



GUIDE TO THE

BUDGET

2012/2013

GUIDE TO THE BUDGET 2012/2013

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INTRODUCTION TO THE BUDGET GUIDE

This booklet is a summary of the Council's spending plans for 2012-13 and 2013-14. It also contains the 10-Year General Fund financial forecast (2012-13 to 2021-13) together with other financial details in a form intended to be helpful and informative for Councillors and members of the public.

Budget

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

- Inflation pressures on contracts and pay
- Savings from changes to public sector pensions
- Implementation of the asset spending proposals
- The Government's proposal to allow the Council to retain some of the growth in business rates, which may change the funding of Local Government quite radically and the localisation of Council Tax Support.
- The latest grant for freezing Council Tax which is, unlike the first one, not promised beyond one year and as such if not continued would leave a 'hole' in the Council's funding for 2013-14 which would require a larger Council Tax increase than would be otherwise necessary.

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

The General Fund budget summary on page 9 shows that net expenditure in 2012-13 totals £15.678m. 2012-13 is the second year of the Government's two year Local Government financial settlement. For the General Fund this meant a further reduction in central government grant support (28% over two years 2011-12 and 2012-13) and a new announcement of a further year's grant to compensate the Council for a freeze in Council Tax.

The main features for the General Fund 2012-13 budget were:

- A requirement for savings of approx £0.6m to balance the budget
- Redirection of the resources of £0.8m to better meet the Administration's priorities
- Savings of approximately £1m from new staffing structures below Principal Officer level and on the Council's major contracts to help offset the RPI inflation driven increases in these
- An average Council Tax rise of 0%, after adjusting for transfers of functions to Parishes.
- Additional investment to maintain the Council's assets (£0.3m)

After taking into account the Government support (Formula Grant Allocation and re-distributed Business Rates) which covers 33% of the Council's budget, the balance is met by Council Tax (66.3%) and a small contribution from the collection fund (0.7%). The District Council's element of Council Tax for 2012-13 was increased by 0%.

Balances

Estimated balances on the General Fund during 2012-13 are:

	£'000
Brought forward 1 st April 2012:	
Total brought forward	(2,394)
Addition to Balances	(250)
Balances to be applied on one-off items	<u>1,108</u>
Carried forward 31 st March 2013	<u>(1,536)</u>

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

Council Tax

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

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

The District Council has set an average Band 'D' charge of £205.48 which covers the demands of both itself and the Parish Councils. The District Council's own element averages £168.28. A table showing how the Council Tax is calculated is set out on page 23.

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

The overall average District and Parish Council Tax of £205.48 is split into general expenses (*charged equally throughout the district*) of £151.79 and special expenses (*charged to those areas where services are provided*) averaging £53.70.

To these charges are added the taxes of the County Council (£1,118.83 at Band 'D') and the Police Authority (£147.82 at Band 'D') giving an average Band 'D' Tax of £1,472.13. A list of charges for each band in each area of the district is included at page 24.

Housing Revenue Account

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

Average rents for St Albans tenants increased by 4.9% in April 2012, and garage rents by 5.6%.

Capital Programme

The current capital financing framework (the *prudential system*) introduced by the local Government Act 2003 allows authorities to borrow to finance capital investment subject to them being able to afford the revenue implications. They may also use revenue monies and the receipts from disposal of assets. Where an asset held within the Housing Revenue Account is disposed of, a proportion of the proceeds must be paid to the Government (75% of dwelling sales, and 50% of other housing asset disposals) although in some instances set-off arrangements limit the amount payable.

The Council has approved a **Housing Investment Programme** (HIP) totalling £13.152m for 2012-13 which is to be funded primarily from the revenue contributions to capital (84%) and capital receipts (14%). The programme includes £11m on refurbishment/modernisation of the Council's own stock and £0.7m on private sector renewal grants.

Further expenditure totalling £25.304m is planned within the HIP over the following two years. Fuller details of the planned spending and funding are on page 22.

The **General Fund Capital Programme** for 2012-13 totals £13.118m, with further planned spending of £1.1m in 2013-14. A schedule of the planned capital schemes and funding is shown on pages 20 and 21. The most significant single scheme is the redevelopment of the Westminster Lodge leisure facility (£24.7m in total of which £10.183m is programmed to be spent in 2012-13 and 2013-14). . The programme also includes, over the two years, £1.445m Cotlandswick leisure development, £0.662m other leisure buildings refurbishments, £0.6m on improvements/maintenance to the Council's assets, £0.308m street scene and City Centre Public Realm enhancements.

Most of the 2012-13 programme will be financed from Prudential Borrowing (35%) and capital receipts (51%).

Non-Domestic Rates

The Government sets a uniform charge to be paid by Non-Domestic (Business) Ratepayers throughout the country. Local authorities collect this income on behalf of the Government and, after paying over the proceeds, receive a share from the national pool. St Albans will be collecting, and paying over to the Government pool, some £61.338m in 2012-13, and receiving back from the pool £5.078m, which will be credited to the General Fund.

