



**WATFORD  
BOROUGH  
COUNCIL**

# **BUDGET PANEL**

**Tuesday, 29th November, 2016**

**7.00 pm**

**Town Hall, Watford**

**Publication date: 21 November 2016**

**Contact**

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

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# Committee Membership

Councillor Asif Khan (Chair)

Councillor M Hofman (Vice-Chair)

Councillors D Barks, N Bell, P Kent, Ahsan Khan, R Laird, R Martins and G Saffery

## 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 06 September 2016 to be submitted and signed.

Copies of the minutes of this meeting are usually available seven working days following the meeting.

*(All minutes are available on the Council's [website](#).)*

**4. Finance Digest 2016/17 Quarter 2 (Pages 5 - 36)**

The Finance Digest 2016/17 Q2 is attached for councillors to review.

Discussions to include a review of:

- Capital scheme progress
- Council reserves and their utilisation.

**5. Dates of Next Meetings**

10 January 2017

- Draft fees and charges
- Draft Revenue and Capital Estimates 2017/20
- Finance Digest 2016/17: Period 8

21 February 2017

- Finance Digest 2016/17 Q3





# FINANCE DIGEST

## 2016/17

# BUDGET MONITORING



## Quarter 2 (30 September)



A table of contents is shown below together with the appropriate page number.

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## Executive Summary

This Finance Digest shows the expected financial position (forecast outturn) for the current financial year based on the Council's actual financial performance at the end of Quarter 2 (September) 2016. It also includes trend analysis for comparisons with previous years.

The 2016/17 revenue forecast of expected outturn shows an unfavourable variance of **£0.807 million** when compared to the latest budget. The variance is mainly due to an additional pressure on temporary accommodation of £0.450 million, loss of planning application fee income of £0.150 million, £0.217 million relating to the timing of the dividend payable to the Council for the Health Campus project. The variance of £0.807 million will be met from the Programme Management Board reserve (£0.105 million), LA Business Growth Incentive reserve (£0.054 million), High Street Innovation reserve (£0.032 million), Car Parking Zone reserve (£0.048 million) and the balance from earmarked Economic Impact reserve.

The table below shows a summary of the Council's Medium Term Financial Strategy (MTFS), highlighting how the variances increase the funding gap to **£2.622 million** by 2018/19. Some of the variances reported are 'one off' in 2016/17 and do not reoccur in future years.

<u>Medium Term Financial Strategy</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Latest Budget	17,225,060	14,006,810	15,197,210
Variances previously reported	847,570	180,100	394,525
<b>Variances this period (Appendix 1A)</b>	(40,812)	(119,710)	(119,710)
<b>Forecast Outturn</b>	<b>18,031,818</b>	<b>14,067,200</b>	<b>15,472,025</b>
Funding (income from business rates, grants and council tax)	(15,293,070)	(13,171,904)	(12,860,923)
Budgeted use of reserves	(761,500)	(50,000)	11,500
Brought forward budget 2015/16	(1,190,000)		
<b>Total</b>	<b>787,248</b>	<b>845,296</b>	<b>2,622,602</b>
<b>(Use)/Contribution to reserves as per original MTFS</b>	(19,510)	<b>784,906</b>	<b>2,347,787</b>
Additional Funding Gap	806,758	60,390	274,815
<b>Revised use/contribution to reserves</b>	<b>787,248</b>	<b>845,296</b>	<b>2,622,602</b>

The 2016/17 capital budget shows a decrease of **£2.010 million** when compared to the latest budget. The variance is primarily due to the rephasing of the Watford Business Park project to 2018/19 of £2.400 million, increase of £1.100 million on the Health Campus and a rephasing of £0.750 million to 2017/18 for the Colosseum roof.

In April 2015, the Council set up its internal Property Investment Board (PIB) to review the Council's property portfolio, with the remit of disposing of uneconomical assets and reinvesting in property that creates regeneration and delivers a rate of return greater than 5%. PIB have purchased an investment property costing **£4.286 million** using its ring-fenced receipts from previous disposals.

The effect of both the revenue and capital variances upon on each reserve is shown in the table below. A full list of reserve balances is shown at **Appendix 9**.

