




Overview and Scrutiny Committee

Report for:	Budget Overview and Scrutiny Committee
Title of report:	Draft 2025/26 Budget Proposals
Date:	4 th December 2024
Report on behalf of:	Councillor William Allen, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	<p>Appendix A General Fund Revenue Summary 2025/26</p> <p>Appendix B General Fund Budget Change Analysis 2025/26</p> <p>Appendix Bi Finance and Resources GF Changes</p> <p>Appendix Bii Housing & Community GF Changes</p> <p>Appendix Biii Strategic Planning and Environment GF Changes</p> <p>Appendix C General Fund Budget Summary by committee 2025/26</p> <p>Appendix D HRA Revenue Summary 2025/26</p> <p>Appendix E HRA budget Change Analysis 2025/26</p> <p>Appendix F Capital Programme Finance & Resources 2025- 2029</p> <p>Appendix Fi Capital Programme Housing and Community 2025- 2029</p> <p>Appendix Fii Capital Programme Strategic Planning and Environment 2025-2029</p> <p>Appendix G Overall Revised Capital Programme 2025-2029</p> <p>Appendix H General Fund Reserves Summary 2025-2029</p> <p>Appendix Hi HRA Reserves Summary 2025/26</p> <p>Appendix Ii Finance and Resources Fees and Charges 2024/25</p> <p>Appendix Iii Housing & Community Fees and Charges 2024/25</p> <p>Appendix Iiii Strategic Planning and Environment Fees and Charges 2024/25</p>
Background papers:	<p>2024/25 Budget Report, Cabinet February 2024</p> <p>https://democracy.dacorum.gov.uk/documents/s41905/FINAL%20-%20Budget%20Report%202024-25%20Cabinet%20February%202023%20v1.4final.pdf</p> <p>2024 Medium Term Financial Strategy including 2025/26 Fees and Charges proposals, Cabinet October 2024</p>

	https://democracy.dacorum.gov.uk/documents/s44516/FINAL%20-%20MTFS%202024-2029%20Cabinet%20Report%20V3.1.pdf
Glossary of acronyms and any other abbreviations used in this report:	<p>GF – General Fund</p> <p>HRA – Housing Revenue Account</p> <p>MTFS – Medium Term Financial Strategy</p> <p>OSC – Overview and Scrutiny Committee</p> <p>RSG – Revenue Support Grant</p> <p>MHCLG- Ministry for Housing, Communities and Local Government</p> <p>DLUHC- Department for Levelling Up, Housing and Communities</p>

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Corporate Priorities	<p>Community engagement: Engage with residents and partners to have a real say on our services and the borough</p> <p>Service improvement and delivery: Running the Council efficiently and putting residents at the heart of everything we do</p> <p>Vibrant communities: Foster arts, culture and leisure opportunities</p> <p>Sustainable future: Take action on the Climate and Ecological Emergency</p> <p>Clean, safe and green: Provide a clean, safe and green-focussed environment</p> <p>Homes to be proud of: Enable well-maintained and affordable homes, where people want to live</p> <p>Proud and thriving borough: Realise our potential as a great place to live and work with a thriving business community</p>
Wards affected	All Wards
Purpose of the 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.
Recommendation (s) to the decision maker (s):	That the Scrutiny Committee reviews and scrutinises the draft budget proposals for 2025/26 and provides feedback, to be considered by Cabinet, for each Committee's specific area of responsibility.
Period for post policy/project review:	February 2025 Overview and Scrutiny February 2025 Cabinet Budget Review February 2025 Council Budget Approval 2025/26 Financial Performance Framework

1. Introduction/Executive Summary

- 1.1 The budget report includes information captured as part of the Corporate Service Planning process that took place during the first quarter of 2024. This developed into the core budget assumptions for the General Fund and HRA that were included in the 2024 Medium Term Financial Strategy (MTFS). This report sets out the key budget assumptions which have been used to develop the 2025/26 budget and highlights the position in relation to reserves and the management of risk. This includes key assumptions around fees and charges for 2025/26.
- 1.2 The budget is created to ensure the Council's finances are allocated to deliver statutory services and support the delivery of the wider corporate plan and core Council strategies including the Place, Commercial, People and Digital strategies.
- 1.3 The current economic environment remains challenging. The Government's Autumn Budget 2024 detailed that public spending plans for 2025/26 – 2029/30 will grow by 1.5% a year in real terms, with the promise of a full Spending review to be concluded in late spring 2025.
- 1.4 These draft budget proposals present a balanced budget that is both affordable in the short term and sustainable in the medium term and is in line with the MTFS assumptions outlined in October. The budget setting process is getting increasingly challenging year on year as costs are increasing significantly driven by inflation, and core funding and council tax have remained relatively static in comparison.