Non Domestic Rates (or Business Rates) are charged in accordance with rateable values that came into force on 1 April 2010 following the five yearly revaluation undertaken by the Valuation Office Agency of all commercial premises in England. The poundage multiplier has been rebased to take into account the overall changes to total rateable value. The standard non-domestic rating multiplier for 2012-13 is 43.3p and the small business non-domestic rating multiplier is 42.6p.

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

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

Qualifying Ratepayers with properties that have rateable values between £12,000 to £17,999 will not receive any % reduction in the amount they have to pay but will have their bills calculated using the small business non domestic rating multiplier (42.6p). Ratepayers who do not qualify for small business rate relief will pay the standard non domestic rating multiplier (43.3p). The difference between the two multipliers represents a built in supplement which effectively funds the small business rate relief scheme nationally.

The Government has put in place a temporary increase in the amount of small business rate relief available to Ratepayers to ease their rate burden during the current economic downturn. Effectively all those Ratepayers who qualify for small business rate relief will benefit from a doubling of the amount of relief they would ordinarily receive. For the period 1st April 2011 to 31st March 2012 all Ratepayers in receipt of SBRR will receive 100% relief on properties with rateable values up to £6,000, with a tapered relief of between 100% and 0% for properties with rateable values between £6,001 and £12,000. This scheme has been extended for the financial year 2012/2013.

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

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

Further Information

The pages in this book are intended to give an overview of the Council's planned spending and income for 2012-13 and 2013-14. Further information is available on the Council's website (under Finance) or from the Chief Finance Officer, St Albans District Council, St Peter's Street, St Albans, Herts AL1 3JE.

FINANCIAL PROFILE 2012/2013

2011/2012 £'000		2012/2013 £'000	
GENERAL FUND			
16,220	Budget	15,678	
4,373	Redistributed National Non-Domestic Rates	5,078	
1,352	Formula Grant Allocation (FGA)/ Revenue Support Grant (RSG)	98	
1,695	Balances - Brought Forward	2,394	
250	- Added During Year	250	
(409)	- Used During Year	(1,108)	
1,536	- Carried Forward	1,536	
HOUSING REVENUE ACCOUNT			
24,401	Gross Expenditure	25,864	
24,838	Income	25,864	
1,689	Balances - Brought Forward	2,000	
237	- Added/Used During Year		
1,926	- Carried Forward	2,000	
CAPITAL SPENDING			
20,475	General Fund Approved Forward Programme	13,118	
7,797	Housing Investment Programme	13,152	
COUNCIL TAX at Band D			
168.71	St Albans District Council (average)	168.28	<i>minus 0.25%</i>
36.20	Parish Councils (average)	37.20	<i>plus 2.76%</i>
<u>204.91</u>	Total District and Parishes (average)	<u>205.48</u>	<i>plus 0.28%</i>
1,118.83	Hertfordshire County Council	1,118.83	<i>no change</i>
147.82	Hertfordshire Police Authority	147.82	<i>no change</i>
<u>1,471.56</u>	Total Council Tax at Band D (average)	<u>1,472.13</u>	<i>plus 0.04%</i>

SUMMARY OF GENERAL FUND BUDGETS 2011-12 TO 2013-14

Budget 2011-12	Portfolio	Budget 2012-13	Budget 2013-14
£		£	£
3,125,068	Community Engagement & Localism	2,939,410	2,754,500
5,639,362	Environmental	5,769,010	5,766,180
661,303	Housing General Fund	743,740	743,740
1,055,870	Planning & Conservation	1,359,610	1,359,610
1,619,225	Resources (Direct)	1,437,142	2,132,642
275,805	Resources (Support)	109,450	109,450
<u>4,832,705</u>	Sports, Leisure & Heritage	<u>5,111,320</u>	<u>4,833,420</u>
17,209,338		17,469,682	17,699,542
(1,301,998)	Capital Charges Credit	(2,408,895)	(2,408,895)
312,660	Pensions Accounting Adjustment	883,665	883,665
	Council Tax Freeze Grant	(266,000)	
<u>16,220,000</u>	Net Expenditure before Government Support	<u>15,678,452</u>	<u>16,174,312</u>
	Government Support:		
	- Contribution from NNDR Pool	(5,078,000)	(4,883,000)
	- Formula Grant Allocation	(98,000)	
	NET EXPENDITURE AFTER GOVERNMENT SUPPORT	<u>10,502,452</u>	<u>11,291,312</u>
	BALANCE TRANSFERRED FROM COLLECTION FUND	(110,000)	(50,000)
	NET REQUIREMENT FROM COUNCIL TAXPAYERS	<u>10,392,452</u>	<u>11,241,312</u>
	General Fund Balance Brought Forward	2,394,000	1,536,000
	Increase in Working Balance	250,000	250,000
	Taken from General Fund Balances (expected use)	(1,108,000)	(250,000)
	Estimated General Fund Balance Carried Forward (NB Working Balance of a minimum of £1,500,000)	1,536,000	1,536,000

