



GUIDE TO THE

BUDGET

2013/2014

GUIDE TO THE BUDGET 2013/2014

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INTRODUCTION TO THE BUDGET GUIDE

This booklet is a summary of the Council's spending plans for 2013-14 and 2014-15. It also contains the 10-Year General Fund financial forecast (2013-14 to 2022-23) together with other financial details in a form intended to be helpful and informative for Councillors and members of the public.

Budget

The 10-year General Fund Revenue forecast attempts to quantify budget resources and spending plans using a number of assumptions. The main factors influencing the budget in future years are:

- Inflation pressures on contracts and pay
- The actual impact of any growth or reduction in business rates (from 2013-14 the Government allows councils to retain some of the growth in business rates or limits the loss)
- Council Tax levels and any further government funding changes. The recent Autumn statement announced an increase of 2% in savings for local authorities in 2014-15 (over and above existing reductions) and suggested that the spending levels in the next Spending Review would continue the trajectory of the current one.
- The latest grant for freezing Council Tax which is not promised beyond two years and as such if not continued would leave a 'hole' in the Council's funding for 2014-15 which would require a larger Council Tax increase than would be otherwise necessary.

The Council's budget planning is integrated with the Corporate Plan (the corporate strategy for the Council) to ensure the allocation of the budget is linked to delivering the Council priorities.

The General Fund budget summary on page 10 shows that net expenditure in 2013-14 totals £14.635m. 2013-14 is the first year of the new Business Rates retention scheme and changes to the distribution of Government funding. For the General Fund there is a new announcement of a further year's grant to compensate the Council for a freeze in Council Tax.

The main features for the General Fund 2013-14 budget were:

- A requirement for savings of approx £1.8m to balance the budget
- An average Council Tax rise of 0%, after adjusting for transfers of functions to Parishes.
- Additional investment to maintain the Council's assets (£0.3m)

After taking into account the Government support (Formula Grant Allocation and re-distributed Business Rates) which covers 32% of the Council's budget, the balance is met by Council Tax (67%) and a small contribution from the collection fund (1%). The District Council's element of Council Tax for 2013-14 was increased by 0%.

Balances

Estimated balances on the General Fund during 2013-14 are:

	£'000
Brought forward 1 st April 2013:	
Total brought forward	(3,361)
Addition to Balances	(500)
Balances to be applied on one-off items	<u>2,390</u>
Carried forward 31 st March 2014	<u>(1,471)</u>

The Council maintains a minimum working balance of £1.5 million.

Council Tax

Each residential property is given a valuation banding based on values as at 1 April 1991. There are 8 bands (A-H) and each band pays a different amount of Council Tax:

Band	Capital Value	Proportion (ratio) of Band 'D' Tax
A	Up to £40,000	6/9 (0.67)
B	£40,001 - £52,000	7/9 (0.78)
C	£52,001 - £68,000	8/9 (0.89)
D	£68,001 - £88,000	9/9 (1.00)
E	£88,001 - £120,000	11/9 (1.22)
F	£120,001 - £160,000	13/9 (1.44)
G	£160,001 - £320,000	15/9 (1.67)
H	Over £320,000	18/9 (2.00)

The District Council has set an average Band 'D' charge of £206.80 which covers the demands of both itself and the Parish Councils. The District Council's own element averages £168.28. A table showing how the Council Tax is calculated is set out on page 24.

Council Tax rates vary according to the part of the district in which any property is located. Parish Councils make charges to cover their own expenditure and these are levied only on properties within their own areas. Likewise, in order to avoid double-charging in parished areas, the District Council identifies the costs of services provided to specific areas in those instances where similar services are provided in other areas by Parish Councils. These costs (*known as special expenses*) are also charged only to the areas in which the services are provided by the District Council.

The overall average District and Parish Council Tax of £206.80 is split into general expenses (*charged equally throughout the district*) of £153.3 and special expenses (*charged to those areas where services are provided*) averaging £53.50.

To these charges are added the taxes of the County Council (£1,118.83 at Band 'D') and the Police Authority (£147.82 at Band 'D') giving an average Band 'D' Tax of £1,473.45. A list of charges for each band in each area of the district is included at page 25.

Housing Revenue Account

This account is separate from the Council's other accounts and must balance itself without any contribution from Council taxpayers - expenditure is financed primarily from tenants' rents. A key issue facing the Council is the impact of the end of the HRA subsidy system and the introduction of Housing Self Financing from April 2012. Previously the Council paid into the subsidy system a subsidy of around £10million per annum. The self-financing system means that the Council paid central government a one off payment of £177m to replace the annual payment. This will essentially see the HRA as self reliant, with rents funding the debt payments.

Average rents for St Albans tenants (including garage rents) increased by 3.1% in April 2013.

Capital Programme

The current capital financing framework (the *prudential system*) introduced by the local Government Act 2003 allows authorities to borrow to finance capital investment subject to them being able to afford the revenue implications. They may also use revenue monies and the receipts from disposal of assets. Where an asset held within the Housing Revenue Account is disposed of, a proportion of the proceeds must be paid to the Government although in some instances set-off arrangements limit the amount payable.

The Council has approved a **Housing Investment Programme** (HIP) totalling £13.1m for 2013-14 which is to be funded primarily from the revenue contributions to capital (84%) and capital receipts (14%). The programme includes £11m on refurbishment/modernisation of the Council's own stock and £0.7m on private sector renewal grants.

Further expenditure totalling £23.7m is planned within the HIP over the following two years. Fuller details of the planned spending and funding are on page 23.

The **General Fund Capital Programme** for 2013-14 totals £10.9m, with further planned spending of £6.05m in 2014-15. A schedule of the planned capital schemes and funding is shown on pages 21 and 22. The most significant single scheme in 2013-14 is the re-provision of Batchwood Tennis Centre facility (£6.3m over 2 years). The programme also includes £6.5m New Museum and Galleries Project, £1.545m Cotlandswick leisure development and £0.8m, investment in renewable water/energy efficiency technologies.

Most of the 2013-14 programme will be financed from Prudential Borrowing (31%), capital receipts (29%) and other grants and contributions (28%).

Non-Domestic Rates

The Local Government Finance Act 2012 introduced changes to the way Local Government is funded. One of the changes includes the local retention of business rates from 2013/14. Previously all rates collected were paid directly to the Department for Communities and Local Government (CLG) and redistributed centrally.

These changes allow Local Authorities to retain a proportion of the rates they collect. The CLG has allocated each authority with an amount of rates they are expected to retain in 2013/14 if no changes occur. This amount is called the business rate baseline and is calculated using the average rates collected over the last two years.

Any difference between the Local Authority's business rate baseline and the amount of rates retained will create a pressure or additional resources for that authority depending on whether it collects more or less than the baseline.