Description	Balance at 1 April	Agreed use of Reserves	Previously reported Movement	Reported Movement this time	Total	Balance at 31 March 2017
	£000	£000	£000	£000	£000	£000
Capital Financing	(6,235)	509	74	(75)	508	(5,727)
Earmarked Reserves	(17,547)	1,932	847	(40)	2,739	(14,808)
General Fund	(1,350)	0	0	0	0	(1,350)
<b>Total</b>	<b>(25,132)</b>	<b>2,440</b>	<b>921</b>	<b>(115)</b>	<b>3,247</b>	<b>(21,886)</b>



## The financial balanced scorecard

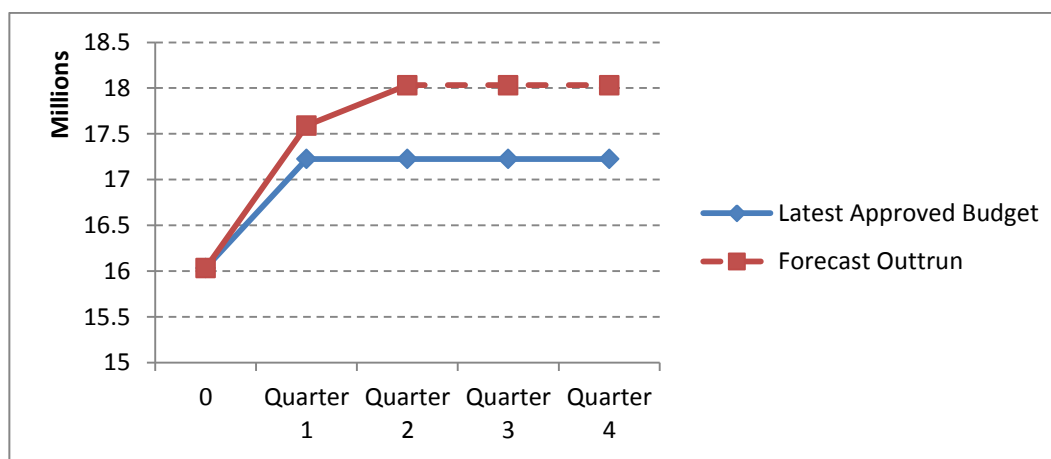
<p><b><u>REVENUE</u></b></p> <ul style="list-style-type: none"><li>➤ Services are forecasting an outturn pressure of £0.807 million.</li><li>➤ Additional cost of temporary accommodation is estimated at £0.450 million</li><li>➤ Reduction in planning fees of £0.150 million</li></ul>	<p><b><u>CAPITAL</u></b></p> <ul style="list-style-type: none"><li>➤ There is a rephasing of £2.400 million to later years for the Watford Business Park scheme.</li><li>➤ To date just over a third of the planned budget has been spent.</li></ul>
<p><b><u>INCOME</u></b></p> <ul style="list-style-type: none"><li>➤ Increase in rental income of £265,000 from the purchase of an investment property and new lettings</li><li>➤ Collection rates for business rates and council tax are on target</li></ul>	<p><b><u>FUNDING GAP</u></b></p> <ul style="list-style-type: none"><li>➤ The annual funding gap at the end of the medium term (2018/19) is forecasted to be £2.62 million</li><li>➤ Total gap over medium-term has increased by £1.1 million</li><li>➤ Use of reserves to close the gap is not sustainable in the longer term</li></ul>

## 1.0 Revenue Budget

1.1 Budget monitoring report is a key tool in scrutinising the Council's financial performance and is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives within its resource limits and, where necessary, corrective action is taken. A key principle of budgetary control is to align the budget holders' financial responsibilities and their management responsibilities.

1.2 The latest budget is **£17.225 million**. The forecast outturn is now estimated to be **£18.032 million** which results in an unfavourable variance of **£0.807 million**.

1.3 The latest budget and forecast outturn for the current financial year (2016/17) at Quarter 2 are plotted on the graph below;



1.4 The table below compares the latest budget to the forecast outturn and shows the variance against each service. The figures in the table relate to direct costs and incomes for each service. The 'Adjustment under Statute' figure in the table represents the accounting treatment of indirect service costs such as internal recharges and capital financing charges that do not impact on service provision.

