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NORTH HERTFORDSHIRE DISTRICT COUNCIL

COUNCIL

THURSDAY 7 FEBRUARY 2019

SUPPLEMENTARY AGENDA

Please find attached supplementary papers relating to the above meeting, as follows:

Agenda No Item

7. **ITEM REFERRED FROM CABINET: 29 JANUARY 2019 - REVENUE BUDGET 2019/20 (Pages 1 - 18)**

REPORT OF THE SERVICE DIRECTOR – RESOURCES

To consider the revenue budget for 2019/20 and the main factors which contribute to the determination of the North Hertfordshire District Council (NHDC) Council Tax level, for recommendation to Council.

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COUNCIL
7 FEBRUARY 2019

PUBLIC DOCUMENT

ADDENDUM TO: REVENUE BUDGET 2019/20

REPORT OF: SERVICE DIRECTOR - RESOURCES
EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM
COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1 EXECUTIVE SUMMARY

- 1.1 To inform Council of the changes made by Cabinet to the Revenue Budget for 2019/20 onwards at their meeting on 29th January 2019. As with the rest of the budget, these changes will be subject to approval by Full Council.
- 1.2 To inform Council of the precepts demanded by all the local precepting authorities in the District and the resulting total District Council Tax Requirement.

2 RECOMMENDATIONS

- 2.1 That Council notes the changes detailed in this addendum report when approving a proposed net budget of £15.2m for 2019/20.
- 2.2 That Council approve the resultant increase in the level of Council Tax for the North Hertfordshire District Council element of 2.99%.
- 2.3 That Council notes, with two parish precept notifications currently outstanding, the Parish and Town Council precept requests received totalling £1,156,362.
- 2.4 That Council notes that, with two parish precept notifications currently outstanding, the total District Council Tax Requirement is £12,547,429 and approves this figure for inclusion in the Council Tax Resolution.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that all relevant factors are taken into consideration when arriving at the proposed Council Tax precept for 2019/20.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 In relation to the changes recommended by Cabinet, these are subject to approval by Full Council.

5 CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 For the Parish and Town Council Precepts, the relevant Councils were asked to provide notice of their precept requirements in order that there could be consideration of the total District Council Tax Requirement at this meeting.

6 FORWARD PLAN

- 6.1 As main report.

7 BACKGROUND

- 7.1 The referral from Cabinet details the recommendation to increase Council Tax by 2.99% and the workings behind the North Hertfordshire District Council (NHDC) precept, for its own purposes, of £11,391,067.
- 7.2 Due to the timings of the Cabinet and Full Council meetings, Full Council were provided with a copy of the Cabinet report (29th January 2019).

8 RELEVANT CONSIDERATIONS

Cabinet changes

- 8.1 The referral from Cabinet reflects the changes that they agreed at their meeting on 29th January 2019. The following paragraphs detail these changes and the consequential changes to the report previously provided to Full Council.
- 8.2 The changes agreed by Cabinet were as follows:
- In relation to efficiency E2 (Appendix B) that the expenditure reduction of £65k only be applied in 2019/20. This would then provide budget of £65k in 2020/21 onwards to undertake reviews of the transport implications of town centre strategies.
 - That a new investment proposal (to be added as reference R14) be included in 2019/20 to engage suitable consultants in order to carry out a study in relation to Electric Vehicle Charging Points (EVCPs). This would cover what the Council should do with its existing EVCPs, opportunities to grow the EVCP network and the relevant elements of the action plan within the Parking Strategy. This would require a budget of £15k in 2019/20 only.
 - That a new investment proposal (to be added as reference R15) be included in 2019/20 to lead in establishing a Transport User Forum. The Forum would enable the community to have a voice and bring together all the different groups, service operators and local authorities in a cohesive way. The overall

ambition is that this will lead to better more integrated services which reduce the reliance on private cars. It is hoped that this then results in consequential reductions in congestion, air pollution, use of natural resources and the need for transport infrastructure. This would require a budget of £50k in 2019/20 only.

- That a new investment proposal (to be added as reference R16) be included in 2019/20 to provide additional funding to the North Herts Minority Ethnic Forum. The additional one-off funding would help sustain the Forum's programme of support services during 2019/20 and help develop sustainability strategies to secure external core funding for the foreseeable future. This would require a budget of £25k in 2019/20 only.

- 8.3 In addition to the above, Cabinet also noted an error in Appendix B in relation to PE10. The text is inconsistent in relation to the grant to Baldock Town Centre Partnership, as it says that the grant ceases at the end of 2020/21 but then shows amounts only up to 2019/20. The revised Appendix B shows the amounts up to 2020/21.
- 8.4 A revised appendix B is provided as an attachment to this addendum report.
- 8.5 The changes above also feed in to the totals in appendix A, and a revised version of this appendix is also attached. The overall target level of savings referenced in paragraph 8.6.2 of the Cabinet report is unchanged. However the forecast use of reserves over the 4 year period increases to around £870k. Also, there is a change to recommendation 2.9 as the estimated net expenditure for 2019/20 is £15.2m. This is reflected in recommendation 2.1 above.

