Employer's National Insurance and pension contributions
- Agency staff
- Employee allowances (not including travel and subsistence)
- Training
- Advertising
- Severance payments

Premises

This group includes expenses directly related to the running of premises and land:

- Repairs, alterations and maintenance
- Energy costs
- Rent
- Business Rates
- Water
- Fixture and fittings
- Premises insurance
- Cleaning and domestic supplies
- Grounds maintenance

Transport

This group includes all costs associated with the hire or use of transport, including travel allowances:

- Repair and maintenance of vehicles
- Vehicle licensing
- Fuel
- Vehicle hire
- Vehicle insurance
- Employee mileage

Third Party Payments

Third party payments are contracts with external providers for the provision of a specific service. Examples for the Council include the Call Centre, Payroll Services, and Parking Enforcement.

Supplies & Services

This group includes all direct supplies and service expenses to the authority:

- Equipment, furniture and materials

- Catering/Vending
- Clothing and uniforms
- Printing, stationery and general office expenses
- External services (consultancy, professional advisors)
- Communications and computing (eg software maintenance, telephones and postage)
- Members allowances
- Conferences and seminars
- Grants and subscriptions

Capital Charges

These statutory accounting adjustments reflect a notional charge to the service for the use of a Councils asset. An example is Cupid Depot, for which a charge is made to Waste Services, for as long as the service uses the asset. These charges are reversed out centrally and do not impact on Council Tax.

Transfer Payments

This includes the cost of payments to individuals for which no goods or services are received. For the Council this only relates to Housing Benefit payments.

Income

This group includes all income received by the service from external users or by way of charges:

- Rental income
- Sales of goods or services (eg the sale of recyclables and waste sacks)
- Fees and charges (eg Planning, Parking and Burials)

Grants and Contributions

This group includes all income received by the service from external bodies:

- Specific Government grants
- Income for jointly run projects/services
- Reimbursement of costs (eg recovery of legal costs)
- Other contributions (eg recycling credits from Herts County Council)

Recharges

This statutory accounting adjustment charges out the back office functions (such as Finance and Legal) to the front line services. These adjustments are based on timesheet information provided by Group Managers and are subject to changes each year. The recharges overall will come back to zero, with the only impact on Council Tax being the overall charge to the Housing Revenue Account, as shown in Appendix A.

DRAFT GENERAL FUND BUDGET SUMMARY 2022/23

	Original 2021/22	Growth / (Savings)	Estimate 2022/23 1st OSC 1.12.21
	£000	£000	£000
Service Expenditure & Income			
Employees	24,597	2,924	27,520
Premises	4,945	374	5,319
Transport	1,596	244	1,839
Supplies & Services	7,697	267	7,964
Third-Parties	811	176	987
Transfer Payments	47,149	(3)	47,146
Capital Charges & Bad Debts	4,917	0	4,917
Income	(16,958)	(707)	(17,665)
Grants and Contributions	(51,633)	152	(51,481)
Recharge to HRA	(4,607)	(566)	(5,173)
Net Cost Of Services	18,514	2,860	21,374
Less:			
Interest Receipts	(425)	125	(300)
Interest Payments & MRP	1,037	(8)	1,029
Reversal of Capital Charges	(4,802)	0	(4,802)
Revenue Contributions to Capital	350	(350)	0
Net movement to/(from) Earmarked Reserves	1,789	(4,866)	(3,077)
Budget Requirement General Fund	16,462	(2,238)	14,224
Parish Precepts	1,000	34	1,034
Budget Requirement Including Parishes	17,462	(2,204)	15,258
Funded by:			
Business Rates Retained	(2,791)	(169)	(2,960)
Revenue Support Grant	0	940	940
New Homes Bonus/Government Grants	(1,968)	1,423	(545)
Other Government Grants	0	(250)	(250)
Council Tax (Surplus)/Deficit	402	(0)	402
Business Rates (Surplus)/Deficit	300	723	1,023
Net Expenditure before Council Tax	13,405	463	13,868
Demand on the Collection Fund	(13,405)	(463)	(13,868)
Net Change in General Fund Balance	(0)	0	0
General Fund Balance B/Fwd	(2,502)		(2,502)
In year use	0		0
General Fund Balance C/Fwd	(2,502)		(2,502)

