



BUDGET PANEL

Wednesday, 26th February, 2014

7.00 pm

Town Hall, Watford

Publication date: 18 February 2014

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 Democracy and Governance on 01923 278377 or by email to legalanddemocratic@watford.gov.uk .

Welcome to this meeting. We hope you find these notes useful.

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COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor S Rackett (Vice-Chair)

Councillors J Aron, S Counter, G Derbyshire, S Greenslade, R Martins, P Taylor and M Turmaine

AGENDA

PART A - OPEN TO THE PUBLIC

1. **APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**
2. **DISCLOSURE OF INTERESTS (IF ANY)**
3. **MINUTES**

The minutes of the meeting held on 15 January 2014 to be submitted and signed.
(All minutes are available on the Council's website.)

4. **FINANCE DIGEST 2013/14: PERIOD 9 (DECEMBER 2013)** (Pages 1 - 28)

Report of the Senior Accountant

This report informs Budget Panel of the reported budgetary variances as at the end of December 2013 (Period 9).

5. **ANNUAL SCRUTINY REPORT** (Pages 29 - 32)

Members are asked to review Budget Panel's contribution to the 2012/13 Annual Scrutiny Report and consider if they wish to change the format for the Panel's contribution to the 2013/14 report.

6. **WORK PROGRAMME 2013/2014** (Pages 33 - 34)

The Panel is asked to note the work carried out during 2013/14 and the dates for the 2014/15 Municipal Year.

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Agenda Item 4

Report to: Budget Panel

Date of meeting: 26 February 2014

Report of: Gilbert Mills – Senior Accountant, Finance Shared Services

Title: Finance Digest 2013/2014 – Period 9 (December 2013)

1.0 SUMMARY

1.1 This report informs Budget Panel of the reported budgetary variances as at the end of December 2013 (Period 9).

2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at Period 9 2013/2014.

Contact Officer:

For further information on this report please contact: -
Gilbert Mills, Senior Accountant, Finance Shared Services
telephone extension: 7437
email: gilbert.mills@watford.gov.uk

Report approved by: Alan Power, Head of Finance, Shared Services

Members are welcome to raise questions prior to any discussion at the meeting. Indeed, it would be helpful if questions could be notified in advance to ensure comprehensive responses are available at the meeting. Queries should be addressed in the first instance to the Accountancy Practice (accountancy.practice@threerivers.gov.uk) who will ensure an answer is provided by the responsible budget holder.

3.0 REVENUE EXPENDITURE & INCOME

3.1 Income and expenditure is monitored by Heads of Service throughout the financial year. If budgetary increases are identified as part of this process, Heads of Service are required, wherever possible, to find compensating savings to offset these increases.

3.2 Changes to revenue expenditure to Period 9 are shown in the Finance Digest at Appendix 1 (section 1.2). The table below shows the movement on original budgeted revenue expenditure –

General Fund Expenditure	£'000's
Original Budget 2013/14	15,021
In year budget virements from reserves	329
Cumulative variances as reported @ Period 8	(430)
Variance reported for Period 9	144
Forecast Outturn 2013/14	15,064

3.3 The table below shows the current movement on reserves during the year including the forecast outturn at 31 March 2014.

Reserves	£'000's	£'000's	£'000's
	Balance as at 1 April 2013	2013/14 movement at Period 9	Forecast as at Period 9
Budget Carry Forward	235	(235)	0
Car Parking Zones	597	(300)	297
Charter Place Tenants	380	(148)	232
Economic Impact	1,824	316	2,140
Housing Planning Delivery Grant	301	(35)	266
Invest to Save	1,255	(356)	899
LA Business Growth Incentive	613	(20)	593
Vehicle Replacement	575	150	725
Other	7,582	0	7,582
Total	13,362	(628)	12,734

3.4 Explanations for variances in the current period are shown primarily under the section headed 'Table 2 - Variance Analysis by Service and Cost Centre'. Previously reported variances would have been detailed to members within earlier digests.

4.0 FINANCIAL IMPLICATIONS

These have been included in the report.

5.0 LEGAL IMPLICATIONS

None Specific.

6.0 EQUALITIES

None Specific.

7.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Score
That the Council's Budget is overspent and financed from the unplanned use of reserves	3	3	9

APPENDICES

Appendix 1 Finance Digest December 2013 - Period 9

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FINANCE DIGEST

Capital & Revenue Financial Monitoring at

Period 9

(December 2013)

Prepared By : Finance Shared Services

Date : 12th February 2014

Foreword

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

The Finance Digest shows the key indicators that describe Watford's financial health. It provides an update on the Council's budget including effect on reserve balances as well as performance within a discrete number of service areas. Variances to budgets are reflected in the forecast outturn for 2013/14 which are loaded on to the Council's financial management system that continue to be monitored throughout the financial year.

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.

If you have any comments, please contact the following Finance staff for assistance :-

Nigel Pollard (Finance Manager) @ nigel.pollard@threerivers.gov.uk or ☎ Ext 7198

Gilbert Mills (Senior Accountant) @ gilbert.mills@watford.gov.uk or ☎ Ext 7437

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Part 1 - Budget Monitoring

1 - General Fund Revenue

- 1.1 This report which reflects the new structure that was implemented on 1st July provides an update, in summary form, of the latest position of the Council's revenue budget as at 31st December 2013 (period 9).
- 1.2 The 2013/14 original net general fund budget requirement was £15,021k prior to movements in reserves (the current budget which includes approved virements is £15,350k). The forecast outturn however for net expenditure at the end of period 9 is expected to be £15,064k. A reconciliation between all these balances can be found in the table below :-

	2013/14		
	Original Budget	Current Budget	Forecast Outturn
2013/14 Original Budget prior to movements in reserve (A)	£15,021k	£15,021k	£15,021k
Add			
In year budget virements into General Fund from / (to) Reserves	£0k	£329k	£329k
In year budget approvals into General Fund from / (to) Reserves	£0k	£0k	£765k
Less			
Forecast movement (to) / from Economic Impact Reserve (this is cumulative underspends reported by services up to Period 9)	£0k	£0k	(£1,051k)
In year anticipated movement (to) / from reserves (B)	£0k	£329k	£43k
Net General Fund Requirement (A)+(B)	£15,021k	£15,350k	£15,064k
Add			
Budgeted transfer to / (from) Vehicle Replacement Reserve	£150k	£150k	£150k
Less			
Budgeted transfer to / (from) Economic Impact Reserve	(£735k)	(£735k)	£316k
Less			
In year budgeted virement & approvals (from) / to Reserves		(£329k)	(£1,094k)
Budgeted and in year anticipated movement to / (from) reserves (C)	(£585k)	(£914k)	(£628k)
Net Budget / Funding Requirement (A)+(B)+(C)	£14,436k	£14,436k	£14,436k

As can be seen above, the Council originally budgeted to use reserve balances totalling (£585k) for financial year 2013/14 which based on current forecasts is now expected to be (£628k), a reduction of -(£43k).