Estimates of the amount of business rates income an authority forecasts to collect is required to be submitted to CLG by 31 January each year.

Following the introduction of the business rate retention scheme, the CLG have instructed Councils that their business rates income forecasts should be sent to them by completion of a return called the National Non Domestic Rates 1 (NNDR1) return and be formally approved by the Council (or under delegated Authority).

Under the Business Rates Retention element of local government funding, the provisional settlement no longer provides guaranteed funding levels, but is now effectively the starting point for Authorities within the scheme. Ultimately, the level of Non-Domestic Rates collected by authorities in 2013/14 will determine the funding received for this element of their funding.

Non Domestic Rates (or Business Rates) are charged in accordance with rateable values that came into force on 1 April 2010 following the five yearly revaluation undertaken by the Valuation Office Agency of all commercial premises in England. The poundage multiplier has been rebased to take into account the overall changes to total rateable value. The standard non-domestic rating multiplier for 2013-14 is 48.2p and the small business non-domestic rating multiplier is 47.1p.

A relief scheme operates for Ratepayers occupying properties with rateable values of less than £18,000, known as the Small Business Rate Relief (SBRR) Scheme.

Qualifying Ratepayers who occupy a property with a rateable value less than £6,000 will be entitled to 50% relief on their business rate bills. For those who occupy properties with a rateable value between £6,000 and £11,999 relief is available on a reducing scale of 1% per £120 of rateable value. These properties also qualify to have the small business non-domestic rating multiplier applied to the calculation of their rate bill (42.6p).

Ratepayers with properties that have rateable values between £12,000 to £17,999 will not receive any % reduction in the amount they have to pay but will have their bills calculated using the small business non domestic rating multiplier (47.1p). Ratepayers who do not qualify for small business rate relief will pay the standard non domestic rating multiplier (48.2p). The difference between the two multipliers represents a built in supplement which effectively funds the small business rate relief scheme nationally.

The Government has put in place a temporary increase in the amount of small business rate relief available to Ratepayers to ease their rate burden during the current economic downturn. The temporary extension has been in place since 1st April 2011 and has been further extended by the Government to 31st March 2014. Effectively all those Ratepayers who qualify for small business rate relief will benefit from a doubling of the amount of relief they would ordinarily receive. All qualifying Ratepayers in receipt of SBRR will receive 100% relief on properties with rateable values up to £6,000, with a tapered relief of between 100% and 0% for properties with rateable values between £6,001 and £12,000.

A transitional relief scheme operates over the first five years of the new valuation period. This limits the impact of changes to rates payable following the new rating list coming into force compared with previous rate bills.

From the 1st April 2008 Business rates will not be payable in the first three months that a property is empty (six months for industrial properties). After the initial exemption period, full rates will be charged. This change has been brought in as part of Government plans to utilise land and buildings more effectively and encourage owners to bring vacant business premises back into use.

Further Information

The pages in this book are intended to give an overview of the Council's planned spending and income for 2013-14 and 2014-15. Further information is available on the Council's website (under Finance) or from the Chief Finance Officer, St Albans District Council, St Peter's Street, St Albans, Herts AL1 3JE.

TEN YEAR BUDGET FORECAST

2012-13 to 2022-2023

Final

	0	1	2	3	4	5	6	7	8	9	10
Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020-21	2021-22	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2012-13 Budget Book (2012-3)	15,944	15,944	15,401	14,987	15,257	15,548	16,244	17,398	18,491	19,031	19,465
Reduction in costs of Early Retirements (pension strain)		(127)	(2)	(5)							
County Council elections - saving on SADC election costs		(110)	89			(89)	89			(89)	
Impact of capital programme on revenue budget (MRP)		101	152	(15)	(32)	(40)	(42)	(49)	11	12	12
Pension fund contribution increase			200								
Inflation (pay, non pay and fees and charges)		422	442	448	458	466	487	522	555	571	584
Recycling/refuse collection- increase in costs to meet the 60% recycling target		100			(100)						
Cost to implement Universal Credits and Localisation of Council Tax Support		365	(150)								
Westminster Lodge											
New Westminster Lodge- Revenue impact of new contract		(204)	(382)	(158)	(35)	(21)	56	21	(26)	(60)	326
Saving in cost of borrowing if Westminster Lodge funded internally- reduced by loss of interest & from reduction in capital reserve (capital scheme completion in 2013-14)		(544)									
Cost of Strategic Local Plan (partially funded from reserves)		306	(121)								
Other Proposals as detailed in 2013-14 budget		(914)	(98)								
Other expenditure funded from reserves		589	(616)								
New Homes Bonus (Each tranche of income is paid for 6 years and then drops out)		(599)				380	564	599			
Additional resource to maintain assets			300								
Income from the lease of office accommodation in Civic Centre			(250)								
Cost of Council Tax default scheme*		73	22								
Total before use of balances	15,944	15,401	14,987	15,257	15,548	16,244	17,398	18,491	19,031	19,465	20,387
Use of general reserves	0	0	0	0	0	0	0	0	0	0	0
Use of general & earmarked reserves		(661)	(45)								
Net expenditure before Gov't support, Council Tax, Collection Fund	15,944	14,740	14,942	15,257	15,548	16,244	17,398	18,491	19,031	19,465	20,387
Funded By											
Total Government support	(5,176)	(4,618)	(3,930)	(3,537)	(3,183)	(2,865)	(2,922)	(2,981)	(3,040)	(3,101)	(3,163)
Council Tax (includes technical changes from 2013-14 onwards)	(10,392)	(9,868)	(9,868)	(9,908)	(9,948)	(9,988)	(10,028)	(10,068)	(10,108)	(10,148)	(10,188)
Grant in aid of Council Tax Freeze (two years only)	(266)	(105)	(105)	0	0	0	0	0	0	0	0
Council tax increase (at 2%) in years from 2014/15 onwards		0	(197)	(399)	(605)	(816)	(1,032)	(1,253)	(1,480)	(1,711)	(1,949)
Increase in Council Tax base- technical changes and growth in Band D properties		0	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Transfer from collection fund (Council Tax surpluses)	(110)	(149)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(49)
Funding	(15,944)	-14,740	(14,190)	(13,934)	(13,826)	(13,759)	(14,072)	(14,392)	(14,718)	(15,051)	(15,389)
Budget Gap	0	0	752	1,323	1,722	2,485	3,326	4,099	4,313	4,414	4,998
Inflation assumption in the model after 2013-14			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Inflation			442	448	458	466	487	522	555	571	584
Council Tax increase			2%	2%	2%	2%	2%	2%	2%	2%	2%