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23

EMPLOYEE EXPENDITURE

2021/22 Employee Budget		24,597
<u>Inflation</u>		
Estimated pay award of 2.5%		573
Increments		143
Sub total - Inflation		717
<u>Growth items</u>		
Secondary pensions contribution lump sum payment in 2022/23	Fiona Jump	1,562
Insurance premiums	Fiona Jump	16
Increase in National Insurance Contributions to fund Health and Social Care levy		280
Housing - Technology Business Partner	Ben Trueman	62
Lead Lawyer (Property & Planning)	Farida Hussain	25
Estates Team - Estate Warden	Richard Rice	45
Waste Services additional resource required due to growth in the borough	Craig Thorpe	110
Waste Services Project Officer	Craig Thorpe	20
Community Partnerships Officer (health and wellbeing)	Layna Warden	30
	Natasha Beresford/Philip Stanley	
Housing Strategy and Partnerships Lead Officer	Stanley	28
Empty Homes in the Private Sector Officer	Natasha Beresford	46
2 Housing Needs Officers	Natasha Beresford	44
Filming Officer	Chris Taylor	52
Strategic Planning & Regeneration - Pre-App Advice and Premium Service	Chris Taylor	32
Communities Group Manager post	Claire Hamilton	100
Other growth items under £15k		16
Sub total - Growth items		2,467
<u>Removal of 2021/22 one-off items (reserve / grant funded)</u>		
Planning Enforcement Post - 1 year fixed term	Philip Stanley	(40)
Innovation & Improvement Intern - further year of fixed term post	Ben Trueman	(23)
Enhanced Community Safety Programme- removal of reserve funded posts.		
Communities Group Manager now in base budget.	Layna Warden	(150)
Commercial Waste project officer - 1 year fixed term	Craig Thorpe	(20)
South West Herts Joint Strategic Plan costs	James Doe	(30)
Healthy Hub Officer	Layna Warden	(29)
Apprentice scheme - finishes during 22/23	Matt Rawdon	(55)
Sub total - Removal of 2021/22 one-off items		(346)
<u>2022/23 one-off items (reserve / grant funded)</u>		
Economic Development 2 year fixed term post 0.5FTE	Chris Taylor	26
Planning Enforcement Officer 1 year fixed term post	Philip Stanley	34
Planning Officer 1 year fixed term post	Philip Stanley	39
Communications 2 year fixed term post	Matthew Rawdon	50
Private Sector Housing Prevention & Proactivity Officer	Natasha Beresford	43
Revenues and Benefits service review - rephased for 2 years	Chris Baker	110
Sub total - 2022/23 one-off items		302
<u>Efficiency savings</u>		
Revenues and Benefits service review	Chris Baker	(110)
Corporate restructure (Admin & Election teams)	Farida Hussain	(20)
Cemeteries Team restructure	Richard Rice	(40)
Clean, Safe and Green employees - full allowance for increments not required due to career grade structure	Craig Thorpe	(40)
Other minor items under £15k		
Sub total - Efficiency savings		(210)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		(6)
Sub total - Other		(6)
Total change year on year		2,924
2022/23 Employee Budget		27,521

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
PREMISES EXPENDITURE**

2021/22 Premises Budget	4,945
<u>Inflation</u>	
General inflation	134
Sub total - Inflation	134
<u>Growth items</u>	
Insurance	Fiona Jump 242
Sub total - Growth items	242
<u>Efficiency savings</u>	
Off-street parking electricity charges	Ben Hosier (10)
Sub total - Efficiency savings	(10)
<u>Other</u>	
Internal movement of budget (no growth or efficiencies to services)	9
Sub total - Other	9
Total change year on year	375
2022/23 Premises Budget	5,319

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
TRANSPORT EXPENDITURE**

2021/22 Transport Budget	1,596
<u>Inflation</u>	
General inflation	68
Sub total - Inflation	68
<u>Growth</u>	
Insurance	Fiona Jump 80
Waste Services additional resource required due to growth in the borough	Craig Thorpe 90
Other growth items under £15k	5
Sub total - Growth	175
Total change year on year	243
2022/23 Transport Budget	1,839

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
SUPPLIES & SERVICES EXPENDITURE**

2021/22 Supplies & Services Budget		7,697
<u>Inflation</u>		
Inflation		125
Sub total - Inflation		125
<u>Growth items</u>		
Insurance	Fiona Jump	39
Staff counselling and coaching	Matt Rawdon	20
Microsoft licenses price increase	Ben Trueman	35
Other growth items under £15k		2
Sub total - Growth items		96
<u>Removal of 2021/22 one-off items (reserve / grant funded)</u>		
Funding for Local Plan in year of examination - new one off funding requested	Chris Taylor	(155)
Climate Change Emergency Budget (for technical studies, consultancy support and community initiatives and events)	Mark Gaynor/Ben Hosier	(100)
Governance and Project Management Support	Ben Trueman	(50)
3 Year Service Planning Programme	Ben Trueman	(80)
South West Herts Joint Strategic Plan costs	James Doe	(42)
Leadership Programme (training and dev)	Claire Hamilton	(70)
Sub total - Removal of 2021/22 one-off items		(497)
<u>2022/23 one-off items (reserve / grant funded)</u>		
Hemel Place Strategy	James Doe	250
Local Plan	Chris Taylor	220
Service reviews	Ben Trueman	80
Waste Transformation	Craig Thorpe	85
Sub total - 2022/23 one-off items		635
<u>Efficiency savings</u>		
Replacement of Northgate Information@Work with Sharepoint	Chris Baker	(22)
Data Centre Hosting	Ben Trueman	(12)
Customer Services and HR Subscriptions budgets	Matt Rawdon	(20)
Central Admin office equipment & postage savings	Farida Hussain	(20)
Other minor items under £15k		(7)
Sub total - Efficiency savings		(81)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		(11)
Sub total - Other		(11)
Total change year on year		267
2022/23 Supplies & Services Budget		7,964