1.3 Usable Reserves

2013/14 Table of Reserve Movements						
Reserve	Original Budget	← In year movement only →			Cumulative Revenue Reserve Mov'ment as @ Period 9	Comments
		Reserve Mov'ment as @ Period 8	Reserve Mov'ment for Period 9 only	Reserve Mov'ment as @ Period 9		
Earmarked						
Budget Carry Forward	£0k	(£235k)	£0k	(£235k)	(£235k)	Established to carry over unused 2012/13 revenue budget required for 2013/14.
Car Parking Zones	£0k	£0k	(£300k)	(£300k)	(£300k)	Ring fenced reserve which picks up the net revenue balance relating to the Parking Service including parking enforcement.
Charter Place Tenants	£0k	£0k	(£148k)	(£148k)	(£148k)	Reserve established by tenant contributions to fund major works at Charter Place.
General						
Housing & Planning Delivery Grant	£0k	(£35k)	£0k	(£35k)	(£35k)	As per Cabinet (Sept 2012), funding for investment in United Sustainable Energy Agency.
Local Authority Business Growth Incentive (LABGI)	£0k	(£20k)	£0k	(£20k)	(£20k)	Utilised to part fund the 'Imagine Watford' festival that took place in June 2013.
Invest to Save	£0k	(£342k)	(£14k)	(£356k)	(£356k)	Funding for Yr 1 ICT contract costs & professional services relating to Veolia outsourcing.
Economic Impact (see table below)	(£735k)	£748k	£303k	£1,051k	£316k	Utilised in part to fund current expenditure as well as absorb any unplanned forecast variances reported by services during the current financial year.
<i>Rounding Adj'ment</i>	£0k	(£1k)	£0k	£0k	£0k	
Total Revenue Reserve	(£735k)	£115k	(£159k)	(£43k)	(£778k)	
Capital Financing						
Vehicle Replacement	£150k	£0k	£0k	£0k	£150k	Created to fund future vehicle purchases via capital.
Total Movement	(£585k)	£115k	(£159k)	(£43k)	(£628k)	

Note () illustrates a decrease in reserve balances

Anticipated Net Movement on Economic Impact Reserve

The in year movement of £1,051k is the current unplanned forecast underspend for 2013/14 and can be summarised as follows :-

Original Budget	In year forecast variations affecting Economic Impact Reserve	Overspend / Underspend	Page Nos	@ Period 8 £k	This Period £k	Total £k
(735)	As per Original Budget 2013/14					
	As outlined in Period 8 Finance Digest	Underspend	N/A	748	0	748
	Corporate Strategy & Client Services	Underspend	6	0	194	194
	Community & Customer Services	Underspend	7	0	96	96
	Democracy & Governance	Underspend	8	0	75	75
	Regeneration & Development	Underspend	11	0	8	8
	Strategic Finance	Overspend	13	0	(70)	(70)
(735)	Total			748	303	1,051

Note : the above table indicates an increase in the balance of the Economic Impact Reserve at year end of £316k as opposed to a reduction of (£735k) due to £1,051k of current underspends which have been reported by services up to and including Period 9.

Forecast reserve activity in 2013/14 has been illustrated graphically to reflect the year end carried forward balance on these reserves as at 31st March 2013 including the table of reserve movements as shown on page 4.