Revenue Account 2016/17			
Service Area	Latest Budget £000	Forecast Outturn £000	Variance £000
Corporate Strategy & Client Services	7,511	7,428	(83)
Community & Customer Services	4,516	5,001	485
Democracy & Governance	3,414	3,414	0
Regeneration & Development	(4,742)	(4,554)	188
Managing Director	660	660	0
Human Resources	576	576	0
Strategic Finance	5,667	5,884	217
Adjustment Under Statute	(377)	(377)	0
<b>Net Expenditure</b>	<b>17,225</b>	<b>18,032</b>	<b>807</b>

- 1.5 The detail of comparing the forecast outturn to the latest budget, together with an explanation for the variance by service is shown at **Appendix 1**. Services with significant variances have provided the narratives below:

***Corporate Strategy & Client Services***

- 1.5.1 There is a saving of £25,000 in Clinical Waste service due to the rationalisation of the service. A £40,000 saving on leased vehicles as the Council has ceased this arrangement having completed a successful procurement exercise. There is also additional income from waste and recycling of £15,000.

***Community & Customer Services***

- 1.5.2 A £450,000 pressure remains on temporary accommodation as previously reported. Similarly, expenditure of £25,000 is still required to complete the temporary accommodation project; this will be met from allocating funds from the Programme Management Board (PMB) reserve. There is a reduction in income from the printing service of £35,000; however additional income of £15,000 has been obtained from taking over Three Rivers District Council's pest control service.

***Regeneration & Development***

- 1.5.3 There is an increase in rental income of £197,000 from the purchase of an investment property. It should be noted that £129,000 of investment income was removed from the original 2016/17 budget due to the disposal of piecemeal properties as part of the Property Investment Board's agreed rationalisation of the Council's property portfolio. The increased revenue stream from the new purchase more than offsets this reduction.
- 1.5.4 A net additional cost of £39,340 has been identified for the Watford Business Park project as a result of the outsourcing of the property management services (£92,000) offset by increased rental income of £52,660.
- 1.5.5 Further expenditure of £80,000 is required to complete the project relating to the review of the Council's property services. This will be met from allocating funds from Programme Management Board (PMB) reserve.
- 1.5.6 There is a positive variance in the building control inspection fee of £60,000; however there is an unfavourable variance in planning fee income of £150,000. There is also a predicted reduction in pre-application advice income of £20,000.
- 1.5.7 Additional contributions of £45,000 and £9,000 are to be made to the Chamber of Commerce and to Skillmakers respectively from the LABGI reserve.
- 1.5.8 There is the use of £32,400 from the High Street Innovation Fund reserve to fund the monitoring of the town centres' footfall.
- 1.5.9 There is a predicted reduction in the land charges search fee of £20,000 due to the slowdown in the housing market.

- 1.5.10 Additional expenditure of £48,000 was approved by Cabinet on 12 September 2016 for implementation of new parking bays, which will be funded from the CPZ reserve.

**Strategic Finance**

- 1.5.11. There is an unfavourable variance of £0.217 million relating to the timing of the dividend payable to the Council for the Health Campus project. This will be paid in 2017/18.

**Spend to Date and Profiles**

- 1.6 To enable further scrutiny of the Council’s financial position, budgets are profiled to allow comparisons to be made between the actual spend/income against expected spend/income to date. This helps to inform if the Council’s spending plans are on track. Budget profiling spreads the latest budget across the months of the year where income/expenditure is anticipated.
- 1.7 The table below compares the profiled budget to date to the actual net expenditure to date and the variance between the two for each service for Quarter 2.

<b>Service Area</b>	<b>Profiled Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
Corporate Strategy & Client Services	3,600	3,613	13
Community & Customer Services	2,213	2,409	196
Democracy & Governance	1,791	1,576	(215)
Regeneration & Development	(1,519)	(1,384)	135
Managing Director	222	220	(2)
Human Resources	394	411	17
Strategic Finance	3,504	4,089	585
<b>Net Expenditure</b>	<b>10,205</b>	<b>10,934</b>	<b>729</b>

- 1.8 As the table above shows, the Council overspent against its profiled budget by **£0.729 million** at Quarter 2. The significant reasons for the variance are shown below.

