

FINANCE DIGEST

General Fund Financial Monitoring

**Period 5
(August 2010)**

Foreword

The monthly Finance Digest is the key tool for raising awareness of financial issues throughout the Council at both member and officer level.

If you have any comments or queries on its contents and presentation, or a suggestion for an item to be included, please contact Steve Akehurst (on extension 8055).

The Finance Digest brings together the key indicators that describe Watford's financial health. It provides a regular update on the progress of spend against the Council's revenue and capital budgets, and performance in a number of discrete areas.

Part 1 – Budgetary Control

The Council's latest forecast of its financial position for the year, assessing expected spend for the year against the agreed budget by service area. It includes information on Key Risks and Volatile budgets, and any action taken to mitigate their impact. Revenue spend is forecast monthly, and capital updates are normally provided on a quarterly basis.

Part 2 - Performance Indicators

This section provides the latest performance information.

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A. General Fund ~ Revenue

- A.1 This report provides an update, in summary form, of the latest position as at 31st August 2010 on the Council's budget for the current financial year.
- A.2 The forecast out turn net expenditure for 2010/11 at the end of period 5 is predicted to be £17,638k and needs to be reconciled back to the net budget requirement agreed at the start of the year of £16,532k. The difference of £1,106k comprises the following:

	£k
* Anticipated use of Earmarked Reserves	281
* Carry Forward Items approved by Audit Committee	155
* Carry Forward Items re Shared Services	159
(see 'Revenue and Capital items of report' on Page 16)	
* Forecast Overspend on General Fund	291
* Forecast Drawdown on CPZ Reserve to fund Cassiobury implementation (with a corresponding Saving on the capital programme	220

- A.3 The first three items totalling £595k were all anticipated either when setting the Budget or closing the final accounts for 2009/2010. The last variation is a switch between anticipated capital expenditure and revenue (due to the nature of the spend not being defined as 'capital'). Whether capital or revenue it was always intended that the Cassiobury CPZ implementation should be funded from the earmarked Reserve.
- A.4 The forecast overspend on the General Fund was not planned and indicates pressures on existing budgets largely due to the effects of the economic recession. These include an unprecedented period of low interest rates which affects investment interest returns; a fall in commercial rent income due to rent free and vacancy levels; trade waste income being down due to lower demand; and land charge fee income down due to legislative changes.
- A.5 This report will be considered by the Leadership Team on 21st September and any proposals arising out of their meeting will be verbally reported to the Budget Panel.
- A.6 An analysis of variances and salaries expenditure are shown in Tables 2&3.

- A.7 Table 4 presents a summarised view, to management, of the Key Risk areas identified from this month's Budget Monitor.

Icons

Icons have been used to indicate the severity of the variation against budget.

The key is as follows :

- ☺ Forecast net expenditure is within budget.
- ☹ Forecast net expenditure is over budget but there is no cause for concern at this stage.
- ! Forecast net expenditure is more than 10% or £50k over budget and is a cause for concern.

Table 1 - General Fund Summary







GENERAL FUND VARIANCE SUMMARY for PERIOD 5 2010/11						
	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Variance	
SERVICE AREA	£000's	£000's	£000's	£000's	%	
						<input type="checkbox"/>
CORPORATE SERVICES	728	0	0	728	0	
COMMUNITY SERVICES	8,884	0	(120)	8,764	1.4	!
ENVIRONMENTAL SERVICES	6,033	0	82	6,115	1.4	!
PLANNING	3,188	0	238	3,426	7.5	!
CORPORATE MANAGEMENT	1,371	0	0	1,371	0	
LEGAL AND PROPERTY SERVICES	(3,392)	0	241	(3,151)	7.1	!
SHARED SERVICES IMPLEMENTATION	618	0	0	618	0	
SHARED SERVICES	0	0	0	0	0	
STRATEGIC FINANCE	(303)	100	(30)	(233)	23.1	!
NET GENERAL FUND BUDGET	17,127	100	411	17,638	3.0	
TRANSFER TO/(FROM) RESERVES	(595)	0	(220)	(815)		
TRANSFER TO/(FROM) WORKING BALANCE	(346)	(100)	(191)	(637)		
NET BUDGET REQUIREMENT	16,186	0	0	16,186		
GENERAL FUND WORKING BALANCE						
OPENING WORKING BALANCE	1,696	0	0	1,696		
TRANSFER TO/(FROM) WORKING BALANCE	(346)	(100)	(191)	(637)		
CLOSING WORKING BALANCE	1,350	(100)	(191)	1,059		

Table 2 - Variance Analysis By Service and Cost Centre

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Corporate Services	Management Team	0	0	0	0	No reported variance for this period.
	Partnerships & Performance	643	0	0	643	No reported variance for this period.
	Customer Services	10	0	0	10	No reported variance for this period.
	Corporate Projects	75	0	0	75	No reported variance for this period.
TOTAL for Corporate Services		728	0	0	728	

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Community Services	Parks and Open Spaces	2,216	0	0	2,216	No reported variance for this period.
	Sports and Arts	4,494	0	(120)	4,374	Utility contingency no longer required (£80k); management fee from SLM anticipated to be higher (£40k)
	Housing	2,174	0	0	2,174	No reported variance for this period.
TOTAL for Community Services		8,884	0	(120)	8,764	