2. Budget Report

- 2.1. This report presents the draft budget proposals for 2025/26 for scrutiny and review. 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 Appendix A.
- 2.2. 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.
- 2.3. A senior Finance Officer will be present at each of the committees to support the Chair, committee and senior officers in their scrutiny role.
- 2.4. The following appendices are relevant to the draft budget proposals for 2025/26:

General Fund

- Appendix A – General Fund Budget Summary 2025/26
- Appendices B, Bi, Bii and Biii – Budget Change Analysis 2024/25 – 2025/26
- Appendix C – General Fund Budget Change Summary by Committee

Housing Revenue Account

- Appendix D – Housing Revenue Budget Summary 2025/26
- Appendix E – Housing Revenue Account Budget Analysis 2025/26

Capital Programme

- Appendix F, Fi and Fii – Capital Programme by OSC: Summary Capital Programme 2025/26 - 2029/30
- Appendix G – Capital Programme 2025/26 - 2029/30

Reserves

- Appendix H – General Fund Earmarked Reserves 2025-2029
- Appendix Hi – HRA Reserves Summary 2025/26

Fees and Charges

- Appendices Ii, Iii and Iiii- 2025/26 Proposed Fees and Charges

3. Budget Setting Process 2025/26

3.1. As outlined in the MTFs, which was approved by Council in November 2024, 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. To ensure good financial planning and astute budget setting, the budget setting process started with the Corporate Service Planning process in January 2024.

3.2. A Corporate Service Planning process was undertaken to develop specific priorities and opportunities for service areas over a 2-year period. This process was then used to inform savings and opportunities for the budget planning process.

3.3. The resulting service plans show continued emphasis on the core strategic ambitions including improving customer focus; improving processes through digitisation and the development of a Digital Strategy; developing positive leadership and culture; community safety; economic recovery and a refreshed focus on the Council's place shaping programme.

4. Dacorum Core Strategic Drivers

4.1. The Corporate Plan is the driving mandate that the Council strives to achieve. It is essential that corporate strategies evolve and develop as an intrinsic part of delivering the Corporate Plan, and the budget set supports those strategies. Full Council approved the new Corporate Plan in October 2024; 'Our Plan for Dacorum 2024-28'.

4.2. The revised corporate plan sets out the Council's priorities in the following areas:

- Community engagement
- Service improvement and delivery
- Running the Council efficiently and putting residents at the heart of everything we do
- Vibrant communities:
- Sustainable future
- Clean, safe and green
- Homes to be proud of
- Proud and thriving borough

4.3. The budget proposals for 2025/26 set out in financial terms how the Council will deliver on these priorities in 2025/26.

4.4. The following corporate strategies are built into budget proposals for 2025/26:

- Commercial Strategy
- Transformation / Change Strategy
- Place Strategy

Commercial Strategy

4.5. The Commercial Strategy was approved by Cabinet in September 2022 and is a wide ranging strategy which aims to deliver a change in culture and approach to a more agile and commercially aware operating model that will leverage maximum value from the Council's assets and resources, to support a financially sustainable organisation that meets the needs and expectations of residents.

4.6. This approach has changed the way the Council reviews and scrutinises its procurement and income-generating activity and is currently driving a defined multi-year programme reviewing a range of existing services to drive increased income generation and improved efficiency of service delivery. It has also led to the launch of the Strategic Asset Review programme, approved in June 2023, which aims to review and improve how the Council leverages best value from its assets to support strategic objectives relating to housing growth, regeneration and financial sustainability.

4.7. A detailed review of Council fees and charges has been undertaken as part of the Commercial Strategy. Proposals for Council fees and charges can be found at Appendices li, lii and liii to this report. These proposals were approved by Full Council in November 2024 with the exception of charges relating to garden waste and garage. Garden waste and garage fees will be presented to Full Council in February 2025 for approval. Car parking fees have been set for 2025/26 as the outcome of the recent approved parking tariff consultation that concluded at Finance and Resources OSC in November.

4.8. The principle of cost recovery and income generation has formed the basis of this review. Fees and charges proposals for 2025/26 reflect expected increase in staffing and other costs, where the Council has the discretion to do so. This approach will support the continued delivery of valued Council services going forward.

Transformation/Change Strategy

4.9. The Council is also developing a wide ranging Transformation/Change agenda to develop and modernise current service delivery. This programme has a strong focus on the customer and the workforce, and is supported through delivery of the People and Digital strategies.

4.10. The corporate Programme Management Office continues to support Change and Development projects across the Council, and resources are being provided to support this programme.