Precepts

- 8.6 The Parish and Town Councils were asked to provide notification of the precepts they wish to levy for 2019/20 by the 18th January 2019. At the time of writing this addendum report, however, notification of the respective precept demands from Clothall Parish Council and Kelshall Parish Council is outstanding. An update will be provided at the meeting.
- 8.7 It was agreed at the 17th January 2019 meeting of this Council to distribute a total of £38,885 to the local precepting authorities as the amount of Council Tax Reduction Scheme Grant for 2019/20. This will be paid to each authority in addition to their precept demand.
- 8.8 Table 1 below details the relevant precept demand and grant amounts for each Town and Parish Council. The total precept demand is the amount that will be levied on the relevant Council Tax base of the District. The amount of £1,156,362 will be subject to change when the precept demands for Clothall and Kelshall are confirmed.

Table 1 - Parish and Town Council Precepts for 2019/20

North Hertfordshire Parish & Town Councils	2019/20					2018/2019	
	Total Precept and Grant	CTRS Grant	Precept Demand	Council Tax Base	Band D Tax	Band D Tax	Change on Band D
	£	£	£		£	£	£
Ashwell	79,000.00	1,416.47	77,583.53	862.40	89.96	74.20	15.76
Baldock	-	-	-	3,759.30	-	-	-
Barkway	36,720.00	493.10	36,226.90	398.70	90.86	95.78	-4.92
Barley	22,000.00	571.53	21,428.47	321.30	66.69	66.10	0.59
Bygrave	6,540.12	40.12	6,500.00	126.10	51.55	51.83	-0.28
Caldecote and Newnham	1,500.00	79.74	1,420.26	51.70	27.47	27.99	-0.52
Clothall	TBC	118.12	TBC	81.00	TBC	22.87	TBC
Codicote	108,500.00	3,154.04	105,345.96	1,653.70	63.70	64.02	-0.32
Graveley	6,665.26	665.26	6,000.00	169.30	35.44	34.84	0.60
Great Ashby	43,000.00	2,457.59	40,542.41	2,051.40	19.76	19.87	-0.11
Hexton	0.00	0.00	0.00	65.40	0.00	0.00	0.00
Hinxworth	10,370.00	110.56	10,259.44	160.90	63.76	64.05	-0.29
Hitchin	-	-	-	12,336.90	-	-	-
Holwell	9,187.20	410.24	8,776.96	153.00	57.37	53.28	4.09
Ickleford	50,799.00	2,425.82	48,373.18	771.80	62.68	62.46	0.22
Kelshall	TBC	149.55	TBC	76.60	TBC	36.68	TBC
Kimpton	75,660.92	1,660.92	74,000.00	1,048.30	70.59	68.06	2.53
Kings Walden	28,943.79	968.13	27,975.66	414.70	67.46	67.98	-0.52
Knebworth	151,740.00	3,281.85	148,458.15	1,987.00	74.71	73.44	1.27
Langley	0.00	0.00	0.00	90.00	0.00	0.00	0.00
Letchworth	-	-	-	11,599.60	-	-	-
Lilley	10,835.00	349.08	10,485.92	171.40	61.18	61.89	-0.71
Nuthampstead	0.00	0.00	0.00	68.60	0.00	0.00	0.00
Offley	42,342.41	2,171.41	40,171.00	610.00	65.85	51.16	14.69
Pirton	36,000.00	695.68	35,304.32	561.00	62.93	64.15	-1.22
Preston	6,600.00	196.52	6,403.48	220.70	29.01	28.75	0.26
Radwell	1,188.00	131.38	1,056.62	58.10	18.19	16.41	1.78
Reed	5,000.00	174.72	4,825.28	147.00	32.83	25.49	7.34
Royston	317,338.66	11,404.66	305,934.00	6,469.80	47.29	42.53	4.76
Rushden and Wallington	4,300.00	144.83	4,155.17	201.50	20.62	20.68	-0.06
St Ippolyts	27,000.00	1,439.85	25,560.15	896.00	28.53	26.23	2.30
St Pauls Walden	45,752.55	1,442.55	44,310.00	549.30	80.67	90.31	-9.64
Sandon	8,500.00	494.29	8,005.71	237.70	33.68	32.58	1.10

North Hertfordshire Parish & Town Councils	2019/20					2018/2019	
	Total Precept and Grant	CTRS Grant	Precept Demand	Council Tax Base	Band D Tax	Band D Tax	Change on Band D
	£	£	£		£	£	£
Therfield	6,002.44	289.29	5,713.15	263.40	21.69	21.47	0.22
Weston	20,000.00	793.55	19,206.45	440.70	43.58	43.55	0.03
Wyndley	33,494.13	1,154.13	32,340.00	424.10	76.26	74.58	1.68
TOTAL	1,195,247.15	38,884.98	1,156,362.17	49,498.40	-	-	-

LEGAL IMPLICATIONS

- 8.9 The provision for the Authority to levy and collect a Council tax is provided in section 30 of the Local Government Finance Act 1992 (Aggregating Billing Authority and Preceptors Council Tax Charges).
- 8.10 The principles for referendums relating to Council Tax increases were published in the provisional Local Government finance settlement on 13th December 2018 and do not apply to the local precepting authorities.
- 8.11 Council is asked to note the precepts and approve the total District Council Tax Requirement for inclusion in the Council Tax resolution. It is the responsibility of the Council Tax Setting Committee to set the Council Tax Base and set the Council Tax in accordance with the relevant legislation (see paragraph 10.2 of the Council's Constitution).