Variance Analysis By Service and Cost Centre (Continued)

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Environmental Services	Environmental Health & Licensing	1,698	0	0	1,698	No reported variance for this period.
	Street Cleansing	2,107	0	0	2,107	No reported variance for this period.
	Waste & Recycling	2,228	0	82	2,310	<p><u>Trade Waste</u> Overspend expected in total of £50k which can be attributed to the economic environment (pricing pressure) and customer retention as well as the slow take up of existing customers with the trade waste recycling option.</p> <p><u>Domestic Refuse</u> Overspend anticipated of £42k largely relating to agency costs where additional staff are required to cover service requirements including sickness cover</p> <p><u>Kerbside Recycling</u> Underspend in total of (£15k) largely due to reduced salary costs anticipated through vacant posts and minimising the requirements for agency cover.</p> <p>Other minor variations of £5k</p>
TOTAL for Environmental Services		6,033	0	82	6,115	

Variance Analysis By Service and Cost Centre (Continued)

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Planning Services	Development Section	913	0	30	943	Change in Legislation on Land Charge Search Fees has resulted in less income than forecast.
	Transport and Infrastructure	1,778	0	208	1,986	The major part of Cassiobury CPZ implementation now charged to revenue (rather than capital) and will need to be met from the CPZ earmarked reserve.
	Policy Team	497	0	0	497	No reported variance for this period.
TOTAL for Planning Services		3,188	0	238	3,426	

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Corporate Management						
	Corporate Management	1,371	0	0	1,371	No reported variance for this period.
TOTAL for Corporate Management		1,371	0	0	1,371	

Variance Analysis By Service and Cost Centre (Continued)

	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Legal and Property Services	Legal and Democratic	1,849	0	0	1,849	No reported variance for this period.
	Property	(5,785)		237	(5,548)	Rental income for Charter Place and former Woolworth's lower than anticipated.
	Buildings and Projects	544	0	4	548	Essential car allowances not in budget.
TOTAL for Legal and Property Services		(3,392)	0	241	(3,151)	









	Description	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Shared Services Implementation		618	0	0	618	See Shared Services Carried Forward – page 20
TOTAL for Shared Services Implementation		618	0	0	618	

Variance Analysis By Service and Cost Centre (Continued)

	Description	Current Budget	Variations previously report	Variations This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Shared Services	Revenues and Benefits	0	0	0	0	No reported variance for this period.
	BIS	0	0	0	0	No reported variance for this period.
	Human Resources	0	0	0	0	No reported variance for this period.
	Finance	0	0	0	0	No reported variance for this period.
TOTAL for Shared Services		0	0	0	0	

	Description	Current Budget	Variations previously report	Variations This Month	Forecast Out-turn	Out-turn Variance since last month
		£000's	£000's	£000's	£000's	
Strategic Finance	Finance and Resources	266	0	0	266	No reported variance for this period.
	Finance Services Client	0	0	0	0	No reported variance for this period.
	Revs & Benefits Client	1,092	0	0	1,092	No reported variance for this period.
	I.C.T. Services Client	0	0	0	0	No reported variance for this period.
	H.R. Client	0	0	0	0	No reported variance for this period.
	Procurement	0	0	0	0	No reported variance for this period.
	Corporate Costs	2,811	100	(30)	2,881	Reduction in Investment Interest due to a combination of a lower cash portfolio and continuing reduced levels of interest (£200k in total to end of year). Deletion of provision for new corporate initiatives (£130k saving)
	Capital & FRS17 Adj.	(4,472)	0	0	(4,472)	No reported variance for this period.
TOTAL for Strategic Finance		(303)	100	(30)	(233)	

Table 3: Salary Breakdown- Variance Analysis

SERVICE AREA	Previous Year Final	Original Budget	Current Budget	Variences previously report	Variences This Month	Forecast Out-turn	Variance		Comments
	£000's	£000's	£000's	£000's	£000's	£000's	%		
Corporate Services	N/A	1,543	1,683	0	0	1,683	0		No reported variance for this period.
Community Services	N/A	3,276	3,247	0	0	3,247	0		No reported variance for this period.
Environmental Services	N/A	4,185	4,224	0	18	4,242	0.4		Additional costs to cover service demands including maternity cover.
Legal & Property Services	N/A	2,099	2,099	0	0	2,099	0		No reported variance for this period.
Planning	N/A	1,920	1,920	0	0	1,920	0		No reported variance for this period.
Corporate Mgmt	N/A	486	486	0	0	486	0		No reported variance for this period.
Strategic Finance (includes FRS 17 Adjustment)	N/A	(133)	(133)	0	0	(133)	0		No reported variance for this period.
Non-Shared Service Total	N/A	13,376	13,526	0	18	13,544			

Salaries Variance Analysis (Continued)

SERVICE AREA	Previous Year Final	Original Budget	Current Budget	Variences previously report	Variences This Month	Forecast Out-turn	Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	%	😊	
Shared Services Implementation	N/A	665	331	0	0	331	0	😊	No reported variance for this period.
Revenues & Benefits	N/A	2,191	2,191	0	0	2,191	0	😊	No reported variance for this period.
ICT	N/A	0	0	0	0	0	0	😊	No reported variance for this period.
Human Resources	N/A	626	626	0	0	626	0	😊	No reported variance for this period.
Finance	N/A	0	0	0	0	0	0	😊	No reported variance for this period.
Shared Services Total	N/A	3,482	3,148	0	0	3,148	0		
Salaries Total	N/A	16,858	16,674	0	18	16,692	0		
Consultancy	N/A	399	364	0	0	364	0	😊	No reported variance for this period.
Total	N/A	17,257	17,038	0	18	17,056			