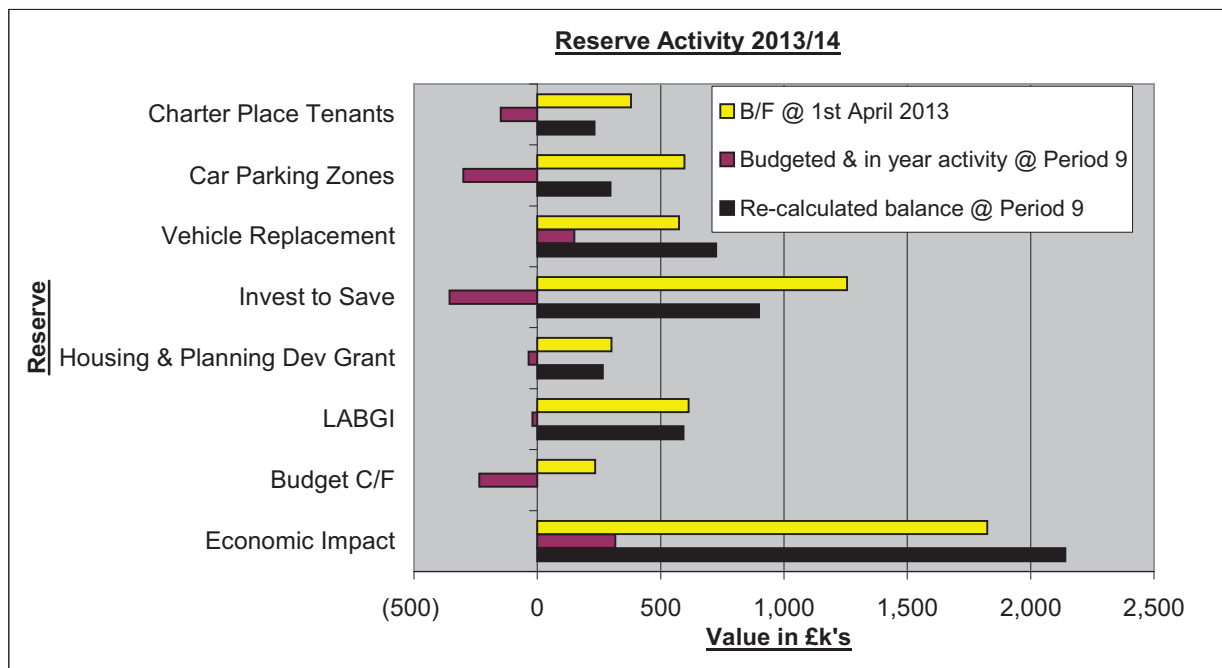


Table 1 - General Fund Summary

General Fund Variance Summary for 2013/14 as @ Period 9 (December 2013)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	Icon
Corporate Strategy & Client Services	9,513	9,737	459	(194)	265	10,002	2.7	⊗
Community & Customer Services	4,861	5,167	(58)	(96)	(154)	5,013	(3.0)	☺
Democracy & Governance	1,762	1,431	76	(75)	1	1,432	0.1	⊗
Regeneration & Development	(558)	(142)	(685)	439	(246)	(388)	(173.2)	☺
Managing Director	1,377	1,385	0	0	0	1,385	0.0	☺
Human Resources	0	(22)	(84)	0	(84)	(106)	(381.8)	☺
Strategic Finance	(1,934)	(2,206)	(138)	70	(68)	(2,274)	(3.1)	☺
NET GENERAL FUND REQUIREMENT	15,021	15,350	(430)	144	(286)	15,064	(1.9)	☺
Budgeted Transfer To/(From) Reserves	(585)	(585)	0	0	0	(585)		
In Year Transfer To/(From) Reserves	0	(329)	431	(145)	286	(43)		
<i>Rounding Adjustment</i>			(1)	1				
NET BUDGET REQUIREMENT	14,436	14,436	0	0	0	14,436		
<u>Financed By :-</u>								
Revenue Support Grant (including re-distributed NNDR)	(4,765)	(4,765)	0	0	0	(4,765)		
Council Tax receipts	(7,350)	(7,350)	0	0	0	(7,350)		
Other central government funding	(2,321)	(2,321)	0	0	0	(2,321)		
TOTAL FINANCING	(14,436)	(14,436)	0	0	0	(14,436)		
<u>General Fund Working Balance</u>								
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 : Budget Owner :	Corporate Strategy & Client Services		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	Lesley Palumbo									
Management Support	0	(158)	(158)	4	(9)	(5)	(163)	Variations due to the following :- i) Savings expected within indirect employee costs and supplies & services of (£3k) and (£6k) respectively.		
Contract Monitoring	0	4,777	4,777	0	(181)	(181)	4,596	Variations due to the following :- i) Expected stage one budget savings of (£181k) as a result of outsourcing Waste, Street Cleansing and Parks and Open Spaces. Future year(s) savings built into the Medium Term Financial Strategy (MTFS) as well as the 2014/15 draft budget.		
Parks and Open Spaces	2,122	(1,081)	1,041	43	0	43	1,084	No monthly forecast variances reported.		
Leisure	1,464	(67)	1,397	(24)	0	(24)	1,373	No monthly forecast variances reported.		
Grants	993	41	1,034	(55)	0	(55)	979	No monthly forecast variances reported.		
Street Cleansing	2,075	(1,316)	759	(14)	0	(14)	745	No monthly forecast variances reported.		
Waste and Recycling	2,629	(2,025)	604	68	0	68	672	No monthly forecast variances reported.		
Partnerships and Performance	229	61	290	77	(4)	73	363	Variations due to the following :- i) Underspend of (£4k) anticipated within supplies and services.		
ICT Service	0	(8)	(8)	361	0	361	353	No monthly forecast variances reported.		
<i>Rounding Adjustment</i>	1		1	(1)	0	(1)				
Total : Corporate Strategy & Client Services	9,513	224	9,737	459	(194)	265	10,002			

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Corporate Strategy & Client Services

total as @ Period 8

Contract Monitoring

Parks and Open Spaces

Street Cleansing & Waste and Recycling

Corporate Strategy & Client Services

total as @ Period 9

(51)

261 Budget re-appropriation from Strategic Finance to Corporate & Client Strategy

3 Funding from Invest to Save Reserve for professional services relating to the Veolia outsourcing

11 Funding from Invest to Save Reserve for professional services relating to the Veolia outsourcing

224

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

Service : Budget Owner :	Community & Customer Services Alan Gough	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	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	
Customer Services		0	36	36	0	0	0	36	No monthly forecast variances reported.
Housing		1,907	23	1,930	(12)	(33)	(45)	1,885	Variations due to the following :- i) Change in WBC property portfolio plus higher occupancy levels that have resulted in extra rental income of (£29k). ii) No requirement for agency staff resulting in a net decrease in direct salary costs of (£3k). iii) Review of supplies and services within Housing Demand reflecting a net (£1k) underspend.
Environmental Health and Licensing		1,772	109	1,881	(23)	0	(23)	1,858	No monthly forecast variances reported.
Culture and Play		1,182	138	1,320	(24)	(63)	(87)	1,233	Variations due to the following :- i) Underspend expected on direct salary costs across various service areas namely :- a) Watford Museum totalling (£4k) b) Arts & Events totalling (£8k) c) Play Management totalling (£25k) d) Support Team totalling (£12k) ii) Utility savings achieved at Watford Museum totalling (£7k). iii) Additional net income of (£2k) from book sales at Watford Museum. iv) Other minor variations totalling (£5k).
<i>Rounding Adjustment</i>		0	0	0	1	0	1	1	
Total : Community & Customer Services		4,861	306	5,167	(58)	(96)	(154)	5,013	

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Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest @ Period 8**

306

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

Service : Democracy & Governance Budget Owner : Carol Chen	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	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 Democratic	1,525	67	1,592	0	0	0	1,592	No monthly forecast variances reported.
Buildings and Projects	237	(400)	(163)	76	(75)	1	(162)	Variations due to the following :- i) Previously reported adverse variance by Buildings & Projects in Period 8 not expected to materialise resulting in a (£75k) favourable reverse.
Procurement	0	2	2	0	0	0	2	No monthly forecast variances reported.
Total : Democracy & Governance	1,762	(331)	1,431	76	(75)	1	1,432	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest @ Period 8

(331)

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

Service : Budget Owner :	Regeneration & Development		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	Jane Custance		£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Projects (property portfolio)	(4,943)	273	(4,670)	(595)	139	(456)	(5,126)	Variations due to the following :- i) Residue of savings expected from transfer of Watford Market to Intu Watford totalling (£9k). ii) Expected return of cash totalling £148k payable to current tenants of Charter Place as part of the Intu Watford transfer. Funding is from Charter Place Tenants Reserve.		
Development Section	1,080	37	1,117	(52)	0	(52)	1,065	No monthly forecast variances reported.		
Transport and Infrastructure	2,676	100	2,776	(37)	300	263	3,039	Variations due to the following :- i) Anticipated net cost of £300k relating to the Parking Service which is chargeable to the Car Parking Zones Reserve.		
Policy Team	617	6	623	0	0	0	623	No monthly forecast variances reported.		
Economic Development	12	0	12	0	0	0	12	No monthly forecast variances reported.		
<i>Rounding Adjustment</i>							(1)			
Total : Regeneration & Development	(558)	416	(142)	(684)	439	(245)	(388)			

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Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Regeneration & Development

total as @ Period 8

Commercial Projects

Regeneration & Development

total as @ Period 9

177

239 Budget re-appropriation from Strategic Finance to Regeneration & Development

416

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

Service : Budget Owner :	Managing Director		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	Manny Lewis									
Corporate Management	1,377	8	1,385	0	0	0	1,385	No monthly forecast variances reported.		
Total : Managing Director	1,377	8	1,385	0	0	0	1,385			

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest @ Period 8**

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

Service : Budget Owner :	Human Resources Cathy Watson		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	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	
	Human Resources Client		0	(22)	(22)	(84)	0	(84)	(106)	No monthly forecast variances reported.
	HR Shared Service		0	0	0	0	0	0	0	No monthly forecast variances reported.
	Total : Human Resources		0	(22)	(22)	(84)	0	(84)	(106)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest @ Period 8**

(22)

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

Service : Strategic Finance	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
Budget Owner : Jo Wagstaffe	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Finance and Resources	202	3	205	(20)	0	(20)	185	No monthly forecast variances reported.
Finance Services Client	123	(3)	120	(53)	0	(53)	67	No monthly forecast variances reported.
Revenues and Benefits Client	1,818	57	1,875	36	0	36	1,911	No monthly forecast variances reported.
Corporate Costs (including adjustments under statute)	(4,077)	(329)	(4,406)	(102)	70	(32)	(4,438)	Variations due to the following :- i) Review of investment income receivable resulting in a £70k adverse variance.
Finance Shared Service	0	0	0	0	0	0	0	No monthly forecast variances reported.
Revs and Bens Shared Service	0	0	0	0	0	0	0	No monthly forecast variances reported.
<i>Rounding Adjustment</i>	0	0	0	1	0	1	1	
Total : Strategic Finance	(1,934)	(272)	(2,206)	(138)	70	(68)	(2,274)	