9 FINANCIAL IMPLICATIONS

- 9.1 We are required to calculate and include in the formal council tax resolution the District Council Tax requirement, which comprises the District Council's budget requirement and that of any parishes in the area. This figure is then combined with the precept requirements from the major precepting bodies, Hertfordshire County Council and Hertfordshire Police and Crime Commissioner, to arrive at the total Council Tax amount due.
- 9.2 The approval of the formal Council Tax resolution by the Council Tax Setting Committee is scheduled to take place on the 28th February 2019 and will authorise the Council Tax billing of the residents of North Hertfordshire for financial year 2019/20.

10 RISK IMPLICATIONS

- 10.1 The risk of non-collection of Council Tax is monitored in the Collection Fund. The tax base calculations have assumed a non-collection rate of 1%.

11 EQUALITIES IMPLICATIONS

- 11.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 11.2 The review and setting of Council Tax is a statutory responsibility of this Council. A balance must be considered and demonstrated by the Council when setting the level of Council Tax and any rise or fall in tax. This said balance is between the ability of the individual residents' to pay the required Council Tax and the Council's need to have sufficient base budget to deliver key services across the District. The recommendation to provide a grant of approximately £39,000 to the District's Town and Parish Councils will mitigate the impact of the Council Tax Reduction Scheme. This action reflects some of the considerations made in reaching this balance.

12 SOCIAL VALUE IMPLICATIONS

- 12.1 The Social Value Act and "go local" policy do not apply to this report.

13 HUMAN RESOURCE IMPLICATIONS

- 13.1 There are no direct human resource implications arising.

14 APPENDICES

- 14.1 Appendix A- Budget Summary (General Fund Estimates 2019/20 – 2023/24), amended
- 14.2 Appendix B- Revenue Efficiencies and Investment Proposals, amended

15 CONTACT OFFICERS

- 15.1 Antonio Ciampa, Accountancy Manager
Antonio.Ciampa@north-herts.gov.uk; ext 4566
- 15.2 Ian Couper, Service Director - Resources
Ian.Couper@north-herts.gov.uk; ext 4243

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General Fund Estimates 2019/20 - 2022/23

All amounts £000	2019/20	2020/21	2021/22	2022/23
Net expenditure brought forward	14,549	15,226	14,873	14,976
Savings previously identified	-539	-85	-52	0
Savings reported after 2018/19 budget was set	-603	133	0	0
Pressures reported after 2018/19 budget was set	824	-228	63	0
Other previously agreed changes (including updates to amounts)	-134	-6	11	-5
Estimated Net Inflation	480	392	454	374
Expenditure Budget Carried Forward from 2018/19	128	-128	0	0
Provision for further revenue investments in future years	-	150	150	150
New savings proposals	-171	56	-95	83
New revenue investments	692	-337	-28	8
Further savings tbc	-	-300	-400	-500
Total gross expenditure (excluding Housing Benefit subsidy)	15,226	14,873	14,976	15,086
Council Tax	-11,391	-11,755	-12,125	-12,501
Council Tax Collection Fund Accumulated Surplus	-300	0	0	0
Revenue Support Grant (negative)	0	1,103	1,136	1,170
Business Rates	-2,682	-2,763	-2,846	-2,931
New Homes Bonus	-984	-844	-844	-844
Other	39	24	24	24
Planned contribution to funding equalisation reserve	92	-92	0	0
Net funding position (use of reserves)	0	546	321	4
Reserves b/f (as forecast at November 2018)	7,055	7,055	6,509	6,188
Reserves c/f	7,055	6,509	6,188	6,184

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New Efficiency Proposals for 2019/20 and beyond

Ref No	Service Directorate	Description of Proposal	Net Efficiency				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
E1	Regulatory	Deletion of Membership of Greater Cambridgeshire and Greater Peterborough LEP. The GCGP LEP ceased to operate as of 01 April 2018. The new LEP, known as The Business Board, is Cambridge and Peterborough orientated only.	Expenditure reduction	(16)	(16)	(16)	(16)
			Additional Income	-	-	-	-
			Total	(16)	(16)	(16)	(16)
E2	Regulatory	Removal of funding for Area Wide Parking Reviews in 2019/20. There is a sufficient balance in reserve to enable the works to be undertaken in 2019/20 without the need for this annual provision. UPDATE: Cabinet 21st December 2018: efficiency proposal recommended to be extended across the medium term period as can be funded from reserves across the next four years. UPDATE: Cabinet 29th January 2019: recommended that the expenditure reduction of £65k only be applied in 2019/20. This would then provide budget of £65k in 2020/21 onwards to undertake reviews of the transport implications of town centre strategies.	Expenditure reduction	(65)	-	-	-
			Additional Income	-	-	-	-
			Total	(65)	-	-	-
E3	Resources	Ceasing the use of duplicate payment finder software. Additional functionality from the recent upgrade of the Council's main accounting system means that additional software to identify duplicate payments is no longer required.	Expenditure reduction	(5)	(5)	(5)	(5)
			Additional Income	-	-	-	-
			Total	(5)	(5)	(5)	(5)
E4	Resources	Savings on the cost of insurance have materialised following the tender of the Council's insurance arrangements, primarily on our property insurance. We have also decided to no longer insure against loss of revenue for the leisure facilities in the event of them being damaged. We have restricted insuring against terrorism damage to just key buildings rather than the whole of the property portfolio. The public liability excess has also increased from £5,000 to £10,000 per claim, which meant the premium was held at the previous level rather than increasing.	Expenditure reduction	(48)	(48)	(48)	(48)
			Additional Income	-	-	-	-
			Total	(48)	(48)	(48)	(48)
E5	Place	Effective procurement and management of tree maintenance arrangements has facilitated a reduction in the estimated annual provision required to deliver this service without adversely impacting the condition of the trees maintained within the district.	Expenditure reduction	(10)	(10)	(10)	(10)
			Additional Income	-	-	-	-
			Total	(10)	(10)	(10)	(10)
E6	Regulatory	Planning advertising expenditure	Expenditure reduction	(5)	(5)	(5)	(5)
			Additional Income	-	-	-	-
			Total	(5)	(5)	(5)	(5)
E7	Legal & Community	Rolling reduction in area committee grant budgets equivalent to 20% of annual provision	Expenditure reduction	(10)	(19)	(25)	(31)
			Additional Income	-	-	-	-
			Total	(10)	(19)	(25)	(31)
E8	Legal & Community	Removal of budget provision for District Council elections in 2021/22 as no elections scheduled to be held.	Expenditure reduction	-	-	(89)	-
			Additional Income	-	-	-	-
			Total	-	-	(89)	-
E9	All Directorates	Budget scrutiny savings: total of minor savings (each less than £1K in value) identified from the review of existing base budgets.	Expenditure reduction	(12)	(12)	(12)	(12)
			Additional Income	-	-	-	-
			Total	(12)	(12)	(12)	(12)
Total Net Budget Reduction from new efficiency proposals			Total Expenditure reduction	(171)	(115)	(210)	(127)
			Total Additional Income	-	-	-	-
			Total Efficiencies	(171)	(115)	(210)	(127)