Table 4 - Key Risk areas











	Current Budget	Variances previously report	Variances This Month	Forecast Out-turn	Variance		Current assessment of out-turn position	Mitigating action taken
	£000's	£000's	£000's	£000's	%			
Investment Interest	(696)	100	100	(496)	28.7	!	Reduced cash portfolio combined with continuing low interest rates	Situation will not improve
Commercial Property Income	(2,218)	0	237	(1,981)	10.7	!	Rent free period at former Woolworth's and higher vacancy level at Charter Place.	
Charter Place Markets Rents	(549)	0	0	(549)	0		No reported variance for this period.	
Planning Fees	(340)	0	0	(340)	0		Land charges income lower than budgeted for due to changes in legislation.	
Building Control fees	(249)	0	0	(249)	0			
Land Charges Income	(100)	0	30	(70)	30.0	!		

Table 4 - Key Risk areas (Continued)

	Current Budget	Variences previously report	Variences This Month	Forecast Out-turn	Variance		Current assessment of outturn position	Mitigating action taken
	£000's	£000's	£000's	£000's	%			
Colosseum	314	0	0	314	0		No reported variance for this period.	Shouldn't be a variance as Theatre is closed for renovation
Trade Refuse Income	(750)	0	17	(733)	2.3		A fall off in demand for this service.	
Recycling Income	(561)	0	0	(561)	0		No reported variance for this period.	
Council Tax and Rent Allowance Net Expenditure	301	0	0	301	0		No reported variance for this period.	
Repairs Expenditure	N/A	N/A	N/A	N/A				
Parking Account- non-CPZ	(141)	0	10	(131)	7.1		Lower than forecast income from Non-CPZ due to closure of Colosseum.	
Parking Account- CPZ	(1,404)	0	220	(1,184)	15.7	!	Forecast on CPZ due to one off implementation of Cassiobury CPZ being initially charged to the Revenue Account	Transfer from CPZ earmarked Reserve had always been intended.

Revenue and Capital Items of Report

In accordance with Council procedures the following items are reported for Cabinet's information/ approval

Revenue: Bank Tender

The Council's current bank contract with the Co-operative Bank was due to terminate in Summer 2010 (as indeed was the Three Rivers Contract with Nat West). A joint procurement has taken place with the option to combine both volumes of business under one banking arrangement. The result however was that it was more financially advantageous for both authorities to remain with their existing bankers.

In practical terms it would have been an extremely high risk strategy to change either authorities banking arrangements at the same time as software changes were being introduced for a new financial accounting package and a new revenues and benefits system. A further change for one or other authority at this time would have resulted in severe capacity issues as well as the added risk that accountancy records may have become corrupted. For the future however there may be advantages in having the same banking arrangements and, for that reason, new contracts for three years only (rather than the usual seven) have been entered into by each authority commencing on 1st April 2010 (to enjoy the more favourable rates built into the contracts).

For Watford, the former contract equated to an annual charge of £14,370 whereas the new charge equates to £12,230 based upon the same volumes of activity.

Shared Services Carry Forwards

The Shared Services Joint Committee at its June meeting approved the following carry forwards:

Revenue £230,464 (Watford's share is £159,020)
Capital £58,330. (Watford's share is £40,248)

The report to Cabinet on 12th July 2010 on the Statement of Accounts highlighted these under spends and stated..." the proposal is to transfer the (£154k revenue under spend) to the Invest to Save Reserve because it is due to a reduced Shared Service Implementation cost of £177k which was due to be financed from this reserve. It is likely that this under spend on implementation will be required in 2010."

The revenue carry forward of £159,020 will therefore be a charge against the Invest to Save Reserve.

With regard to the capital carry forward again there was an under spend (slippage) in 2009/2010 and it will be necessary to include £40,248 within the 2010/2011 capital programme.

Land Charges

All local authorities have been notified that charging for personal land charge search requests is in conflict with Freedom of Information legislation and must cease with effect from 17th August 2010. This has affected the anticipated levels of fee income for 2010 and future years.

New Capital Projects

Vehicle Weight Sensors £12k

Waste transfer weighbridge tickets reveal occasions when Gross Vehicle Weight has been unintentionally exceeded due to heavy street cleansing payloads and is an offence subject to potential fines of £5k per instance. The purchase of gross vehicle sensors for the street cleansing fleet will overcome this problem. There are no ongoing revenue effects.

Snow/ Emergency Preparations £30k

There has been an internal corporate review regarding the Council's preparedness for the severe Winter experienced in 2009/2010. Inevitably there were lessons to be learned and capital provision is now requested to erect two stores to accommodate grit (at the Depot, and in a Town centre locality). In addition there is an identified need for footpath gritting equipment (at £1k each) which are for more effective than manual shovels.

Additional Capital Carry Forwards

Shared Services C/F referred to earlier £40,248

Private Sector Stock Survey £24,000

Work still being carried out in 2010/2011.