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Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Strategic Finance

total as @ Period 8

Finance and Resources

228

(261) Budget re-appropriation from Strategic Finance to Corporate & Client Strategy

(239) Budget re-appropriation from Strategic Finance to Regeneration & Development

Strategic Finance

total as @ Period 9

(272)

Table 3 - Direct Salaries Analysis

Direct Salary Costs Variance Analysis (Incl Consultancy Costs but excluding Shared Services & IAS19)

Service Area	Previous Year Final Restated	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Total Forecast Variance as a		Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	Icon	
Corporate Strategy & Client Services	5,546	5,578	(3,641)	1,937	107	0	107	2,044	5.5	⊗	No monthly forecast variances reported.
Community & Customer Services	3,523	3,580	(172)	3,408	(36)	(52)	(88)	3,320	(2.6)	☺	See Table 2 - Variance Analysis by Service and Cost Centre (page 8).
Democracy & Governance	1,907	1,840	(254)	1,586	0	0	0	1,586	0.0	☺	No monthly forecast variances reported.
Regeneration & Development	2,745	2,952	(551)	2,401	(32)	0	(32)	2,369	(1.3)	☺	No monthly forecast variances reported.
Managing Director	369	240	(19)	221	0	0	0	221	0.0	☺	No monthly forecast variances reported.
Human Resources	9	17	(2)	15	0	0	0	15	0.0	☺	No monthly forecast variances reported.
Strategic Finance	1,089	169	(7)	162	0	0	0	162	0.0	☺	No monthly forecast variances reported.
Consultancy	225	134	19	153	25	0	25	178	16.3	⊗	No monthly forecast variances reported.
Total	15,413	14,510	(4,627)	9,883	64	(52)	12	9,895	0.1	⊗	

Notes to Agreed Budget Changes

Total as @ Period 8

(4,641)

Consultancy

14 Funding from Invest to Save Reserve for professional services relating to the Veolia outsourcing

Total as @ Period 9

(4,627)

Table 4 - Key Financial Risk Areas (as at end of December 2013)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Variance		Comments
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺	
Commercial Rental Income (incl Miscellaneous and Parks & Leisure properties as well as Multi Storey Car Parks)	(4,151)	(4,151)	(330)	0	(330)	(4,481)	(7.9)	☺	A detailed review of the Council's commercial property portfolio is routinely carried out by Property in consultation with Finance.
Housing Benefit Client :-									
Grant Income (incl Bad Debt cont'n)	(34,348)	(34,348)	(4,059)	0	(4,059)	(38,407)	(11.8)	☺	Extremely high risk area due to demands on the service due to claimant volumes and central government changes to benefit entitlements.
Rent Allowance Payments	33,884	33,921	3,882	0	3,882	37,803	11.4	🔔	
Shared Services (Operating Costs) :-									
Finance	821	901	(56)	0	(56)	845	(6.2)	☺	Reviewed and monitored by the appropriate Head of Service. Forecast variations reported through the Shared Services Joint Committee.
Human Resources	506	506	(84)	0	(84)	422	(16.6)	☺	
ICT	847	847	361	0	361	1,208	42.6	🔔	
Revenues & Benefits	1,733	1,733	213	0	213	1,946	12.3	🔔	
Parks, Street & Waste Services (Net costs Re: Veolia outsourcing)	0	4,363	0	0	0	4,363	0.0	☺	The client monitoring team routinely meet with operational representatives of Veolia Environmental Services to ensure the contract is being delivered as specified by the council.

Table 4 - Key Financial Risk Areas (as at end of December 2013) (continued)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 8	Forecast Variance Period 9	Total Forecast Variance	Forecast Outturn	Variance		Comments
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺	
Business Rates Retention	Circa 62,000	Circa 62,000	0	0	0	Circa 62,000	0.0	☺	Current estimates indicate that the council may be below the business rates baseline. The maximum exposure for Watford will be £186k.
Development Control / Building Control and Land Charges Income	(554)	(554)	(34)	0	(34)	(588)	(6.1)	☺	The fragile recovery in economic conditions continue to impact this income stream. Legislation has also affected the ability to charge for Land Charge services. The Council continues to look at operational cost savings including the potential outsourcing of Building Control.
Homelessness Spend (net)	120	120	(10)	0	(10)	110	(8.3)	☺	B&B costs are regularly reviewed by the Housing Section Head who continues to look at minimising the impact these costs have on General Fund.
Investment Interest	(270)	(270)	0	70	70	(200)	25.9	🔔	Low risk investment strategy resulting in reduced yields and subsequent forecast variance of £70k. Other investment opportunities under consideration E.G. investing with local authorities.
Kerbside Recycling Income	(464)	(464)	0	0	0	(464)	0.0	☺	The council retains significant interest and risk in recycling income post outsourcing which is an area under current review and negotiation. Co-mingling recycling is expected to have a positive impact on tonnages collected.

Capital Programme

The position is summarised below and broken down on the following tables.

Capital Programme Financing	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Expenditure										
General Fund Spend	45,338,610	8,329,492	3,702,019	17,804,705	12,909,422	5,097,918	13,689,967	3,606,710	1,551,000	1,550,000
Section 106 Schemes	6,641,785	1,151,823	1,252,669	3,781,356	2,740,419	1,115,530	1,496,874	0	0	0
Total Expenditure	51,980,395	9,481,315	4,954,688	21,586,061	15,649,841	6,213,448	15,186,841	3,606,710	1,551,000	1,550,000
Funding										
External borrowing from PWLB	0	0	0	4,000,000	0	0	0	0	0	0
Grants and Contributions	3,632,657	603,705	631,678	1,850,000	791,274	791,274	439,000	489,000	439,000	239,000
Reserves	6,373,977	49,741	0	1,500,000	3,377,912	57,461	1,658,324	1,288,000	0	0
Capital Receipts	35,358,591	7,797,210	3,156,703	10,011,867	8,808,360	4,249,183	11,363,608	1,829,710	1,112,000	1,291,000
Section 106 Schemes	6,595,170	1,030,659	1,166,307	4,224,194	2,672,295	1,115,530	1,725,909	0	0	0
Total Funding	51,960,395	9,481,315	4,954,688	21,586,061	15,649,841	6,213,448	15,186,841	3,606,710	1,551,000	1,530,000

Available Funding - Capital Receipts	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Balance Bought Forward	12,616,330	12,616,330	12,616,330	11,396,437	3,032,829	3,203,119	3,391,119
Used for Financing	(10,011,867)	(8,808,360)	(4,249,183)	(11,363,608)	(1,829,710)	(1,112,000)	(1,291,000)
New Receipts	7,588,467	7,588,467	3,448,979	3,000,000	2,000,000	1,300,000	2,000,000
Balance Carried Forward	10,192,930	11,396,437	11,816,126	3,032,829	3,203,119	3,391,119	4,100,119