* Net cost of default scheme funded from reserves in 2013-14

FINANCIAL PROFILE 2013/2014

2012/2013		2013/2014	
£'000		£'000	
GENERAL FUND			
15,944	Budget	14,740	
5,079	Redistributed National Non-Domestic Rates	0	
98	Revenue Support Grant (RSG)	0	
	Support from Government (Start Up Funding Assessment)		
	- replacing redistributed NNDR and RSG	4,618	
2,394	General Balance - Brought Forward	3,361	
250	- Added During Year	250	
(1,108)	- Estimated Usage During Year	(2,140)	
1,536	- Carried Forward	1,471	
HOUSING REVENUE ACCOUNT			
25,864	Gross Expenditure	26,999	
25,864	Income	26,958	
2,000	Balances - Brought Forward	2,128	
	- Added/Used During Year	(41)	
2,000	- Carried Forward	2,087	
CAPITAL SPENDING			
13,118	General Fund Approved Forward Programme	10,912	
13,152	Housing Investment Programme	13,120	
COUNCIL TAX at Band D			
168.28	St Albans District Council (average)	168.28	<i>no change</i>
37.20	Parish Councils (average)	38.52	<i>plus 3.55%</i>
<u>205.48</u>	Total District and Parishes (average)	<u>206.80</u>	<i>plus 0.28%</i>
1,118.83	Hertfordshire County Council	1,118.83	<i>no change</i>
<u>147.82</u>	Hertfordshire Police and Crime Commissioner Precept	<u>147.82</u>	<i>no change</i>
<u><u>1,472.13</u></u>	Total Council Tax at Band D (average)	<u><u>1,473.45</u></u>	<i>plus 0.04%</i>

SUMMARY OF GENERAL FUND BUDGETS 2012-13 TO 2014-15

Budget 2012-13	Portfolio	Budget 2013-14	Budget 2014-15
£		£	£
2,939,410	Community Engagement & Localism	3,340,540	3,131,230
5,769,010	Environmental	6,023,130	5,971,610
743,740	Housing General Fund	493,310	493,040
1,359,610	Planning & Conservation	1,649,130	1,524,600
1,437,142	Resources (Direct)	1,058,710	1,616,540
109,450	Resources (Support)	383,370	178,370
<u>5,111,320</u>	Sports, Leisure & Heritage	<u>4,463,460</u>	<u>4,080,160</u>
17,469,682		17,411,650	16,995,550
(2,408,895)	Capital Charges Credit	(2,850,090)	(2,850,090)
883,665	Pensions Accounting Adjustment	841,120	841,120
(266,000)	Council Tax Freeze Grant	(104,520)	(104,520)
	Contribution from Balances	(662,930)	(45,330)
<u>15,678,452</u>	Net Expenditure before Government Support	<u>14,635,230</u>	<u>14,836,730</u>
	Government Support:		
(5,078,000)	- Contribution from NNDR Pool		
(98,000)	- Formula Grant Allocation		
	Start Up Funding Assessment (from 2013-14 replacing redistributed NNDR and RSG)	(4,618,000)	(3,930,000)
<u>10,502,452</u>	NET EXPENDITURE AFTER GOVERNMENT SUPPORT	<u>10,017,230</u>	<u>10,906,730</u>
(110,000)	BALANCE TRANSFERRED FROM COLLECTION FUND	(149,000)	(50,000)
<u><u>10,392,452</u></u>	NET REQUIREMENT FROM COUNCIL TAXPAYERS	<u><u>9,868,230</u></u>	<u><u>10,856,730</u></u>
2,394,000	General Fund Balance Brought Forward	3,361,000	1,471,000
250,000	Increase in Working Balance	250,000	250,000
(1,108,000)	Taken from General Fund Balances (expected use)	(2,140,000)	(250,000)
1,536,000	Estimated General Fund Balance Carried Forward (NB Working Balance of a minimum of £1,500,000)	1,471,000	1,471,000

SUMMARY OF GENERAL FUND BUDGETS

WHERE COSTS ARE SUBSEQUENTLY RECHARGED TO OTHER SERVICES

Budget 2012-13 £	Portfolio	Budget 2013-14 £	Estimate 2014-15 £
2,540,415	Community Engagement & Localism	2,413,540	2,412,740
210,500	Environmental	162,020	162,020
120,020	Housing General Fund	246,160	246,270
425,140	Planning & Conservation	411,670	411,670
39,930	Resources (Direct)	- 103,810 -	69,660
4,699,660	Resources (Support)	4,771,950	4,740,750
<hr/>		<hr/>	<hr/>
8,035,665	TOTAL OF COSTS RECHARGED TO DIRECT SERVICES AND INCLUDED WITHIN THOSE SERVICES	7,901,530	7,903,790
<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>

Community Engagement & Localism Portfolio

Budget 2012-13	Cost Centre	<u>Direct Services</u>	Budget 2013-14	Budget 2014-15
£			£	£
214,150	1205	Community Protection	200,620	200,620
271,995	1210	CCTV	245,050	245,050
842,585	1215	Members	745,750	745,750
31,660	1220	Civic Activities	7,660	7,660
40,240	1222	Mayoralty	191,720	191,720
28,840	1225	Town Twinning	15,830	20,830
273,570	1230	Elections	163,730	253,100
195,350	1235	Electoral Registration	189,950	189,950
(75,270)	1575	Licensing	(24,920)	(24,850)
(53,770)	1580	Hackney Carriages & Private Hire	(7,560)	(7,560)
(146,700)	1585	Market	(188,210)	(188,080)
9,995	2635	Nomansland Common	15,640	15,640
8,315	2640	Bricketwood Common	13,920	13,920
(71,150)	2800	Cemeteries	(83,830)	(83,830)
(8,065)	2810	West Herts Crematorium	2,950	2,950
5,970	2820	Closed Churchyards	6,090	6,090
18,310	2900	Jubilee Restaurant	8,950	8,950
19,355	2910	Jubilee Centre	8,140	8,140
158,550	3056	Development & Tourism	228,940	228,940
191,305	3062	Tourist Information Centre	157,430	157,430
31,380	3510	Scrutiny	37,300	37,300
998,860	3540	Democratic Represent & Management	917,690	910,180
540,080	5015	Grants & Subsidies	650,790	580,790
124,480	5060	Partnership & Engagement	119,920	104,920
41,060	5062	Local Services Hub	120,190	120,190
30,680	5075	Land Charges	38,300	38,300
101,410	5080	Emergency Planning/Resilience	79,550	79,550
84,810	6000	Public Transport	76,840	76,840
61,050	6005	Taxi Voucher Scheme	62,270	62,270
49,340	6010	Transport Strategy	67,140	37,140
160,915	6020	Roads Amenity Functions	229,430	229,430
50,080	6030	Verge Maintenance	96,380	96,380
(1,609,790)	6035	Car Parks Contract	(1,670,920)	(1,670,920)
158,665	6040	Car Parks Administration	142,460	142,170
91,240	6045	Russell Avenue/Drovers Way Car	206,450	206,450
(125,155)	6050	Civic Centre Car Park	(129,070)	(129,070)
110,910	6055	Fee Paying Car Parks	135,310	135,310
(23,640)	6060	Leased Car Parks	(21,910)	(21,910)
14,780	6065	Free Car Parks	17,590	17,590
2,140	6070	Lydekker Car Park	0	0
<u>2,848,530</u>		Net Budget	<u>3,073,560</u>	<u>3,045,330</u>
		Less funding from reserves	(15,000)	0
		Net Budget for Community		
		Engagement & Localism Portfolio	<u>3,058,560</u>	<u>3,045,330</u>
		<u>Costs reallocated to other services</u>		
480,740	1245	Democratic Services	473,630	473,540
884,210	5500	Central Offices	875,930	875,930
594,580	5545	Legal	588,070	588,070
242,320	5560	Property and Asset Management	380,260	379,550
160,170	6400	Infrastructure	95,650	95,650
178,395	6405	Technical Services	0	0
<u>2,540,415</u>			<u>2,413,540</u>	<u>2,412,740</u>
(2,540,415)		Recharge to other services	(2,413,540)	(2,412,740)
<u>0</u>			<u>0</u>	<u>0</u>
		<u>Special Reserve</u>		
90,880	6100	Decriminalised Parking	266,980	85,900