Capital Programme

- B.1 The position is summarised as follows and broken down in the following tables. The figures now include the carried forwards from 2009/2010 reported to Budget Panel on 20th July and totalling £4,866,000 and the £40,248 shared services and £24,000 carried forwards referred to earlier. It also reflects an element of slippage c/f from the current year into the 2011/2012 financial year—chiefly a revised cash flow forecast for the Colosseum adaptations. This follows a review carried out by the Asset Management group on 31st August.
- B.2 Proposed new projects for 2011/12 onwards will be reported to Budget Panel for its consideration at its meeting on 25th October.

		2010/11	2011/12	2012/13	2013/14	2014/15
		Budget	Budget	Budget	Budget	Budget
CAPITAL PROGRAMME FINANCING		£	£	£	£	£
Spend						
General Fund Programme		14,221,848	8,662,255	4,056,500	1,288,500	0
Section 106 Programme		2,242,217	20,000	20,000	20,000	0
Total Capital Programme		16,464,065	8,682,255	4,076,500	1,308,500	0
Funding						
Grants and Contributions		808,000	300,000	0	0	0
Reserves		317,000	0	0	0	0
Capital Receipts		13,042,848	8,362,255	4,056,500	1,288,500	0
Section 106 Schemes		2,242,217	20,000	20,000	20,000	0
Section 106 Woodside		54,000	0	0	0	0
Total Capital Financing		16,464,065	8,682,255	4,076,500	1,308,500	0

Capital Programme (Continued)

Amendments Since the Capital Programme was approved:

Colosseum: a detailed cash flow has now been received and anticipates £3,820k being spent in 2010/2011, with the balance being released in the following year.

Refuse Collection Freighters: the final cost is now known and shows a £100k saving when compared to the original budget.

Woodside Access Improvements: the cost of £226k are anticipated to be part funded by Section 106 receipts (£54k) and is related to cycling provision.

Match day Parking Signs are now estimated to cost £21k more than originally estimated and this will be funded from the CPZ Parking Reserve. The CPZ at Cassiobury shows an underspend of £240k due to the nature of the work being an initial charge against the revenue account rather than capital. The net effect is the same as it has always been intended to fund from the earmarked CPZ reserve.

Town Hall Drainage: Under delegated authority approval was given to carry out £30k of emergency works due to replacement of piping supplying the Town Hall mains water supply.

New Schemes Requiring Approval:

Vehicle Weight Sensors £12k

Snow/ Emergency Preparations £30k

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
General Fund Capital Schemes	£	£	£	£	£	£
Key Projects						
Cardiff Road Health Campus	4,700,000	2,200,000	1,250,000	1,250,000	0	0
Colosseum Refurbishment	5,399,755	3,820,000	1,579,755	0	0	0
Cultural Quarter – Phase 1	4,561,000	500,000	3,061,000	1,000,000	0	0
Green Spaces Strategy	911,470	279,970	210,500	210,500	210,500	0
Sub-Total	15,572,225	6,799,970	6,101,255	2,460,500	210,500	0

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
General Fund Capital Schemes	£	£	£	£	£	£
Environmental Services						
Refuse Collection Freighters	1,500,000	1,500,000	0	0	0	0
Recycling Boxes	54,875	54,875	0	0	0	0
Street Recycling Bins	16,000	16,000	0	0	0	0
Trade Waste Recycling Bins	60,000	60,000	0	0	0	0
Green Waste Bins	54,000	18,000	18,000	18,000	0	0
Bins in Communal Properties	30,000	30,000	0	0	0	0
Carbon Management / Climate Change	308,000	77,000	77,000	77,000	77,000	0
Handhelds for reporting National Indicators	28,000	10,000	18,000	0	0	0

Community & Leisure Services						
Woodside Pole Vault Beds Replacement	23,000	23,000	0	0	0	0
Resurface Woodside Stadium Track / Long Jump Relocation	15,000	15,000	0	0	0	0
Holywell Community Centre	450,000	450,000	0	0	0	0
Woodside Fence	42,790	42,790	0	0	0	0
Woodside Access Improvements Phase 1	226,000	200,000	26,000	0	0	0
Woodside Stadium Toilet Refurbishment	40,000	20,000	20,000	0	0	0
Waterfields Recreation Ground Car Park Improvements	15,000	15,000	0	0	0	0

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
General Fund Capital Schemes	£	£	£	£	£	£
Housing Services						
Disabled Facility Grant	1,063,000	563,000	500,000	0	0	0
Affordable Housing	1,000,000	250,000	250,000	250,000	250,000	0
Empty Properties (CPO, EDMO)	480,000	240,000	240,000	0	0	0
Decent Homes Assistance	800,000	200,000	200,000	200,000	200,000	0
Bringing Stand Alone Properties to Decent Homes Standard	156,500	156,500	0	0	0	0
Bringing York House to Decent Homes Standard	85,000	85,000	0	0	0	0
Private Stock Condition Survey C/F	24,000	24,000	0	0	0	0
Parking Services						
Introducing Pay & Display to Surface Car Parks	69,500	59,500	10,000	0	0	0
Replacement Matchday Parking Signs in CPZ	121,000	121,000	0	0	0	0
Cassiobury & Nascot CPZ	60,000	60,000	0	0	0	0