Place Strategy

4.11. The Place Strategy is constantly developing and growing, with both officers and members involved driving the Place Shaping Strategy. The overall Place Strategy includes many projects across Dacorum including:

- Hemel Garden communities programme,
- Hemel Town Centre Strategy,
- Leisure Investment programme,
- Tring and Berkhamsted Place shaping reviews,
- Hemel Health Campus feasibility work, and

4.12. The draft 2025/26 budget and MTFs assumes that any direct capital investment required to deliver the Place strategy will be cost neutral ensuring returns from these investments support

the costs of that investment. As this strategy evolves, the financial impact and sustainability will be assessed and reported to Members.

5. 2025/26 Budget Setting and Medium Term Financial Strategy (MTFS)

5.1. The current MTFS was approved by Council in November and contained the following key decisions which have informed the budget-setting process for 2025/26:

- A General Fund savings target of £0.5m for 2025/26
- A General Fund savings target of £2.5m 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

5.2. 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 any significant changes in assumptions or approach will be reported to Members.

5.3. The projected Dacorum 2025/26 government funding level has been set at the same level as assumed in the MTFS in October. The Autumn Budget 2024 set out an expected increase in employer's national insurance contributions of 1.2% (13.8% to 15.0%) from 1 April 2025. The assumptions have been reflected in the budget proposals contained within this report. The Local Government Finance Settlement is expected during December 2024.

5.4. The local government pay award for 2024/25 has been finalised at an average increase of 3.8% on 2023/24 salaries. The previously assumed increase for 2024/25 was 5%. The impact of the final pay award for 2024/5 has been reflected in 2025/26 budget proposals, with the additional resources used to support in part the implementation of the National Insurance uplift referred to in para 5.3.

5.5. Council has delegated authority to the S151 Officer to revise the MTFS if material changes to forecasts are required as a result of future local government financing 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.

Key Assumptions included in draft General Fund Budget

5.6. The following key assumptions are incorporated within the draft 2025/26 budget:

- A Council Tax Increase of 2.99% (£6.86) plus a 1% increase in taxbase
- A 3.5% pay award settlement
- Vacancy factor of 5% for non-front-line services
- Baseline Government funding (Core grant and Retained business rates set at £4.4m in 2025/26)
- An inflationary increase in utilities of 5%
- An increase in Fuel of 5%
- An increase on Supplies and Services of 3.1%

6. Council Tax

6.1. The government's autumn statement on the 17th November 2022 created additional Council tax flexibilities for local authorities for 2023-25. This revised policy allowed district authorities to increase Council tax by up to 2.99% or £5, whichever is the greatest.

6.2. The current government funding model assesses an authority's ability to raise income, including from Council tax, when assessing the level of funding required from central government. Hence if Local Authorities do not maximise their Council tax income, they are creating a budget reduction that may require savings efficiencies. Therefore, the Council's tax policy is to maximise the income from Council tax to support essential service provision.

6.3. As a result of this it is proposed to increase Council tax by 2.99% for 2025/6 - an increase of £6.86 P.A. for a band D property. If government policy on Council Tax changes as part of the final local Government finance settlement this will be reported to members.

7. Government funding

7.1. Current government grant funding assumptions for 2025/26 include £0.5m of New Homes Bonus plus £400k in other government grants. This includes expecting funding to partially support the increase in employer's National Insurance announced in the Autumn Budget 2024.

7.2. Confirmation of the funding allocation for 2025/26 is expected in December 2024. Any additional information given at that time regarding future years' funding will be reported to Members as part of the budget-setting process.

Government funding – New Homes Bonus

7.3. The Council received £1.1m of New Homes Bonus (NHB) in 2024/25. 2025/26 budget assumptions include £0.5m on New Homes Bonus.

7.4. 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

7.5. Detailed budget changes between 2024/25 and 2025/26 are shown in Appendix B. Key items that still require formal approval include:

- £154k Garden Waste fee increase
- £371k Garages rental fee increase

7.6. Including in the draft 2025/26 budget proposals are a number of income generating services that are impacted positively by the rolling back of the post Covid recovery support provided from the Economic Recovery Reserve (ERR). These changes represent increases to the income target for these services.

- Commercial Rents - £240k
- Garage Rents - £125k
- Commercial Waste - £25k

7.7. As of 2025/26 the base budget no longer includes short term additional funding from reserves to support income generation impacted during the pandemic and the recovery period following.

