

Supplementary Information

Agenda No Item

7 **Budget 2018/19 (Pages 1 - 40)**

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NON-EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

7 February 2018

REVENUE & CAPITAL BUDGET 2018/19 TO 2022/23

Report of the Chief Finance Officer

FOR DECISION

Cabinet Lead for Finance, Councillor Tony Briggs

Key Decision: No

1. Purpose of Report

- 1.1 To provide Cabinet with the proposed Revenue and Capital Budget, Reserves & Balances, Treasury and Prices for Services for 2018/19

2. Recommendation

2.1 That Cabinet:

- Notes the current Fees and Charges schedule (Appendix G)
- Agrees to apply during 2018/19 an increase of up to 2.8% to those fees and charges that are not otherwise constrained by statute, to be determined by the Chief Finance Officer in consultation with the Leader.

2.2. That Cabinet recommends that Council:

- Approves the proposed Revenue & Capital Budgets for 2018/19, including a Council Tax rate of £198.54 at Band D, representing a 2.99% increase on the current charge.
- Note the Cabinet decision of Feb 17/18 to apply during 18/19 an increase of up to 2.8% to those fees and charges that are not otherwise constrained by statute, to be determined by the Chief Finance Officer in consultation with the Leader.
- Agrees the Treasury Management Strategy and Prudential indicators.

3. Budget Summary 2018/19

- 3.1 The 2018/19 summary budget position for next year is as follows:

	Forecast £'000
Estimated service costs for 2018/19	13,225
Other Operating Income & Expenditure	853
General Fund Transfer	-
Statutory reserve movements	186
Net Budget Requirement	14,264
Council Tax, Business Rates & Grant Funding	(14,264)
(Surplus) / Deficit	-

4. **Budget Process for 2018/19**

The Budget Process for 2018/19 focused on building new budgets (Zero Based Budgeting) to ensure alignment of financial requirement to the Councils strategic, operational and financial priorities.

- 4.1 Service Managers have been asked to build their budgets up from a zero base, and to produce a clear business plan to justify the submitted budgets. Business plans will be approved under the cover of a separate report.
- 4.2 The Executive Board reviewed the initial budget submissions at the end of October and, in early November, undertook reviews of the position with each of their Service Heads.
- 4.3 Following the November review a budget challenge session was held in December where Cabinet met with all Directors and HoS with the Chief Executive and Chief Finance Officer to undertake a review of the current financial position and the initial budget forecast for 2018/19. Following this meeting Portfolio Holders were tasked to work with their Directors/HoS to consider and bring forward proposals for income generation and efficiency savings to be brought back for review by Cabinet, the Chief Executive and Chief Finance Officer in the New Year.
- 4.4 A challenge session was held on Monday 8th January and several initiatives were agreed. These are detailed in Appendix B and a risk review completed with the Portfolio Holders.
- 4.5 It should be noted that the budget is still draft at this stage, and is subject to change. Any material changes will be reported at Council in February.
- 4.6 The decision to revoke the Vinci contract has been reflected in the budget position and MTFs. However, changes to the Capita contract are still subject to commercial negotiation and have not yet been reflected.
- 4.7 There are a number of risks and uncertainties implicit in the draft numbers, which are detailed below:

5. **Funding estimates for 2018/19**

- 5.1 **Council Tax:** The budget proposals assume that there will be a 2.99% increase in

Council Tax to £198.54 at Band D, with no further increases over the period of the financial strategy. The impact of the future years freeze is partially offset by an increase in tax base resulting from housing growth and a slight reduction in the number of Council Tax support claimants.

- 5.2 **Revenue Support Grant and New Homes Bonus:** 2018/19 is the final year in which the Council will receive the Grant, this has been reflected within the MTFS projections.
- 5.3 **Retained Business Rates:** The Council has been allowed to retain a proportion of Business Rates since 2013/14. The budget estimate for 2018/19 will be based on the Council's final NNDR1 return, to be submitted by 31st January. Until the return is submitted it is certain that the business rate estimate will change. Risks surrounding business rates estimates are detailed below.
- 5.4 **New Homes Bonus scheme** came into effect in April 2011. The provisional settlement suggests Havant will receive estimated grant of £1.788m in 2018/19. This represents an increase of £145,000 over expectation, and results from higher than anticipated property growth.
- 5.5 **Fees and Charges:** It is a Borough Council function to approve the budget framework and the council tax amount annually after other billing authorities have agreed their charges and in time for annual tax billing. The February Full Council meeting formally exercises this power. The Leader or the Cabinet is empowered to make changes to the Borough Council's fees and charges and to determine the Fees and Charges Schedule, provided the changes and the schedule are within the budget framework set annually by the Council. The Full Council notes the Fees and Charges Schedule annually. The recommendation is to apply during 2018/19 an increase of up to 2.8%% to those fees and charges that are not otherwise constrained by statute. This has been included within the estimates.
- 5.6 **Salary budgets:** The 2018/19 budget assumes a 2% pay award, living wage uplift, and that those who are entitled to increments will receive them. An annual pay award of 1% year on year has been included within the MTFS. No change has been assumed for calculation of National Insurance pending a communication from government, and pension rates have been increased to 15.1% in line with the rates provided by Hampshire Pension Fund. An increase of 1% per annum over the life of the MTFS for pension contributions has been included.
- 5.7 Measures included in previous autumn statements designed to attract new business, and currently being funded by s31 grant, will continue for 2018/19 are assumed to continue.

6. Budget risks

- 6.1 **New Homes Bonus;** In 2017/18, the government set its housing growth baseline, above which New Homes Bonus is applied, at 0.4%. This baseline is currently under review. Further consultation is underway on further changes to the award. These changes include linking the payment to housing delivery tests or other measures of the quality of planning decision making, and excluding payments in respect of housing permissions granted on appeal. The government is also consulting on whether NHB funding should be directed to National Park Authorities to reflect planning decisions made by the Park authorities rather than the Councils.

The budget estimates reflect the current award communicated through the provisional Settlement information, and will be confirmed by the end of January.

6.2 **Business Rates:** The Council experienced larger than forecast deficits on the business rates collection funds. This was largely due to a review of appeals provision calculation. A continuing high level of appeals would require an increase in provision, reducing the Council's retained income.

6.3 **Budget Challenge Outcomes:** As discussed earlier in the report a number of budget challenge sessions were undertaken leading up to the finalisation of the draft budget for 2018/19. The outcome of these sessions are listed in Appendix B. Portfolio Holders, Directors and Heads of Service have agreed a RAG rating for these outcomes. All challenge targets will be monitored throughout the year to ensure progress is made and the agreed income/efficiency targets are being achieved.

7. **Medium term projections to 2021/22**

7.1 The Council's Medium Term Financial Strategy has been updated using the results of the budget process as a revised base. The medium-term projections in Appendix A.

8. **Addressing the Long-Term position**

8.1 The financial strategy is based on savings assumptions relating to the 5 Councils outsourcing project and Norse joint venture.