Environmental Portfolio

Budget 2012-13 £	Cost Centre	<u>Direct Services</u>	Budget 2013-14 £	Budget 2014-15 £
165,370	1500	Environmental Services Administr:	191,630	194,240
275,515	1505	Environmental Protection	405,910	376,140
385,180	1520	Food & Health Safety	359,120	359,660
95,560	1530	Pest Control	56,210	56,210
239,750	1535	Public Conveniences	256,440	256,440
48,930	1540	Animal Welfare	40,610	40,610
23,910	1545	Removal of Abandoned Vehicles	19,630	19,630
1,244,460	1555	Recycling	1,298,470	1,298,520
1,683,650	1560	Refuse Collection	1,746,940	1,746,990
1,325,930	1565	Street Cleansing	1,321,740	1,321,740
68,920	1570	Cleaner District	69,410	69,410
32,400	2600	Parks Administration	33,050	33,050
(6,165)	2605	Allotments	(8,160)	(8,160)
17,900	2610	Clarence Park	26,080	26,080
64,060	2615	Other Open Spaces	96,640	76,640
36,180	2620	Gardens & Flower Beds	36,900	36,900
27,495	2625	Playgrounds	27,070	27,070
6,490	2630	Central Nursery	8,990	8,990
17,600	2645	Railway Trails	18,710	18,710
495	2650	Verulamium & Westminster Lodge	(1,300)	(1,300)
15,380	2655	Rothamsted Park	14,040	14,040
5,769,010		Net Budget for Environmental Portfolio	6,018,130	5,971,610
		<u>Costs reallocated to other services</u>		
210,500	6410	Landscape Architect, Arborists	167,020	162,020
0		Less funding from reserves	(5,000)	0
(210,500)		Recharge to other services	(162,020)	(162,020)
0			0	0

Housing Services Portfolio (General Fund)

Budget 2012-13	Cost Centre	<u>Direct Services</u>	Budget 2013-14	Budget 2014-15
£			£	£
16,630	1525	Houses in Multiple Occupation	0	0
(114,060)	2000	Mobile Home Sites	(118,790)	(118,790)
(6,140)	2010	Sundry Properties	(8,340)	(8,340)
340,000	2020	Homelessness	349,520	349,250
148,610	2030	Grounds Maintenance	127,640	127,640
0	2040	Home Renovation Grants	0	0
179,740	2050	Rent Allowances	211,100	211,100
105,130	2051	Rent Rebates	(165,000)	(165,000)
73,740	2065	Affordable Housing	97,180	97,180
90	2090	Leased Properties	0	0
743,740		Net Budget for Housing Portfolio	493,310	493,040
		<u>Costs reallocated to the Housing Investment Programme</u>		
120,020	2040	Home Renovation Grants	129,270	129,270
99,770	5055	Benefits Investigation	116,890	117,000
(219,790)		Recharge to the HIP & other services	(246,160)	(246,270)
0			0	0

Housing Services Portfolio HRS (Housing Revenue Account)

Budget 2012-13 £'000		Budget 2013-14 £'000	Estimate 2014-15 £'000
Income			
(23,492)	Rents - Dwellings (inc heating)	(24,593)	(25,230)
(441)	- Service Charges	(454)	(472)
(800)	- Garages	(800)	(825)
(435)	- Shops and Other	(316)	(325)
(324)	- Leaseholders	(383)	(409)
(166)	Supporting People	(166)	(166)
(15)	HRA Investment Income/Mortgage Interest	(70)	(103)
(191)	Leaseholder Contributions to capital	(176)	(176)
(25,864)	Total Income	(26,958)	(27,706)
Expenditure			
4,330	Supervision and Management	4,840	4,882
3,502	Repairs	3,540	3,602
238	Rents, Rates and Other Taxes	238	238
0	Cost of Capital	0	0
	Major Repair Reserve - Transfer to Reserves		
53	Garage Depreciation	53	55
32	Transitional Relief (Supporting People)		
150	Payment to Government	0	0
211	Corporate and Democratic Costs	273	281
8,516	Total Expenditure	8,944	9,058
(17,348)	Net surplus of services	(18,014)	(18,648)
5,233	Interest on Self Financing Loan	5,233	5,233
11,000	Contribution to fund capital	11,000	9,666
1,115	Provision for debt repayment	1,822	3,908
0	Transfer to/from reserves	41	159
(2,000)	Balance brought forward	(2,000)	(2,000)
0	Transfers (In)/out	41	159
(2,000)	Balance carried forward	(2,000)	(2,000)

Planning & Conservation Portfolio (General Fund)

Budget 2012-13 £	Cost Centre	<u>Direct Services</u>	Budget 2013-14 £	Budget 2014-15 £
(157,570)	4510	Building Control	(32,730)	(32,730)
465,000	4520	Spatial Planning	791,840	667,440
890,630	4530	Development Management	775,890	775,760
101,440	4550	Design & Conservation	70,940	70,940
53,110	4580	Landscape & Graphic Design	36,050	36,050
7,000	6025	Drainage & Flood Prevention	7,140	7,140
<u>1,359,610</u>		Net Budget for Planning & Conservation Portfolio	<u>1,649,130</u>	<u>1,524,600</u>

Costs reallocated to other services

425,140	4500	Planning Technical Support	411,670	411,670
<u>(425,140)</u>		Recharge to other services	<u>(411,670)</u>	<u>(411,670)</u>
<u>0</u>			<u>0</u>	<u>0</u>