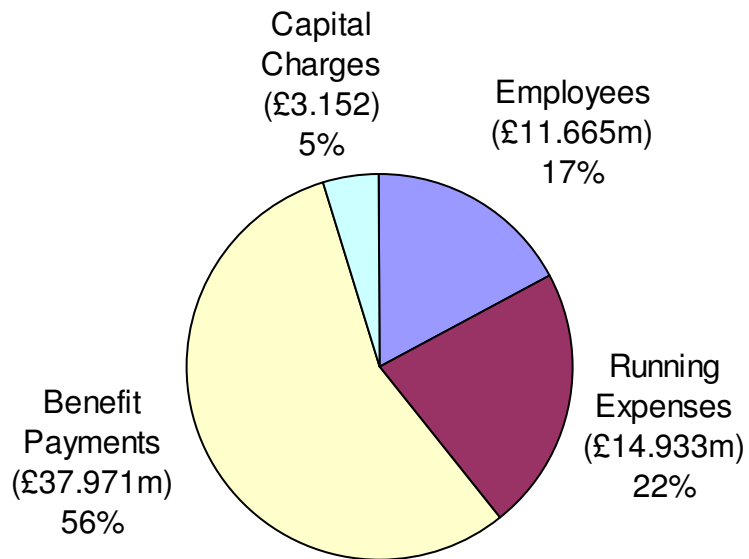
SUMMARY OF GENERAL FUND BUDGETS

WHERE COSTS ARE SUBSEQUENTLY RECHARGED TO OTHER SERVICES

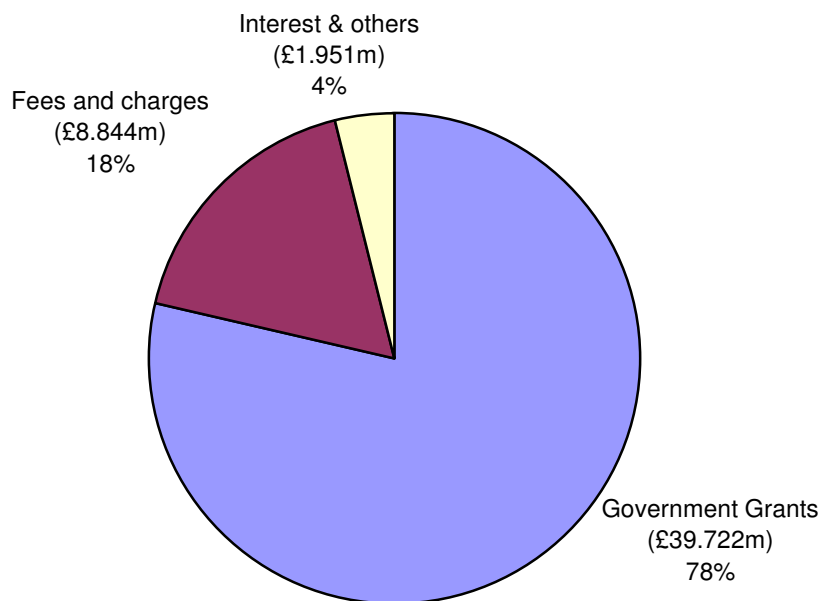
Budget 2011-12 £	Portfolio	Budget 2012-13 £	Estimate 2013-14 £
2,633,280	Community Engagement & Localism	2,540,415	2,540,415
223,240	Environmental	210,500	210,500
65,060	Housing General Fund	120,020	120,020
344,950	Planning & Conservation	425,140	425,140
114,795	Resources (Direct)	39,930	39,930
4,631,617	Resources (Support)	4,699,660	4,711,020
<hr/>		<hr/>	<hr/>
8,012,942	TOTAL OF COSTS RECHARGED TO DIRECT SERVICES AND INCLUDED WITHIN THOSE SERVICES	8,035,665	8,047,025
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ANALYSIS OF THE GENERAL FUND BUDGET 2012-13 (excluding Housing Revenue Account)