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23 THIRD-PARTY PAYMENTS	
2021/22 Third Party Payments Budget	811
<u>Inflation</u>	
Contractual inflation	16
Sub total - Inflation	16
<u>2022/23 one-off items (reserve / grant funded)</u>	
Energy Performance Certificate (EPC) Programme	160
Richard Rice	
Sub total - 2022/23 one-off items	160
Total change year on year	176
2022/23 Third Party Payments Budget	987
GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23 TRANSFER PAYMENTS	
2021/22 Transfer Payments Budget	47,149
<u>Other</u>	
Internal movement of budget (no growth or efficiencies to services)	(3)
Sub total - Other	(3)
Total change year on year	(3)
2022/23 Transfer Payments Budget	47,146

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
INCOME**

2021/22 Income Budget		(16,958)
<u>Inflation</u>		
General inflation		(177)
Sub total - Inflation		(177)
<u>Growth items</u>		
Forum income	Ben Hosier	260
Temporary Accommodation income	Natasha Beresford	23
Other growth items under £15k		9
Sub total - Growth items		292
<u>Increased income</u>		
Empty Homes in the Private Sector Officer	Natasha Beresford	(46)
Filming Income	Chris Taylor	(52)
Community Partnerships Officer (health and wellbeing) grant funding	Layna Warden	(30)
Planning fees	Philip Stanley	(50)
Planning Performance Agreement income	Philip Stanley	(105)
Commercial waste - recovery over 4 years of Covid-19 impact in 2021/22	Craig Thorpe	(25)
Garages income - recovery over 4 years of Covid-19 impact in 2021/22	Jason Grace	(125)
Commercial property - recovery over 4 years of Covid-19 impact in 2021/22	Richard Rice	(250)
Income from Registered Providers for advertising and allocation of properties	Natasha Beresford	(5)
Littering & PSPO Income	Emma Walker	(5)
Leisure income recovery post Covid to be delivered a year earlier than planned	Ben Hosier	(100)
Planning - charging for non-statutory services	Philip Stanley	(11)
Strategic Planning & Regeneration - Pre-App Advice and Premium Service	Chris Taylor	(30)
Sub total - Increased income		(834)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		11
Sub total - Other		11
Total change year on year		(707)
2022/23 Income Budget		(17,665)

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
GRANTS, REIMBURSEMENTS AND CONTRIBUTIONS**

2021/22 Grants, Reimbursements and Contributions Budget		(51,633)
<u>Inflation</u>		
General inflation		(106)
Sub total - Inflation		(106)
<u>Removal of 2021/22 one-off items (reserve / grant funded)</u>		
Healthy Hub Officer	Layna Warden	29
South West Herts Joint Strategic Plan	James Doe	72
Sub total - Removal of 2021/22 one-off items		101
<u>2022/23 one-off items (reserve / grant funded)</u>		
Private Rent Sector Prevention & Proactivity Officer	Natasha Beresford	(43)
Sub total - 2022/23 one-off items		(43)
<u>Growth items</u>		
Reduction to Benefits Administration Subsidy grant	Chris Baker	40
Waste Services Alternative Financial Model (AFM)	Craig Thorpe	160
Sub total - Growth items		200
Total change year on year		152
2022/23 Grants, Reimbursements and Contributions Budget		(51,481)

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
RECHARGE TO THE HRA**

2021/22 Recharge to the HRA		(4,607)
<u>Other</u>		
Insurance	Fiona Jump	(200)
Waste Transfer Site HRA recharge	Craig Thorpe	(20)
Lead Lawyer (Property & Planning)	Farida Hussain	(25)
Housing - Technology Business Partner	Ben Trueman	(65)
HRA share of GF growth bids		(44)
Annual uplift in HRA recharge in line with salaries inflation		(212)
Sub total - Other		(566)
Total change year on year		(566)
2022/23 Recharge to the HRA		(5,173)

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23

EMPLOYEE EXPENDITURE

2021/22 Employee Budget		9,740
Growth items		
Secondary pensions contribution lump sum payment in 2022/23	Fiona Jump	1,562
Insurance premiums	Fiona Jump	16
Increase in National Insurance Contributions to fund Health and Social Care levy		280
Housing - Technology Business Partner	Ben Trueman	62
Lead Lawyer (Property & Planning)	Farida Hussain	25
Estates Team - Estate Warden	Richard Rice	45
Other growth items under £15k		16
Sub total - Growth items		2,006
Removal of 2021/22 one-off items (reserve / grant funded)		
Innovation & Improvement Intern - further year of fixed term post	Ben Trueman	(23)
Apprentice scheme - finishes during 22/23	Matt Rawdon	(55)
Sub total - Removal of 2021/22 one-off items		(78)
2022/23 one-off items (reserve / grant funded)		
Revenues and Benefits service review - rephased for 2 years	Chris Baker	110
Sub total - 2022/23 one-off items		110
Efficiency savings		
Revenues and Benefits service review	Chris Baker	(110)
Corporate restructure (Admin & Election teams)	Farida Hussain	(20)
Cemeteries Team restructure	Richard Rice	(40)
Sub total - Efficiency savings		(170)
Total change year on year, excluding inflation and increments		1,868

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23

PREMISES EXPENDITURE

2021/22 Premises Budget		2,894
Growth items		
Insurance	Fiona Jump	242
Sub total - Growth items		242
Efficiency savings		
Off-street parking electricity charges	Ben Hosier	(10)
Sub total - Efficiency savings		(10)
Other		
Total change year on year, excluding inflation		232