Resources (Direct) Portfolio

Budget 2012-13	Cost Centre	<u>Direct Services</u>	Budget 2013-14	Budget 2014-15
£			£	£
294,410	1110	Chief Executive	331,230	327,730
570,000	1117	Business Process Reengineering	443,000	191,000
40,000	1202	Project Leadership	18,800	18,800
128,020	3520	External Audit	71,290	71,290
(287,165)	5000	Corporate Property	(267,410)	(287,410)
(47,825)	5005	Sandridge Gate Business Centre	(9,150)	(9,150)
(714,740)	5010	Miscellaneous	(941,940)	(128,240)
423,000	5011	Interest on Balances	(8,000)	(8,000)
223,920	5012	Minimum Revenue Provision	644,600	796,100
23,740	5025	Corporate Costs	12,780	12,780
(81,290)	5035	Business Rates	(70,800)	(71,920)
736,932	5040	Council Tax	788,240	786,510
(81,840)	5045	Council Tax Rebates	0	0
0	5047	Council Tax Localisation	(685,190)	(662,860)
209,980	5050	Benefits Administration	721,120	569,770
0	5547	Protection from Eviction	10,140	10,140
<u>1,437,142</u>		Net Budget	<u>1,058,710</u>	<u>1,616,540</u>
0		Less funding from reserves	(452,600)	0
<u><u>1,437,142</u></u>		Net Budget for Resources (Direct)	<u><u>606,110</u></u>	<u><u>1,616,540</u></u>
		<u>Costs reallocated to other services</u>		
7,190	5030	Recovery Administration	(103,810)	(69,660)
132,510	5520	Corporate Printing	0	0
<u>139,700</u>			<u>(103,810)</u>	<u>(69,660)</u>
(139,700)		Recharge to other services	103,810	69,660
<u><u>0</u></u>			<u><u>0</u></u>	<u><u>0</u></u>

Resources (Support) Portfolio

Budget 2012-13 £	Cost Centre	<u>Direct Services</u>	Budget 2013-14 £	Budget 2014-15 £
109,450	1257	Strategic Partnership	248,040	133,040
	1259	Economic Dev Partnership Deliv	60,000	0
<u>109,450</u>		Net Budget	<u>308,040</u>	<u>133,040</u>
<u>0</u>		Less funding from reserves	<u>(115,000)</u>	<u>0</u>
<u>109,450</u>		Net Budget for Resources (Support) Portfolio	<u>193,040</u>	<u>133,040</u>
		<u>Costs reallocated to other services</u>		
299,260	1255	Policy and Partnership	244,920	244,920
242,110	1256	Policy and Sustainability	249,240	249,240
196,370	1590	Communications and Web Develo	203,000	203,000
174,350	3500	Internal Audit	174,020	166,600
327,630	5505	HR Support Services	265,810	265,810
0	5512	Print Central Code	133,930	133,930
605,430	5525	Customer Service Centre	632,830	632,830
0	5528	GIS and Corporate Gazetteer	101,420	101,420
559,410	5530	Information Technology Service	826,420	826,420
103,100	5535	Office Services	88,160	88,160
986,530	5550	Financial Services	1,053,510	1,034,760
98,800	5555	Procurement	108,870	108,870
314,090	5565	Human Resources	322,990	317,960
0	5568	Apprenticeships	45,000	15,000
389,370	5570	IT Management Services	397,160	397,160
<u>403,210</u>	5575	IT Support & Maintenance Note 1	<u>0</u>	<u>0</u>
<u>4,699,660</u>			<u>4,847,280</u>	<u>4,786,080</u>
		Less funding from reserves	(75,330)	(45,330)
<u>(4,699,660)</u>		Recharge to other services	<u>(4,771,950)</u>	<u>(4,740,750)</u>
<u>0</u>			<u>0</u>	<u>0</u>

Note 1 IT support and maintenance budgets returned to service areas

SPORT & LEISURE PORTFOLIO

Budget 2012-13	Cost Centre	<u>Direct Services</u>	Estimate 2013-14	Estimate 2014-15
£			£	£
1,041,250	2500	Leisure Management Contract	775,130	775,130
0	2505	St Albans Arts Sports & Health	22,080	22,080
948,560	2510	Leisure Administration	814,710	814,850
972,955	2700	Grounds Maintenance Contract	1,003,560	1,003,560
22,260	2705	Sports Administration	22,700	22,700
-7,325	2710	Harpenden Indoor Bowls Rink	-7,520	-7,520
715,350	2715	Westminster Lodge Leisure Centre	130,780	-251,500
45,370	2720	Verulamium Running Track	50,670	50,670
75,530	2725	Harpenden Swimming Pool	78,730	78,730
208,235	2730	Harpenden Sports Centre	165,020	165,020
75,035	2735	Leisure Buildings General	97,220	97,220
16,040	2745	Batchwood Tennis Centre	94,810	96,810
6,560	2750	Batchwood Golf Course	1,780	1,780
25,670	2755	London Colney Recreation Centre	26,670	26,670
38,740	2920	Alban Arena	183,030	183,030
100,935	2930	Maltings Arts Theatre	80,330	80,330
34,430	2940	Harpenden Public Hall	37,480	37,480
8,750	2950	Marlborough Club	8,950	8,950
10,220	3000	Arts Development	5,520	5,520
-41,475	3004	Town Hall	-32,210	-32,210
387,020	3012	Heritage Administration	461,070	461,180
100,605	3016	Verulamium Museum	104,210	104,210
139,260	3020	Museum of St Albans	146,600	146,600
14,875	3024	Historic Buildings	15,340	15,340
51,570	3028	Field Archaeology	46,440	46,440
6,310	3032	Conservation	6,430	6,430
77,290	3036	Curatorial	70,180	70,180
21,280	3040	Design & Display	17,620	17,620
21,465	3048	Education	38,860	35,590
-2,590	3052	Finds Liaison	-2,730	-2,730
-2,855	3054	East of England Conservator	0	0
5,111,320			4,463,460	4,080,160

FEES AND CHARGES

Council on 24th November 2010 agreed, in adopting the recommendations of an Overview and Scrutiny Task and Finish Group on charging to adopt the following principles:

- Charges for Council services should normally cover costs unless prohibited by statute.
- Exceptions to this principle could be made when any charge, or change to a charge, might be seen to be unfair or unjust.
- Exceptions could also be made for reasons of Council policy or practicality – e.g. hardship criteria.
- Increases to charges should be subject to a transitional period where any sudden increase would be unfair or unjust.
- The Council exists primarily for the benefit of its own residents; therefore there is a case for charging, or continuing to charge, non-residents.
- It would be acceptable to levy top up fees for better/quicker services where there is a demand and this charge does not offend principles behind charging which have already been established above.

