



BUDGET PANEL

Tuesday, 27th November, 2012

7.00 pm

Town Hall, Watford

Publication date: 23 November 2012

CONTACT

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Legal and Property Services on 01923 278377 or by email to legalanddemocratic@watford.gov.uk .

COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor S Rackett (Vice-Chair)

Councillors J Aron, G Derbyshire, S Greenslade, P Jeffree, A Khan, R Martins and P Taylor

AGENDA

PART A - OPEN TO THE PUBLIC

8. FINANCE DIGEST (Pages 31 - 56)

This report informs the Budget Panel of the reported budgetary variances as at end of October 2012.

Agenda Item 8

Report to: Budget Panel
Date of meeting: 27th November 2012
Report of: Head of Strategic Finance
Title: Finance Digest 2012/2013: Period 7 (end of October)

1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of October 2012.

2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at the end of period 7.

Contact Officer:

For further information on this report please contact Bernard Clarke, Head of Strategic Finance, telephone extension 8189, email bernard.clarke@watford.gov.uk

3.0 INTRODUCTION

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year. Where variances are adverse then Heads of Service are required to identify compensating savings wherever possible. For example, during 2011/2012 an overspend of circa £800k was forecast at one point but this was finally managed down to an underlying overspend of £322k.

3.2 The Period 7 (end of October) monitor has identified a number of variances and these are detailed within the attached Finance Digest at **Appendix 1**. A summary of these major variances is reproduced on Pages 3&4 and indicates the following:

- A forecast overspend of £373k
- Of this overspend, £187k to be specifically financed from earmarked reserves.
- The residual balance of £186k is the unplanned level of overspend which will need to be drawn from the Economic Impact reserve.
- All of this projected overspend (£210k) is attributable to operating costs from Shared Services (principally Revenues and benefits and ICT).

The Council's own budgets are showing a small under spend of £24k.

3.3 The current situation is reasonably favourable therefore and reflects well upon Heads of Service and responsible Portfolio Holders.

4.0 FINANCIAL IMPLICATIONS

4.1 These have been included within the report.

5.0 LEGAL IMPLICATIONS

5.1 There are no legal implications arising out of this report.

6.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budget overspends and the use of unplanned reserves is the consequence	3	3	9

7.0 EQUALITIES

7.1 There are no equality implications arising out of the period 7 Finance Digest.

Appendices

Finance Digest Period 7 (end of October)



FINANCE DIGEST

Revenue Financial Monitoring at

Period 7

(October 2012)

Prepared By : Finance Shared Services

Date : 21st November 2012

Foreword

The monthly Finance Digest is a 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 Nigel Pollard (Finance Manager) on ext 7198 or Gilbert Mills (Senior Accountant) on ext 7437.

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 Council budgets including performance within a number of discrete areas. Variances to budgets are reported and shown in the forecast outturn for 2012/13. These variances are loaded on to the Council's financial management system.

Part 1 - Budget Monitoring

The digest reflects the Council's latest forecast of its financial position for the year, assessing expected spend against the agreed budget and split into service area. It also includes information on key risks and volatile budgets (I.E. income streams subject to economic conditions) including any action taken to mitigate their impact. Revenue spend is forecast monthly whereas capital updates are provided on a quarterly basis.

Part 2 - Performance Indicators

This section provides up to date performance data regarding various service areas of the Council including both front line services and support services.

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Part 1 - Budget Monitoring

1 - General Fund Revenue

- 1.1 This report provides an update, in summary form, of the latest position as at 31st October 2012 (period 7) on the Council's budget for the current financial year.
- 1.2 The 2012/13 original net general fund budget requirement was £14,897k.