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23

TRANSPORT EXPENDITURE

2021/22 Transport Budget		305
Growth		
Insurance	Fiona Jump	80
Other growth items under £15k		5
Sub total - Growth		85
Total change year on year, excluding inflation		85

GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23 SUPPLIES & SERVICES EXPENDITURE		
2021/22 Supplies & Services Budget		4,118
Growth items		
Insurance	Fiona Jump	39
Staff counselling and coaching	Matt Rawdon	20
Microsoft licenses price increase	Ben Trueman	35
Other growth items under £15k		2
Sub total - Growth items		96
Removal of 2021/22 one-off items (reserve / grant funded)		
Climate Change Emergency Budget (for technical studies, consultancy support and community initiatives and events)	Mark Gaynor/Ben Hosier	(100)
Governance and Project Management Support	Ben Trueman	(50)
3 Year Service Planning Programme	Ben Trueman	(80)
Leadership Programme (training and dev)	Claire Hamilton	(70)
Sub total - Removal of 2021/22 one-off items		(300)
2022/23 one-off items (reserve / grant funded)		
Service reviews	Ben Trueman	80
Sub total - 2022/23 one-off items		80
Efficiency savings		
Replacement of Northgate Information@Work with Sharepoint	Chris Baker	(22)
Data Centre Hosting	Ben Trueman	(12)
Central Admin office equipment & postage savings	Farida Hussain	(20)
Other minor items under £15k		(7)
Sub total - Efficiency savings		(61)
Other		
Total change year on year, excluding inflation		(185)
GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23 THIRD-PARTY PAYMENTS		
2021/22 Third Party Payments Budget		724
2022/23 one-off items (reserve / grant funded)		
Energy Performance Certificate (EPC) Programme	Richard Rice	160
Sub total - 2022/23 one-off items		160
Total change year on year, excluding inflation		160
GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23 TRANSFER PAYMENTS		
2021/22 Transfer Payments Budget		47,144
Total change year on year, excluding inflation		0

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
INCOME**

2021/22 Income Budget		(8,415)
<u>Growth items</u>		
Forum income	Ben Hosier	260
Other growth items under £15k		9
Sub total - Growth items		269
<u>Increased income</u>		
Commercial property - recovery over 4 years of Covid-19 impact in 2021/22	Richard Rice	(250)
Leisure income recovery post Covid to be delivered a year earlier than planned	Ben Hosier	(100)
Sub total - Increased income		(350)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		(100)
Sub total - Other		(100)
Total change year on year, excluding inflation		(181)

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
GRANTS, REIMBURSEMENTS AND CONTRIBUTIONS**

2021/22 Grants, Reimbursements and Contributions Budget		(48,864)
<u>Growth items</u>		
Reduction to Benefits Administration Subsidy grant	Chris Baker	40
Sub total - Growth items		40
Total change year on year, excluding inflation		40

**GENERAL FUND BUDGET CHANGE ANALYSIS 2022/23
RECHARGE TO THE HRA**

2021/22 Recharge to the HRA		(4,607)
<u>Other</u>		
Insurance	Fiona Jump	(200)
Housing - Technology Business Partner	Ben Trueman	(65)
Waste Transfer Site HRA recharge	Craig Thorpe	(20)
Lead Lawyer (Property & Planning)	Farida Hussain	(25)
HRA share of GF growth bids		(44)
Annual uplift in HRA recharge in line with salaries inflation		(212)
Sub total - Other		(566)
Total change year on year, excluding inflation		(566)

OVERVIEW AND SCRUTINY COMMITTEE GENERAL FUND BUDGETS 2022/23				
	Finance & Resources 2022/23 (£'000s)	Housing & Community 2022/23 (£'000s)	Planning & Environment 2022/23 (£'000s)	Total (£'000s)
Employees	11,653	4,668	11,200	27,520
Premises	3,192	1,076	1,050	5,318
Transport	397	14	1,428	1,839
Supplies & Services	3,990	1,118	2,856	7,964
Third-Parties	899	0	88	987
Transfer Payments	47,144	2	0	47,146
Capital Charges	2,131	1,083	1,704	4,917
Income	(8,762)	(5,011)	(3,892)	(17,665)
Grants and Contributions	(48,830)	(849)	(1,802)	(51,481)
Recharges	(7,127)	(79)	2,034	(5,173)
Net Expenditure by Committee	4,687	2,022	14,664	21,374