8.2 The Council has historically underspent its budget (£1.7m in 2015/16, and £1.2 in 2016/17).

8.3 2017/18 has seen a number of unforeseen financial pressures mostly relating to the ongoing commercial negotiation with Capita. These have led to a number of one off costs not anticipated when the budget for 2017/18 was agreed, currently the forecast is that there will be deficit at the end of the year of £606k, Directors and Heads of Service are working to mitigate the deficit.

9. **Capital Projections 2017/18 to 2018/19**

9.1 Budget managers have been asked to complete outline capital appraisal forms for new projects identified. It is proposed that the Executive Board will consider the outline business cases for each new proposal. Those projects that the Executive Board support will be subject to a detailed business case prior to consideration by Cabinet. The Capital projects awaiting approval by Executive Board and formal Business cases are included at D.

9.2 The current approved Capital Programme is shown in Appendix C. The current approved position shows a spend of £1.716m against the capital programme.

10. **Use of Reserves 2017/18 to 2022/23**

10.1 Appendix E shows the proposed use of reserves between 2018/23.

11. Treasury Management Strategy

11.1 The Treasury Management Strategy has been reviewed and will apply from 1st April 2018.

12. Next steps

12.1. Following discussion at Cabinet, the budgets will be formally approved, with the Council Tax resolution, at Council in February.

13. Appendices:

- **Appendix A – 2018/19 Proposed Budget & 5 Year Financial Projections 2018/19 – 2022/23**
- **Appendix B – Budget Challenge Outcomes – January 2018**
- **Appendix C – Approved Capital Programme**
- **Appendix D – New Capital Bids**
- **Appendix E – Analysis of Reserve Balances 2018/19 – 2022/23**
- **Appendix F – Treasury Management Strategy 2018/19**
- **Appendix G – Fees and Charges 2017/18**
- **Appendix H – CFO Statement**
- **Appendix I - Analysis of Business Rates Income & Expenditure**

Agreed and signed off by:

Chief Finance Officer, 29 January 2018
Monitoring Officer, 29 January 2018

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Havant Borough Council

Appendix A - Financial Projections 2018/19 to 2022/23

2018/19 PROPOSED BUDGET

	Operations Directorate	Strategy & Governance Directorate	Commercial Directorate	Whole Council
	£m	£m	£m	£m
Sales - fees and charges	(4.819)	(0.544)	(0.347)	(5.710)
Sales - commercial enterprises	(2.167)	(0.042)	(0.182)	(2.391)
Income - general grants				0.000
Income - specific grants	(1.564)	(0.641)	0.000	(2.205)
Investment income and expenditure				0.000
Total Service Income	(8.550)	(1.227)	(0.529)	(10.306)
Employees	4.182	3.170	0.486	7.838
Supplies and services	3.467	2.241	(0.086)	5.621
Contract Costs	0.217	5.001	3.875	9.092
Agency/ Third party costs (net)		(0.125)		(0.125)
Capital Costs	0.724	0.151	0.230	1.105
Total Service Costs	8.589	10.437	4.504	23.530
Contribution / (surplus)/deficit	0.039	9.210	3.975	13.225
Other Operating Income & Expenditure				0.853
Minimum Revenue Provision				0.120
Movement in Reserves to Grants & Contributions Unapplied				1.150
Movement to Statutory Reserves				(0.984)
Total other costs and movement in reserves	0.000	0.000	0.000	1.040
Total net expenditure	0.039	9.210	3.975	(14.264)
Council Tax				(8.088)
Council Tax prior year surplus				0.000
Retained business rates				(3.242)
Retained Business Rates prior year deficit				(0.206)
Revenue Support Grant				(0.290)
New Homes Bonus				(1.788)
Section 31 grants				(0.650)
Total Grant, Council Tax and Business Rates funding	0.000	0.000	0.000	(14.264)
(Surplus) / Deficit	0.039	9.210	3.975	0.000

Appendix A – MTFS Version

2018/19 PROPOSED BUDGET					
	2018/19	2019/20	2020/21	2021/22	2022/23
	£M	£M	£M	£M	£M
Sales - fees and charges	(5.710)	(5.659)	(5.801)	(5.783)	(5.834)
Sales - commercial enterprises	(0.988)	(1.047)	(1.118)	(1.189)	(1.260)
Income - specific grants	(2.205)	(2.205)	(2.205)	(2.205)	(2.205)
Investment Income & Expenditure	(1.403)	(1.403)	(1.403)	(1.403)	(1.403)
Total Service Income	(10.306)	(10.314)	(10.527)	(10.580)	(10.702)
Employees & pension costs	8.237	9.160	9.370	9.453	9.155
Supplies and services	5.621	5.256	5.256	5.256	5.450
Contract costs	9.092	8.563	8.432	8.230	8.630
Agency/Third party costs (net)	(0.125)	(0.125)	(0.125)	(0.125)	(0.125)
Service income & efficiency targets	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)
Capital costs	1.105	1.105	1.105	1.105	1.105
Total Service Costs	23.530	23.559	23.638	23.519	23.815
Contribution/(surplus)/deficit	13.224	13.245	13.111	12.939	13.113
Other Operating Income & Expenditure	0.853	0.923	0.999	1.082	1.167
Minimum Revenue Provision	0.121	0.121	0.121	0.121	0.121
Movement on General Fund	-	-	-	-	-
Movement In Reserves to Grants & Contributions Unapplied	1.050	0.964	0.964	0.964	0.964
Movement in Statutory Reserves	(0.984)	(0.984)	(0.984)	(0.984)	(0.984)
Total other costs & mvmt in reserves	1.040	1.024	1.100	1.183	1.268
Total Net Expenditure	14.264	14.269	14.211	14.122	14.381
Council Tax	(8.081)	(8.311)	(8.349)	(8.389)	(8.427)
Council Tax prior year Surplus	(0.007)	-	-	-	-
Retained business rates	(3.242)	(4.181)	(4.281)	(4.384)	(4.489)
Retained business rates prior yr deficit	(0.206)	-	-	-	-
Revenue Support Grant	(0.290)	-	-	-	-
New Homes Bonus	(1.788)	(1.330)	(1.068)	(0.607)	(0.500)
Section 31 Grants	(0.650)	(0.666)	(0.683)	(0.700)	(0.717)
Total Grant, Council Tax and Business Rates Funding	(14.264)	(14.488)	(14.381)	(14.080)	(14.133)
(Surplus)/Deficit	-	(0.219)	(0.170)	0.042	0.248