Gross Expenditure 2012-13 £67.7m



Gross Income 2012-13 £50.5m



Community Engagement & Localism Portfolio

Budget 2011-12 £	Cost Centre	<u>Direct Services</u>	Budget 2012-13 £	Budget 2013-14 £
143,175	1205	Community Protection	214,150	214,150
253,970	1210	CCTV	271,995	271,995
878,513	1215	Members	842,585	842,585
20,490	1220	Civic Activities	31,660	31,660
0	1222	Mayoralty	40,240	40,240
49,030	1225	Town Twinning	28,840	28,840
291,470	1230	Elections	273,570	163,050
217,010	1235	Electoral Registration	195,350	195,350
(53,926)	1575	Licensing	(75,270)	(75,270)
(32,590)	1580	Hackney Carriages & Private Hire	(53,770)	(53,770)
(141,464)	1585	Market	(146,700)	(146,700)
16,070	2635	Nomansland Common	9,995	9,995
11,060	2640	Bricketwood Common	8,315	8,315
(45,390)	2800	Cemeteries	(71,150)	(83,350)
(5,610)	2810	West Herts Crematorium	(8,065)	(8,065)
17,345	2820	Closed Churchyards	5,970	5,970
73,755	2900	Jubilee Restaurant	18,310	18,310
14,400	2910	Jubilee Centre	19,355	19,355
183,600	3056	Development & Tourism	158,550	158,550
183,360	3062	Tourist Information Centre	191,305	190,925
32,050	3510	Scrutiny	31,380	31,380
1,185,920	3540	Democratic Represent & Management	998,860	1,010,220
384,355	5015	Grants & Subsidies	540,080	540,080
105,995	5060	Partnership & Engagement	124,480	124,480
0	5062	Local Services Hub	41,060	41,060
54,310	5075	Land Charges	30,680	30,680
39,090	5080	Emergency Planning/Resilience	101,410	101,410
106,370	6000	Public Transport	84,810	13,440
61,050	6005	Taxi Voucher Scheme	61,050	61,050
146,605	6010	Transport Strategy	49,340	49,340
191,270	6020	Roads Amenity Functions	160,915	159,115
125,205	6030	Verge Maintenance	50,080	50,080
(1,590,470)	6035	Car Parks Contract	(1,609,790)	(1,609,790)
106,680	6040	Car Parks Administration	158,665	158,665
88,080	6045	Russell Avenue/Drovers Way Car	91,240	91,240
(129,210)	6050	Civic Centre Car Park	(125,155)	(125,155)
95,280	6055	Fee Paying Car Parks	110,910	110,910
(15,730)	6060	Leased Car Parks	(23,640)	(23,640)
14,560	6065	Free Car Parks	14,780	14,780
2,180	6070	Lydekker Car Park	2,140	2,140
3,077,858		Net Budget for Community Engagement & Localism Portfolio	2,848,530	2,663,620
		<u>Costs reallocated to other services</u>		
535,600	1245	Democratic Services	480,740	480,740
0	1250	Administrative Support Unit	0	0
914,950	5500	Central Offices	884,210	884,210
561,190	5545	Legal	594,580	594,580
229,930	5560	Estates	242,320	242,320
196,400	6400	Infrastructure	160,170	160,170
195,210	6405	Technical Services	178,395	178,395
2,633,280			2,540,415	2,540,415
(2,633,280)		Recharge to other services	(2,540,415)	(2,540,415)
0			0	0
		<u>Special Reserve</u>		
47,210	6100	Decriminalised Parking	90,880	90,880

Environmental Portfolio

Budget 2011-12	Cost Centre	<u>Direct Services</u>	Budget 2012-13	Budget 2013-14
£			£	£
188,842	1500	Environmental Services Administr	165,370	165,370
324,620	1505	Environmental Protection	275,515	275,515
377,200	1520	Food & Health Safety	385,180	385,180
85,160	1530	Pest Control	95,560	95,560
240,460	1535	Public Conveniences	239,750	239,750
66,780	1540	Animal Welfare	48,930	48,930
32,540	1545	Removal of Abandoned Vehicles	23,910	23,910
987,000	1555	Recycling	1,244,460	1,244,460
1,632,700	1560	Refuse Collection	1,683,650	1,683,650
1,317,300	1565	Street Cleansing	1,325,930	1,325,930
65,400	1570	Cleaner District	68,920	68,920
20,000	2600	Parks Administration	32,400	32,400
(1,765)	2605	Allotments	(6,165)	(8,595)
34,305	2610	Clarence Park	17,900	17,900
47,800	2615	Other Open Spaces	64,060	63,660
51,180	2620	Gardens & Flower Beds	36,180	36,180
78,770	2625	Playgrounds	27,495	27,495
(920)	2630	Central Nursery	6,490	6,490
18,900	2645	Railway Trails	17,600	17,600
56,130	2650	Verulamium & Westminster Lodge	495	495
16,960	2655	Rothamsted Park	15,380	15,380
5,639,362		Net Budget for Environmental Portfolio	5,769,010	5,766,180
<u>Costs reallocated to other services</u>				
223,240	6,410	Landscape Architect, Arborists	210,500	210,500
(223,240)		Recharge to other services	(210,500)	(210,500)
0			0	0

Housing Services Portfolio (General Fund)

Budget 2011-12	Cost Centre	<u>Direct Services</u>	Budget 2012-13	Budget 2013-14
£			£	£
20,750	1525	Houses in Multiple Occupation	16,630	16,630
(127,390)	2000	Mobile Home Sites	(114,060)	(114,060)
(4,460)	2010	Sundry Properties	(6,140)	(6,140)
276,250	2020	Homelessness	340,000	340,000
162,690	2030	Grounds Maintenance	148,610	148,610
0	2040	Home Renovation Grants	0	0
179,736	2050	Rent Allowances	179,740	179,740
105,127	2051	Rent Rebates	105,130	105,130
48,600	2065	Affordable Housing	73,740	73,740
0	2090	Leased Properties	90	90
<u>661,303</u>		Net Budget for Housing Portfolio	<u>743,740</u>	<u>743,740</u>
		<u>Costs reallocated to the Housing Investment Programme</u>		
65,060	2,040	Home Renovation Grants	120,020	120,020
(65,060)		Recharge to the HIP	(120,020)	(120,020)
<u>0</u>			<u>0</u>	<u>0</u>