The 2012/13 forecast outturn for net expenditure at the end of period 7 is predicted to be £15,270k. The net increase of (£373k) is funded via reserves as follows :-

Table of Reserve Movements			
@ Period 6 £k	This Month £k	Total £k	
* Use of Invest To Save Reserve (Yr 2 funding for the post of 'Resilience Officer')	(38)	0	(38)
* Use of Invest To Save Reserve (consultancy costs relating to possible outsourcing)	0	(94)	(94)
* Use of LABGI Reserve (funding contribution towards 'Imagine Watford')	(20)	0	(20)
* Use of Housing & Planning Delivery Grant Reserve (funding USEA affiliation)	(35)	0	(35)
* Anticipated movement on Economic Impact Reserve (see table on page 4)	(166)	(20)	(186)
Sum of in year total reserve movements up to period 7	(259)	(114)	(373)

Note () illustrate a decrease in reserve balances

Invest to Save Reserve (£132k)

The Mayor approved the funding of a two year appointment for a Resilience Officer post (circa £38k per annum), employed by the CVS, who will have responsibility for supporting voluntary sector organisations to become sustainable in the future and less reliant on the council as a source of funding. 2012/13 is the second year of this appointment.

The Council is using V4 Services Ltd to assist with the exercise of market testing for frontline services connected with Waste, Street Cleansing and Parks & Open Spaces. Earmarked funding from the 'Invest to Save' reserve in 2012/13 has totalled (£94k).

Local Authority Business Growth Incentive (LABGI) Reserve (£20k)

This reserve was utilised to develop opportunities and promote Watford by working with partners including the private sector and Watford Palace Theatre on the 'Imagine Watford' festival that took place in June 2012.

Housing & Planning Delivery Grant Reserve (£35k)

This reserve has been used to fund Watford's shareholder investment in the USEA 'green deal' approved by Cabinet on 17th September 2012.

Anticipated Movement on Economic Impact Reserve (£186k)

This balance of (£186k) is the unplanned forecast overspend for 2012/13 and comprises the following major variations :-

Forecast variations affecting Economic Impact Reserve	Service Area	@ Period 6 £k	This Month £k	Total £k
As reported in previous Finance Digest		(166)	0	(166)
WBC hostels fully occupied generating additional income	Community	0	24	24
Net cost of bed & breakfast has fallen	Community	0	60	60
Additional net income from kerbside recycling	Env'mental	0	18	18
Reduced net income from trade waste	Env'mental	0	(10)	(10)
Income from property portfolio has fallen mainly due to vacancy levels	Legal & Prop	0	(135)	(135)
Other net variations		0	23	23
Total		(166)	(20)	(186)

1.3 Reserve activity in 2012/13 has been illustrated graphically to reflect the audited year end carried forward balance on these reserves as at 31st March 2012 including the table of reserve movements as shown on page 3

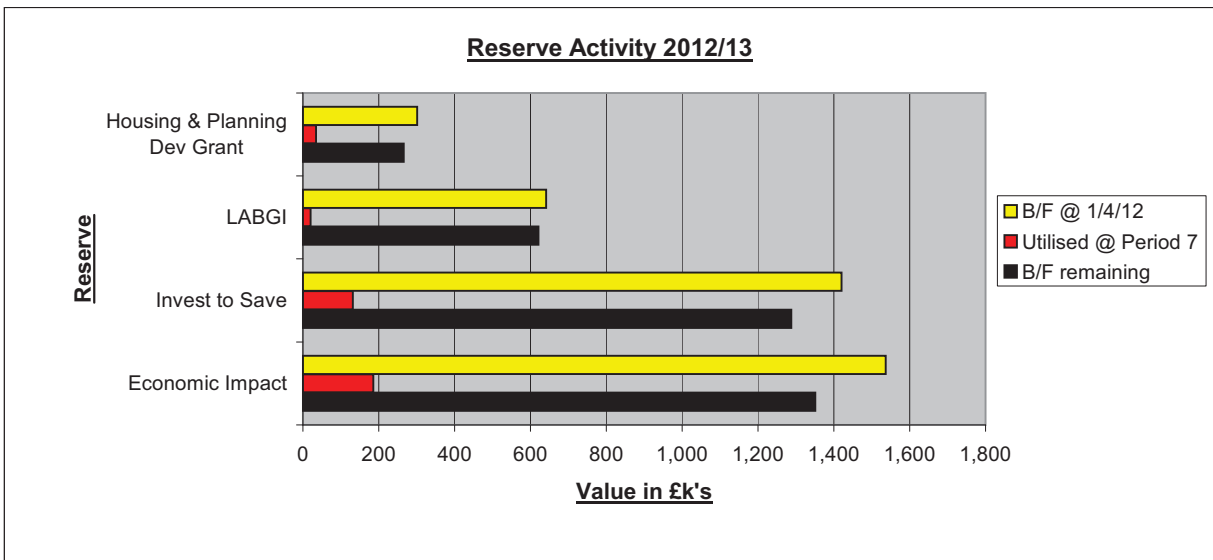


Table 1 - General Fund summary

General Fund Variance Summary for 2012/13 @ Period 7 (October 2012)