Adjustments following Budget Challenge session January 8th 2018

Appendix B

No	Service	Adjustment required	Value	Head of Service Comments	Portfolio Holder	RAG Status
1	Planning	Removal of economic regeneration costs from budget, to be funded from CIL or other reserve on approval of business cases	£500,000	This has transferred to reserves and will be drawn down on a case by case basis for regeneration projects.	Cllr Guest	Green
2	Planning	General reduction in supplies & services	£82,000	Supplies and Services capped at £400k	Cllr Guest	Green
3	Planning	Increase in fee income from planning fee charge increases	£80,000	Based on past trends the 20% fee increase should deliver this increase. Does depend on the state of the macro economy, in terms of market sentiment to invest and buy development.	Cllr Guest	Green
4	Planning	Income /efficiency challenge to be met through vacancy/income or other cost saving	£50,000	As agreed, this is a potential saving and a welcome challenge.	Cllr Guest	Amber
5	Community	Halving of Councillor Grants	£19,000	Cllr grants of 38k - 19k just needs to be removed from budget and a new process will be written for awarding of grants.	Cllr Turner	Green
6	Community	Reduction in Community grants	£5,000	Community - reduction of 5% to community grants.	Cllr Turner	Green
7	Neighbourhood Quality	Off peak charging	£30,000		Cllr Wilson	Green
8	Neighbourhood Quality	General parking income uplift (working assumption to be clarified with Service Head	£170,000	Full review of fees and charges to be completed, operational savings achieved through managing vacancies and supplies/services	Cllr Wilson	Green
9	Neighbourhood Quality	Efficiency challenge to be met through vacancy or other cost saving	£250,000		Cllr Wilson	Green
10	Neighbourhood Quality	Alignment of Traffic Management charges with HCC	tbc		Cllr Wilson	N/A
11	Communications	50% of Serving You costs to be met through advertising revenue, 100% from 2019/20	£21,000	Serving You' publication to be self funding by 2019/2020.	Cllr Bains	Amber
12	Organisational Development	Income /efficiency challenge to be met through vacancy/income or other cost saving	£60,000	Restructure of Democratic Services and move to the implementation of a shared team .	Cllr Bowerman	Amber
13	Organisational Development	Paperless Democracy challenge	£25,000	Proposed savings achieved from moving towards paperless democratic service	Cllr Bowerman	Green
14	Contracts	Income /efficiency challenge to be met through vacancy/income or other cost saving	£100,000	Proposal needed for Cabinet on increase to fees and charges. Report to go back to Cabinet re maintaining income re recyclables.	Cllr Bains	Green
15	Contracts	General reduction in maintenance obligations	£300,000		Cllr Bains	Amber
16	Customer Services	Reduction in Salary Costs	£53,600	The salary target will be met by, changes to shared officers split between councils, remove a post in Post Team and reduction of hours for one member of staff.	Cllr Bowerman	Green
17	Customer Services	Reduction in Supplies and Services	£75,000	The supplies and services target will be met by a reduction in new bad debt provision based on historic trends	Cllr Bowerman	Green
18	Programmes Redesign and Quality	Efficiency Challenge	£100,000	To be delivered through a combination of service improvement initiatives, income generation and resource management.	Cllr Cheshire	Amber
19	Finance	Review of MRP; balance on historic internal borrowing paid off following transfer of asset to Norse	£279,000		Cllr Briggs	Green
		Total adjustments made to date	£2,199,600			

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Havant Borough Council Approved Capital Programme

Appendix C

Project	Brief Description of the project	Total Budget + carry forward £000	Spend to date £000	2017/18 Forecast £000	2018/19 Forecast £000	2019/20 Forecast £000
Current approved projects						
DFGs	To fund adaptations in homes	800	391	587	587	587
New allotments	To identify suitable land and construct new allotment(s).	135	-	-	135	
Refurbishment of HBC equipped play areas	To refurbish HBC owned equipped playgrounds that are coming to the end of their useful life.	75	-	-	75	
Civica Finance system		-	22	22		
Emsworth Wall replacement	Emsworth Wall replacement	-	99	99		
Front Lawn	Redevelopment of sports pitches at Front Lawn	800	1,204	1,204		
	Total	1,810	1,716	1,912	797	587

External Funding	1,675	1,595	1,791	662	587
Amount to be internally borrowed	-	-	-	-	-
Use of HBC Specific Reserves	-	-	-	-	-
Use of Usable Capital Receipts	135	121	121	135	-
External Borrowing	-	-	-	-	-
Total Funding	1,810	1,716	1,978	3,173	587

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HAVANT BOROUGH COUNCIL

New Capital Bids	Appendix D				
	2018/19	2019/20	2020/21	2021/22	2022/23
Langstone Flood and Coastal Erosion Risk Management (FCERM) Scheme	575	3,325			
Bus Shelter Replacement	350				
Asset Maintenance management system	35				
Replacement of Planning (and associated services) processing and application management system	350				
Replacement Vehicle	17				
Additional Beach Hut Provision	150				
Pest control vans	30				
Building Control IT Project	50				
Capital requiring financing	1,557	3,325	-	-	-
Proposed financing					
External contributions		1,300			
Use of specific reserves	435				
Use of Usable Capital Receipts	565				
Borrowing	575	2,025			
Total financing	1,575	3,325			

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Analysis of Reserve Balances 18/19 -22/23**Appendix E**

	Projected 18/19 Opening Balance	Capital Grants and Contributions Receivable 18/19 to 22/23	Contribution To Capital Programme 18/19 to 22/23	Expected use of Reserves 18/19	Expected use of Reserves 19/20 to 22/23	Projected 22/23 Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	(2,559)					(2,559)
Statutory Reserves						
Useable Capital Receipts Rese	(1,632)		6,726			5,094
Capital Grants & Unapplied Contributions	(1,078)	132				(947)
Community Infrastructure Levy & Developer Contributions Unapplied	(3,342)	1,341				(2,001)
Earmarked Reserves						
Capital Reserve	(326)					(326)
General Fund Earmarked	(967)					(967)
Insurance Reserve	(653)					(653)
Transformation Reserve	(982)					(982)
Working Capital Reserve	(2,000)					(2,000)
Contingency Reserve	(500)					(500)
Total	(14,039)	1,473	6,726	0	0	(5,840)

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Treasury Management Strategy, Minimum Revenue Provision Strategy and Annual Investment Strategy

- 1. The CIPFA Treasury Management Code of Practice**
 - 1.1 The Treasury Management and Investment Strategy has been set in accordance with the CIPFA Treasury Management Code of Practice 2011 and the revised Prudential Code for Capital Finance 2011.
 - 1.2 The Council is required to approve a Treasury Management Strategy which establishes the investment and borrowing activities for the Council. The Council's approach to Treasury Management is in accordance with the CIPFA Code of Practice, which requires a 3 year strategy to be agreed annually.
 - 1.3 The Prudential Code for Capital requires the Council to set Prudential Indicators for Treasury Management and Capital Expenditure. These are linked to the Strategy and are set out at the end of this document.
 - 1.4 The Council is also required to make an annual Policy statement on making Minimum Revenue Provision (MRP) for borrowing, together with the consideration of prudent provision in future financial years.
 - 1.5 The Council delegates responsibility for the monitoring and scrutiny of treasury activity to the Governance & Audit Committee, and delegates responsibility for implementing and administering the strategies, policy and procedures to the Chief Finance Officer. The Council also seeks external advice through Link Asset Services under the outsourced Finance function.
- 2. Treasury Management Strategy 2018/19**
 - 2.1 The Council may wish to acquire property sites for strategic, operational and investment purposes but would have to borrow to achieve this.
 - 2.2 Property acquisitions prior to 2017/18 have been financed through surplus cash. However, this cash is intended to support reserves and General Fund in the longer term and the minimum liquidity has now been reached.