Housing Services Portfolio HRS (Housing Revenue Account)

Budget 2011-12 £'000		Budget 2012-13 £'000	Estimate 2013-14 £'000
Income			
(23,300)	Rents - Dwellings (inc heating)	(23,492)	(24,420)
(250)	- Service Charges	(441)	(450)
(802)	- Garages	(800)	(826)
(319)	- Shops and Other	(435)	(430)
	- Leaseholders	(324)	(335)
(157)	Supporting People	(166)	(171)
(10)	HRA Investment Income/Mortgage Interest	(15)	(22)
	Leaseholder Contributions to capital	(191)	(176)
(24,838)	Total Income	(25,864)	(26,830)
Expenditure			
4,570	Supervision and Management	4,330	4,514
3,451	Repairs	3,502	3,567
238	Rents, Rates and Other Taxes	238	246
141	Cost of Capital	0	0
3,937	Major Repair Reserve - Transfer to Reserves		
	Garage Depreciation	53	53
32	Transitional Relief (Supporting People)	32	30
10,732	Payment to Government	150	0
200	Corporate and Democratic Costs	211	218
23,301	Total Expenditure	8,516	8,628
(1,537)	Net surplus of services	(17,348)	(18,202)
	Interest on Self Financing Loan	5,233	5,233
1,300	Contribution to fund capital	11,000	11,000
	Provision for debt repayment	1,115	1,969
(237)	Transfer to/from reserves	0	0
(1,689)	Balance brought forward	(2,000)	(2,000)
(237)	Transfers (In)/out	0	0
(1,926)	Balance carried forward	(2,000)	(2,000)

Notes: HRA 2013-14 budget lines includes estimated inflation
HRA 2012-13 detailed budget approved by Cabinet 3rd April 2012

Planning & Conservation Portfolio (General Fund)

Budget 2011-12	Cost Centre	<u>Direct Services</u>	Budget 2012-13	Budget 2013-14
£			£	£
(156,630)	4510	Building Control	(157,570)	(157,570)
508,310	4520	Spatial Planning	465,000	465,000
443,710	4530	Development Management	890,630	890,630
225,880	4550	Design & Conservation	101,440	101,440
27,560	4580	Landscape & Graphic Design	53,110	53,110
7,040	6025	Drainage & Flood Prevention	7,000	7,000
<u>1,055,870</u>		Net Budget for Planning & Conservation Portfolio	<u>1,359,610</u>	<u>1,359,610</u>

Costs reallocated to other services

344,950	4500	Planning Technical Support	425,140	425,140
<u>(344,950)</u>			<u>(425,140)</u>	<u>(425,140)</u>
<u>0</u>			<u>0</u>	<u>0</u>

Resources (Direct) Portfolio

Budget 2011-12	Cost Centre	<u>Direct Services</u>	Budget 2012-13	Budget 2013-14
£			£	£
258,760	1110	Chief Executive	294,410	294,410
1,160,668	1117	Business Process Reengineering	570,000	520,000
40,000	1202	Project Leadership	40,000	40,000
138,020	3520	External Audit	128,020	128,020
(320,540)	5000	Corporate Property	(287,165)	(287,165)
(169,790)	5005	Sandridge Gate Business Centre	(47,825)	(47,825)
(340,330)	5010	Miscellaneous	(714,740)	(232,240)
(90,000)	5011	Interest on Balances	423,000	374,000
104,500	5012	Minimum Revenue Provision	223,920	548,920
24,020	5025	Corporate Costs	23,740	23,740
(2,310)	5035	Business Rates	(81,290)	(81,290)
613,189	5040	Council Tax	736,932	723,932
(81,837)	5045	Council Tax Rebates	(81,840)	(81,840)
402,995	5050	Benefits Administration	209,980	209,980
54,880	5567	Business Improvement Programme	0	0
(173,000)	5580	Location Independent Working	0	0
		Net Budget for Community		
<u>1,619,225</u>		Engagement & Localism Portfolio	<u>1,437,142</u>	<u>2,132,642</u>
		<u>Costs reallocated to other services</u>		
(29,675)	5030	Recovery Administration	7,190	7,190
144,470	5055	Benefits Investigation	(99,770)	(99,770)
0	5520	Corporate Printing	132,510	132,510
<u>114,795</u>			<u>39,930</u>	<u>39,930</u>
(114,795)		Recharge to other services	(39,930)	(39,930)
<u>0</u>			<u>0</u>	<u>0</u>