DRAFT HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2021/22 & 2022/23

£000	Note	2021/22			2022/23								
		Original 2021/22	Forecast Outturn Q2	Variance	CPI + 1% rent increase	Technical	Adjustments	Growth	R&M/TAM Contract	Housing Service Review	Feb 2022 OSC Changes	Growth / (Savings)	Estimate 2022/23
Income													
Dwelling Rents	1	(55,465)	(55,186)	279	(1,835)							(1,835)	(57,300)
Non-Dwelling Rents		(102)	(102)	0								0	(102)
Tenant Service Charges		(1,517)	(1,386)	131								0	(1,517)
Leaseholder Charges		(593)	(593)	0								0	(593)
Interest and Investment Income	2	(192)	(75)	117		150						150	(42)
Contributions to Expenditure		(645)	(495)	150								0	(645)
Total Income		(58,514)	(57,837)	677	(1,835)	150	0	0	0	0	0	(1,685)	(60,199)
Expenditure													
Repairs and Maintenance	3	11,608	11,739	131			375					375	11,983
Revenue Contribution to Capital	4	7,371	4,567	(2,804)		(2,928)	117					(2,812)	4,559
Supervision & Management	5	13,692	13,922	230		640	82	799	100	209		1,830	15,523
Corporate and Democratic Core	5	341	341	0			55					55	396
Rent, Rates, Taxes & Other Charges	6	36	175	139			30					30	66
Provision for Bad Debts	7	975	475	(500)		(143)	(82)					(225)	750
Interest Payable	2	11,586	11,385	(201)		(284)						(284)	11,302
Depreciation	8	12,905	15,233	2,328		2,715						2,715	15,620
Total Expenditure		58,514	57,837	(677)	0	0	577	799	100	209	0	1,685	60,199
HRA Deficit / (Surplus)		(0)	0	0	(1,835)	150	577	799	100	209	0	0	0
Housing Revenue Account Balance:													
Opening Balance at 1 April	9	(2,892)	(2,892)	0		(140)						(140)	(3,032)
Deficit / (Surplus) for the year		0		0									0
Closing Balance at 31 March		(2,892)	(2,892)	0	0	(140)	0	0	0	0	0	(140)	(3,032)
Earmarked Reserves:													
Opening Balance at 1 April		(3,725)	(6,976)	(3,252)		140						140	(2,795)
Contribution from / (to) Reserve	10	2,474	4,042	1,568								0	0
Closing Balance at 31 March		(1,251)	(2,935)	(1,684)	0	140	0	0	0	0	0	140	(2,795)

SUMMARY OF MAJOR MOVEMENTS IN HOUSING REVENUE ACCOUNT BUDGET 2021/22 - 2022/23

Note 1 - Dwelling Rents

Rents for 2022/23 have been set according to the new DLUHC Rent Standard which provides for an increase of CPI + 1%. CPI in 2021/22 was 0.5% giving a rental increase of 1.5%. The 12 month CPI rate as published by the ONS in October 2021 is 3.1%, giving a total rental increase of 4.1% for 2022/23. The average dwelling rent is proposed to be £111.23 in 2022/23.

Note 2 - Interest & Investment Income/Interest Payable

A budget increase of £150k is proposed due to ongoing low interest rates. Interest rates are expected to remain lower than pre-pandemic levels.

A budget reduction of £284k for income payable is proposed based on an updated interest schedule where interest charges are lower than budgeted.

Note 3 - Repairs and Maintenance

A budget increase of £375k in repairs and maintenance is proposed to continue the full stock condition survey of the council's stock. In 2021/22 £1m was set aside for a full stock condition survey. It has been decided to carry out a phased process with a quarter of the council's stock being surveyed in financial year 2021/22 and the balance being surveyed over the proceeding two financial years. The increase in budget allows the service to make full use of existing budgets on addressing the backlog of work which has built up as a result of the Covid-19 pandemic following limited access to properties.

Note 4 - Revenue Contribution to Capital

The Revenue Contribution to Capital has been adjusted to balance the HRA in year. A decreased contribution to capital is expected.

Note 5 - Supervision and Management and Corporate and Democratic Core

The draft budget includes the following assumptions:

- A one-off technical accounting adjustment of £440k relating to secondary pensions contributions.

- An increase to the draft budget for 2022/23 due to revised estimates for recharges from the General Fund.

- Growth of £500k arising from the Housing Service Review to, meet service demands.

Note 6 - Rent, Rates, Taxes & Other Charges

A budget increase has been put forward to provide for a suitable budget for void costs.

Note 7 - Provision for Bad Debts

The provision for bad debts has been decreased by £225k in 2022/23. £82k of this reduction is proposed to fund two new Income Officer posts that will allow the officer patch sizes to be reduced, allowing more time and support for tenants whilst providing a real opportunity to reduce the level of arrears and have a positive impact upon the HRA. The remaining £143k of this reduction realigns the budget as the projected impact of Covid and Universal Credit on bad debt has not been realised to date, with an underspend realised in financial year 2020/21 as well.

Note 8 - Depreciation

The budgets for depreciation have been increased to reflect an increase in capital assets as a result of the new build programme, combined with inflation in house prices. The increase of this budget is proposed to come from a decrease in the revenue contribution to capital.

Note 9 - Housing Revenue Account Balance

The HRA Working Balance is maintained by the Council at a level of not below 5% of turnover, as approved by Members as part of the MTFS Reserves Strategy. The proposed budget increase of £140k maintains the HRA Working Balance at £3m by the end of 2022/23, which equates to 5% of the £60.2m turnover (as shown in Appendix F).

Note 10 - Contribution from / to Earmarked Reserves

A contribution from earmarked reserves is proposed to contribute £140k from the Revenue Commitments reserve to the HRA working balance to ensure this is maintained at 5% of turnover.