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
General Fund Capital Schemes	£	£	£	£	£	£
Asset Management						
Depot Refurbishment	400,000	300,000	100,000	0	0	0
Backlog Repairs to Council Properties	1,500,000	500,000	500,000	500,000	0	0
High Street Building Refurbishment	963,390	963,390	0	0	0	0
Town Hall Drainage	30,000	30,000	0	0	0	0
Charter Place Consultancy	140,000	140,000	0	0	0	0
Feasibility Studies	400,000	100,000	100,000	100,000	100,000	0
Colosseum Roof	120,000	120,000	0	0	0	0
Council Chamber Sound System	80,000	80,000	0	0	0	0
Town Centre CCTV	56,000	30,000	26,000	0	0	0
Events Market	150,000	150,000	0	0	0	0
Stripling Way Cycle Path Lighting	21,000	21,000	0	0	0	0

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
General Fund Capital Schemes	£	£	£	£	£	£
I.C.T.						
ICT – PC's, Printers & Servers	322,863	112,863	70,000	70,000	70,000	0
E-Democracy	36,000	18,000	6,000	6,000	6,000	0
Customer Relationship Management System	40,000	15,000	25,000	0	0	0
Environmental Health System	180,000	45,000	45,000	45,000	45,000	0
Shared Services – Implementation of new SAN	69,000	69,000	0	0	0	0
Shared Services – HR CPD Module	6,900	6,900	0	0	0	0
Shared Services – Hardware Replacement Programme	20,700	20,700	0	0	0	0
Property Asset Management System	37,360	37,360	0	0	0	0
Corporate / Service Project Management	1,320,000	330,000	330,000	330,000	330,000	0
New Schemes 2010/2011						
Vehicle Weight Sensors	12,000	12,000	0	0	0	0
Snow / Emergency Preparations	30,000	30,000	0	0	0	0
Total General Fund Capital Schemes	28,229,103	14,221,848	8,662,255	4,056,500	1,288,500	0

Section 106 Funded Schemes

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
Section 106 Funded Schemes	£	£	£	£	£	£
Victoria Passage Phase 2 & 3	12,600	12,600	0	0	0	0
Allotments – Green Toilets	20,000	20,000	0	0	0	0
Colne Valley Improvements	97,940	37,940	20,000	20,000	20,000	0
Cow Lane Improvements	28,000	28,000	0	0	0	0
Multi-Use Games at Meriden	120,000	120,000	0	0	0	0
Oxhey Park Bridge	125,200	125,200	0	0	0	0
Woodside Playing Field – Green Flag	191,440	191,440	0	0	0	0
King George V Nature Reserve	42,493	42,493	0	0	0	0
Cassiopark Phase 2 Consultation	8,000	8,000	0	0	0	0
Cassiopark Signage	5,860	5,860	0	0	0	0
Town Centre Cycle Park	3,944	3,944	0	0	0	0
Town Scheme Enhancements Phase 2	37,950	37,950	0	0	0	0
Knutsford Playing Fields – Changing Facilities	460,000	460,000	0	0	0	0
Horseshoe Lane	6,990	6,990	0	0	0	0
Langley Road	12,000	12,000	0	0	0	0
Hempstead Road - Toucan	11,940	11,940	0	0	0	0
Cassiobury Park Study Ancillary Facilities	26,860	26,860	0	0	0	0

Section 106 Funded Schemes (Continued)

	5 Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Cost	Budget	Budget	Budget	Budget	Budget
Section 106 Funded Schemes	£	£	£	£	£	£
Croxley Rail Link	536,000	536,000	0	0	0	0
Westfield Rec. & Knutsford PG	160,000	160,000	0	0	0	0
Oxhey Park	130,000	130,000	0	0	0	0
St. John's Road Playground	25,000	25,000	0	0	0	0
Chater School Playground	25,000	25,000	0	0	0	0
Oxhey Village Green	25,000	25,000	0	0	0	0
Lea Farm Playground	25,000	25,000	0	0	0	0
Stamford Road Playground	25,000	25,000	0	0	0	0
Aspen Park Drive Playground	25,000	25,000	0	0	0	0
Norbury Avenue Playground	25,000	25,000	0	0	0	0
Jellicoe Road Playground	25,000	25,000	0	0	0	0
Contribution to HCC Water Lane Traffic Calming	65,000	65,000	0	0	0	0
Total Section 106 Funded Schemes	2,302,217	2,242,217	20,000	20,000	20,000	0

Part 2 ~ Performance Indicators

The following analysis identifies performance on the Councils key 'financial health' and key business indicators.