Charges are reviewed by Services having regard to these principles and some of the key charges are listed below:

<u>COMMUNITY ENGAGEMENT AND SUPPORT</u>	2012/13 £	2013/14 £	Percentage change
Typical parking charges			
Decriminalised Parking - Resident permits	38.00	38.00	NIL
Decriminalised Parking - visitor permits	35p	35p	NIL
Decriminalised Parking - business permits	500.00	500.00	NIL
Decriminalised Parking - suspension permits	17.00	17.00	NIL
Car Park Charges			
Up to 30 mins	60p	60p	NIL
Up to 1 hour	1.20	1.20	NIL
Up to 2 hours	2.40	2.60	8.3%
2 to 5 hours	3.40	3.60	5.9%
All day	8.50	9.00	5.9%
<u>Allotments and Cemeteries</u>			
Cemeteries			
	2012/13 £	2013/14 £	Percentage change
	491.00	528.00	7.5%
Allotments (approved one year in advance)			
	2012/13 £	2013/14 £	Percentage change
Full plot/Half plot	43.06 / 21.53	46.59 / 23.30	8.2%
Full plot/Half plot (Reduced rate for pensioners + low income groups)	19.73 / 12.08	21.35 / 13.07	8.2%

Planning Fees

Planning fees are currently set nationally but pre-planning fees are discretionary and set locally. The pre-planning fees are currently being reviewed and compared against other Hertfordshire Local Authorities and the CIPFA Benchmarking group. Changes to these fees will be agreed in consultation with the portfolio holder.

Fees for services managed under contract

Fees for services managed under contract (Leisure Management and Grounds Maintenance) are retained by the contractors and determined by contract conditions. Leisure Management contract fees are mainly at the discretion of the contractor although maximum fees for certain services are determined by the Council.

PORTFOLIO:	2012/13 £'000	2013/14 £'000	2014/15 £'000
<u>Community Engagement and Localism</u>			
Green Travel - Includes Electric Vehicles	12		
Cycle Routes (Includes £0.5m from HCC)	574		
Bus Shelters		24	
Network St Albans (QNP)	33	37	
Street Scene - Improvement		169	
CCTV - Improvement - 5 Year Programme	100	17	
City Centre Public Realm enhancement	50	108	
	768	355	
<u>Environment</u>			
Recycling:			
Replace Reusable Bags - Green Waste		20	
Replace Lost / Damaged Green Wheeled Bins	75		
Additional Recycling Banks to Flats (HCC 75%)		9	
Bins for Flats - New Developments	59		
Improve Disabled Access		19	
Camp Open Space	6		
Verulamium Heritage Park Project	43	25	
Air Quality Scheme - Holywell Hill and Peahen Junction	14		
Economic Development Initiatives	25		
Investment in Renewable Energy Technologies	20	230	
Energy/water efficiency and investment in renewable technologies		550	
	241	853	
<u>Planning and Conservation</u>			
Document Management System	7	0	
<u>Resources</u>			
Business Improvement Programme:			
Pc's Printers, Servers	247	100	
CRM Project	1		
FMS Replacement Systems	2		
Invest to Save Projects		81	
Additional budget for maintenance/repair of assets	175		
Civic Centre office reconfiguration		600	
	424	781	0
<u>Sports, Leisure & Heritage</u>			
Harpenden Town FC - Roof Repairs		10	
Westminster Lodge Development	12,260	550	
Leisure Buildings - Refurbishment	114	320	
Batchwood Golf & Tennis - Roof (Retention)		6	
Cotlandswick - Council Contribution`	295	1,250	
HSC/Jubilee Refurbishment	7		
Harpenden Public Hall		2	
Town Hall - Refurbish Main Building		9	
Old Town Hall - External Works		22	
Old Town Hall - Boiler Replacement		26	
Verulamium Museum - DDA Improvements		7	
Eco-Dev Initiatives Support GAF	17		
Rothamsted Park - Tennis Courts	20		
Longacres Open Space (play equipment)	45		
Fleetville Open Space (play equipment)	47		
Nicholas Breakspear (Astro Turf Pitches)	84		
Batchwood Tennis Centre Note 2	266	6,000	
Batchwood Golf & Bowls Note 2	200	270	
New Museum and Gallery Project Note 3	0	450	6,050
	13,357	8,922	6,050
Total Expenditure	14,798	10,912	6,050

	2012/13 £'000	2013/14 £'000	2014/15 £'000
Funded by			
Growth Area Funding	-207		
Prudential Borrowing Note 1	-12,683	-3,375	
Section 106	-495	-800	-500
Revenue contribution to capital	-175	-450	0
Other capital receipts and insurance settlement for Batchwood fire claim	-504	-3,204	-1,500
Other Grants and Contributions	-734	-3,083	-4,050
Total Funding	-14,798	-10,912	-6,050

Note 1 - Capital receipt from sale of Ridgeview and other land beside Westminster Lodge not expected until 2013-14 and will be used to repay some of the prudential borrowing.

Note 2 - Batchwood Schemes are subject to confirmation of insurance settlement and all other external funding proposals.

Note 3 - New Museum and Gallery Project subject to confirmation of funding proposals.

Housing Investment Programme

Scheme	2013/14	2014/15	2015/16
	Estimate	Estimate	Estimate
<u>Ongoing and planned works</u>	£'000	£'000	£'000
Adaptations for Disabled	300	300	300
Asbestos Element Replacement	100	100	100
Cavity / Loft Insulations	40	40	40
Chimneys	20	0	20
Communal Heating	39	30	30
Fire Access Improvements			
- Various	250	100	100
Electrical Rewiring			
- Various (single contract)	1,006	994	1,000
Enhancements	250	250	250
Extensions to Dwellings (adaptations)	70	70	70
Flat Roof Replacement			
- Various	584	452	500
Front door replacements	0	0	0
Garage refurbishments	300	300	0
General and Structural			
- Brickwork, Gutters, Plastering etc	690	690	690
Home Lift Replacements - Various	20	20	20
Kitchen & Bathroom Modernisation			
- Various (single contract)	2,250	2,120	2,500
- One - off replacements	270	250	0
Lift Upgrades - Various	5	4	5
Pitched Roof Replacement			
- Various	1,000	800	1,075
Refuse / Recycling Stations			
Renewal of Heating Systems	900	850	1,200
Repointing and rendering	290	200	250
Upgrade to Timber Windows (Conservation Area)	150	150	150
UPVC Window and Door Replacement			
- Various (single contract)	1,400	1,196	1,500
Demolition Costs	215	440	0
Other enhancement schemes	851	644	1,200
Savings target (met from slippage)		-334	-388
Total HRA new budget	11,000	9,666	10,612
Private Sector Renewal Grants			
- Home Repair Assistance	50	50	50
- Disabled Facility Grants	650	650	650
Home Loss Payments - Retirement Homes	150	150	
Purchase of properties / Cash incentive	150	150	
Improvement Grant Administration	120	120	120
Advances to Housing Associations	1,000	1,000	500
TOTAL - OTHER ITEMS	2,120	2,120	1,320
TOTALS - ALL ITEMS	13,120	11,786	11,932