NEW AND AMENDED GENERAL FUND CAPITAL BIDS 2022/23 - 2026/27

Summary	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Current Overall Programme	25,465	29,311	9,288	2,222	0	66,285
New Bids	2,795	2,595	70	0	2,895	8,355
Rephased and Amended Schemes	(6,083)	(4,482)	5,875	5,900	0	1,210
Revised Overall Programme	22,177	27,424	15,233	8,122	2,895	75,850

NEW AND AMENDED GENERAL FUND CAPITAL BIDS 2022/23 - 2026/27

NEW BIDS	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<u>FINANCE & RESOURCES</u>						
Commercial Assets and Property Development (Richard Rice)						
Boxmoor War Memorial Structural Improvements	40					40
Creation of new Community Facility and Foodbank at The Hub (Dens)	625	1,875				2,500
Void commercial properties refurbishment	70	70	70			210
Damp proofing improvements to commercial properties	30					30
Public Convenience improvement works	40					40
Bennetts End Community Centre door upgrade work	15					15
Door Entry Access System Upgrade Programme - Shopping Precincts	25	20				45
Kings Langley Charter Court - Separate Meter Supply	20					20
Gadebridge Park Roadway Improvements	40					40
48-52 High Street - Fire Alarm System Renewal	15					15
Maylands Business centre upgrade fire alarm	20					20
Queens Square Canopy Renewal - Spalling units 1-29	40					40
Bellgate Canopy Renewal - Highfield	200					200
External Refurb - Woodhall Farm Community Centre	40					40
Adeyfield Community Centre Structural Improvements	20					20
Rossgate Terrace Walkway Waterproofing	30					30
Rossgate Shopping Centre - Structural Works (Windows phase 2)	240					240
Piccotts End Retaining Wall Rebuild	35					35
Bennettsgate Window Renewal		210				210
Information, Communication and Technology (Ben Trueman)						
Automation Programme	85	85				170
Firewall Renewal	95					95
Civica Customer Experience Software (Flare replacement)	100	50				150
Rolling Programme - Hardware					75	75
Software Licences - Right of Use					40	40

NEW AND AMENDED GENERAL FUND CAPITAL BIDS 2022/23 - 2026/27

NEW BIDS	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<u>STRATEGIC PLANNING & ENVIRONMENT</u>						
Environmental Services (Craig Thorpe)						
New Wheeled Bins					100	100
Fleet Replacement Programme	95	0	0	0	1,644	1,739
Play Area Investment Income	250	250				500
Waste Services IT upgrade	80					80
Gadebridge Park Walled Garden Pathway Improvements	30					30
Litter Bin Replacement Programme	40	35				75
Improvements to Sport Pitches	35					35
Waste Transfer Site Upgrade Works	400					400
Environmental & Community Protection (Emma Walker)						
Health and Safety software system	40					40
<u>HOUSING & COMMUNITY</u>						
Procurement and Contracted Services (Ben Hosier)						
Rolling Programme - CCTV Cameras					25	25
Property & Place (Jason Grace)						
Disabled Facilities Grants					741	741
People and Performance (Matthew Rawdon)						
Capital Grants - Community Groups					20	20
Verge Hardening Programme					250	250
TOTAL - NEW BIDS	2,795	2,595	70	0	2,895	8,355

NEW AND AMENDED GENERAL FUND CAPITAL BIDS 2022/23 - 2026/27

REPHASED AND AMENDED SCHEMES	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<u>FINANCE & RESOURCES</u>						
Section 151 Officer (Nigel Howcutt)						
Various commercial ventures (commercially sensitive)- rephased	(4,750)	(6,250)	5,000	6,000		0
Commercial Assets and Property Development (Richard Rice)						
Old Town Hall - Café roof and stonework renewal- amended	60					60
Bennettsgate - Window Renewal- amended	75					75
Commercial Assets - Shopping Centres- amended	(400)					(400)
Bennettsgate - Structural Concrete Improvements & Façade Renewal- amended.	80					80
Procurement and Contracted Services (Ben Hosier)						
Multi Functional Devices- rephased	90					90
<u>HOUSING & COMMUNITY</u>						
People and Performance (Matthew Rawdon)						
Verge Hardening Programme- amended	(95)	(100)	(100)	(100)		(395)
<u>STRATEGIC PLANNING & ENVIRONMENT</u>						
Environmental Services (Craig Thorpe)						
Fleet Replacement Programme- amended	1,241	273				1,513
Strategic Planning & Regeneration (Chris Taylor)						
The Bury - Residential Development- rephased	(2,517)	1,595	975			53
Urban Park/Education Centre (Durrants Lakes)- rephased	134					134
TOTAL - REPHASED AND AMENDED BIDS	(6,083)	(4,482)	5,875	5,900	0	1,210