Resources (Support) Portfolio

Budget 2011-12	Cost Centre	<u>Direct Services</u>	Budget 2012-13	Budget 2013-14
£			£	£
108,620	1255	Policy and Partnership General	0	0
148,915	1256	Policy and Sustainability	0	0
20,000	1257	Strategic Partnership	109,450	109,450
(1,730)	1590	Communication & Web Developm	0	0
Net Budget for Resources				
275,805		(Support) Portfolio	109,450	109,450
<u>Costs reallocated to other services</u>				
207,994	1255	Policy and Partnership	299,260	299,260
99,443	1256	Policy and Sustainability	242,110	242,110
152,655	1590	Communications and Web Develo	196,370	196,370
175,880	3500	Internal Audit	174,350	174,350
361,280	5505	HR Support Services	327,630	327,630
496,560	5525	Customer Service Centre	605,430	605,430
847,340	5530	Information Technology Service	559,410	559,410
118,410	5535	Office Services	103,100	103,100
977,420	5550	Financial Services	986,530	986,530
73,545	5555	Procurement	98,800	98,800
342,860	5565	Human Resources	314,090	314,090
407,250	5570	IT Management Services	389,370	389,370
370,980	5575	IT Support & Maintenance	403,210	414,570
4,631,617			4,699,660	4,711,020
(4,631,617)		Recharge to other services	(4,699,660)	(4,711,020)
0			0	0

FEES AND CHARGES

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

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

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

	2011/12	2012/13	Percentage
	£	£	change
<u>COMMUNITY ENGAGEMENT AND SUPPORT</u>			
Typical parking charges			
Decriminalised Parking - Resident permits	38.00	38.00	NIL
Decriminalised Parking - visitor permits	35p	35p	NIL
Decriminalised Parking - business permits	500.00	500.00	NIL
Decriminalised Parking - suspension permits	17.00	17.00	NIL

Car Park Charges

Up to 30 mins	60p	60p	NIL
Up to 1 hour	1.20	1.20	NIL
Up to 2 hours	2.40	2.40	NIL
2 to 5 hours	3.20	3.40	6.25%
All day	8.50	8.50	NIL

	2011/12	2012/13	Percentage
	£	£	change
<u>Allotments and Cemeteries</u>			
Cemeteries	457.00	491.00	7.44%

	2012/13	2013/14	Percentage
	£	£	change
Allotments (approved one year in advance)			
Full plot/Half plot	37.44 / 18.72	To be agreed by the Portfolio Holder.	
Full plot/Half plot (Reduced rate for pensioners + low income groups)	17.16 / 10.50		

Planning Fees

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

Fees for services managed under contract

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

CAPITAL PROGRAMME			
PORTFOLIO:	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Community Engagement & Localism			
Green Travel - Includes Electric Vehicles	12		
Cycle Routes	60	64	
Bus Shelters	0	24	
Quality Partnership Bus Network	40		
Street Scene - Improvement	50	157	
City Centre Public Realm enhancement	15	151	
CCTV - Improvement - 5 Year Programme	89	70	
CCTV - Parishes	20		
	286	466	0
Environment			
Recycling:			
Replace Reusable Bags - Green Waste	0	20	
Replace Lost / Damaged Green Wheeled Bins	23	55	
Additional Recycling Banks to Flats (HCC 75%)	0	9	
Bins for Flats - New Developments	11	59	
Improve Disabled Access	0	19	
Playbuilder	10	0	
Verulamium Heritage Park Project	0	50	
Economic Development Initiatives	0	25	
Camp Open Space	19	0	
Investment in renewable energy technologies	0	250	
	63	488	0
Planning and Conservation			
Document Management System - PDG	0	7	0
Resources			
Business Improvement Programme:			
Pc's Printers, Servers	250	200	
CRM Project	41		
Business Improvement Programme - EDRMS	182		
Implementation of E-Payments	26		
Invest to Save Projects	0	81	
Resource to cover the likely cost arising from condition survey work (to be allocated)	0	300	300
	499	581	300
Sport, Leisure & Heritage			
Multi Use Games Area - Sopwell	32		
Harpenden Town FC - Roof Repairs	0	10	
Westminster Lodge Development	12,374	9,633	550
Leisure Buildings - Refurbishment	213	622	
Batchwood Golf & Tennis - Roof	0	6	
Cotlandswick - Council Contribution	100	1,195	250
HSC/Jubilee Refurbishment	1	7	
Maltings Arts Theatre & Cinema Development	18	0	
Harpenden Public Hall	0	2	
Town Hall - Refurbish Main Building	0	9	
Old Town Hall - External Works	0	22	
Old Town Hall - Boiler Replacement	7	29	
Verulamium Museum - DDA Improvements	0	7	
Eco-Dev Initiatives Support GAF	1	17	
Rothamsted Park - Tennis Courts	73	16	
	12,818	11,576	800
Total Expenditure	13,666	13,118	1,100

	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Funded by			
GAF	(157)	(197)	
Prudential Borrowing	(12,880)	(4,631)	
Ridgeview receipt (or HIP) used for Westminster Lodge		(4,250)	(550)

Note 1 - the Westminster Lodge project costs include the Cotlandswick project management and survey fees

Note 2 - The funding of Westminster Lodge and Cotlandswick is as follows:

Westminster Lodge:-

Prudential Borrowing	(12,374)	(3,383)	0
Ridgeview receipt used for Westminster Lodge	0	(4,250)	(550)
Other Westminster Lodge Funding	0	(2,000)	0
Total	(12,374)	(9,633)	(550)

Cotlandswick:-

Section 106 monies (Cotlandswick)	0	(1,095)	0
Revenue contribution to capital/general fund balances	(100)	(100)	(250)
Total	(100)	(1,195)	(250)

Housing Investment Programme

Scheme	2012/13	2013/14	2014/15
	Estimate £'000	Estimate £'000	Estimate £'000
Ongoing and planned works			
Adaptations for Disabled	300	300	300
Asbestos Element Replacement	100	100	100
Cavity / Loft Insulations	40	40	40
Chimneys	40	20	0
Communal Heating	41	39	30
Digital TV Aerials	0		
<u>Fire Access Improvements</u>			
- Various	300	250	100
Electrical Rewiring			
- Various (single contract)	1,000	1,006	994
Enhancements	250	250	250
Extensions to Dwellings (adaptations)	70	70	70
Flat Roof Replacement			
- Various	600	584	452
Front door replacements	0	0	0
Garage refurbishments	300	300	300
General and Structural			
- Brickwork, Gutters, Plastering etc	650	690	690
Home Lift Replacements - Various	20	20	20
<u>Kitchen & Bathroom Modernisation</u>			
- Various (single contract)	2,230	2,250	2,120
- One - off replacements	250	270	250
Lift Upgrades - Various	10	5	4
<u>Pitched Roof Replacement</u>			
- Various	1,000	1,000	800
Refuse / Recycling Stations	44		
Renewal of Heating Systems	1,100	900	850
Repointing and rendering	350	290	200
HRA Document Scanning Software			
Upgrade to Timber Windows (Conservation Area)	150	150	150
UPVC Window and Door Replacement			
- Various (single contract)	1,480	1,400	1,196
Demolition Costs	425	215	440
Other enhancement schemes	250	851	644
TOTAL HRA	11,000	11,000	10,000
<u>Private Sector Renewal Grants</u>			
- Home Repair Assistance	50	50	50
- Disabled Facility Grants	650	650	650
Home Loss Payments - Retirement Homes	150	150	150
Purchase of properties / Cash incentive	150	150	150
Improvement Grant Administration	152	152	152
<u>Advances to Housing Associations</u>	1,000	1,000	1,000
TOTAL - OTHER ITEMS	2,152	2,152	2,152
TOTALS - ALL ITEMS	13,152	13,152	12,152

COUNCIL TAX 2011/12 AND 2012/13

	Planned Expenditure		Council Tax at Band 'D'	
	2011/12 £000	2012/13 £000	2011/12 £	2012/13 £
St Albans District Council Costs				
Budget	16,220	15,678	264.26	258.19
Less - Formula Grant Allocation	(1,352)	(98)	(22.03)	(5.89)
- Share of National Non-domestic Rates	(4,373)	(5,078)	(71.24)	(82.24)
	10,495	10,502	170.99	170.06
Less - Balance transferred from Collection Fund	(140)	(110)	(2.28)	(1.78)
Net District Council Costs	10,355	10,392	168.71	168.28
Parish Councils' Precepts	2,222	2,297	36.20	37.20
Net District and Parish Requirement	12,577	12,689	204.91	205.48
Hertfordshire County Council costs (Net of Government support)	68,672	69,106	1,118.83	1,118.83
Hertfordshire Police Authority costs (Net of Government support)	9,073	9,130	147.82	147.82
Total to be Met by Council Tax	90,322	90,925	1,471.56	1,472.13
Council Tax Base (Band 'D' equivalents)			61,378	61,766

Parish Council costs amount to £2,297,383 equivalent to an average of £37.20 per Band 'D' property.

Across the district the Council Tax Band 'D' varies between £1,427.96 and £1,495.84, depending upon the level of expenditure planned by each Parish council, and the effect of the District Council special expenses allocated to each area. Full details of the Council tax rates and special expenses for each Parish are shown on the following two pages.