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- 2.3 Following the 0.25% increase in Base Rate in November 2017, market indications suggest that there could be further base rate increases in the short term as the Bank of England seek to mitigate increases in inflation that is currently being experienced.

Economic Factors

- 2.4 Factors that influence the Council's Treasury Management Strategy include the Council's overall level of resources, medium term spending plans and the need to finance the future cost of services. It is also influenced by the state of the economy in general, the outlook for interest rates and the credit risk environment.
- 2.5 The Treasury strategy is linked to the Council's medium term financial plans, and are reflected in a net interest cost or yield in the Council's budget. The net cost/yield estimates are updated regularly through the budget setting process and in year forecasting.
- 2.6 The Council's investment strategy gives scope to invest in approved instruments outlined in the approved lending/borrowing list (Schedule 3), but investments in banks and building societies are limited to high quality counterparties only.

Prudential Indicators

- 2.7 The Prudential Indicators were established as part of the Local Government Act 2003 through the Prudential Code. The Code requires the Council to produce indicators to demonstrate that capital financing is prudent, sustainable and affordable. The indicators are set out at the end of this document.

MRP Policy

- 2.8 The Council is required to calculate an amount in relation to its borrowing, and charge this amount as Minimum Revenue Provision to its Income & Expenditure Account in respect of borrowing repayment. The Policy is set out at Schedule 4 to the Treasury Management Strategy.

Officer Approval Limits

- 2.9 The power to approve the acquisition of properties meeting the Council's investment criteria be delegated to any Executive Director, in consultation with the Leader and the section 151 Officer

Risk Management

- 2.10 Minimising risk is a key aspect of treasury management activity. Risk is proactively managed with advice from Link Asset Services (formerly Capita Asset Services) and property investment decisions are subject to detailed business cases. As the Council moves towards a net borrowing

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position, interest rate exposure is an emerging risk and the timing of any move from short to long term borrowing is closely monitored.

- 2.11 The Finance Team carry out their duties in accordance with internal controls to ensure any day to day investment decisions are made in accordance with the Treasury Management Strategy.
- 2.12 The CFO reports on Treasury activity as part of the monthly financial monitoring.
- 2.13 The Governance Committee will be responsible for the scrutiny of Treasury Management activity & practises.

SCHEDULE 1 – TREASURY MANAGEMENT STRATEGY

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code), which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance. The Authority is proposing to borrowed substantial sums of money and, as a result, may be exposed to financial risks arising from changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

As part of the Provisional Settlement the Government launched a consultation into potential updates on Prudential Code and Treasury guidance, specifically to update it to reflect increasing use of borrowing to finance investment purchases. Updated guidance will not be released in time for the 2018/19 strategy, however once the revised guidance is available it will be reviewed and, if necessary, a revised Treasury Strategy will be produced during the financial year.

Havant Borough Council's context

Havant Borough Council anticipates that, by 31 March 2018, £4m will be invested short term, and no longer term deposits maturing beyond 12 months There was external borrowing in place as at January 2018 of £3.7m, which represents the balance of PWLB borrowing for the refurbishment of the Plaza.

The underlying need to borrow is measured by the Council's Capital Financing Requirement (CFR). The Prudential Code recommends that total debt should be lower than the CFR and the Prudential Indicators at Schedule 2 demonstrates that this recommendation has been complied with.

Borrowing Strategy

The Council will adopt a flexible approach to borrowing in consultation with Treasury Management advisors, and will keep under review the following borrowing sources:

- Internal borrowing (borrowing against future revenue budgets)
- PWLB
- Other Local Authorities
- Finance Leasing
- Brokers for short term borrowing

Exposure to short dated/variable rate borrowing will be reviewed by reference to the difference between variable rate and longer term borrowing costs. A significant change in this difference will trigger a review of borrowing strategy to determine whether a switch to longer term rates is made or whether exposure to short term rates is maintained.

Capital Finance can also be raised through other debt liabilities, including Finance Leases, Private Finance Initiatives, Sale & Leaseback, or LGA Bonds. Any decision to raise finance through these methods will be subject to appraisal and a separate report to Cabinet.

The Council may take advantage of debt rescheduling (the repayment of loans before maturity to allow replacement with new loans) where it is expected to create a cost saving or significantly reduce interest rate risk to the Council.

Investment Strategy

The Council's overriding objective in relation to the investment of cash is the security of the capital invested, followed by the liquidity of investment. The Council aims to maximise yield given these parameters.

Investments are categorised as specified or non specified investments. Specified investments are sterling denominated investments maturing within 1 year, and non specified investments are effectively anything else.

The CFO has discretion to make investments outside of the Lending list on the advice of Capita. Institutions may be added or removed from the list if credit ratings improve or deteriorate below the thresholds outlined on the List.

Overnight funds are held in an overnight fund provided by the Council's bank. Consideration will be given to Money Market Funds in 2018/19 as an alternative to the overnight account, and may be utilised if the CFO is satisfied with the level of risk.

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The Council will arrange short term investments through brokers, in order to ensure transactional security and to promote competition to enhance returns. The approved brokers are:

- ICAP Europe Ltd
- Prebon Marshall Yamane UK Ltd
- Tradition UK
- RP Martin

Interest Rate Forecasts

The Council formulates a view on interest rates as part of the budget setting process. This view is formulated on the basis of the Office for Budgetary Responsibility forecasts used for the Autumn Statement. The current view is that interest rates are likely to increase in 2018, and that increases beyond this would be incremental. Although there are inflationary pressures, and the weakening of Sterling since 2016, there is also uncertainty as to how Brexit negotiations will affect the wider economy. The annual FT survey on base rate expectations demonstrates a mixed view over when interest rates will change over the next 12 months. The table below details interest rate forecasts provided.

	2018/19				2019/20			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
OBR Forecast	0.50%	0.75%	0.75%	0.75%	1.0%	1.0%	1.25%	1.25%

It is important to note that although the base rate has changed, the rates that we can get on our investments are based on the London Inter bank Offer rate, which fluctuates depending on other market factors. This explains the differing rates of return of our current investment portfolio.

Creditworthiness Policy

The Council monitors the creditworthiness of the counterparties used. The Council's lending list contains only counterparties of high credit quality. Credit quality is assessed through the size of the asset base of the counterparty, and the credit ratings awarded by independent credit rating agencies such as Fitch.

The asset base of counterparties is monitored on an annual basis when the Statement of Accounts for each counterparty is issued. Credit ratings are regularly monitored and are verified prior to investments being made.

Credit ratings of counterparties are available from credit agencies (Fitch, Standard & Poor, and Moody's). Advice on the credit worthiness of counterparties is also obtained from the Council's Treasury advisors.

Appendix F

If a counterparty on the current lending list is found to be of insufficient credit quality, the Council will not engage with that counterparty until it is satisfied that credit quality has improved. Treasury officers continue to monitor counterparties that are not currently on the lending list, and will add counterparties of high credit quality to the lending list in consultation with the Portfolio Holder for Finance.