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺
Community Services	8,200	8,292	(73)	(98)	(171)	8,121	(2.1)	☺
Environmental Services	6,346	6,418	(54)	56	2	6,420	0.0	⊗
Planning	2,162	2,172	20	(3)	17	2,189	0.8	⊗
Corporate Management	1,492	1,492	0	0	0	1,492	0.0	☺
Legal and Property Services	(2,721)	(2,688)	2	135	137	(2,551)	5.1	⊗
Shared Services Implementation	30	30	0	0	0	30	0.0	☺
Shared Services	3,815	3,815	210	0	210	4,025	5.5	⊗
Strategic Finance	(4,427)	(4,447)	61	(70)	(9)	(4,456)	(0.2)	☺
NET GENERAL FUND	14,897	15,084	166	20	186	15,270	1.2	⊗
Budgeted Transfer To/(From) Reserves	503	503	0	0	0	503		
In Year Transfer To/(From) Reserves		(187)	(166)	(20)	(186)	(373)		
<i>Rounding Adjustment</i>								
NET BUDGET REQUIREMENT	15,400	15,400	0	0	0	15,400		
General Fund Working Balance								
Opening Balance	1,350	1,350	0	0	0	1,350		
CLOSING WORKING BALANCE	1,350	1,350	0	0	0	1,350		

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 as per budget

⊗ Forecast net expenditure is over budget but there is no cause for concern at this stage.

🚨 Forecast net expenditure is more than 10% and £50k over budget which is a cause for concern.

Table 2 - Variance Analysis by Service and Cost Centre

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Community Services :-								
Parks and Open Spaces	2,186	34	2,220	(9)	0	(9)	2,211	No monthly forecast variances reported.
Sports and Arts	3,775	58	3,833	(61)	(2)	(63)	3,770	Vacancy saving of (£2k) reported within the Play Management section.
Housing	2,239	0	2,239	(3)	(96)	(99)	2,140	Variations due to the following :- a) Fewer placements in temporary accommodation due to new build coming on stream saving (£30k). b) Recovery of B&B input costs totalling (£30k) c) Better occupancy rates at WBC hostels generating additional income of (£24k). d) Lower costs expected in connection to repairs / equipment at WBC hostels and managed dwellings of (£8k). e) Other net variations saving (£4k).
<i>Rounding Adjustment</i>								
Total for Community Services	8,200	92	8,292	(73)	(98)	(171)	8,121	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