New Revenue Pressures and Investment Proposals

Ref No	Service Directorate	Description of Proposal	Investment				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
R1	Regulatory	Local Plan 2011-2031- Current discussions with the Inspector lead officers to believe that it should be possible to achieve a recommendation to adopt within 2018/19 subject to decisions of the Council. As such, this bid focuses on the work that will need to be undertaken post-adoption such as the review of strategies and the undertaking of studies. This bid maybe subject to change following the Inspectors interim report.	Additional Expenditure	150	-	-	-
			Income Reduction	-	-	-	-
			Total	150	-	-	-
R2	Regulatory	Retention of the 2018/19 parking tariff structure for 2019/20, including freezing prices for car park season tickets and residents parking permits.	Additional Expenditure	-	-	-	-
			Income Reduction	100	100	100	100
			Total	100	100	100	100
R3	Resources	Removal of earmarked efficiency from launch of NHDC Lottery (PE6 below). Planned efficiency values were based on the experience of the first year of the Vale Lottery. A further assessment of the options for delivering a NHDC lottery was subsequently undertaken by officers. Officers concluded that in the absence of a major driver for demand, such as the lottery being a means of supporting a local hospital, a lottery would most likely absorb significant officer resource for a relatively minor return.	Additional Expenditure	-	-	-	-
			Income Reduction	50	65	65	65
			Total	50	65	65	65
R4	Legal & Community	Removal of earmarked efficiency from replacement of area committees with a more informal alternative (PE4 below)	Additional Expenditure	50	50	50	50
			Income Reduction	-	-	-	-
			Total	50	50	50	50
R5	Regulatory	Removal of earmarked efficiency from the review of the Council's Parking Strategy (CBP 2017/18).	Additional Expenditure	-	-	-	-
			Income Reduction	100	100	100	100
			Total	100	100	100	100
R6	Regulatory	Review of Social Housing stock- On a four yearly basis, procure consultants to analyse the condition of housing stock in North Herts and/or support activity on measures aimed at resultant findings/current priorities (e.g. helping residents introduce energy efficiency measures).	Additional Expenditure	-	20	-	-
			Income Reduction	-	-	-	-
			Total	-	20	-	-
R7	Regulatory	Local housing market analysis- Appoint consultant biannually to provide information and analysis on the local housing market in order to inform the development of housing policies and strategies.	Additional Expenditure	-	8	-	8
			Income Reduction	-	-	-	-
			Total	-	8	-	8
R8	Resources	Payroll contract - One year extension of current Payroll Contract to the end of March 2020, as per published delegated decision notice 26/08/2018. Due to this annual contract price increase, a new contract will be procured and commence from 2020/21.	Additional Expenditure	12	12	12	12
			Income Reduction	-	-	-	-
			Total	12	12	12	12
R9	Legal & Community	Grant to Citizen Advice North Herts to provide advice and support to residents (1 year project).	Additional Expenditure	50	-	-	-
			Income Reduction	-	-	-	-
			Total	50	-	-	-
R10	Legal & Community	Grant to Age UK (Hertfordshire) to provide home visits to help identify and claim any currently unclaimed benefits (1 year project). Dependent on being able to confirm that grant is ring-fenced to North Herts.	Additional Expenditure	20	-	-	-
			Income Reduction	-	-	-	-
			Total	20	-	-	-
R11	Place	Tree Replacement - Replace 31 trees that died during the hot dry summer of 2018	Additional Expenditure	10	-	-	-
			Income Reduction	-	-	-	-
			Total	10	-	-	-
R12	Regulatory	Feasibility study to identify issues and their location in relation to Homes of Multiple Occupancy (HMOs)	Additional Expenditure	10	-	-	-
			Income Reduction	-	-	-	-
			Total	10	-	-	-
R13	Legal & Community	Additional budget for Health and Wellbeing team to help establish existing activities and identify models and funding opportunities for ongoing delivery.	Additional Expenditure	50	-	-	-
			Income Reduction	-	-	-	-
			Total	50	-	-	-