1 Treasury Management Performance

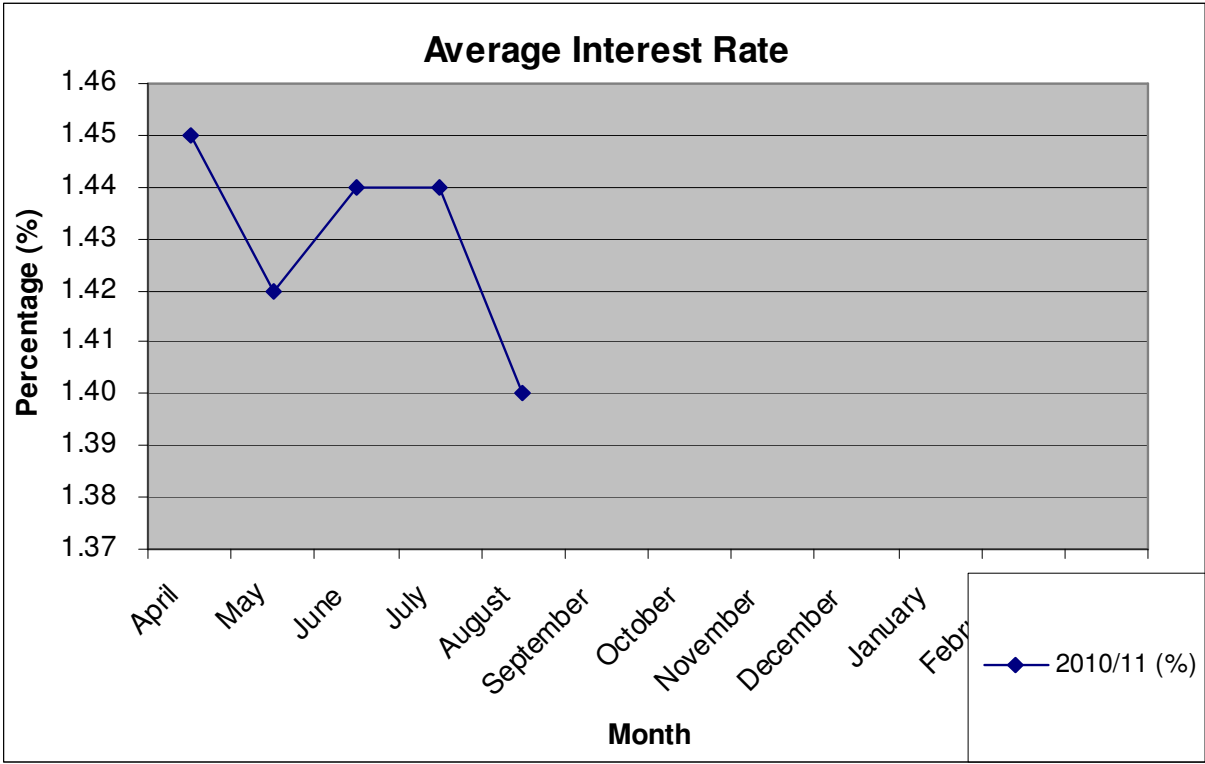
- 1.1 The graph below shows the performance of the council's treasury management function for the period ending 31st August 2010, showing an average annualised return on investments of 1.40% (compared to an estimate of 1.60%). This performance will deteriorate slightly as longer dated investments mature and are replaced at lower rates of interest.

The current estimate of interest returns for 2010/11 is:

	2010/2011
Best Case	1.6%
Central Case	1.4%
Worst case	1.1%

Interest rates are not expected to rise until March 2011. The forecast outturn is £496k.

An adverse variation of £200k to the original budget of £696k is currently forecast