Parks and Open Spaces	58
Parks and Open Spaces - Total	31
	3
	<u>34</u>

Community Services - Total @ Period 7

92

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Environmental Services :-								
Customer Services	0	5	5	0	3	3	8	Variations due to the following :- a) Vacancy savings of (£20k) offset largely by budget adjustment requirements of £19k. b) Reduced consultancy spend of (£3k). c) Net adverse variance of £7k within the Print Section driven by lower volume of job requests.
Environmental Health & Licensing	1,781	(34)	1,747	(54)	70	16	1,763	Previously reported forecast underspend in period 4 (July 2012) with regard anti social behaviour subsequently reversed due to virement (see below agreed budget changes).
Street Cleansing	2,017	41	2,058	0	(8)	(8)	2,050	Variations due to the following :- a) Lower income expected from trolley collection of £6k and clients including WCHT and Watford Rural Parish of £3k and £6k respectively, offset in part by additional income for subway cleaning from Herts County of (£11k). b) Lower spend of (£9k) expected post litter and dog bin review. c) Net saving on abandoned vehicles of (£3k).
Waste & Recycling	2,548	60	2,608	0	(9)	(9)	2,599	Variations due to the following :- a) Reduced trade waste fee income of £30k offset largely by increased trade sack sales of (£5k), lower landfill costs of (£15k) as well as other related supplies and services of (£7k). b) Net increased spend on employee costs of £44k (largely in kerbside recycling) due to :- i) Additional staff required (short term contracts) ii) Loaders acting up and high sickness levels iii) Volumes being collected and recycling collection point diverted to St Albans c) Improved income performance notably in kerbside recycling totalling (£62k) mainly due to tonnages now being collected. d) Other net variations totalling £6k.
Total for Environmental Services	6,346	72	6,418	(54)	56	2	6,420	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6	
Customer Services	
Customer Services - Total	35
	<u>5</u>
Environmental Health & Licensing	
Environmental Health & Licensing - Total	(70)
	<u>1</u>
Street Cleansing	31
Street Cleansing - Total	<u>10</u>
	41
Waste & Recycling	31
Waste & Recycling - Total	<u>29</u>
	60
Environmental Services - Total @ Period 7	<u>72</u>

5 Approved virement from Strategic Finance Re GovMetric customer satisfaction tool

1 Approved virement from Strategic Finance Re Increased fuel costs for vehicles
1 Approved virement from Strategic Finance Re Increased fuel costs for vehicles

10 Approved virement from Invest to Save Reserve Re Potential outsourcing
10 Approved virement from Strategic Finance Re Increased fuel costs for vehicles

29 Approved virement from Invest to Save Reserve Re Potential outsourcing
29 Approved virement from Strategic Finance Re Increased fuel costs for vehicles

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Planning Services :-								
Development Section	985	0	985	0	7	7	992	Variations due to the following :- i) Increased pre-application advice income of (£33k) ii) Improved search fee income of (£10k) offset by additional spend on consultancy of £10k (Re Rounton Public Inquiry) and agency fees of £10k (structural surveyor appointment) iii) Reduced spend of (£4k) on consultancy within Building Control offset by a £4k increase in microfilming costs.
Transport and Infrastructure	585	10	595	20	(10)	10	605	Better income performance anticipated at the Town Hall Car Park of (£10k).
Policy Team	580	0	580	0	0	0	580	No monthly forecast variances reported.
Economic Development	12	0	12	0	0	0	12	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Planning Services	2,162	10	2,172	20	(3)	17	2,189	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

Transport and Infrastructure

0

10 Approved virement from Buildings and Projects (Legal and Property) Re Directional signs

Planning Services - Total @ Period 7

10

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Management :-								
Corporate Management	1,492	0	1,492	0	0	0	1,492	No monthly forecast variances reported.
Total for Corporate Management	1,492	0	1,492	0	0	0	1,492	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

0

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Legal and Property Services :-								
Partnerships & Performance	272	42	314	0	0	0	314	No monthly forecast variances reported.
Legal and Democratic	1,591	0	1,591	2	0	2	1,593	No monthly forecast variances reported.
Property	(5,154)	0	(5,154)	0	135	135	(5,019)	Variations due to the following :- a) Improved rental income performance anticipated from miscellaneous properties totalling (£180k). b) Adverse rental income expected from Harlequin Shopping Centre and Charter Place of £150k and £165k respectively.
Buildings and Projects	570	(9)	561	0	0	0	561	No monthly forecast variances reported.
Total for Legal and Property Services	(2,721)	33	(2,688)	2	135	137	(2,551)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

Partnerships & Performance	(8)	
Partnerships & Performance - Total	50	Approved virement from Environmental Health & Licensing (Environmental Services) Re Budget adjustment
Buildings and Projects	(10)	Approved virement to Transport and Infrastructure (Planning) Re Directional signs
Buildings and Projects - Total	1	Approved virement from Strategic Finance Re Increased fuel costs for vehicles
	(9)	
Legal and Property Services - Total @ Period 7	33	

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Shared Services Implementation :-								
Shared Services Implementation	30	0	30	0	0	0	30	No monthly forecast variances reported.
Total for Shared Services Implementation	30	0	30	0	0	0	30	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