Key General Fund budget growth since last year

7.8. 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:

- £600k impact of changes in employer's National Insurance contributions reflecting changes in this areas announced in the October 2024 budget.
- £500k Inflationary pressures including utilities, fuel and supplies and services
- £400k reduction in Commercial property rental income, to offset loss of ERR support and current service pressure
- £140k to support investment in financial support to corporate initiative and customer facing services including insurance claims.

8. 2024/25 Budget Risks

- 8.1. As part of the budget setting process, inherent and potential financial risks are assessed and mitigations applied to the budget where required. These risks require ongoing monitoring and reporting as part of the ongoing corporate financial reporting processes.
- 8.2. 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 Council's projected government funding levels for 25/26 include £500k of New Homes Bonus (to be transferred to reserves) and £100k of Services Grant. Following changes to National Insurance announced in the October 2024 budget it is expected that government funding will help meet the cost to local authorities of increases in employer National Insurance contributions at least in part. The 2025/26 budget proposals assumes funding of £300k for 2025/26 relating to National Insurance contributions. This funding would partially meet the additional costs associated with National Insurance increases, the balance being mitigated by the impact of the 2024/25 pay award being lower than assumed during budget setting for 2024/25.
- 8.3. 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 impact of the wider economic pressures on demand for Council services and income generating services. This is due to a combination of the impact of slow economic growth and a period of high inflation and interest rates the residents and businesses have felt significant cost of living pressure.
 - Income generating services. Since Covid there have been shortfalls in income in several discretionary services at periods of time. The 2025/26 budget has provided growth to mitigate this risk in some areas, and this continues to be monitored, and the Commercial Income Review programme will involve further scrutiny of how services can improve their net revenue position.
 - 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 the ongoing issues around growing staffing costs. The service is in the second phase of the transformation programme to reduce ongoing waste revenue pressures and deliver improvements and expansion of the commercial waste service. The pending changes to Government Waste Policy including the Extended Producer Responsibility (EPR) scheme are expected to deliver significant changes to the service delivery and financing of the service in the medium term.
 - Costs associated with the Temporary Accommodation service represent an ongoing risk for the Council. An increase in use of third party accommodation to support vulnerable customers was seen during 2023/24 and has continued into 2024/25 and has driven rising costs. Temporary accommodation has been subject to an in depth review during 2024/25. Associated actions include management of costs are under development.

9. Housing Revenue Account

- 9.1. The draft HRA Budget for 2025/26 is attached at Appendix D, with explanations of major movements between the Original Budget 2024/25 and Draft Budget 2025/6 shown in Appendix E.
- 9.2. Key assumptions have been incorporated into the draft budget. These include the short term assumptions being reviewed at present as part of the HRA 30 year Business Plan, which will be reviewed by Cabinet in line with the 2025/26 budget setting reports;

- Annual rent increase of 2.7% (CPI +1%) on all properties, circa £1.4m income
- An increase in repairs and maintenance budgets of 1.2%, circa £0.8m
- An increase in pay award of 3.5% for 24/25, circa £0.6m.
- Use of internal borrowing from the Council's own cash balances to finance capital expenditure once other financing resources have been applied. This approach minimises the cost of borrowing to the HRA.

9.3. In 2024/25, in response to very high inflation the government set the annual rent increase limit of 7%, at the time CPI plus 1% would of resulted in a potential 11.1% rent increase. The Autumn Budget 2024 confirmed a rent cap of CPI +1% for a five year period commencing 1 April 2025. This equates to a 2.7% increase in rent for 2025/26. This capped rental income increase is behind current projected annual pay award and service inflationary projections, hence provides additional financial pressure on the HRA.

9.4. This HRA is not exempt from the inflationary increase in cost pressures and balancing the HRA budget going forward will be increasingly challenging, with significant increases in costs incurred in 2025 and beyond. The HRA receives circa 95% of its income to support the HRA delivery from dwelling rents, so as the costs of service delivery increases a combination of increased rental income and additional income streams/recharges will be required to support the improved service delivery.

10. Capital Programme

10.1. The draft Capital Programme is set out in Appendix G.

10.2. The 2025 – 30 capital programme is predominantly a roll forward of the 2024/25 capital programme with limited changes made.

10.3. The new additions to the 2025-30 capital programme are:

- Investment in Adventure Playgrounds £2m
- Investment in Hemel Leisure Centre including filter pumps and flexi- pool floor £440k
- Increase in budget for Temporary Accommodation £277k
- Investment in the Old Town Hall £500k
- Investment in the Planning system £200k
- Investment in green waste collection service growth £190k
- Increases in the Commercial Property and Estates works budget £767k
- Investment in cemeteries £205k
- Investment in car parks £90k

10.4. The General Fund capital programme 2025-2030 totals circa £68m, the larger capital programmes are;

- £28m for Leisure Investment
- £14m for the ongoing fleet replacement programme
- £2.5m for the provision of a new DENS One stop shop and foodbank.
- £6m for Place shaping acquisitions

11. Reserves

11.1. The draft 2025/26 budget includes a net contribution to reserves of £0.415m for 2025/26. These funds are used to finance one off short term projects that deliver the key corporate initiatives, such as support for the Place related initiatives or supporting delivery of savings initiatives. The use of reserves requires Cabinet and Council approval and the 2025/26 budget summarises these agreements for 25/26.