2 Council Tax and NNDR

2.1 For the three months ending 31st August 2010, for Council Tax and NNDR collection rates are as follows:

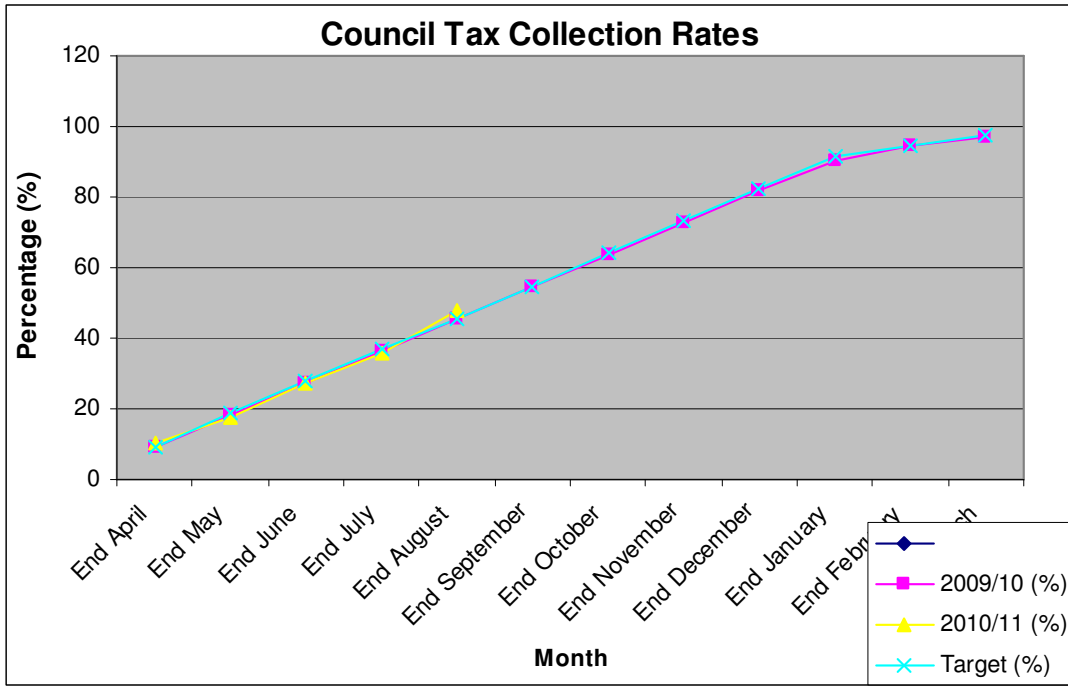
Council Tax Collection

Council Tax Collection Rates	2008/09 (%)	2009/10 (%)	2010/11 (%)	Target (%)
End April	9.29	9.3	10.4	9.3
End May	18.27	18.3	17.8	18.6
End June	27.63	27.4	27.2	27.7
End July	36.66	36.5	35.8	36.7
End August	45.56	45.4	45.0	45.7
End September	54.66	54.7		54.7
End October	64.00	63.9		64.1
End November	72.95	73.0		73.4
End December	82.00	81.7		82.4
End January	91.20	90.6		91.8
End February	93.90	94.8		94.8
End March	96.50	96.7		97.3

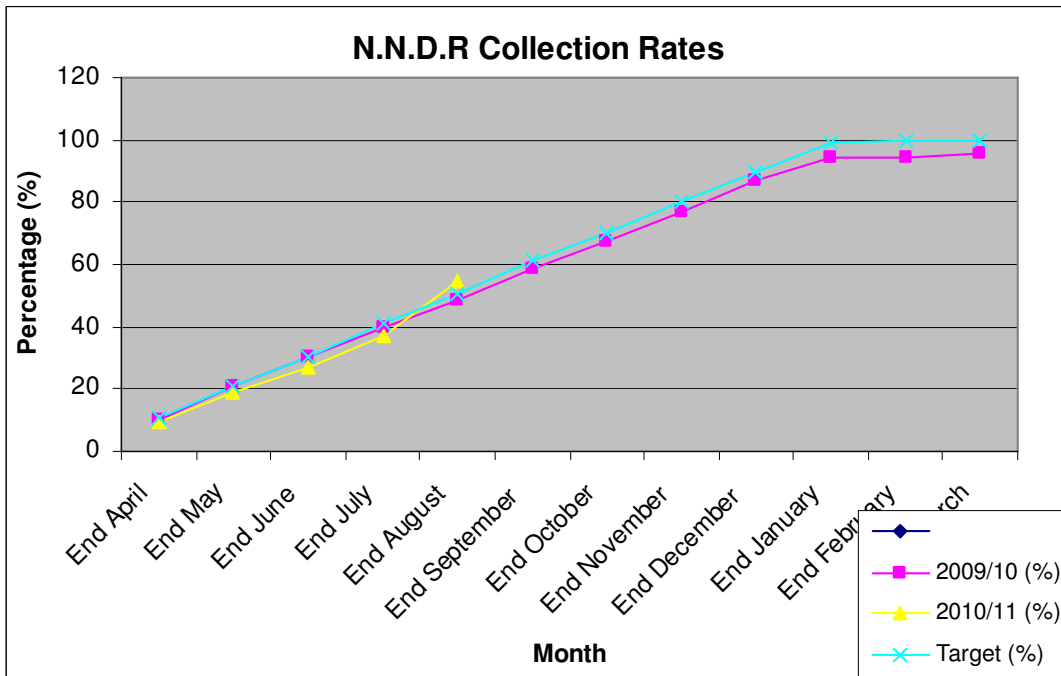
NNDR Collection

N.N.D.R Collection Rates	2008/09 (%)	2009/10 (%)	2010/11 (%)	Target (%)
End April	10.98	10.3	9.6	10.9
End May	19.25	20.7	18.6	21.0
End June	30.55	30.2	27.2	30.5
End July	39.81	39.7	37.2	41.0
End August	49.03	48.3	51.7	50.5
End September	58.22	58.5		61.5
End October	68.09	67.7		70.0
End November	77.31	77.0		80.0
End December	85.20	87.2		89.5
End January	93.50	94.2		99.4
End February	94.20	94.5		99.6
End March	97.80	95.9		99.8

2.2.1 Collection rates are surprisingly good but reflect control totals from the Revenues Academy software system. I have asked for this to be looked at to ensure correct statistics.



67% of council tax is paid by direct debit- which is the cheapest and most reliable form of collection.