0

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Shared Services :- Revenues and Benefits	1,559	0	1,559	162	0	162	1,721	No monthly forecast variances reported.
ICT	835	0	835	48	0	48	883	No monthly forecast variances reported.
Human Resources	471	0	471	0	0	0	471	No monthly forecast variances reported.
Finance	950	0	950	0	0	0	950	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Shared Services	3,815	0	3,815	210	0	210	4,025	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 6**

0

Table 2 - Variance Analysis by Service and Cost Centre (continued)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Strategic Finance :- Finance and Resources	221	10	231	0	0	0	231	No monthly forecast variances reported.
Finance Services Client	(823)	0	(823)	0	0	0	(823)	No monthly forecast variances reported.
Revenues and Benefits Client	(165)	0	(165)	61	0	61	(104)	No monthly forecast variances reported.
ICT Services Client	(835)	0	(835)	0	0	0	(835)	No monthly forecast variances reported.
Human Resources Client	(471)	8	(463)	0	0	0	(463)	No monthly forecast variances reported.
Procurement	0	0	0	0	0	0	0	No monthly forecast variances reported.
Corporate Costs	1,610	(38)	1,572	0	(70)	(70)	1,502	Forecast replacement (see comments in Environmental Services (Environmental Health & Licensing) on page 7).
Capital & FRS17 Adjustments	(3,964)	0	(3,964)	0	0	0	(3,964)	No monthly forecast variances reported.
Total for Strategic Finance	(4,427)	(20)	(4,447)	61	(70)	(9)	(4,456)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6
Corporate Costs

8

- 20 Approved virement from Environmental Health & Licensing (Environmental Services) Re Budget adjustment
- (5) Approved virement to Customer Services (Environmental Services) Re GovMetric customer satisfaction tool
- (43) Approved virement to Plant & Vehicle A/C (Environmental Services) Re Increased fuel costs for vehicles

Strategic Finance - Total @ Period 7

(20)

Table 3 - Salaries Analysis

Salaries Variance Analysis (Excl. IAS19)

Service Area	Previous Year Final Restated	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Variance		Comments regarding This Month's Forecast Variances
	£000's								£000's	£000's	
Community Services	3,065	2,840	39	2,879	(8)	(3)	(11)	2,868	(0.4)	☺	See Table 2 - Variance Analysis by Service and Cost Centre (page 6)
Environmental Services	5,648	5,876	(1)	5,875	0	24	24	5,899	0.4	☹	See Table 2 - Variance Analysis by Service and Cost Centre (page 7)
Planning Services	1,887	1,983	0	1,983	(26)	10	(16)	1,967	(0.8)	☺	See Table 2 - Variance Analysis by Service and Cost Centre (page 9)
Corporate Management	537	403	0	403	0	0	0	403	0.0	☺	No monthly forecast variances reported.
Legal and Property Services	3,110	3,058	50	3,108	0	0	0	3,108	0.0	☺	No monthly forecast variances reported.
Shared Services Implementation	33	0	0	0	0	0	0	0	0.0	☺	No monthly forecast variances reported.
Strategic Finance	194	232	0	232	0	0	0	232	0.0	☺	No monthly forecast variances reported.
Consultancy	231	130	108	238	0	3	3	241	1.3	☹	See Table 2 - Variance Analysis by Service and Cost Centre (pages 7 & 9)
Total	14,705	14,522	196	14,718	(34)	34	0	14,718	0.0	☺	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6	32
Community Services	31
Community Services - Total	31
Environmental Services	63
Environmental Services - Total	63
Legal & Property	50
Legal & Property - Total	50
Strategic Finance	20
Strategic Finance - Total	20
Total @ Period 7	196

Approved virement from Invest to Save Reserve Re Potential outsourcing	31
Approved virement from Invest to Save Reserve Re Potential outsourcing	63
Approved virement from Environmental Health & Licensing (Environmental Services) Re Budget adjustment	50
Approved virement from Environmental Health & Licensing (Environmental Services) Re Budget adjustment	20
Approved virement from Environmental Health & Licensing (Environmental Services) Re Budget adjustment	20
Total	196

Table 4 - Key Financial Risk Areas (as at end of October 2012)