The Council has not invested outside the United Kingdom since 2006, and currently no foreign counterparties are contained within the list (with the exception of Santander UK Plc, which is a UK bank under Spanish ownership). Foreign counterparties are monitored, and if sufficient credit quality is proved, may be added to the list in consultation with the Portfolio Holder for Finance.

Sole reliance will not be placed on credit ratings. The Council will continue to monitor reports in the press, market data and information on government support when reviewing credit worthiness. All counterparties on the long term lending list are also covered by the government's Credit Guarantee Scheme.

All Long Term Investments will be carried out in consultation with the Finance Portfolio Holder and the S151 Officer.

Treasury Limits and Prudential Indicators 2016/17 to 2022/23

The revised CIPFA Code of Practice on Treasury Management and the Prudential Code for Capital Finance, in accordance with Section 3 of the Local Government Act 2003, require the Council to determine and review the level of borrowing that it can afford.

The Codes require a number of indicators to be formally set, on a rolling basis, for 2016/17 actuals and forecasts for the following two years. Longer term forecasts, in line with the MTFS, have also been calculated. The Council must have regard to the following when setting these indicators:

- Service Objectives
- Stewardship of Assets
- Value for Money
- Prudence and Sustainability
- Affordability and Practicality

The purpose of these indicators is to ensure that total capital investments and, in particular, the effect of these investments on the Council Tax level is 'acceptable'.

The Prudential Indicators set for 2018/19 are shown in Schedule 2 below. An explanation is provided for each indicator.

SCHEDULE 2 - PRUDENTIAL INDICATORS

1) Ratio of Financing Costs to Net Revenue Stream

The actual ratio for 2016/17, and estimated ratios for 2017/18 to 2022/23 are provided below.

2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
4.8%	4.8%	0.9%	1.0%	1.1%	1.1%	1.1%

The ratio is calculated by comparing the financing cost of all borrowing with the revenue stream through Council Tax, general grants and Retained Business Rates. It is positive as there are existing and potential borrowing costs arising through the Capital Programme, while government grant and tax revenues reduce

2) Estimated Incremental Impact of Capital Investment Decisions on Council Tax

Capital expenditure will impact on revenue expenditure in a number of ways. The main impact is on interest returns or borrowing cost, as cash is used up and interest income falls, or if borrowing costs are incurred on projects with no return through the Revenue Budget. The purpose of this indicator is to show the potential annual impact on a Band D Council Tax bill of the proposed Capital Programme for 2018/19 onwards.

2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
0.00	0.00	0.39	1.65	2.63	2.18	2.17

3) Approved Capital Expenditure

The Capital Expenditure estimates are summarised below. The estimates come from the approved schemes in the Capital Budget, and does not include unapproved or proposed schemes until they are agreed by the Cabinet.

2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
1,524	1,912	797	587	587	587	587

4) The Capital Financing Requirement

The Capital Financing Requirement (CFR) is used to assist in deciding whether capital expenditure is affordable, by measuring the underlying need to borrow. The indicator is calculated by matching fixed assets and projected capital expenditure to capital resources applied. The difference between the two, if positive, represents unfinanced capital expenditure to be financed by borrowing. The definition of unfinanced capital expenditure includes finance leases and PFI arrangements. Long Term borrowing should not exceed the CFR.

2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
3,895	3,595	5,230	7,833	7,681	7,524	7,361

The Capital Financing Requirement increases from 2019 as a result of anticipated capital requirements for coastal projects.

Appendix F

5) Authorised Limit for External Debt

To ensure good cashflow management, there is occasionally a need to borrow in the short term. Authority for any such borrowing is delegated to the S151 Officer. There are some circumstances where long term borrowing to support the Capital Programme is required to finance major capital projects or investment property purchases. The long term limits set in this report are based on the projected Capital Financing requirement over the period of the Medium Term strategy, and will be the maximum permissible amount of borrowing.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Borrowing Authorised Limit	£10,000	£10,000	£5,141	£7,800	£7,665	£7,500	£7,400
Other Long Term Liabilities	0	500	500	500	500	500	500

TREASURY MANAGEMENT INDICATORS

1) Operational Boundary for External Debt

The purpose of this indicator is to serve as a warning that the authorised limit for external debt is close. It has been set at £200,000 below the authorised limit.

	2016/17 Actual £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000
Borrowing Operational Limit (Up to 1 Yr)	£8,000	£8,000	£4,941	£7,600	£7,465	£7,300	£7,200
Other Long Term Liabilities	£0	£500	£500	£500	£500	£500	£500

2) Interest Rate Exposures

Setting upper limits for variable and fixed interest rates provides a range in which the authority manages exposure to fixed and variable interest rates. Although fixed rates bring security to long term returns, variable rate investments can give the flexibility to maximise returns when interest rates are expected to increase. The indicators set will allow this flexibility. Cash and investments maturing within 3 months are considered to be variable rate investments.

Upper Limit for Fixed Rate Exposure

2016/17 Actual	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Upper Limit for Variable Rate Exposure

2016/17 Actual	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Principal Sums Borrowed

Principal Borrowed	Outstanding balance	Notes
£4,000,000	£3,700,000	PWLB borrowing to support the refurbishment of the Plaza in 2012-2013. 30 year loan maturing 2042.

Appendix F

Schedule 3 - Borrowing and Lending List 2018/19

Sector Credit Rating	Institution	Maximum duration	Maximum amount (applies to group as well as individually)
	RBS Group		
Blue	Royal Bank of Scotland	364Days	Lower of £3 million or half of total investments
Blue	National Westminster Bank	364 Days	Lower of £3 million or half of total investments
	Lloyds Group		
Red	Bank of Scotland	6 months	Lower of £5 million or half of total investments
Red	Lloyds Bank	6 months	Lower of £5 million or half of total investments
	Other Institutions		
Orange	HSBC Bank	364 Days	Lower of £5 million or half of total investments
Red	Standard Chartered Bank	6 months	Lower of £5 million or half of total investments
Red	Barclays	6 months	Lower of £5 million or half of total investments
Red	Santander	6 months	Lower of £3 million or half of total investments
Red	Abbey National Treasury Services	6 months	Lower of £3 million or half of total investments
Red	Close Brothers	6 months	Lower of £5 million or half of total investments
Red	Goldman Sachs International Bank	6 months	Lower of £5 million or half of total investments
	Building Societies		
Red	Nationwide Building Society	6 months	Lower of £3 million or half of total investments
Red	Coventry Building Society	6 months	Lower of £5 million or half of total investments
Green	Leeds Building Society	100 Days	Lower of £5 million or half of total investments
Orange	UBS	364 Days	Lower of £5 million or half of total investments
Green	Skipton	100 Days	Lower of £3 million or half of total investments
Green	Yorkshire	100 Days	Lower of £5 million or half of total investments

Supplementary to the above, investments may be placed under the following criteria:

NatWest Call Account - Up to £5 million may be invested in the National Westminster SIBA account subject to the group maximum and the 50% rule (BLUE rated)

Central Government - Unlimited investments may be placed in the government's Debt Management Office

Local Authorities - Up to £5 million may be invested with any other Local Authority subject to the group maximum and 50% rule (assuming a RED rating for all LAs)

Long term investments will be at the discretion of the Chief Finance Officer.