R14	Regulatory	Engage suitable consultants in order to carry out a study in relation to Electric Vehicle Charging Points (EVCPs). This would cover what the Council should do with its existing EVCPs, opportunities to grow the EVCP network and the relevant elements of the action plan within the Parking Strategy.	Additional Expenditure	15	-	-	-
			Income Reduction	-	-	-	-
			Total	15	-	-	-
R15	Regulatory	Lead in establishing a Transport User Forum. The Forum would enable the community to have a voice and bring together all the different groups, service operators and local authorities in a cohesive way. The overall ambition is that this will lead to better more integrated services which reduce the reliance on private cars. It is hoped that this then results in consequential reductions in congestion, air pollution, use of natural resources and the need for transport infrastructure.	Additional Expenditure	50	-	-	-
			Income Reduction	-	-	-	-
			Total	50	-	-	-
R16	Legal & Community	Provide additional funding to the North Herts Minority Ethnic Forum. The additional one-off funding would help sustain the Forum's programme of support services during 2019/20 and help develop sustainability strategies to secure external core funding for the foreseeable future	Additional Expenditure	25	-	-	-
			Income Reduction	-	-	-	-
			Total	25	-	-	-
			Total Additional Expenditure	352	90	62	70
			Total Income Reduction	250	265	265	265
			Total Investments	692	355	327	335

Efficiencies earmarked in 2019/20 (and/or beyond) resulting from previous decisions

Ref No	Service Directorate	Description of Proposal	Efficiency				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
PE1	Customers	Restructure of Revenues team. The use of technology means that the service can absorb these changes with no impact on service delivery.	Expenditure reduction	(6)	(12)	(12)	(12)
			Additional Income	-	-	-	-
			Total	(6)	(12)	(12)	(12)
PE2	Resources	Reduction in the number of audit days delivered by the Shared Internal Audit Service. Proposed to reduce from 400 days in 2017/18 to 360 days in 2018/19, 320 days in 2019/20 and 300 days from 2020/21 onwards. External Audit no longer place reliance on the work of Internal Audit in respect of key financial systems, hence the substantive testing element of this work is no longer required. The Council generally have good controls and therefore there is scope to reduce the time spent on service audits and still retain capacity to target any identified risk areas. The Audit Manager has advised that at 300 days, SIAS would still expect to be able to provide their annual assurance.	Expenditure reduction	(10)	(15)	(15)	(15)
			Additional Income	-	-	-	-
			Total	(10)	(15)	(15)	(15)
PE3	Resources	Centralisation of property repairs and maintenance budgets. Centralisation of these budgets will facilitate more effective planning and prioritisation of maintenance work.	Expenditure reduction	(20)	(20)	(20)	(20)
			Additional Income	-	-	-	-
			Total	(20)	(20)	(20)	(20)
PE4	Legal & Community	Replace area committees with a more informal alternative (see R4). The amount of saving of the direct administration cost of supporting Area Committees could be in the region of £50k, but would be dependent on the format and frequency of any alternative.	Expenditure reduction	(50)	(50)	(50)	(50)
			Additional Income	-	-	-	-
			Total	(50)	(50)	(50)	(50)
PE5	Place	Provision of a Crematorium at Wilbury Hills. Delivery of the crematorium and any revenue efficiency is dependent on a successful planning application. The estimated efficiency value is based on the proposed terms of the lease, with NHDC receiving an annual base rent of £10k (indexed annually by RPI) plus a percentage (up to a maximum of 10%) of the turnover generated from the Crematorium. The eligible percentage of turnover would be linked to the number of cremations that take place over a 12 month period.	Expenditure reduction	-	-	-	-
			Additional Income	-	(50)	(100)	(100)
			Total	-	(50)	(100)	(100)
PE6	Resources	The launch of an NHDC Lottery (see R3). Efficiency values are based on activity generated by the Aylesbury Vale lottery and assume 60% of the value of the tickets sold at £1 can be directed to fund activities in the NHDC area. Revenue generated could therefore be used to fund area grant awards.	Expenditure reduction	-	-	-	-
			Additional Income	(50)	(65)	(65)	(65)
			Total	(50)	(65)	(65)	(65)
PE7	Place	Reduction in cost for waste collection and street cleansing arising from the retendering of the service. Increase in efficiency from 2019/20 due to expectation of full year saving (contract commenced May 2018) and removal of initial one-off costs associated with the new contract.	Expenditure reduction	(203)	(203)	(203)	(203)
			Additional Income	-	-	-	-
			Total	(203)	(203)	(203)	(203)
PE8	Place	Full year effect of previous decision. The expected net impact of introducing garden waste charging, at £40 with a 26% take-up. Efficiency anticipated to be greater after year 1 following removal of initial one-off costs and early bird discount.	Expenditure reduction	-	-	-	-
			Additional Income	(131)	(131)	(131)	(131)
			Total	(131)	(131)	(131)	(131)
PE9	Place	Savings in staffing costs anticipated from year 2 of the contract from a joint waste client team with East Herts Council.	Expenditure reduction	(60)	(60)	(60)	(60)
			Additional Income	-	-	-	-
			Total	(60)	(60)	(60)	(60)