COUNCIL TAX 2012/13 AND 2013/14

	Planned Expenditure		Council Tax at Band 'D'	
	2012/13 £000	2013/14 £000	2012/13 £	2013/14 £
St Albans District Council Costs				
Budget	15,678	14,635	258.19	249.57
Less - Formula Grant Allocation	(98)		(5.89)	
- Share of National Non-domestic Rates	(5,078)		(82.24)	
Government Support: Start -Up Funding Assessment		(4,618)		(78.75)
	10,502	10,017	170.06	170.82
Less - Balance transferred from Collection Fund	(110)	(149)	(1.78)	(2.54)
Net District Council Costs	10,392	9,868	168.28	168.28
Parish Councils' Support	2,297	2,259	37.20	38.52
Net District and Parish Requirement	12,689	12,127	205.48	206.80
Hertfordshire County Council costs (Net of Government support)	69,106	65,610	1,118.83	1,118.83
Hertfordshire Police Authority costs (Net of Government support)	9,130	8,668	147.82	147.82
Total to be met by Council Tax	90,925	86,405	1,472.13	1,473.45
Council Tax Base (Band 'D' equivalents)			61,766	58,642

Parish Council costs amount to £2,258,847 equivalent to an average of £38.52 per Band 'D' property.

Across the district the Council Tax Band 'D' varies between £1,428.74 and £1,498.40, depending upon the level of expenditure planned by each Parish council, and the effect of the District Council special expenses allocated to each area. Full details of the Council tax rates and special expenses for each Parish are shown on the following two pages.

Council Tax for properties in other bands varies proportionately in line with the set relationship of their band to Band 'D'.

COUNCIL TAX RATES 2013/14 ANALYSED OVER VALUATION BANDS AND AREAS

	St Albans City	Harpenden Town	Colney Heath	Harpenden Rural	London Colney	Redbourn	St Michael	St Stephen	Sandridge	Wheathamp- stead	TOTAL/ AVERAGE
COUNCIL TAX BASE	23,164	13,411	2,338	236	3,260	2,283	289	6,152	4,660	2,849	58,642
COUNCIL TAX RATES	£	£	£	£	£	£	£	£	£	£	£
Band 'A' (Band 'D' x 6/9)	965.22	996.17	992.97	956.51	993.80	998.95	952.50	991.95	986.01	998.83	982.30
Band 'B' (Band 'D' x 7/9)	1,126.08	1,162.19	1,158.45	1,115.91	1,159.42	1,165.41	1,111.24	1,157.26	1,150.33	1,165.27	1,146.02
Band 'C' (Band 'D' x 8/9)	1,286.96	1,328.23	1,323.95	1,275.34	1,325.06	1,331.92	1,270.00	1,322.60	1,314.67	1,331.76	1,309.73
Band 'D'	1,447.82	1,494.25	1,489.44	1,434.75	1,490.69	1,498.40	1,428.74	1,487.91	1,479.00	1,498.22	1,473.45
Band 'E' (Band 'D' x 11/9)	1,769.56	1,826.31	1,820.43	1,753.59	1,821.96	1,831.39	1,746.24	1,818.56	1,807.67	1,831.17	1,800.88
Band 'F' (Band 'D' x 13/9)	2,091.30	2,158.37	2,151.42	2,072.42	2,153.22	2,164.36	2,063.74	2,149.21	2,136.34	2,164.10	2,128.32
Band 'G' (Band 'D' x 15/9)	2,413.04	2,490.42	2,482.41	2,391.26	2,484.49	2,497.35	2,381.24	2,479.86	2,465.01	2,497.05	2,455.75
Band 'H' (Band 'D' x 18/9)	2,895.64	2,988.50	2,978.88	2,869.50	2,981.38	2,996.80	2,857.48	2,975.82	2,958.00	2,996.44	2,946.90

PARISH COUNCIL PRECEPTS AND SPECIAL EXPENSES

	PARISH COUNCIL PRECEPTS		DISTRICT COUNCIL SPECIAL EXPENSES		TOTAL SPECIAL EXPENSES		SPECIAL EXPENSES COUNCIL TAX AT BAND 'D'		
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	PARISH COUNCILS	DISTRICT COUNCIL	TOTAL SPECIAL EXPENSES
	£	£	£	£	£	£	2013-14 £ p	2013-14 £ p	2013-14 £ p
St Albans City	0	0	746,373	699,253	746,373	699,253	0.00	29.63	29.63
Harpenden Town	929,010	905,510	135,935	117,624	1,064,945	1,023,134	67.52	8.72	76.24
Colney Heath	160,000	167,000	0	0	160,000	167,000	71.43	0.00	71.43
Harpenden Rural	3,750	3,950	0	0	3,750	3,950	16.74	0.00	16.74
London Colney	223,150	217,863	14,456	19,014	237,606	236,877	66.83	5.85	72.68
Redbourn	177,510	169,267	13,398	14,313	190,908	183,580	74.14	6.26	80.40
St Michael	2,600	3,100	0	0	2,600	3,100	10.73	0.00	10.73
St Stephen	381,047	382,839	25,973	47,241	407,020	430,080	62.23	7.68	69.91
Sandridge	216,091	205,093	58,144	78,651	274,235	283,744	44.01	16.99	61.00
Wheathampstead	204,225	204,225	24,317	24,386	228,542	228,611	71.68	8.53	80.21
Total/Average	2,297,383	2,258,847	1,018,596	1,000,483	3,315,979	3,259,330	36.58	16.92	53.50

Special expenses include (1) precepts levied by Parish Councils for services they provide in their own areas and (2) the cost of those concurrent functions provided by the District Council in some areas but by Parish Councils in other areas. The cost of these District Council concurrent functions is allocated only to those areas where services are provided.

GLOSSARY OF TERMS

Actual Expenditure and Income

Costs incurred/income attributable to an accounting period, as opposed to budgeted expenditure and income.

Balances

In general, the surplus or deficit on any account at the end of the year. Often used to refer to an available surplus which has accumulated over a number of past years.

Budget

A statement defining, in financial terms, the Council's policy over a specified period of time.

Business rates retention Scheme.

Baseline Funding level

The amount of start up funding assessment which is provided through the local share of the estimated business rates aggregate at the outset of the scheme.

Capital Expenditure

Expenditure relating to the acquisition of assets or works which have a long term value to the authority, (e.g. land purchases, construction, renovation and improvements, acquisition of equipment, etc). Capital expenditure is financed by capital receipts, grants, the Major Repairs Reserve (housing), borrowing (either internal or external and is also called the Capital Financing Requirement) or from revenue.