NO INVESTMENT IS CURRENTLY UNDERTAKEN WITH FOREIGN BANKS

Key to Risk ratings used for Lending List:

Yellow = Stable Outlook, maximum recommended duration 60 months
Purple = Negative outlook maximum recommended duration 24 months
Blue = Negative watch maximum recommended duration 12 months
Orange = Positive watch maximum recommended duration 12 months
Red = Evolving Outlook maximum recommended duration 6 months
Green = Evolving Watch maximum recommended duration 100 Days
White = Rating withdrawn maximum recommended duration 0 months

Schedule 4 – Minimum Revenue Provision Policy 2018/19

MRP on Finance Leased assets prior to 2017

The Council holds assets which are financed through a Finance Lease, as defined by International Financial Reporting standards. Where assets are financed in this way, MRP is charged over the life of the asset or, where this is not practical, over the life of the lease.

Prudential Code debt incurred prior to the year 2018/19 and onwards in relation to operational assets

The Council will calculate the amounts for existing external borrowing using the annuity method, and for existing internal borrowing using the Depreciation method, whereby provision is made in accordance with the standard rules for depreciation accounting, until provision made equals the original amount of debt

Prudential Code debt incurred in the year 2017 and onwards in relation to income generating property acquisitions

The Council will calculate the amounts for MRP for 2018/19 by applying a annuity formula incorporating a PWLB long-term borrowing rate, commensurate in duration to the estimated life of the item purchased/built to the apportionment of the value attributed to each financial year's opening CFR in relation to such income generating capital expenditure where the item purchased/built is expected to have a life of up to 50 years or more.

Prudential Code debt incurred in the year 2017 onwards in relation to Operational assets

The Council will apply the following methodology for MRP in relation to operational assets:

- Borrowing where capital receipts are expected to repay borrowing prior to the project becoming operational; MRP will be charged in the year in which capital receipts are received
- Annuity method Asset life - Annuity method, which works on the basis of a mortgage type repayment. (MRP Commencement on operational properties can be postponed until the financial year after asset becomes operational)

Havant Borough Council Schedule of Fees 2017/18

	Price 17/18
	£
Customer Services	
Elections	
Basic Electoral Register Edited Data	1.50
Basic Electoral Register Full Data	1.50
Marked Electoral Register - Data	1.00
Basic Electoral Register Edited Paper	5.00
Basic Electoral Register Full Paper	5.00
Marked Electoral Register - Paper	2.00
Certificate of Residency	5.00
Electoral Register - Monthly updates	38.00
Environmental Services	
Allotments	
Allotment - Replacement key	10.50
Allotment per Sq Metre	0.37
Allotment per Sq Metre - non resident	0.74
Beach Huts	
Beach Hut Let (non-Resident)	1,700.00
Beach Hut Let (Resident)	850.00
Beach Hut Plot Licence Fee (Non-Resident)	1,200.00
Beach Hut Plot Licence Fee (Resident)	600.00
Beach Hut Plot Transfer of Licence	1,200.00
Sports	
Bowls - per person	7.30
Bowls - per person senior citizen	5.60
Cricket Pitch (Senior 18+) full facilities with attendant	194.00
Cricket Pitch (Senior 18+) full facilities without attendant	133.00
Football Pitch (Senior 18+) full facilities with attendant	84.00
Football pitch - Professional Clubs or non residents	POA
Football, rugby & cricket pitch (Junior <18) full facilities with attendant	44.00
Hockey/Volleyball (Senior 18+)	-
Rugby Pitch (Senior 18+) full facilities with attendant	84.00
Slipway - Key Deposit (Refundable)	75.00
Parks & Grounds	
Non profit making charitable events	Free
All other events and uses of public open spaces	POA
Pavilion/Clubhouse for non-match occasions	16.00
Circuses and funfairs non-trading day	300.00
Circuses and funfairs trading day	600.00
Refuse & Recycling	
Garden Waste Licenses (applied for before 28 February 2017)	
Early Bird - per sack (70 litre)	30.00
Early Bird - 1 bin (140 Litre)	40.00
Early Bird - 1 bin (240 Litre)	60.00
Garden Waste Licenses (applied for after 1 March 2017)	
Garden Waste Licence - 1 sack	32.00
Garden Waste licence 140 litre wheeled bin - full yr, 1 bin	42.00
Garden Waste licence 240 litre wheeled bin - full year, 1 bin	62.00
Bins & Sacks	
Purchase of additional or replacement wheeled bins- 140 litre	35.00
Purchase of additional or replacement wheeled bins- 240 litre	40.00
Replacement Garden Waste sack	5.00
Bulky Waste	
Hire of bulk waste bin for domestic use - 660l	150.00
Hire of bulk waste bin for domestic use - 940l	155.00
Hire of bulk waste bin for domestic use - 1100l	165.00
Household Bulky Waste Price per item	30.00
Household Bulky Waste oversized item	45.00
Household Bulky Waste - per cubic metre (Max 4 Cubic Metres)	55.00

	Price 17/18
	£
Cemeteries	
1. Person under 12 years.	No Charge
2. Persons of 12 years and over	-
a. New grave (single or double)	850.00
b. Re-open existing double depth grave	610.00
3. Children's Section	-
Exclusive Right of Burial/earthen grave(including certificate):	-
a. 30 years	250.00
b. Five-year top-up fee	35.00
4. Adult Section	-
Exclusive Right of Burial/earthen grave (including certificate)	-
a. 30 years	650.00
b. Five-year top-up fee	100.00
5. Interment of cremated remains	250.00
6. To transfer exclusive right of burial.	40.00
7. Right to erect a memorial in accordance with regulations including inscription, additional inscription, wedges, books, kerbs etc, for 10 years	150.00
8. Right to place a stone vase - one per interment (maximum of two) or other approved additions to existing memorial	60.00
9. Memorial + full kerb set (Havant Cemetery only)	175.00
10. Replacement of existing kerbing / memorial in traditional areas	125.00
11. Exhumation of remains	At cost
12. Interment of cremated remains	250.00
13. In Old Garden of Rest (Tablets only area/max. two interments)	
a. Interment of Cremated remains (First Casket) + 30 year Exclusive Right of Burial.	400.00
b. Exclusive Right of Burial for 30 years (where no internment takes place)	200.00
c. Five-year top-up admin fee	50.00
d. Right to place a plaque/cut an additional inscription	50.00
e. Interment of additional casket in an occupied space	250.00
14. New Garden of Rest (Section 3, max. four interments)	
a. Exclusive Right of Burial (including certificate) for burial of four caskets of cremated remains – 30 years	250.00
b. Right to erect a memorial for ten years (including certificate) in accordance with regulations - 10 years	150.00
c. Burial of subsequent cremated remains up to a maximum of four in any one plot	250.00
15. Natural Burial Area (Warblington Extension Only)	
a. Persons under 16 (see previous)	No Charge
b. Single depth grave only (includes chip for identification)	735.00
c. Interment of Ashes no casket	250.00
d. Contribution to planting in natural burial area (not for specific burial	-
Memorial Cleaning	20.00
Memorial Plaques	200.00