PE10	Legal & Community	Cease MOU and contractual payments to identified Community Groups. Baldock Town Centre Partnership. Grant ceasing at the end of 2020/21. Amounts to be paid: 2018/19 £6.8k, 2019/20 £4.6k, 2020/21 £2.3k. Hitchin British Schools Museum. Ceasing at end of 2019/20. Amounts to be paid: 2018/19 £4.5k, 2019/20 £2.2k. Sports North Herts. Ceasing at end of 2019/20. Amounts to be paid: 2018/19 £3k, 2019/20 £1.5k. Arts Council for North Herts. Ceasing at end of 2019/20. Amounts to be paid: 2018/19 £5.5k, 2019/20 £2.8k. Stevenage and North Herts Women's Resource Centre. Ceasing at end of 2019/20. Amounts to be paid: 2018/19 £0.7k, 2019/20 £0.4k.	Expenditure reduction	(9)	(18)	(20)	(20)
			Additional Income	-	-	-	-
			Total	(9)	(18)	(20)	(20)
Total Net Budget Reduction from earmarked efficiencies			Total Expenditure reduction	(358)	(378)	(380)	(380)
			Total Additional Income	(181)	(246)	(296)	(296)
			Total Efficiencies	(539)	(624)	(676)	(676)

Savings incorporated since 2018/19 Budget approved by Council in February 2018

Report	Service Directorate	Description of Saving	Saving				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
Q3 2017/18	Commercialisation	Increase in rental income following rent review (included within ongoing impact total relating to 'other minor balances' of Q3 2017/18 report)	Expenditure reduction	-	-	-	-
			Additional Income	(5)	(5)	(5)	(5)
			Total	(5)	(5)	(5)	(5)
Council 10.4.2018	Legal & Community	The Council resolution at its meeting on 10th April was that that the adopted member allowances scheme for 2017/18 should remain in place without amendment for the 2018/19 year which reduces the anticipated cost in future years. This saving is the inflation that would have been paid if the amounts had increased.	Expenditure reduction	(7)	(7)	(7)	(7)
			Additional Income	-	-	-	-
			Total	(7)	(7)	(7)	(7)
Q1 2018/19	Place	The original estimate of take-up of the chargeable garden waste service was based on the results of the public consultation, which indicated a 26% take up. The service has however been more popular than the consultation suggested, with currently over 50% of households registered for the service. It is currently assumed that this level of take-up will continue next year.	Expenditure reduction	-	-	-	-
			Additional Income	(235)	(235)	(235)	(235)
			Total	(235)	(235)	(235)	(235)
Q2 2018/19	All Directorates	The original staff salary cost estimate for 2018/19 was based on assumption of pay award of 3% for all pay grades. Negotiated pay offers resulted in salary increases ranging from 2% for middle to higher salary grades to 9% at the lowest pay point.	Expenditure reduction	(85)	(85)	(85)	(85)
			Additional Income	-	-	-	-
			Total	(85)	(85)	(85)	(85)
Q2 2018/19	Chief Executive	Interest on mortgage payments. The final outstanding Housing Association mortgage was redeemed early so the Council no longer has any outstanding mortgages. Saving value included in 'other minor variances' ongoing impact total in Q2 report.	Expenditure reduction	(7)	(7)	(7)	(7)
			Additional Income	-	-	-	-
			Total	(7)	(7)	(7)	(7)
Q2 2018/19	Chief Executive	Increase in anticipated level of investment interest income due to the reprofiling of the Capital Programme increasing cash balances available for investment.	Expenditure reduction	-	-	-	-
			Additional Income	(133)	-	-	-
			Total	(133)	-	-	-
Q2 2018/19	Chief Executive	Saving on anticipated cost of External Audit, based on Public Sector Audit Appointments published scale of fees. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	(6)	(6)	(6)	(6)
			Additional Income	-	-	-	-
			Total	(6)	(6)	(6)	(6)
Q2 2018/19	Customers	Photocopying costs. The temporary relocation to Town Lodge prompted a reduction in the total number of MFD machines, with three less in operation. This reduction was then made permanent when the lease contract was renewed prior to the return to DCO. This has resulted in lower rental costs, print charges and paper costs.	Expenditure reduction	(18)	(18)	(18)	(18)
			Additional Income	-	-	-	-
			Total	(18)	(18)	(18)	(18)
Q2 2018/19	Customers	Stationery expenditure. Centralisation of stationery stock management and procurement has facilitated a further reduction in resource required (included within other minor variances ongoing impact total in Q2 report).	Expenditure reduction	(8)	(8)	(8)	(8)
			Additional Income	-	-	-	-
			Total	(8)	(8)	(8)	(8)
Q2 2018/19	Customers	Court summons fees. With effect from 20th July 2018, the fee charged by Magistrates Courts for the issue of a liability order was reduced from £3.00 to £0.50. Annual saving value based on recent levels of activity and was included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	(10)	(10)	(10)	(10)
			Additional Income	-	-	-	-
			Total	(10)	(10)	(10)	(10)