Available Funding - S106	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Balance Bought Forward	4,875,415	4,875,415	4,875,415	2,533,709	977,800	992,800	1,010,300
Used for Financing	(4,224,194)	(2,672,294)	(1,115,530)	(1,725,909)	0	0	0
New Receipts	250,000	305,588	305,588	150,000	0	0	0
Interest	37,317	25,000	20,833	20,000	15,000	17,500	20,000
Balance Carried Forward	938,538	2,533,709	4,086,306	977,800	992,800	1,010,300	1,030,300

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes										
Key Projects										
Capitalised Salaries	0	0	0	0	0	0	0	0	0	0
Cardiff Rd Campus	4,174,376	1,886,444	560,752	1,727,180	277,180	2,209	1,450,000	0	0	0
Cardiff Rd Health Campus - Cont to LABV	3,000,000	0	0	0	0	0	1,500,000	1,500,000	0	0
Cardiff Rd Health Campus - Loan to WHHT	2,000,000	0	0	0	0	0	2,000,000	0	0	0
Green Spaces Strategy	951,825	358,367	339,604	219,529	193,854	113,025	60,000	0	0	0
Colosseum Refurbishment	2,793,728	2,585,794	207,934	0	0	22,662	0	0	0	0
Cultural Quarter Phase 1	4,693,080	124,620	357,939	3,515,395	3,487,328	1,303,548	633,483	89,710	0	0
Contribution to Croxley Rail Link	2,532,014	0	0	2,532,014	0	0	2,532,014	0	0	0
New Market	2,650,000	0	12,580	1,387,420	2,537,420	57,461	100,000	0	0	0
Environmental Services										
Recycling Boxes	55,080	0	15,080	20,000	20,000	3,060	20,000	0	0	0
Trade Waste Recycling Bins	18,118	1,550	16,568	20,000	0	0	0	0	0	0
Additional Green Waste Bins	47,955	11,955	0	0	0	0	18,000	18,000	0	0
5 New Collection Vehicles (DCLG funded)	693,165	0	0	650,000	693,165	693,166	0	0	0	0
Decent Homes Assistance	742,205	166,649	65,556	200,000	110,000	69,940	200,000	200,000	0	0
Env Services Schemes (Handyman Asst)	53,480	27,628	10,852	0	15,000	5,600	0	0	0	0
Env Services Schemes (Empty Homes Asst'ce)	195,326	44,975	75,351	0	75,000	2,410	0	0	0	0
Replacement Domestic Bins	60,000	0	0	20,000	20,000	17,376	20,000	20,000	0	0
30,000 Wheelie Bins (DCLG funded)	548,620	0	0	600,000	548,620	548,628	0	0	0	0
1,100 Eurobins (DCLG funded)	173,485	0	0	320,000	173,485	164,478	0	0	0	0
Energy Grants (Carbon M'gmt/Clim Ch'ge)	61,903	14,184	20,719	77,000	27,000	46	0	0	0	0
JCB Excavator	60,500	0	0	0	60,500	57,520	0	0	0	0
Parks Equipment (6 mowers)	148,024	0	0	0	148,024	148,024	0	0	0	0
Johnson Sweepers (3)	205,845	0	0	0	205,845	205,629	0	0	0	0
Cages (5)	174,341	0	0	0	174,341	0	0	0	0	0
Litter Pick Up Trucks (2)	40,050	0	0	0	40,050	40,050	0	0	0	0
Large Van (Graffiti)	38,737	0	0	0	38,737	39,012	0	0	0	0
Street Furniture Van	29,953	0	0	0	29,953	29,664	0	0	0	0
Flail & Gator (2)	33,989	0	0	0	33,989	33,989	0	0	0	0
POV Electric Cart (1)	15,250	0	0	0	15,250	0	0	0	0	0

Capital Programme (continued)

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes										
Community & Leisure Services										
Allotments Upgrades	1,410,000	0	0	410,000	110,000	31,535	1,300,000	0	0	0
Cassiobury Park HLF Project	625,000	0	22,162	602,838	302,838	277,134	300,000	0	0	0
Farm Terrace Allotments relocation	750,000	0	0	400,000	90,000	72,193	660,000	0	0	0
Hurling Club relocation	950,000	0	0	550,000	100,000	27,751	850,000	0	0	0
Woodside Access Improvements Phase 1	232,288	227,121	5,167	0	0	2,727	0	0	0	0
Waterfield Recreation Gd Car Park Imp'ts	8,688	1,068	7,620	0	0	0	0	0	0	0
St Mary's Tombs	100,316	0	1,024	99,292	99,292	43,850	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes (contd.)										
Housing Services										
Stand Alone Properties (Decent Standards)	309,426	7,696	51,730	97,074	50,000	0	50,000	50,000	50,000	50,000
Mandatory Disabled Facilities Grant	3,004,249	558,636	295,613	826,119	550,000	224,139	400,000	400,000	400,000	400,000
Affordable Housing	189,825	127,868	58,380	527,995	3,577	1,718	0	0	0	0
Private Sector Stock Condition Survey	0	0	0	20,875	0	0	0	0	0	0
Parking Service										
Upgrading / Resurfacing Car Parks	151,235	47,860	7,786	75,589	75,589	35,786	0	0	0	20,000
Multi Storey Car Parks Refurbishment	0	0	0	0	0	0	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes (contd.)										
ICT										
ICT-Hardware Replacement Programme	478,140	57,666	30,474	70,000	70,000	8,261	80,000	80,000	80,000	80,000
ICT-Project Management Provision	600,000	0	0	120,000	120,000	8,700	120,000	120,000	120,000	120,000
ICT-Customer Relationship M'gmt System	25,924	29,824	(3,900)	0	0	0	0	0	0	0
ICT-eDemocracy	16,024	16,024	0	0	0	0	0	0	0	0
ICT - Document Management Processing	15,000	0	0	15,000	0	0	15,000	0	0	0
ICT-Environmental Health	221,067	(12,939)	(3,933)	147,939	147,939	0	45,000	45,000	0	0
Property Asset Management System	22,178	11,317	7,046	3,815	3,815	3,709	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
Asset Management										
Charter Place	685,626	152,169	533,457	0	0	(9,035)	0	0	0	0
Feasibility & Disposal Costs	0	0	0	300,000	0	0	0	0	0	0
Events Market	79,607	79,120	487	0	0	0	0	0	0	0
Imagine Watford Project	0	0	0	0	0	0	0	0	0	0
Depot Refurbishment	943,475	884,991	16,023	42,461	42,461	23,705	0	0	0	0
Building Investment Programme	2,767,243	333,081	238,193	743,969	515,969	200,351	440,000	440,000	400,000	400,000
Car Parks Structural Surveys	95,000	0	0	70,000	70,000	4,854	15,000	10,000	0	0
Guest Market (Indoor)	1,881	1,881	0	0	0	(2,918)	0	0	0	0
Town Centre CCTV Relocation	466,501	(25,001)	6,371	485,131	485,131	20,063	0	0	0	0
Redevelopment Opportunities	0	0	0	0	0	0	0	0	0	0
Voice Automated Telephony	30,000	0	0	30,000	30,000	30,315	0	0	0	0
Ascot Road Regearing Valuation Support	50,000	0	0	0	50,000	38,089	0	0	0	0
Atrium Phase 5 (GIS & Cad Integration)	34,000	0	0	34,000	34,000	0	0	0	0	0
Veolia Capital Improvements	300,000	0	0	0	60,000	0	60,000	60,000	60,000	60,000
Watford Business Park Redevelopment	300,000	0	0	0	200,000	0	100,000	0	0	0
Match Funding - Capital Projects	110,000	0	0	0	0	0	35,000	35,000	20,000	20,000