Capital Financing Requirement

The Capital Financing Requirement measures the Council's underlying need to borrow for capital purposes. Any decision taken to borrow or use a credit arrangement to finance major projects will impact on the Capital Financing Requirement.

Capital Receipts

Income derived from the disposal of capital assets. The Local Government Act 2003 introduced new provisions whereby a proportion of local authority housing capital receipts must be paid into the Government's National Pool.

Capital Reserve

A fund established to assist in financing the General Fund capital programme.

Capping Limit

The limit on local authorities budgeted net expenditure determined by the DCLG. If the increase in an authority's budget is considered by the Secretary of State to be excessive he has the power to require that authority to reduce its budget. The Secretary of State will announce his criteria once budgets have been set.

Carry Forward

The transfer of a surplus or deficit from one accounting period to the following accounting period (generally from one financial year to the next).

Cash Limit

The total amount of cash available for any Portfolio. This amount is not subject to any increase, even as a result of higher than expected inflation, unless specific approval is given by Cabinet or Council.

Central Services Charges

The cost of central services (i.e. Corporate Administration, Office Services, Audit, Policy & Partnership, Legal, Estates, Finance, Purchasing, Information Technology, Customer Service Centre and Human Resources) which are allocated to services largely on the basis of time spent.

Collection Fund

Every billing authority is required to maintain a Collection Fund into which is paid the Council Tax and National Non-Domestic Rates collected from tax/rate payers. Payments are made from the Fund to the precepting authorities (County Council, Police Authority, District Council and Parish Councils) whilst National Non-Domestic Rates income is passed on to the Government.

Council Tax

The property based tax by which local authorities raise revenue from the local community. All domestic properties have been valued and categorised within eight bandings to which is applied the local rate assessed by the relevant authorities. A discount on charges is applied where dwellings are occupied by only one person. Rebates are available to those Council taxpayers meeting the Government's criteria. (Pages 24 and 25 explain more about Council Tax and bandings).

Department of Communities and Local Government (DCLG)

The Government department responsible for the rules and regulations that affect Local Authorities.

Depreciation

Notional charges for the use of fixed assets calculated at a fixed rate over a specified period of years.

Expenditure

Amounts paid for goods and services received.

Fees and Charges

Income arising from charges made to users of services (e.g. car parks, building control, markets, etc).

Financial Year

The annual period of accounting (1 April to 31 March for local authorities)

Formula Funding Allocation

Element of start-up funding that used to be funded through formula grant and which is distributed according to a mathematical formula to individual authorities. It is paid directly into each authority's General Fund and was previously called Revenue Support Grant (RSG).

Formula Spending Share (FSS)

An amount set annually by the DCLG to reflect the Government's assessment as to how much an authority should be spending to provide a standard level of service. The FSS (previously called Standard Spending Assessment - SSA) is the major determinant of the level of Formula Grant Allocation.

General Expenses

Those expenses incurred by an authority which relate to services which are not provided in any part of the area by Parish Councils. These expenses are charged equally to all Council Taxpayers throughout the district.

General Fund

All the Council's revenue income and expenditure, apart from the Housing-related items within the Housing Revenue Account, are included in the General Fund revenue account.

Government Grants

Assistance by Government and inter-Government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Home Renovation Grants

Grants made to occupiers of private sector dwellings in order to bring these dwellings up to a certain standard. Criteria are set by the DCLG which also determines the proportion that the authority will be reimbursed. Categories include Home Repairs Assistance Grants and Disabled Facility Grants.

Housing Investment Programme (HIP)

The housing capital programme consisting of capital expenditure on the Council's housing stock, garages, assistance to private homeowners (Home Renovation Grants), disabled grants and advances to housing associations to provide affordable housing.

Housing Revenue Account (HRA)

A separate account dealing with expenditure and income arising from the letting of local authority dwellings. Expenditure includes supervision and management costs, repairs and capital financing charges. Income includes rent, Government subsidies and investment interest. It is "ringfenced" (i.e. the transfer of amounts between the Housing Revenue Account and the General Fund is restricted by legislation).

Income

Amounts due to the Council that have been, or are expected to be received.

Interest on Balances and from Investments

The interest accrued by investing the day to day surplus on the authority's cash flow and balances in hand.

Land Appropriation

The transfer of land from one fund to another, where the accounts of the funds are adjusted accordingly to compensate.

Local Authority Business Growth Incentive Scheme (LABGI)

Government grant given to local authorities in recognition of the growth in business rate income in their area.

National Non-Domestic Rates (Business Rates)

A contribution from local businesses towards the cost of local authority services. The amount depends on the rateable value (RV) assigned to the property by the District Valuer and the rate in the £ applied to the RV set by the Government each year at a uniform poundage across the whole of England. Increases in National Non-Domestic Rates are normally linked to increases in the retail price index, although legislation states that revaluations must also take place every five years. A transitional scheme operates so that the effects of changes caused by revaluations are limited in any one financial year.

Major Repairs Allowance

A significant element of Housing Subsidy which must be transferred to a Major Repairs Reserve and used only for the refurbishment of the authority's own housing stock.

Negative Housing Subsidy

The negative subsidy payable to Central Government towards National housing costs in years before 2012/13. It consists of five main elements – management and maintenance, capital financing charges, notional rent income, rebates and the Major Repairs Allowance.

Precepts

Sums levied by County and Parish Councils and Police Authorities on the Collection Funds of billing authorities (Districts and Boroughs) and forming part of the overall demand for Council Tax.

Prudential Indicators

The prudential capital finance system was introduced by the Local Government Act 2003. CIPFA's Prudential Code for Capital Finance in local authorities requires that Councils establish a number of prudential indicators at the time of setting budgets and capital plans. Prudential Indicators reflect the Council's decision's on capital spending and borrowing to ensure that the capital investment plans of the Council are affordable, prudent and sustainable.

Revenue Expenditure

Expenditure on day-to-day items including salaries and wages, contract payments, general running expenses and, where relevant, any capital financing charges.

Special Expenses

Those expenses incurred by an authority on services in certain parts of its area where the same service is provided in another part of the area by one or more Parish Councils. These expenses are separated from general expenses and charged only to those areas to which they relate. Precepts levied by Parish Councils are also treated as special expenses for Council Tax purposes. (See details on page 25)

Start-up Funding Assessment

The local authority's share of the local government spending control total which will comprise of its Revenue Support Grant and its baseline funding level. The funding assessment of the authority is, however, only a starting point for the new funding arrangements and it is highly unlikely that the authority will end up actually receiving this level of funding).

Third Party Contributions to Capital Expenditure

Contributions from external sources (eg Section 106 agreements or National Lottery awards) towards the cost of providing and improving capital assets. These are not deemed to be capital receipts as they do not arise from the disposal of a capital asset.

Virement

Permission to increase spending on one budget head when this is matched by a corresponding reduction on another budget head.