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

COUNCIL TAX RATES 2011/12 ANALYSED OVER VALUATION BANDS AND AREAS

	St Albans City	Harpenden Town	Colney Heath	Harpenden Rural	London Colney	Redbourn	St Michael	St Stephen	Sandridge	Wheathamp- stead	TOTAL/ AVERAGE
COUNCIL TAX BASE	24,576	13,759	2,495	226	3,605	2,472	273	6,429	4,940	2,991	61,766
COUNCIL TAX RATES	£	£	£	£	£	£	£	£	£	£	£
Band 'A' (Band 'D' x 6/9)	965.87	997.23	988.38	956.69	989.57	997.11	951.97	987.83	982.63	996.57	981.42
Band 'B' (Band 'D' x 7/9)	1,126.85	1,163.43	1,153.11	1,116.13	1,154.49	1,163.30	1,110.64	1,152.47	1,146.41	1,162.66	1,144.99
Band 'C' (Band 'D' x 8/9)	1,287.83	1,329.64	1,317.84	1,275.58	1,319.42	1,329.48	1,269.30	1,317.11	1,310.18	1,328.76	1,308.56
Band 'D'	1,448.81	1,495.84	1,482.57	1,435.03	1,484.35	1,495.67	1,427.96	1,481.75	1,473.95	1,494.85	1,472.13
Band 'E' (Band 'D' x 11/9)	1,770.77	1,828.25	1,812.03	1,753.93	1,814.21	1,828.04	1,745.28	1,811.03	1,801.49	1,827.04	1,799.27
Band 'F' (Band 'D' x 13/9)	2,092.73	2,160.66	2,141.49	2,072.82	2,144.06	2,160.41	2,062.61	2,140.31	2,129.04	2,159.23	2,126.41
Band 'G' (Band 'D' x 15/9)	2,414.68	2,493.07	2,470.95	2,391.72	2,473.92	2,492.78	2,379.93	2,469.58	2,456.58	2,491.42	2,453.55
Band 'H' (Band 'D' x 18/9)	2,897.62	2,991.68	2,965.14	2,870.06	2,968.70	2,991.34	2,855.92	2,963.50	2,947.90	2,989.70	2,944.26

PARISH COUNCIL PRECEPTS AND SPECIAL EXPENSES

	PARISH COUNCIL PRECEPTS		DISTRICT COUNCIL SPECIAL EXPENSES		TOTAL SPECIAL EXPENSES		SPECIAL EXPENSES COUNCIL TAX AT BAND 'D'		
	2011/2012	2012-13	2011/2012	2012-13	2011/2012	2012-13	PARISH COUNCILS	DISTRICT COUNCIL	TOTAL SPECIAL EXPENSES
	£	£	£	£	£	£	2012/2013	2012/2013	2012/2013
	£	£	£	£	£	£	£ p	£ p	£ p
St Albans City	0	0	739,235	746,373	739,235	746,373	0.00	30.37	30.37
Harpenden Town	897,110	929,010	163,247	135,935	1,060,357	1,064,945	67.52	9.88	77.40
Colney Heath	159,840	160,000	0	0	159,840	160,000	64.13	0.00	64.13
Harpenden Rural	3,750	3,750	0	0	3,750	3,750	16.59	0.00	16.59
London Colney	212,914	223,150	14,343	14,456	227,257	237,606	61.90	4.01	65.91
Redbourn	172,370	177,510	13,377	13,398	185,747	190,908	71.81	5.42	77.23
St Michael	2,500	2,600	0	0	2,500	2,600	9.52	0.00	9.52
St Stephen	367,731	381,047	25,963	25,973	393,694	407,020	59.27	4.04	63.31
Sandridge	215,811	216,091	58,274	58,144	274,085	274,235	43.74	11.77	55.51
Wheathampstead	189,668	204,225	24,002	24,317	213,670	228,542	68.28	8.13	76.41
Total/Average	2,221,694	2,297,383	1,038,441	1,018,596	3,260,135	3,315,979	37.20	16.49	53.70

GLOSSARY OF TERMS

Actual Expenditure and Income

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

Balances

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

Budget

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

Capital Expenditure

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

Capital Financing Requirement

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

Capital Receipts

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

Capital Reserve

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

Capping Limit

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

Carry Forward

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

Cash Limit

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

Central Services Charges

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

Collection Fund

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

Council Tax

The property based tax by which local authorities raise revenue from the local community. All domestic properties have been valued and categorised within eight bandings to which is applied the local rate assessed by the relevant authorities. A discount on charges is applied where dwellings are occupied by only one person. Rebates are available to those Council taxpayers meeting the Government's criteria. (Pages 23 and 24 explain more about Council Tax and bandings).

Department of Communities and Local Government (DCLG)

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

Depreciation

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

Expenditure

Amounts paid for goods and services received.

Fees and Charges

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

Financial Year

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

Formula Grant Allocation

The Government Grant towards the cost of services provided by local authorities. It is paid directly into each authority's General Fund and was previously called Revenue Support Grant (RSG).

Formula Spending Share (FSS)

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

General Expenses

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

General Fund

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

Government Grants

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

Home Renovation Grants

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

Housing Investment Programme (HIP)

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

Housing Revenue Account (HRA)

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

Income

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

Interest on Balances and from Investments

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

Land Appropriation

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

Local Authority Business Growth Incentive Scheme (LABGI)

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

National Non-Domestic Rates (Business Rates)

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

Major Repairs Allowance

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

Negative Housing Subsidy

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

Precepts

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

Prudential Indicators

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

Redistributed Business Rates

Part of the Government's financial support for local authorities - the business rates which are collected by authorities and paid over to the Government, are returned to authorities on a population

basis. Authorities with a large business rate base like St Albans collect and pay over to the Government very much more than is redistributed back to them.

Revenue Expenditure

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

Special Expenses

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

Third Party Contributions to Capital Expenditure

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

Virement

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