Q2 2018/19	Customers	Document Imaging contract. The prevalence of electronic invoicing and the transfer of the building control function to the trading company have contributed to a reduction in the volume of documents sent for scanning. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	(9)	(9)	(9)	(9)
			Additional Income	-	-	-	-
			Total	(9)	(9)	(9)	(9)
Q2 2018/19	Resources	Energy management arrangements. The Council no longer pays a fixed amount to a service provider to check energy bills received and flag any potential variances in amounts billed / energy consumed. The Council appointed a new contractor to be responsible for all aspects of energy procurement and billing, with the fee charged to the Council built into the price per unit of energy. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	(5)	(5)	(5)	(5)
			Additional Income	-	-	-	-
			Total	(5)	(5)	(5)	(5)
Q2 2018/19	Place	Garden Waste Collection. Net income from additional households registering for the service during quarter 2.	Expenditure reduction	-	-	-	-
			Additional Income	(61)	(61)	(61)	(61)
			Total	(61)	(61)	(61)	(61)
Revenue Budget Report 2019/20	Resources	Gas energy costs for DCO and Town Lodge premises. Reduction in spend on gas due to the DCO's heating being primarily electric following the refurbishment and the decant of staff from Town Lodge. Saving value included within other minor variances ongoing impact total in November monitoring within draft budget report.	Expenditure reduction	(7)	(7)	(7)	(7)
			Additional Income	-	-	-	-
			Total	(7)	(7)	(7)	(7)
Revenue Budget Report 2019/20	All Directorates	Electricity costs. While there is a trend of rising energy prices, overall net reduction in planned expenditure on electricity mainly due to the vacation of office premises at Town Lodge and Letchworth Broadway. Saving value included within other minor variances ongoing impact total in November monitoring within draft budget report.	Expenditure reduction	(7)	(7)	(7)	(7)
			Additional Income	-	-	-	-
			Total	(7)	(7)	(7)	(7)

Total Savings incorporated since 2018/19 budget agreed in February 2018	Total Expenditure reduction	(169)	(169)	(169)	(169)
	Total Additional Income	(434)	(301)	(301)	(301)
	Total Efficiencies	(603)	(470)	(470)	(470)

Budget Pressures incorporated since 2018/19 Budget approved by Council in February 2018

Report	Service Directorate	Description of Pressure	Pressure				
			2019/20	2020/21	2021/22	2022/23	
			£'000	£'000	£'000	£'000	
Outturn 2017/18	Resources	Removal of Income expectation from Herts CCTV Company. Anticipated income had been based on the original estimates prepared when the CCTV company was formed.	Additional Expenditure	-	-	-	-
			Income Reduction	39	39	39	39
			Total	39	39	39	39
Outturn 2017/18	Customers	Council Tax Summons Income. The increasing proportion of households paying their Council Tax by direct debit has contributed to reducing the numbers of people taken to court over non-payment. Waiting times for court dates have also increased, which has extended the period available to pay the outstanding sum prior to the court summons being issued.	Additional Expenditure	-	-	-	-
			Income Reduction	35	35	35	35
			Total	35	35	35	35
Outturn 2017/18	Customers	NNDR Court Summons Income	Additional Expenditure	-	-	-	-
			Income Reduction	11	11	11	11
			Total	11	11	11	11
Q1 2018/19	Place	Processing of comingled recyclates. China's decision to ban the import of certain categories of recycled materials from the start of the calendar year has ultimately led to a significant decline in the sale value of these materials. A fall in sale prices directly increases the processing unit cost charged to NHDC.	Additional Expenditure	130	130	130	130
			Income Reduction	-	-	-	-
			Total	130	130	130	130
Q1 2018/19	Customers	Government Grant Income. Notification received from Central Government of reductions to Housing Benefit administration grant (£29,300 reduction from 2017/18) and Council Tax administration grant (£9,600 reduction from 2017/18).	Additional Expenditure	-	-	-	-
			Income Reduction	39	39	39	39
			Total	39	39	39	39
Q3 2017/18 Outturn 17/18 Q1 2018/19	All Directorates	Total net ongoing impact of minor variances reported in quarterly monitoring reports to Cabinet since original budget was approved in February 2018. Q3 2017/18 = £2k, Q1 2018/19 = £11k	Additional Expenditure	13	13	13	13
			Income Reduction	-	-	-	-
			Total	13	13	13	13