DRAFT CAPITAL PROGRAMME BY OSC 2022/23 - 2026/27

Scheme		22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
	GENERAL FUND					
	FINANCE & RESOURCES					
	Section 151 Officer (Nigel Howcutt)					
1	Various commercial ventures (commercially sensitive)	14,150	18,900	11,000	6,000	-
	Commercial Assets and Property Development (Richard Rice)					
2	Service Lease Domestic Properties	-	30	-	30	-
3	Old Town Hall - Cafe Roof and stonework renewal	60	-	-	-	-
4	Bennettsgate Shopping Centre Render Improvement	-	15	-	-	-
5	Adeyfield Community Centre Structural Improvements	20	-	-	-	-
6	Gadebridge Park Roadway Improvements	110	-	-	-	-
7	Boiler Replacement Programme	15	22	-	-	-
8	Bennettsgate - Window Renewal	75	210	-	-	-
9	Allotment Improvement Programme	40	-	-	-	-
10	Void Refurbishment Properties for Temporary Accommodation	70	70	70	-	-
11	Bennettsgate - Structural Concrete Improvements & Façade Renewal	80	-	-	-	-
12	Rossgate Shopping Centre - Structural Works	240	-	-	-	-
13	Queens Square Canopy Renewal	40	-	-	-	-
14	Bellgate Canopy Renewal - Highfield	200	-	-	-	-
15	External Refurb - Woodhall Farm Community Centre	40	-	-	-	-
16	Rossgate Terrace Walkway Waterproofing	30	-	-	-	-
17	Piccotts End Retaining Wall Rebuild	35	-	-	-	-
18	Boxmoor War Memorial Structural Improvements	40	-	-	-	-
19	Creation of new Community Facility and Foodbank at The Hub (Dens)	625	1,875	-	-	-
20	Damp proofing improvements to commercial properties	30	-	-	-	-
21	Public Convenience improvement works	40	-	-	-	-
22	Bennetts End Community Centre door upgrade work	15	-	-	-	-
23	Door Entry Access System Upgrade Programme - Shopping Precincts	25	20	-	-	-
24	Kings Langley Charter Court - Separate Meter Supply	20	-	-	-	-
25	48-52 High Street - Fire Alarm System Renewal	15	-	-	-	-
26	Maylands Business centre upgrade fire alarm	20	-	-	-	-
		16,034	21,142	11,070	6,030	-

DRAFT CAPITAL PROGRAMME BY OSC 2022/23 - 2026/27

Scheme		22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
FINANCE & RESOURCES						
Procurement and Contracted Services (Ben Hosier)						
27	Multi-functional devices refresh	90	-	-	-	-
		90	-	-	-	-
Information, Communication and Technology (Ben Trueman)						
28	Rolling Programme - Hardware	75	525	75	75	75
29	Software Licences - Right of Use	40	40	40	40	40
30	Future vision of CRM	100	-	-	-	-
31	Renewal of Data Centre Hardware	-	-	350	-	-
32	Automation Programme	85	85	-	-	-
33	Firewall Renewal	95	-	-	-	-
34	Civica Customer Experience Software (Flare replacement)	100	50	-	-	-
		495	700	465	115	115
TOTAL - FINANCE & RESOURCES		2,469	2,942	535	145	115

DRAFT CAPITAL PROGRAMME BY OSC 2022/23 - 2026/27

Scheme		22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
STRATEGIC PLANNING & ENVIRONMENT						
Environmental Services (Craig Thorpe)						
35	New Wheeled Bins	100	100	100	100	100
36	Waste & Recycling Service Improvements					
37	Fleet Replacement Programme	2,433	981	632	841	1,644
38	Play Area Investment Income	250	250	-	-	-
39	Waste Services IT upgrade	80	-	-	-	-
40	Gadebridge Park Walled Garden Pathway Improvements	30	-	-	-	-
41	Litter Bin Replacement Programme	40	35	-	-	-
42	Improvements to Sport Pitches	35	-	-	-	-
43	Waste Transfer Site Upgrade Works	400	-	-	-	-
		3,368	1,366	732	941	1,744
Environmental & Community Protection (Emma Walker)						
44	Health and Safety software system	40	-	-	-	-
		40	-	-	-	-
Strategic Planning and Regeneration (Chris Taylor)						
45	Urban Park/Education Centre (Durrants Lakes)	134	-	-	-	-
46	The Bury - Conversion into Museum and Gallery	53	2,570	975	-	-
		187	2,570	975	-	-
TOTAL - STRATEGIC PLANNING & ENVIRONMENT		3,595	3,936	1,707	941	1,744

DRAFT CAPITAL PROGRAMME BY OSC 2022/23 - 2026/27

Scheme		22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
	HOUSING & COMMUNITY					
	Communities (Layna Warden)					
47	Verge Hardening Programme	255	250	250	250	250
48	Adventure Playgrounds Improvement programme	500	500	500	-	-
49	Capital Grants - Community Groups	20	20	20	20	20
		775	770	770	270	270
	Procurement and Contracted Services (Ben Hosier)					
50	Rolling Programme - CCTV Cameras	25	25	25	25	25
51	CCTV equipment refresh	110	110	455	-	-
		135	135	480	25	25
	Strategic Housing (David Barrett)					
52	Affordable Housing Development Fund (fully funded from 141 Capital Receipts)	311	-	-	-	-
		311	-	-	-	-
	Property & Place (Jason Grace)					
53	Disabled Facilities Grants	741	741	741	741	741
		741	741	741	741	741
	TOTAL - HOUSING & COMMUNITY	1,962	1,646	1,991	1,036	1,036
	TOTAL - GENERAL FUND	22,177	27,424	15,233	8,122	2,895