**Corporate Strategy & Client Services**

- 1.8.1 Higher spend on grants compared to profile of £100,000; however this is not expected to increase the forecast outturn. Underspend on employees of £30,000 which will be taken into account in revising the Council’s staffing budgets in period 7. There is a lower spend on projects of £40,000 at this stage, however it is anticipated that this will be spent by the year end.

**Community & Customer Services**

- 1.8.2 Additional cost of £339,000 for temporary accommodation. Grant monies of £30,000 received from Herts County Council in advance of spending on public health. Additional income of £15,000 from taking over the Three Rivers District Council pest control service. There is also income received in advance for licensing totalling approx. £30,000 which relates to 2017/18. Underspend on salaries of £70,000 due in a large part, to a long term sick vacancy. This underspend is off-set by a spend on agency staff and

together these will be taken into account in revising the Council's staffing budgets in period 7.

**Democracy & Governance**

1.8.3 Government grant of £102,000 received for EU referendum still awaiting supplier's invoices to spend against this income, the majority of this is expected to be cleared in October.

Underspend of £85,000 on property maintenance. This is expected to be spent later in the year.

**Regeneration & Development**

1.8.4 Lower planning application fees of £101,000. Increase in building control fees of £42,000.

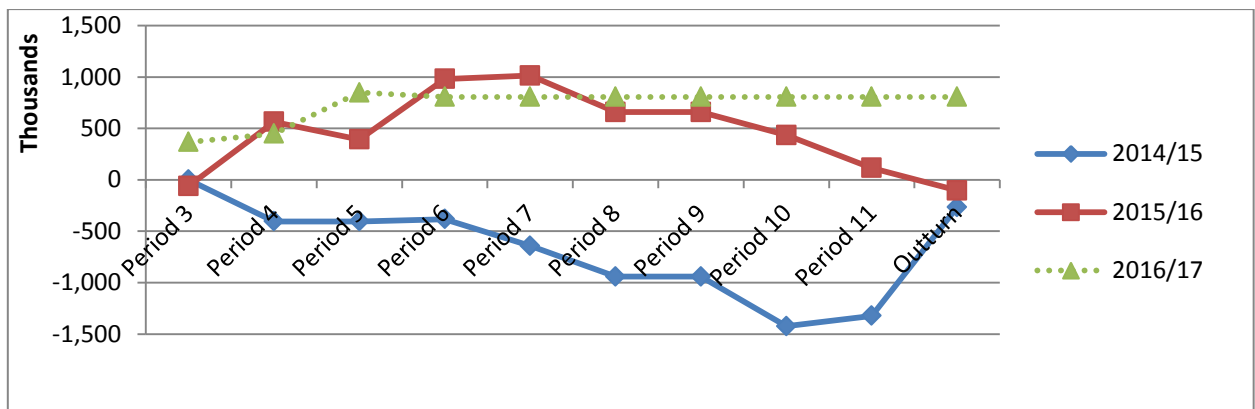
Increase rent of £65,000 primarily from new lettings at Watford Business Park and a receipt of back rent.

Payments of grant monies to organisations (Skill makers, Chamber of Commerce) of £54,000 which are being funded from earmarked reserves. There is the use of £32,400 from the High Street Innovation Fund reserve to fund the monitoring of the town centres' footfall and £48,000 for implementing new parking bays, which is funded from the CPZ reserve.