Capital Programme (continued)

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
ICT - Shared Services Joint Committee										
Shared Services Server Replacement	183,636	88,112	95,524	0	0	(2,174)	0	0	0	0
Shared Services-Capita Transition Costs	17,977	7,850	10,127	0	0	0	0	0	0	0
Shared Services ICT Development	200,000	0	0	270,000	200,000	401,273	0	0	0	0
Shared Services Hardware Replace Prog	90,918	24,075	12,843	18,000	18,000	6,313	18,000	18,000	0	0
Shared Services HR CPD Module	3,600	0	0	3,600	3,600	0	0	0	0	0
Shared Services E-Academy	117,114	42,694	74,420	0	0	0	0	0	0	0
Shared Services Income Management	32,987	32,987	0	0	0	0	0	0	0	0
Corp Services / Project Management										
Support Services	3,370,636	413,226	552,470	552,470	552,470	92,082	552,470	500,000	400,000	400,000
New Schemes Requiring Approval										
Telephony-Cost of Replacement server (Macfa	10,000	0	0	0	0	0	10,000	0	0	0
Pop Up Toilets automation and refurbishment	35,000	0	0	0	0	0	35,000	0	0	0
Museum CCTV and Intruder alarm system	50,000	0	0	0	0	0	50,000	0	0	0
Town Centre CCTV Camera Replacement	63,000	0	0	0	0	0	21,000	21,000	21,000	0
Total General Fund Schemes	45,338,610	8,329,492	3,702,019	17,804,705	12,909,422	5,097,918	13,689,967	3,606,710	1,551,000	1,550,000

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P9 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
Section 106 Schemes										
Croxley Rail Link	593,832	146	6,056	587,630	0	0	587,630	0	0	0
East Drive Play Area	120,000	0	0	120,000	0	0	120,000	0	0	0
Estcourt Road Improvements	15,000	0	0	15,000	15,000	15,000	0	0	0	0
Stamford Road Rec Play Area	17,000	16,896	104	0	0	0	0	0	0	0
St Johns Road Play Area	31,000	25,324	1,540	4,136	4,136	0	0	0	0	0
Stripling Road Play Area Improvements	10,000	0	10,000	0	0	0	0	0	0	0
Courtlands Close Play Area	40,001	38,993	1,008	0	0	0	0	0	0	0
Goodwood Rec Play Area Improvements	29,077	22,114	1,515	5,448	448	197	5,000	0	0	0
Riverside Recreation Ground	330,000	0	6,501	323,499	323,499	0	0	0	0	0
Colne River Project	1,045,743	39,819	247,753	454,644	508,171	178,651	250,000	0	0	0
Fern Way Play Area Landscaping	15,000	0	0	15,000	0	0	15,000	0	0	0
Knutsford Road	99,994	979	49,515	49,500	49,500	592	0	0	0	0
Local Park Improvements	250,000	67,073	58,133	62,294	62,294	21,318	62,500	0	0	0
Wiggenhall Allotments	75,001	51,199	23,802	0	0	0	0	0	0	0
Local Nature Reserves	79,920	21,175	14,445	24,300	24,300	4	20,000	0	0	0
Watford Museum	15,159	2,659	0	12,500	12,500	5,185	0	0	0	0
Colne Valley Improvements	67,784	28,930	30,155	8,699	0	0	8,699	0	0	0
Oxhey Park	67,979	67,979	0	0	0	0	0	0	0	0
Cow Lane Improvements	23,000	0	0	23,000	23,000	0	0	0	0	0
Woodside Playing Field (Green Flag)	43,978	35,639	8,339	0	0	0	0	0	0	0
Multi Use Games At Meriden	120,000	0	0	120,000	0	0	120,000	0	0	0
Cassiobury Park Study Facilities	19,112	18,953	159	0	0	607	0	0	0	0
Changing Facilities Knutsford Play Fields	412,078	400,272	11,806	0	0	0	0	0	0	0
Waterfield Rec & Knutsford Playground	160,039	6,039	154,000	0	0	0	0	0	0	0
Oxhey Park Bridge	15,226	10,955	4,271	0	0	0	0	0	0	0
Harwoods Rec Play Area	144,799	0	144,799	0	0	0	0	0	0	0
Central Primary School Play Area	40,000	0	40,000	0	0	0	0	0	0	0
North Watford Playing Fields Area	111,489	42	111,447	0	0	0	0	0	0	0
Himalayan Way Play Area	100,000	0	1,058	98,942	0	0	98,942	0	0	0
Jellicoe Road Play Area Improvements	11,000	0	3,262	7,738	845	845	6,893	0	0	0
Watford Fields Play Area	20,000	20,000	0	0	0	0	0	0	0	0
Harebreaks Rec Ground Play Area	121,000	0	0	121,000	121,000	121,320	0	0	0	0
Waterfields Rec Play Area	150,000	0	26,540	73,460	123,460	1,288	0	0	0	0
Meriden Park Play Area	250,000	222,000	0	28,000	28,000	0	0	0	0	0
Callowland Recreation Ground	574,700	12,914	166,082	376,004	395,704	267,063	0	0	0	0
Oxhey Park	550,000	21,000	13,522	515,478	515,478	464,870	0	0	0	0
King George V Playing Field	350,000	12,723	38,583	298,694	298,694	8,795	0	0	0	0
Radlett Road MUGA	30,000	0	0	30,000	0	0	30,000	0	0	0
Leavesden Green Rec MUGA	53,487	0	53,487	0	0	0	0	0	0	0
North Watford Cemetery	75,000	4,000	0	71,000	71,000	0	0	0	0	0
Vicarage Road Cemetery	75,000	4,000	0	71,000	71,000	8,795	0	0	0	0
Cherry Tree Allotments	32,929	0	20,929	12,000	0	0	12,000	0	0	0
Farm Terrace Allotments	3,600	0	3,600	0	0	0	0	0	0	0
Skate Park Improvements	30,000	0	0	30,000	30,000	0	0	0	0	0
Berry Avenue Play Area	60,000	0	0	60,000	0	0	60,000	0	0	0
Southwold Road Play Area	50,000	0	0	50,000	0	0	50,000	0	0	0
Ridgehurst Avenue Play Area	50,000	0	0	50,000	0	0	50,000	0	0	0
Garston Park	62,000	0	0	62,000	62,000	21,000	0	0	0	0
Centennial House Landscaping & Maint'ce	858	0	258	390	390	0	210	0	0	0
Total Section 106 Schemes	6,641,785	1,151,823	1,252,669	3,781,356	2,740,419	1,115,530	1,496,874	0	0	0
<i>Rounding Adjustments</i>										
Total Capital Investment Programme	51,980,395	9,481,315	4,954,688	21,586,061	15,649,841	6,213,448	15,186,841	3,606,710	1,551,000	1,550,000

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 Council held £38.02m of investments at 31st December 2013 of which £6.0m was a loan from Growing Places with regard the Watford Health Campus Partnership. The Council invested this loan with the Debt Management Office which guarantees full security of funds placed with them and complies with the Council's own investment strategy ranking of security first, liquidity second and investment yield third.