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%			
Investment Interest	(325)	(325)	0	0	0	(325)	0.0	☺	Forecast higher cash balances available for investment and volatility in financial markets resulting in a 'flight to safety' with the maturity profile being shorter.	Dependent upon Eurozone countries resolving the issues around sovereign debt.
Commercial Property Income	(6,205)	(6,205)	0	135	135	(6,070)	2.2	☹	Preliminary forecast with a further substantive review expected to be reported and carried out by the Property Section Head (see page 10).	Comprehensive review ongoing due to the affect on the Council's revenue budget.
Charter Place Market	(288)	(288)	0	0	0	(288)	0.0	☺	Service reviewed by the Property Section Head.	Part of the transfer proposals under way with Capital Shopping Centres.
Homelessness Costs	151	151	0	(30)	(30)	121	(19.9)	☺	B&B costs regularly reviewed by the Housing Section Head and reported through the Head of Community Services (see page 6)	Options for commissioning additional temporary accommodation and more effective demand management routinely considered.
Development and Building Control Income	(536)	(536)	30	(3)	27	(509)	5.0	☹	Service correlated to current economic conditions - see comments on page 9 under 'Development Section'.	Fee generation reviewed regularly by the Head of Planning & Development

Table 4 - Key Financial Risk Areas (as at end of October 2012) (continued)

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	Forecast Variances This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%			
Land Charges Income	(40)	(40)	(20)	(10)	(30)	(70)	(75.0)	☺	The income budget has again been reviewed upwards when compared to original estimate - see comments on page 9 under 'Development Section'.	Fee generation reviewed regularly by the Head of Planning & Development
Trade Refuse Income	(686)	(686)	0	25	25	(661)	3.6	☹	Bi-annual billing (April & October). Service reviewed by the Head of Environmental Services via the Section Head of Waste & Recycling (see page 7).	This service forms part of the outsourcing proposal currently being explored.
Kerbside Recycling Income	(566)	(566)	0	(62)	(62)	(628)	(11.0)	☺	Service reviewed by the Head of Environmental Services via the Section Head of Waste & Recycling (see page 7).	This service forms part of the outsourcing proposal currently being explored.
Revenues & Benefits Client (Client cost excluding Revs & Bens shared service operating costs stated below to avoid duplication in variance reporting)	(165)	(165)	61	0	61	(104)	37.0	⚠	This is a high risk area due to increased demand and potential risks of overpayment which can affect the budget - see comment below.	There needs to be a very rigorous quality control process in place to ensure all benefit claims are properly validated.
Shared Service Operating Costs :- Finance Human Resources ICT Revenues & Benefits	950 471 835 1,559	950 471 835 1,559	0 0 48 162	0 0 0 0	0 0 48 162	950 471 883 1,721	0.0 0.0 5.7 10.4	☺ ☺ ☹ ⚠	Reviewed and monitored by the appropriate Head of Service and approved by the Shared Services Board. These variances were agreed at their last meeting held on 24/9/12.	It is anticipated that the continuing harmonisation of processes should result in future efficiencies at some point.

Part 2 - Performance Indicators

2 - Performance Indicators

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

2.1 Treasury Management Performance

The performance of the council's treasury management strategy for the period ending 31st October 2012 shows an average annualised return on investments of 1.15% which is in line with estimate. Budgeted interest receivable for the year therefore remains unchanged at £325k.

The current estimate of interest returns for 2012/13 is:

	<u>2012/13</u>
Best case	1.2 %
Central case	1.15 %
Worst case	1.1 %

Interest base rates (0.5%) are not now expected to rise until December 2014.