Q1 2018/19	Commercialisation	Recruitment of two additional officers to the Commercial Support Team within the Commercialisation Service Directorate. The new posts will lead on the development of a housing investment company and explore new commercial opportunities, while also mapping out, supporting and developing internal services to increase commercial capacity. It is estimated that additional annual resource up to a maximum of £125k is required to meet the cost of the new positions; with maximum additional expenditure in 2018/19 of half this amount (£62.5k) should the recruitment process be successful. The Council's Senior Management Team recommended that the cost of the first two years of these posts should be funded from the Special reserve.	Additional Expenditure	-	62	125	125
			Income Reduction	-	-	-	-
			Total	-	62	125	125
Council 22.11.2018	Place	Waste Collection Service in North Hertfordshire. In recognition of the service received since the start of the new waste contract, which has not been of the standard we expect, the Council agrees an extension of the current 12 month payment period for green waste collection, for a further period of 3 months. The PMR deduction was reflected in the Q2 monitor and is now part of the General Fund balance. In effect this can be used as funding towards this extension.	Additional Expenditure	-	-	-	-
			Income Reduction	290	-	-	-
			Total	290	-	-	-
Council 22.11.2018	Chief Executive	Member Allowances Scheme 2019/20. An additional amount (£1,500) required to cover the payments to the Opposition and Third Party Leaders to cover their increased membership. Honoraria for three panel members at £500 each per year, for any year that a Panel reviews and prepares a report on Members' Allowances.	Additional Expenditure	3	3	3	3
			Income Reduction	-	-	-	-
			Total	3	3	3	3
Q2 2018/19	Customers	Land charges income. The response to building control related elements of personal searches, previously provided by NHDC, is now undertaken by Hertfordshire Building Control.	Additional Expenditure	-	-	-	-
			Income Reduction	10	10	10	10
			Total	10	10	10	10
Q2 2018/19	All Directorates	The national business rates revaluation in April 2017 resulted in significant increases to the rateable values of some of the Council's assets. Where this occurred, the authority was eligible for transitional relief, which allows the increase in rates to the higher value to be incremental over five years.	Additional Expenditure	32	32	32	32
			Income Reduction	-	-	-	-
			Total	32	32	32	32
Revenue Budget Report 2019/20	Place	Income from paper collected for recycling.	Additional Expenditure	-	-	-	-
			Income Reduction	83	83	83	83
			Total	83	83	83	83
Revenue Budget Report 2019/20	Place	Income from burials service.	Additional Expenditure	-	-	-	-
			Income Reduction	69	69	69	69
			Total	69	69	69	69
Revenue Budget Report 2019/20	Place	Street Sweeper at Letchworth Garden Square. The Letchworth Garden City Heritage Foundation no longer require the street sweeping machine - the cleansing is now undertaken by the Foundation. Pressure value included within other minor variances ongoing impact total in November monitoring within draft budget report.	Additional Expenditure	-	-	-	-
			Income Reduction	6	6	6	6
			Total	6	6	6	6
Revenue Budget Report 2019/20	All Directorates	Business Rates expenditure for Council properties. Adjustment to forecast reported at Q2 following further review. Pressure value included within other minor variances ongoing impact total in November monitoring within draft budget report.	Additional Expenditure	16	16	16	16
			Income Reduction	-	-	-	-
			Total	16	16	16	16
Revenue Budget Report 2019/20	Customers	Empty Property Review. The review looks at dwellings classified as empty to see if they actually are, or if Council Tax can be billed as the homes are inhabited. As the financial benefit from the exercise is realised in the Collection Fund position, contributions are drawn from the County Council and the Police and Crime Commissioner. Pressure value included within other minor variances ongoing impact total in November monitoring within draft budget report.	Additional Expenditure	4	4	4	4
			Income Reduction	-	-	-	-
			Total	4	4	4	4
Revenue Budget Report 2019/20	Customers	Housing Benefit and Council Tax administration grants. Notifications received from MHCLG - total grant expected for 2019/20 is £430k (reduction of £44k on 2018/19). Housing Benefit admin grant has been confirmed as £311k for 2019/20 (£350k in 2018/19), with the reduction mainly due to the change in the methodology for apportioning the grant, while MHCLG also confirmed a 5% reduction in the Council tax admin grant to a total of £118k.	Additional Expenditure	-	-	-	-
			Income Reduction	44	44	44	44
			Total	44	44	44	44

Total Net Budget Increase	Total Additional Expenditure	198	260	323	323
	Total Income Reduction	626	336	336	336
	Total Pressures Arising	824	596	659	659

Previously agreed changes, including updates to amounts

Reference	Service Directorate	Description	Pressure / Saving				
			2019/20	2020/21	2021/22	2022/23	
			£'000	£'000	£'000	£'000	
CBP 15/16 & CBP 16/17	Regulatory	Removal of Planning Services investment bids approved in prior years. 2015/16 CBP - Master-Planning of sites costs (part of the delivery of the Local Plan). £50k was earmarked in 2017/18 and £50k in 2018/19 (only). 2016/17 CBP - Local Plan costs - Following the Preferred Options consultation in 2015 additional work was identified as required before publication of the submission documentation. In addition the 2015 Central Bedfordshire examination identified that the current IT system did not meet the necessary legal tests. £120k earmarked in 2017/18 and £110k earmarked in 2018/19 (only).	Expenditure Impact	(160)	(160)	(160)	(160)
			Income Impact	-	-	-	-
			Total	(160)	(160)	(160)	(160)
CBP 2017/18	Customers	The original efficiency proposal, relating to the staffing restructure of the Systems & Technical Team, estimated that the saving would reduce from 2019/20 due to the requirement to renew GovTech Online Forms software.	Expenditure Impact	15	15	15	15
			Income Impact	-	-	-	-
			Total	15	15	15	15
-	Chief Executive	Reduction in annual interest payments relating to outstanding loans with Public Works Loans Board. The annual interest payments reduce as the loan principal is repaid. UPDATE CBP 2019/20: Estimates updated and extended to 2022/23	Expenditure Impact	-	(1)	(2)	(3)
			Income Impact	-	-	-	-
			Total	-	(1)	(2)	(3)
Council 31st August 2017	Chief Executive	Annual interest (fixed at 3.5%) receivable from NHDC loan to SLL for purchase of gym and fitness equipment at Hitchin and Royston Leisure Centres, approved by Council in August 2017, decreases as the loan principal is repaid. UPDATE CBP 2019/20: Interest income estimate extended to 2022/23	Expenditure Impact	-	-	-	-
			Income Impact	3	6	10	14
			Total	3	6	10	14
-	Chief Executive	District Wide Survey (estimated cost £16k) and Citizens' Panel (estimated cost £8k) take place in alternate years. UPDATE CBP 2019/20: Estimates include cost of District Wide Survey in 2021/22	Expenditure Impact	8	-	8	-
			Income Impact	-	-	-	-
			Total	8	-	8	-
Total Net Budget Impact			Total Expenditure Impact	(137)	(146)	(139)	(148)
			Total Income Impact	3	6	10	14
			Total Budget Impact	(134)	(140)	(129)	(134)

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