	Price 17/18
	£
Neighbourhood Support	
Enforcement	
Littering fines	80.00
Littering fine - failure to give name and Address	80.00
Flytipping fine	200.00
Flyposting fines	80.00
Graffiti fines	80.00
Abandoned Vehicles fine	200.00
Nuisance Parking fine	100.00
Failure to produce waste transfer note fine	300.00
Domestic Waste receptacle offences fines	80.00
Industrial and commercial waste receptacle offences fines	80.00
Licensing	
Hackney Carriage & Private Hire Vehicles	
Accessories - Number plate bracket	11.00
Accessories - Pair of pouches	3.00
Accessories - Universal bracket	5.50
Committee grant of 1 year Operator licence	137.00
Exemption Certificate	50.00
Hackney Carriage Licence/transfer (inc Plate)	170.00
Hackney Carriage Meter Test	12.00
Hackney/PHV Drivers Licence - Committee Grant	-
Hackney/PHV Drivers Licence Initial 3 Year	107.00
Knowledge Test	45.00
Operator Licence additional Address	448.00
Operator Licence Initial/5 Year renewal	448.00
Pre application vehicle mechanical inspection	90.00
Private Hire Vehicle Licence (Inc Plate)	150.00
Replacement - Copy Licences(where permitted)	12.00
Replacement - Identification Card	15.00
Replacement - Vehicle Licence Plate	18.00
Special vehicles and limousines mechanical inspection	135.00
Vehicle Inspection failure to keep appointment	45.00
Vehicle Mechanical inspection on application	90.00
Vehicle Mechanical subsequent re-inspection	50.00
Gambling Act 2005	
Adult gaming centre	800.00
Betting premises (non track)	480.00
Bingo premises	800.00
Family Entertainment Centre	400.00
Social Lotteries – new	40.00
Social Lotteries – renewal	20.00
Licensing Act 2003	
Personal licence	-
Premises licence	-
Temporary event notice	-
	Statutory fees; see
	www.havant.gov.uk/law-and-licensing/licence-fees
Street Trading consents	
Street Trading Licence 6 month consent (Min £600)	5.00
Street Trading Licence annual consent (Min £1000/Max £1800)	5.00
Temporary Street trading - Daily	120.00
Temporary Street trading - Mon-Sat	550.00
Other licence fees	
Control of Sex Establishments Licence Fee	4,400.00
Dangerous Wild Animals Licence	96.00
Animals boarding Establishment Act 1963	115.00
Breeding of Dogs Act	115.00
Pet Animals Act 1951	100.00
Riding establishments Licence	167.00
Skin Piercing Registration	115.00
Zoo Licences Act 1981	272.00

	Price 17/18
	£
Scrap Metal dealer Act 2013	
Collectors Licence	110.00
Site Licence	260.00
Vary from Collectors to Site Licence	180.00
Other variations (Site to Collectors, change of name or address)	30.00
Pest Control	
Agricultural	84.00
Bed Bugs - Domestic	52.00
Bed Bugs - Domestic Concessionary	-
Cockroaches - Commercial	84.00
Cockroaches - Domestic	52.00
Cockroaches - Domestic Concessionary	-
Rats - Commercial and Other Premises	84.00
Rats - Commercial and other Premises - Additional re-visits as required.	84.00
Rats - Domestic	38.00
Rats - Domestic Concessionary	-
Fleas - Commercial and Other Premises	84.00
Fleas - Domestic (1-3 bedrooms)	52.00
Fleas - Domestic (4-6 bedrooms)	84.00
Fleas - Domestic Concessionary (1-3 bedrooms)	26.00
Fleas - Domestic Concessionary (4-6 bedrooms)	42.00
Wasps - Commercial and Other Premises	72.00
Wasps - Domestic	68.00
Wasps - Domestic Concessionary	34.00
Private Sector Housing	
British Entry Clearance (Housing Inspections)	112.00
HMO Licence (5 or less occupants)	504.00
HMO Licence (6 to 10 occupants)	629.00
HMO Licence (11 to 15 occupants)	754.00
HMO Licence (16 to 20 occupants)	880.00
HMO Licence (Over 20 occupants)	1,007.00
Car Parking fees	
No changes to car parking charges proposed for 2017/18. Parking fees available at:	
http://www.havant.gov.uk/parking/car-parks	
<hr/>	
Traffic Management	
Emergency Road Closure by Order	600.00
Misc - Provision of Access Protection Lines	60.00
Misc - Traffic Cone Hire up to 5 cones	25.00
Misc - Traffic Cone Hire up to 10 cones	35.00
Misc - Traffic Cone Hire up to 20 cones	55.00
Parking Bay Suspension by Notice; per bay, per day	50.00
Section 115 Consent	450.00
Single Permanent Traffic Regulation Order (for a developer, standard parking restriction in a single road.	
(Additional TRO types to be charged separately at same rate)	3,000.00
Temporary Road Closure by Notice	400.00
Temporary Road Closure by Order	450.00
Tourism/Private Signing - Administration (including signing scheme design and documentation)	20% of cost
Tourism/Private Signing - Formal application (including vetting and definitive response)	125.00
Tourism/Private Signing - Maintenance (including cleaning and removal if no longer required)	10% of cost
Tourism/Private Signing - Provision of signs (including manufacture, supply and erection)	At cost
Tourism/Private Signing - Replacement (if costs cannot be recovered following accident, damage or theft)	At cost
Tourism/Private Signing - Supervision (including ordering work and inspection)	10% of cost

Animal welfare & environmental protection

Dog Kennelling	10.00
Drain Clearing - rodding method only	86.00
Environmental Searches - Commercial	Free
Environmental Searches - Domestic	Free
Local Air Pollution Control (LAPC)	<u>Prices set by Defra and available on their website</u>
Local Authority Integrated Pollution Prevention and Control	
Return of Stray Dog (Statutory Fee)	25.00
Safer Food Better Business	28.20

Planning**Planning Development**

Planning application fees are available through the planning portal

<http://www.planningportal.gov.uk/planning/usefultools>

Pre Planning advice - see <http://www.havant.gov.uk/planning-and-environment/planning-services/pre-application-advice-and-charges>

Planning Performance Agreements	POA
Accredited Agent subscription	250.00
COMMUNITY INFRASTRUCTURE LEVY (CIL)	-
DEVELOPMENT CONSULTATION FORUM	2,625.00
Hampshire Highways Pre-Application Charges	-
Havant Borough Local Plan (Core Strategy)	44.00
Havant Borough Local Plan (Core)	33.00
Planning Application Validation Check	50.00
Local Plan Policies Map Booklet	33.00
HIGH HEDGES LEGISLATION - Submission of Complaint	550.00

Section 106 Agreements

i) Unilateral Agreements - Bespoke	275.00
i) Unilateral Agreements - Template	POA
ii) Bi-Lateral Agreements - Major Applications	137.5 per hour
ii) Bi-Lateral Agreements - Minor Applications	731.00
ii) Bi-Lateral Agreements - Other Applications	283.00

The Council charges a fee to monitor all planning obligations and this is decided at a cost per head of term contained within the obligation and is in addition to the legal charge for drafting and checking the obligation.