11.2. The detailed proposed movements in General Fund reserves are set out in Appendix H. The significant reserve movements within the 2025/26 budget are detailed below:

- **On Street Parking Reserve-** There is an annual contribution to reserves of £0.04m to support on-street parking activity.
- **Technology Reserve** – 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. As the digital strategy evolves this reserve may be essential going forward.
- **Savings Efficiency Reserve** – This reserve was created from the achievement of prior year 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.

The MTFs has outlined the requirement to deliver a significant level of savings in the medium term and hence this reserve could be fundamental to supporting this programme of work. There is a budgeted contribution of £200k contribution in 25/26. In 2025/26 it is proposed to draw down to support a Commercial development support officer £50k and the cost of a payroll apprentice for two years £30k per annum. The net draw down from the reserve is therefore £120k in 2025/26.

- **Dacorum Development Reserve** –. 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.

There is a planned net drawdown of £174k in 2025/26. The planned movements in 25/26:

- £50k to support a Community Events programme.
- £124k to support Place resources

In 2024/25 this reserve has been used to support work relating to Hemel Garden Communities. Negotiations are underway with partner organisations concerning funding arrangements for 2025/26 and beyond. It is expected that a further allocation from the Dacorum Development reserve will be presented to Members for a approval following conclusion of these negotiations.

- **Technology Reserve-** £228k to support one off costs associated with structural changes to the Digital Service.
- **Housing and Temporary Accommodation Reserve-** £500k transfer to reserves to support investment in General Fund housing activity including the Council's temporary accommodation service, that at present has a financial pressure of circa £350k.
- **Vehicle Replacement Reserve-** This reserve helps fund the replacement of the Council's fleet, revenue contributions to this reserve will no longer be made with the programme being fully funded through capital financing.
- **Funding Equalisation Reserve** - This surplus 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 the deficits when they arise, funded by any prior year surpluses on the Collection Fund.
- **Pension Reserve** – This reserve is used to support one-off pension contribution payments following triennial pension fund valuation, to smooth out these costs. The next potential payment is due in 2025 following the 2024/2025 triennial valuation report.
- **Training and Development reserve-** Support the organisational development service in the roll out of the new people strategy.

11.3. The HRA retains a minimum working balance of at least 5% of turnover as part of the Council's reserves strategy. A transfer to the working balance reserve of £161k is proposed in 2025/26 in order to maintain the working balance at this level.

11.4. The budget presented in draft in this document is robust in its formulation and the level of reserves set for 2025/26 is adequate to mitigate the foreseeable risks to the organisation at this point in the process.

12. Governance Statement

12.1. The DBC Annual Governance Statement (AGS) was reviewed as part of the 2023/24 external audit of the financial processes and statements, and a draft was 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.

13. Next Steps/Consultation

13.1. Members of the individual OSCs are asked to review and scrutinise the draft budget proposal for 2025/26, and to provide feedback for Cabinet to consider ahead of the next Joint OSC, in February 2025.

14. Financial Comments

14.1. This is a S151 Officer report and financial details are included in the body of the report. This is a draft budget report created for member and residents feedback.

15. Legal Implications

N/A

16. Risk implications

16.1. The significant budget risks related to these draft proposals at this point in time are detailed in the risk section of the report. As with any financial estimates they include a set of assumptions and projections utilising both internal and external professional advice and guidance but are subject to changes due to internal and external forces.

17. Equalities, Community Impact and Human Rights:

17.1. The relevant Community Impact Assessments will be undertaken as the individual projects that form the Council's budget are implemented.

18. Sustainability implications (including climate change, health and wellbeing, community safety)

All the proposals and changes made to the services that the Council delivers and subsequent investment decisions made as part of the budget review are assessed for their sustainability implications and impact on the wider environment. As these draft proposals developed further work will be undertaken as part of the final formal approval process.

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 (e.g. 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 Council's 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 (e.g. the sale of recyclables and waste sacks)
- Fees and charges (e.g. 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 (e.g. recovery of legal costs)
- Other contributions (e.g. 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 the Corporate Leadership Team 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.