2.2 Council Tax and NNDR

The Council Tax and NNDR collection rates @ period 7 are as follows :-

Council Tax Collection rates	2010/11 %	2011/12 %	2012/13 %	Target %
April	10.8	10.7	11.1	10.8
May	17.8	19.7	19.6	19.8
June	27.2	28.5	28.1	28.6
July	35.8	37.6	36.8	37.7
August	45.0	46.5	46.0	46.6
September	54.1	55.0	54.7	55.1
October	62.8	64.0	64.0	64.1
November	71.9	73.2		73.3
December	80.4	82.1		82.2
January	88.9	90.3		90.4
February	92.8	93.6		93.7
March	95.3	95.5		96.0

NNDR Collection rates	2010/11 %	2011/12 %	2012/13 %	Target %
April	9.6	13.7	13.5	13.8
May	17.2	23.5	23.0	23.6
June	27.2	33.4	32.6	33.5
July	37.2	41.6	41.8	41.8
August	51.7	50.5	50.3	50.7
September	57.9	60.2	56.6	60.4
October	68.9	68.9	69.6	69.1
November	80.2	77.8		78.0
December	87.2	88.6		88.8
January	93.5	92.8		93.1
February	95.7	95.0		95.3
March	96.3	96.7		97.0

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

2.3 Creditor Payment Monitoring @ period 7 (October 2012)

The Council paid 90.35% of undisputed invoices within 30 days (against an Audit Commission target of 100%)

The number of payments made by BACS for the month was 87.43% (cumulative figure is 86.27%) against a target of 90%.

Creditor Payment Monitoring Statistics By Service Area

	Total Undisputed Invoices	Late Payments	Payments On Time	% Payments On Time (This Month)	% Payments On Time (Yr to date)
Community Services	119	9	110	92.44	92.25
Environmental Services	297	10	287	96.63	97.78
Planning	40	3	37	92.50	88.98
Managing Director	11	0	11	100.00	87.61
Legal and Property	203	24	179	88.18	81.86
Shared Services	107	29	78	72.90	82.30
Total	777	75	702	90.35	90.32

Cumulative Percentages of Payments Made On Time

	2010/11	2011/12	2012/13
April	N/A	98.45	94.67
May	63.77	95.11	92.09
June	69.79	93.27	91.69
July	71.77	93.23	90.91
August	74.62	92.63	90.78
September	81.59	92.49	90.32
October	84.61	92.65	90.32
November	86.45	93.22	
December	87.59	93.37	
January	87.91	93.04	
February	87.94	93.29	
March	89.16	93.51	

The April figure was not reported separately in 2010/11 so a historic comparison for this month is not possible.

2.4 Debtors Monitoring @ period 7 (October 2012)

A summary of debtors raised / paid is shown in the table below.

General Debtor Invoices Raised to the end of October 2012

Invoices Raised from 1st April 2012 to 31st October 2012					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Community Services	1,329	1,369,877	1,137,870	232,007	16.94
Environmental Services	2,847	1,403,950	890,418	513,532	36.58
Planning	182	689,083	465,082	224,000	32.51
Corporate Management	9	103,722	73,756	29,966	28.89
Legal and Property	4,027	7,991,083	7,165,913	825,170	10.33
Human Resources	9	21,374	20,744	630	2.95
Housing	4	903	869	34	3.77
Finance	126	824,423	808,304	16,119	1.96
ICT	0	0	0	0	N/A
Revenues & Benefits	356	18,576	10,302	8,275	44.54
Total	8,889	12,422,990	10,573,257	1,849,733	14.89

Of the outstanding debt of £1,849,733, the amount between 0 to 3 months old is £1,307,216 (70.67%)

2.5

Key Business Indicators

Monthly indicators at the end of October 2012 (Period 7) are :-

Performance Indicator	Target for Year	Actual
Occupancy rates - Market	70%	Not available
Occupancy rates - Commercial Property	99%	Not available
Repair & Maintenance Programme (incl Yr 5 capitalised budget)	£1,402k	£355k
Capital Programme General	£5,300k	£1,931k
Capital Programme Section 106	£2,230k	£909k
Average time to process housing benefits claims (from date of claim)	25 days	28.81 days
Average time to process change of circumstances	15 days	27.93 days
Sickness absence (working days lost per employee)	3.90 days (profile target @ period 7)	5.32 days (as @ end of period 7)
Staff Appraisals completed on time	100%	97.84%
CSC service levels - 95% all calls answered	95%	97%
Complaints resolved at Stage 1	90%	69%
% of valid bins missed	<0.05%	0.046%
ICT service availability to users during core working hours	99.50%	99.72%

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