POA

Civil Engineering & Landscape

Memorial Seat (applicant to pay cost of seat)	Cost of Seat
Cost of Plaque (applicant to pay cost of plaque)	Cost of Plaque
Memorial Seat & Plaque installation	60.00
Administration Charge - Memorial seats & plaques	150.00

Price 17/18
£

Programmes

Facilities

Additional hire charge (Saturday)	34.15
Additional hire charge (Sunday)	50.75
Additional hire charge after 8.00pm (Mon-Fri)	34.15
Copying price - Per A0 / A2 page	0.10
Copying Price - Per A3 / A4 page	0.10
Data Protection Act Subject Access request	10.00
Hire of Council Chamber/Hurstwood Room - Community Group	40.00
Hire of Council Chamber/Hurstwood Room - Standard	50.00
Hire of Hollybank Room - Community Group	30.00
Hire of Hollybank Room - Standard	40.00
Hire of Newlease Room/Tournerbury Room - Community Group	25.00
Hire of Newlease Room/Tournerbury Room - Standard	30.00
Other rooms = on request from	10.00
Provision of tea and biscuits	-

Land Charges

Note - certain Con 29 fees will be subject to VAT in 2017/18. Fees are currently under review and any revised fees will be agreed with the relevant portfolio holder.

Combined search and CON 29R by post First parcel of land	£130.00
Combined search and CON 29R by post Each additional parcel	£20.00
Combined LLC1 and CON 29R Search by post First parcel of land	£160.00
Combined LLC1 and CON 29R Search by post Each additional parcel	£20.00
Official Search of whole register by post First parcel of land	£80.00
Official Search of whole register by post Each additional parcel	£2.00
First parcel of land - Residential by post	£112.00
First parcel of land - Commercial by post	£142.00
Each additional parcel by post	£20.00
Each printed enquiry by post	£15.00
Each printed enquiry 19, 20 or 22 by post	£30.00
Each additional enquiry in applicant's own words by post	£20.00
Combined search and CON 29R Online First parcel of land	£110.00
Combined search and CON 29R Online Each additional parcel	£20.00
Combined LLC1 and CON 29R Search Online First parcel of land	£140.00
Combined LLC1 and CON 29R Search Online Each additional parcel	£20.00
Official Search of whole register Online First parcel of land	£15.00
Official Search of whole register Online Each additional parcel	£2.00
First parcel of land - Residential Online	£95.00
First parcel of land - Commercial Online	£125.00
Each additional parcel Online	£20.00
Each printed enquiry Online	£15.00
Each printed enquiry 19, 20 or 22 Online	£30.00
Each additional enquiry in applicant's own words Online	£20.00
Property Name Additions/Amendments - rename a road	300.00
Property Name Additions/Amendments - rename a house	100.00
Street Naming - Change of Address one property	90.00
Street Naming - Change of Address 2-10 property	67.00
Street Naming - Change of Address 11+ property	46.00

Development

Building Control

Building controlfees are based on an hourly rate of:	£52.69 P/Hr
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STATEMENT ON THE GENERAL FUND BUDGET PROPOSALS BY THE CHIEF FINANCE OFFICER

1. **Background**

Section 25 of the Local Government Act 2003 requires the Chief Finance Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts. Authorities are required to consider their Chief Finance Officer's report when setting precepts.

2. **Summary Opinion**

Having considered and taken into consideration the issues detailed within the report, I am able to give a positive opinion on the robustness of the estimates and the adequacy of financial reserves for 2018/19.

This opinion is based on the draft budget proposals to be presented to Cabinet in February 2018. Should any of the assumptions currently included within the proposals change substantially then this opinion will require review.

3. **Robustness of the Estimates**

Estimates Procedures and Processes

In providing a positive opinion on the robustness of the Estimates and Council Tax procedures I have relied on the assumptions and factors as detailed within the Budget report. These include well established and tested process and procedures and in this financial year a further layer of challenge and risk analysis has been introduced with the Challenge Boards. I can therefore confirm that I am satisfied that the Council has robust procedures in place.

These procedures will be reviewed regularly, in particular in light of the continuing public sector spending constraints.

4. **Determination of the level of resources available.**

This year is the final year of the Revenue Support Grant settlement and is in line with expectation, the New Home Bonus for 2018/19 exceeded expectation by £145,000.

5. **Affordability of Spending Plans**

In assessing this issue the following factors have been taken into account:

- The level of Council Tax considered acceptable both locally and nationally – the Government has uplifted the assumed increased to 2.99% and the Cabinet is making the recommendation for 2018/19

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of implementing this uplift. For future years the assumption is that it will remain at 2018/19 levels.

- The budget process for 2018/19 has been based on council strategic priorities and service business plans.

6. Advice on the level of reserves

The estimated level of the General Fund Reserve at March 2017 is £2.559m. The General Reserve is set aside to smooth the impact of unexpected events and emergencies. The Council has robust monitoring and reporting in place and is key to managing any future financial risk which may arise.

An analysis of earmarked reserves held by the Council has shown that the level currently held in these reserves remains adequate to meet the commitments and forecast expenditure.

7. Key Budget Risks

There are a number of risks which have been highlighted within the main report and with Appendix B, the majority of these are associated with cost reductions and efficiency savings by departments. Robust monitoring and reporting will help to mitigate any risk of failing to deliver these financial targets.

Havant Borough Council

Appendix I

Analysis of Business Rates Income & Expenditure

	Projected Outturn 2017/18 £'000	Budget Estimate 2018/19 £'000
Business Rates Yield		
Base Yield	(34,571)	(36,151)
Transitional protection payment	1,052	750
Business Rate Yield	(33,519)	(35,401)
Distribution		
Central Government (0.50)	17,351	17,701
Hampshire County Council (0.09)	3,123	3,186
Hampshire Fire (0.01)	347	354
Havant Borough Council baseline (0.04)	13,880	14,160
Total	34,701	35,401
Reallocation of prior yr balance - HBC	(301)	(829)
Reallocation of prior yr balance - Other major preceptors	(453)	(1,243)
Total Distribution	33,947	33,329
Collection Fund (Surplus)/Deficit B/Fwd	751	1,179
In year movement on collection fund.	428	(2,071)
Collection Fund C/Fwd	1,179	(892)

Havant Borough Council Retained Business Rates calculation	Actual £'000	Actual £'000
Havant Borough Council baseline	(13,880)	(14,160)
Tarriff paid to Central Government	9,167	9,258
Levy for safety net paid to central Government	707	991
Retained Business Rates	(4,006)	(3,911)
Section 31 Grants	(656)	(655)
Retained Business Rates Prior year deficit	301	829
Total Business Rates Retention	(4,361)	(3,737)

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