DRAFT CAPITAL PROGRAMME BY OSC 2022/23 - 2026/27

APPENDIX G

Scheme		22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000
	HOUSING REVENUE ACCOUNT					
	Property & Place (Jason Grace)					
54	Planned Fixed Expenditure	13,320	13,320	13,320	13,320	-
55	DBC Commissioned Capital Works	5,899	4,780	5,204	4,203	-
56	Special Projects - Sheltered Schemes	750	-	-	-	-
		19,969	18,100	18,524	17,523	-
	Strategic Housing (David Barrett)					
57	New Build - General Expenditure	48,337	37,782	22,190	16,375	
		48,337	37,782	22,190	16,375	-
	TOTAL - HOUSING REVENUE ACCOUNT	68,306	55,882	40,714	33,898	-
	TOTAL CAPITAL PROGRAMME	90,483	83,305	55,947	42,020	2,895

GENERAL FUND RESERVE MOVEMENTS 2022-23 TO 2025/26

General Fund Reserves Summary	Balance as at 31/03/2021 £'000	Budgeted Movement 2021/22 £'000	In Year Amendments	Net Reserve Movement 2021/22 £'000	Balance as at 31/03/2022 £'000	Net Reserve Movement 2022/23 £'000	Balance as at 31/03/2023 £'000	Net Reserve Movement 2023/24 £'000	Balance as at 31/03/2024 £'000	Net Reserve Movement 2024/25 £'000	Balance as at 31/03/2025 £'000	Net Reserve Movement 2025/26 £'000	Balance as at 31/03/2026 £'000
Civic Buildings Major Repairs Reserve	60				60		60		60		60		60
Capital Development Reserve	300				300	(300)	0		0		0		0
Earmarked Grants Reserve	44				44		44		44		44		44
Management of Change Reserve	756	(52)	(595)	(647)	109	133	242	147	389	250	639	250	889
Technology Reserve	756	(34)		(34)	722	(45)	677		677		677		677
Savings Efficiencies Reserve	1,207	721	(1,345)	(624)	583	(175)	408	(46)	362		362		362
On Street Car Parking Reserve	135				135	40	175	40	215	40	255	40	295
Local Development Framework Reserve	515	(155)		(155)	360	(150)	210	(80)	130	(130)	0		0
Dacorum Development Reserve	848	2,400	(2,270)	130	978	(335)	643	(326)	317		317		317
Planning Enforcement Direct Action Reserve	0				0		0		0		0		0
Climate Change and Sustainability Reserve	266	(100)		(100)	166		166		166		166		166
Litigation Reserve	317				317		317		317		317		317
Vehicle Replacement Reserve	0				0	350	350	350	700	350	1,050	350	1,400
Invest to Save Reserve	82	(20)		(20)	62	(20)	42	(20)	22		22		22
Youth Provision Reserve	44				44		44		44		44		44
Election Reserve	40	40		40	80	40	120	(120)	0	40	40	40	80
Uninsured Loss Reserve	360				360		360		360		360		360
Training & Development Reserve	375	(275)		(275)	100	(75)	25		25		25		25
Housing Conditions Survey Reserve	61	15		15	76	15	91	15	106	15	121	15	136
Dacorum Rent Aid - Guarantee Scheme	15				15	(15)	0		0		0		0
Rent Guarantee Scheme Reserve	15				15	(15)	0		0		0		0
Funding Equalisation Reserve	14,642	(300)	(11,495)	(11,795)	2,847	(1,023)	1,824	(607)	1,217		1,217		1,217
Pensions Reserve	2,373	1,017	(817)	200	2,573	200	2,773	(2,300)	473	200	673	200	873
Maylands Plus Reserve	46	23		23	69	23	92	23	115	23	138	23	161
Covid 19 Hardship Fund	581		(581)	(581)	0		0		0		0		0
Economic Recovery Reserve	5,142	(1,491)	(1,031)	(2,522)	2,620	(1,725)	895	(895)	0	388	388		388
Total Earmarked Reserves	28,980	1,789	(18,134)	(16,345)	12,635	(3,077)	9,558	(3,819)	5,739	1,176	6,915	918	7,833
Working Balance	2,502				0		0		0		0		0
Total General Fund Reserves	31,482	1,789	(18,134)	(16,345)	12,635	(3,077)	9,558	(3,819)	5,739	1,176	6,915	918	7,833

Agenda Item 8

Clerk: Trudi Angel (x2224)

Finance and Resources Overview & Scrutiny Committee: Work Programme 2021/22

Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.

Meeting Date	Report Deadline	Items	Contact Details	Background information
5 January 2022	23 December 2021	Action Points (from previous meeting)		
2 February 2022	24 January 2022	Action Points (from previous meeting)		
		<p>***Joint Budget***</p> <p>*****</p> <p><i>Ideally no further items to be added</i></p>	<p>Chief Finance Officer</p> <p>Nigel.howcutt@dacorum.gov.uk</p>	
8 March 2022	25 February 2022	Action Points (from previous meeting)		
		Budget Monitoring Report	<p>Chief Finance Officer</p> <p>Nigel.howcutt@dacorum.gov.uk</p>	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q3 Performance	<p>Assistant Director, Performance, People & Innovation</p> <p>linda.roberts@dacorum.gov.uk</p>	<i>To review and scrutinise quarterly</i>

	Report		<i>performance</i>
	Finance & Resources Q3 Performance Report	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
	Corporate & Contracted Services Q3 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>