The performance of the Council's treasury management strategy for the period ending 31st December 2013 excluding the loan of £6.0m above shows an average annualised return on investments of 0.63% against a benchmark rate of 0.62%.

Lower yield returns have therefore created a forecast revision to interest receivable which is now expected to be £200k at year end.

The current estimate of interest returns for 2013/14 is:

	<u>2013/14</u>
Best case	0.70 %
Central case	0.62 %
Worst case	0.50 %

2.2 Creditor Payment Monitoring @ Period 9 (December 2013)

The Council paid 98.02% of undisputed invoices within 30 days (against an Audit Commission target of 100%). Under government legislation, invoices not paid within 30 days are subject to interest charges (excluding those invoices that are in dispute).

The number of payments made by BACS for the month was 92.81% (cumulative figure is 90.77%) against a target of 90%.

Creditor Payment Monitoring Statistics By Service Area

Service Area	Total Undisputed Invoices	Late Payments	Payments On Time	% Payments On Time (This Month)	% Payments On Time (Yr to date)
Corporate Strategy & Client Services	71	0	71	100.00	98.57
Community & Customer Services	108	1	107	99.07	97.52
Democracy & Governance	233	5	228	97.85	97.35
Regeneration & Development	106	2	104	98.11	97.81
Managing Director	14	1	13	92.86	96.05
Shared Services	73	3	70	95.89	92.92
Total	605	12	593	98.02	96.89

Cumulative Percentages of Payments Made On Time

Month	2012/13 Actual %	2013/14 Actual %
April	94.67	96.22
May	92.09	95.91
June	91.69	95.94
July	90.91	95.61
August	90.78	96.21
September	90.32	96.54
October	90.32	96.53
November	91.18	96.76
December	92.07	96.89
January	92.26	
February	92.60	
March	92.93	

2.3 Debtors Monitoring @ Period 9 (December 2013)

Debtors monitoring statistics by service area is as follows :-

Invoices Raised from 1st April 2013 to 31st December 2013					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Corporate Strategy & Client Services	1,411	1,210,600	925,859	284,741	23.52
Community & Customer Services	774	1,101,724	1,056,723	45,001	4.08
Democracy & Governance	1	17	0	17	100.00
Regeneration & Development	4,492	12,055,294	11,321,646	733,648	6.09
Managing Director	14	6,062,301	6,052,701	9,600	0.16
Human Resources	2	783	783	0	0.00
Strategic Finance	542	841,477	682,636	158,842	18.88
Total	7,236	21,272,197	20,040,348	1,231,849	5.79

Of the outstanding debt of £1,231,849, the amount between 0 to 3 months old totals £1,040,789 (84.49%).

2.4

Council Tax and NNDR Collection Rates

Reference	Description														
RB 1	Council Tax Collection														
Indicator Definition	Percentage of current year council tax collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	96.0	10.8	19.8	28.6	37.8	46.7	55.2	64.3	73.5	82.4	90.6	94.0	96.0	
	2012/13 Actual	95.6	11.1	19.6	28.1	36.8	46.0	54.7	64.0	72.8	81.7	90.0	93.4	95.4	
	2013/14 Actual		11.0	19.9	28.5	37.4	46.2	55.0	64.4	73.1	82.0				
	Target Achieved?														
	Direction of Travel		↑	↑	↓	↓	↓	↓	↓	↑	↓	↓			
Comment on Performance															
The average in-year collection rate for English Shire Districts in 2012/13 was 97.4%. Targets for 2013/14 have been adjusted in the light of 2012/13 recovery rates and April 2013 changes eg reductions in benefits.															

Reference	Description														
RB 2	NNDR Collection														
Indicator Definition	Percentage of current year national non-domestic rates collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	97.0	13.7	23.5	33.4	41.6	50.5	60.1	68.8	77.7	88.4	92.7	94.8	96.5	
	2012/13 Actual	96.7	13.5	23.0	32.6	41.8	50.3	56.6	69.6	79.0	86.7	93.9	95.6	97.0	
	2013/14 Actual		13.3	23.9	32.4	42.3	51.4	60.0	70.4	80.1	87.6				
	Target Achieved?														
	Direction of Travel		↓	↑	↓	↑	↑	↓	↑	↑	↓				
Comment on Performance															
The average in-year collection rate for English Shire Districts in 2012/13 was 97.7%. Targets for 2013/14 have been adjusted in the light of 2012/13 recovery rates. The 2012/13 collection and 2013/14 collection to date takes account of rates deferral (a manual calculation is currently done for it as the system cannot yet deal with it).															

Annual Scrutiny Report 2013/14

Copied below is Budget Panel's contribution to the Annual Scrutiny Report for 2012/13.

3. Budget Panel

Membership

Councillor Jagtar Singh Dhindsa (Chair)

Councillor Steve Rackett (Vice Chair)

Councillors Jeanette Aron, George Derbyshire, Sue Greenslade, Peter Jeffree, Asif Khan, Rabi Martins and Peter Taylor

The following Councillors also participated in Budget Panel during the year:

Councillors Nigel Bell (observer), Mark Hofman (as a substitute), Stephen Johnson (observer) and Malcolm Meerabux (observer)

The following Portfolio Holder attended Budget Panel meetings during the year:

Councillor Mark Watkin (Portfolio Holder for Finance and Shared Services)

3.1 The Panel's Work Programme for 2012/13:

The Panel met on six occasions during the year and considered the following:

- **Business Rates Retention** update was reported to the Panel, following on from its earlier discussion in October 2011. Neil Benn from CIPFA attended the meeting and gave a presentation to Members which explained the collection procedures at that time and the new scheme from April 2013. Members had several concerns which they voiced at the meeting. The Council's Economic Development Officer had provided information about the potential for Business Rate growth in Watford. Members had considered 'pooling' resources and did not rule it out completely, but it was felt more information was needed.
- **Localisation of Support for Council Tax** was discussed at three meetings, June, September and October. The Panel was kept informed of the Council's progress in devising a local scheme to support Council Tax payers. Members' views were sought on the consultation proposals. The Panel had favoured maximising the options to changes to Council Tax exemptions and discounts. Members were concerned about any changes which would have an impact on those people in receipt of Council Tax Benefit and that the responsibility for achieving the required savings should be placed on empty properties.