Creditor Payment Monitoring

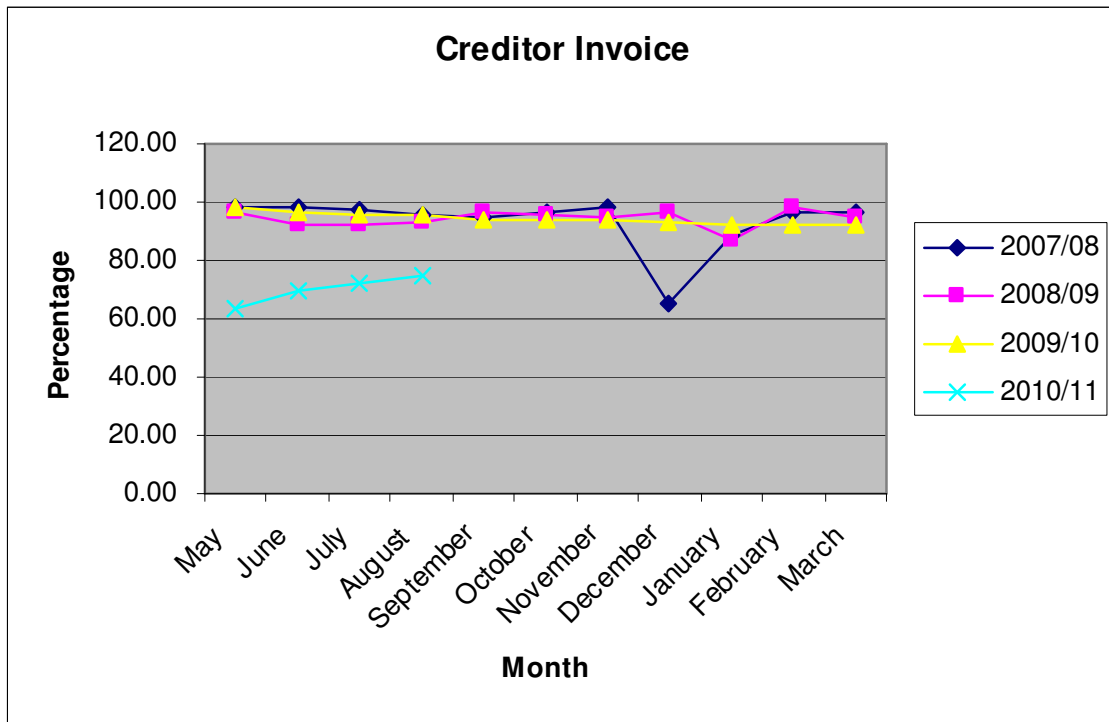
3.1 For 2010/11, up to 31st August 2010, the Council paid 74.62% of undisputed invoices within 30 days (against an Audit Commission Target of 100%). The corresponding figure for 2009/2010 at this stage was 95.35%.

3.2 The payments made by BACS is currently 73% against a target of 75%.

CREDITOR PAYMENT MONITORING STATS BY PORTFOLIO

	Total undisputed Inv's Paid	Late Pay'ts	Pay'ts On Time	% Pay'ts On Time	% Pay'ts on time 2009/10
Corporate Services	242	61	181	74.79	96.62
Shared Services	482	193	289	59.96	91.69
Planning	113	26	87	76.99	95.49
Community & Housing	606	153	453	74.75	92.21
Legal and Property	819	222	597	72.89	80.18
Environmental Services	1814	379	1435	79.11	97.77
Managing Director	42	11	31	73.81	97.40
Total	4118	1045	3073	74.62	92.22

	2007/08	2008/09	2009/10	2010/11
May	98.12	96.17	98.15	63.77
June	98.12	92.14	96.59	69.79
July	97.10	92.30	96.07	71.77
August	95.49	93.43	95.35	74.62
September	95.13	96.38	94.06	
October	96.16	95.38	93.58	
November	98.14	95.09	93.60	
December	65.18	96.65	93.23	
January	88.76	87.10	92.40	
February	96.56	98.51	92.03	
March	96.58	94.79	92.22	



Debtors

- 4.1 The outstanding balance of general sundry debts as at the 31st August 2010 in total, stands at approximately £4.152 million.
- 4.2 The council has made a provision for the charging of debts written off. At the 31st March 2010 this provision stood at £0.693 million and will be reviewed as part of Final Account closure.

Aged Debt Analysis as at end August 2010

Age Category					
0 – 3 months £	4 – 6 months £	7 – 9 months £	10 – 12 months £	Over 12 months £	Grand Total £
2,514,717	839,277	111,585	154,365	531,703	4,151,647

General Debtor Invoices raised to end August 2010

	Invoices raised from 01/04/10 to 31/08/10				
Service	Number of Invoices	Total Raised £	Collected £	Outstanding £	Outstanding %
Community Services	287	170,431	134,304	36,127	21.20
Environmental Services	1,606	949,432	756,760	192,672	20.29
Legal & Property Services	2,477	5,363,236	2,950,788	2,412,448	44.98
Corporate Mgmt	5	16,403	13,172	3,231	19.70
Planning	100	141,310	127,082	14,228	10.07
Corporate Services	13	10,504	5,005	5,499	52.35
Human Resources	1	3,958	3,958	0	0
Finance	122	455,973	311,225	144,748	31.74
Total	4,611	7,111,247	4,302,294	2,808,953	39.50

5. KEY BUSINESS INDICATORS

Monthly Indicators at Period 5:

Occupancy rates at Market	62% (target 85%)
Occupancy rates-Commercial	99% (target 100%)
Repair & Maintenance Programme	Will not be an even flow throughout the year. It is Anticipated to spend on budget.
Procurement Efficiencies (£159k against a target of £50k)	300% overachievement
Internal Audit Plan p T	6.7% underachieved. This is due to more holidays—unproductive days-being taken in first six months. The Plan is anticipated to be achieved.
Average time to process housing benefits	30.5 days (against a target of 40 days).
Average time for change of circumstances	31.69 days (against a target of 20 days)
Sickness Levels	0.76 days in August (against a target of 0.63)
Staff Appraisals completed on time	100% (against a target of 100%)
CSC-all calls answered	99% (against a target of 95%)
Complaints resolved at Stage 1	62% (against a target of 90%)
No. of valid bins missed	0.046% (target 0.05%)