The Panel was kept informed of the progress of the consultation and received an interim report. Following the consultation Members were provided with details of the findings prior to a final scheme being developed and presented to Cabinet, which accepted Budget Panel's recommendation that current benefits claimants should not suffer.

- **Income Policy Review** was discussed in September. The Panel looked at the current income charging policy and other options that might be taken into account, for example commercial sponsorship. It had been felt that this had

been a good starting point and that more detailed work could be undertaken at a future meeting.

- **The Final Outturn for 2011/2012** was considered by Budget Panel prior to it being presented to Cabinet. Members discussed the Reserves statement and whether it was possible to use reserves to reduce Council Tax. Members had been informed that a reduction would only be effective for one year and that the next year an increase would be required.
- **The Finance Digest Budget Monitor** was regularly considered by the Budget Panel. Members monitored the expenditure, income and pressures on services. The Panel also discussed overspend within certain services.
- **The Medium Term Financial Strategy** was considered at the meeting on 23rd October, which provided an overview of the financial issues affecting the Council over the next five years. The Panel was interested in the Council's Reserves and whether they might help to offset any overspend.
- **Review of Controlled Parking Zone Reserve** was carried out by the Panel. Members noted the current levels of income received by the parking service and the potential draw on the Parking Reserve for proposed traffic related schemes. The Panel discussed the levels of increase for parking permits set out in the report and its related papers. After a lively discussion Members considered that an increase of 10% for the first permit and 30% for a second permit would be reasonable. This recommendation was forwarded to Cabinet within the Fees and Charges section of the budget report in January and was ultimately agreed by Council.
- **Budget update** provided a progress report on revenue estimate preparation for the 2013/14 budget. The report highlighted known information about Central Government funding and the Collection Fund. Members were advised that Cabinet had agreed to adopt the national Local Council Tax Support Scheme for 2013/14. This meant that it was not necessary to make reductions in benefit entitlement.
- **Shared Services Review** was presented to Budget Panel following the report's consideration at the Three Rivers and Watford Shared Services Joint Committee. Budget Panel broadly supported the strategy for achieving the residual £2.6 million of saving.
- **Update on Property** was provided at the last meeting of the Municipal Year. The Panel was informed about the projects the Property Team were involved in, including work with other Council departments. Members discussed the projects and the Council's property portfolio. The Head of Legal and Property Services and Property Section Head responded to Members' questions.
- **Draft Revenue and Capital Estimates 2013/2016** was discussed at the January meeting prior to its consideration by Cabinet and Council. Members considered the various components of the report including fees and charges, reserves and the Capital Programme. The Panel's comments were forwarded to Cabinet.

3.2 Training

Two training sessions were organised and took place at the beginning of the meetings held in September and November.

The first related to the Corporate Recharge System. This session explained the background and current system for recharging support costs to individual services. Members were shown examples of how support costs were calculated. They were also informed how changes to service provision, for example outsourcing, had an impact and recharge support costs would have to be shared between the remaining council-run services unless the required level of support services was reviewed.

The second training session involved a presentation on local government budgets. The financial procedures and legal requirements were explained.

The reports and minutes for Budget Panel are available on the Council's website – www.watford.gov.uk/budgetscrutiny

3.3 Chair/ Vice Chair's Commentary

This year has been another busy year for the Budget Panel with further cuts having been made by the Government.

I am pleased to say I thoroughly enjoyed Chairing the Budget Panel. The work carried out by the Panel is listed above.

The training sessions were organised for the benefit of new members on the Budget Panel and the feedback has been very positive.

All meetings attracted a very good attendance both from Panel members and interested member colleagues.

I feel that the Panel worked well with there being lively discussion on a number of occasions. It was generally felt that the political dimension had not intruded upon the ultimate decisions taken by the Panel.

Finally I would like to thank the Portfolio Holder for Finance and Shared Services, Councillor Mark Watkin for attending each meeting and answering questions. We would like to thank Bernard Clarke for all his hard work and providing experience and wisdom for the Budget Panel. I would like to wish Bernard Clarke all the best for his retirement and a very personal thank you for all his help to me as Chair. Thanks to all other officers who attended the meeting to present their reports and answer questions and my personal thanks to Sandra Hancock for her hard work/help.

Councillor Jagtar Singh Dhindsa
Chair of Budget Panel 2012/13

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Agenda Item 6

Budget Panel Rolling Work Programme

2013/2014

Committee Membership

Chair Councillor Jagtar Dhindsa
Vice-Chair Councillor Steve Rackett
Councillors Jeanette Aron, Shirena Counter, George Derbyshire, Sue Greenslade, Rabi Martins, Peter Taylor and Matt Turmaine

Date of Meeting	Item for agenda	Officer
10 July 2013	Financial Outturn 2012/2013	Head of Strategic Finance and Shared Services
	Medium Term Financial Strategy 2013/2017	Head of Strategic Finance and Shared Services
	Work Programme 2013/2014	Committee and Scrutiny Officer
10 September 2013	Revised Medium Term Financial Strategy 2013/2018	Shared Director of Finance
	Revenues and Benefits Finance	Head of Revenues and Benefits
	Non Domestic Rates – Review of Discretionary Relief	Head of Revenues and Benefits / Shared Director of Finance
	Finance Digest 2013/2014: Period 4 (end of July)	Shared Director of Finance
29 October 2013	Training: Local Government Finance	Head of Finance Shared Services / Shared Director of Finance
	Review of Parking Reserve Account	Head of Regeneration and Development
	Finance Digest 2013/14: Period 6 (September 2013)	Shared Director of Finance
	Revenues and Benefits Update	Shared Director of Finance

February 2014

Date of Meeting	Item for agenda	Officer
26 November 2013	Training: Business Rates since April 2013	Shared Director of Finance
	An overview of Commercial rents and next steps	Head of Regeneration and Development / Programme Manager
	Fees and Charges	Head of Finance Shared Services
	Finance Digest 2013/2014: Period 7 (October 2013)	Head of Finance Shared Services
15 January 2014	Draft Revenue and Capital Estimates 2014/2018 and Treasury Management Strategy 2014-2017	Shared Director of Finance / Head of Finance Shared Services
	Finance Digest 2013/2014: Period 8 (November 2013)	Head of Finance Shared Services
26 February 2014	Finance Digest 2013/2014: Period 9 (December 2013)	Head of Finance Shared Services
	Work Programme 2013/14	Committee and Scrutiny Officer
	Annual Scrutiny Report 2013/14	Committee and Scrutiny Officer

Budget Panel 2014/15

Wednesday 9 July 2014
 Tuesday 9 September 2014
 Tuesday 28 October 2014
 Tuesday 2 December 2014
 Thursday 15 January 2015
 Tuesday 24 February 2015

All meetings start at 7.00 p.m.