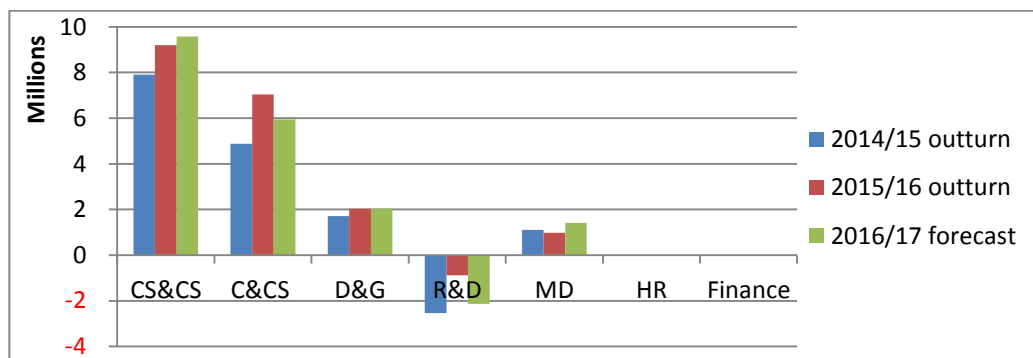
**Strategic Finance**

1.8.5 Higher ICT costs have been incurred in the first half of the year. A variance of £0.217 million has occurred due to the timing of the dividend payable to the Council for the Health Campus project, which will now be paid in 2017/18. There is also a timing difference between the amount of housing benefit grant received from the government and payments made to claimants.

1.9 The graph below shows a trend analysis of the forecast outturn variance by period including approved carry forwards for the last two years and the current financial year.



1.10 The chart below compares the actual outturn position by service area for 2014/15 and 2015/16 and the current forecast outturn.



## 2.0 Capital Investment Programme

2.1 The Council has an approved capital investment programme that is designed to support the core services. The original investment programme for 2016/17 (as approved by Council in January 2016) was **£13.280 million**. The latest budget is **£22.900 million** which includes re-phasing of **£9.125 million** from the 2015/16 programme and portfolio approval for an increase of **£0.495 million** to complete the refurbishment of the Gaelic football club facility.

2.2 The forecast outturn is estimated to be **£20.890 million** which is **£2.010 million** lower than the latest budget. Variances previously reported total £1.879 million the main contributors to this variance are the rephasing of the Watford Business Park project to 2018/19 of £2.400 million, increase of £1.100 million on the Health Campus and a rephasing of £0.750 million to 2017/18 for the Colosseum roof. This period the 2017/18 forecast has changed by £0.243 million due to the rephasing of CSI Project (£0.75million), Clarendon Road improvements (£0.018 million), Watford Museum (£0.100 million) and match funded capital projects (£0.050 million). There are no forecast changes to the 2018/19 latest budget this period.

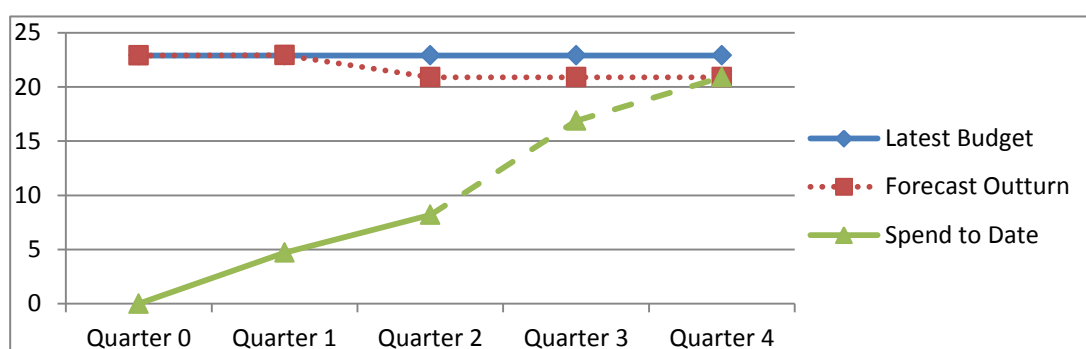
2.3 The table below summarises the change to the Council's approved capital programme over the medium term.

Approved Capital Programme	2016/17 £000	2017/18 £000	2018/19 £000
Latest Budget	22,900	6,661	5,155
Variances previously reported	(1767)	13	2,940
Variances this period	(243)	243	0
<b>Forecast Outturn</b>	<b>20,890</b>	<b>6,917</b>	<b>8,095</b>

2.4 The Council's medium term capital investment programme for 2016-2019 is shown at summary level in **Appendix 2** and by each scheme at **Appendix 3**, together with an update on each scheme.

2.5 As at end of quarter 2 (30 September) services have spent **£8.187 million** against the latest budget of £22.900 million, which represents **35%** of the annual budget. Of the total spend to date, £3.553 million relates to the Health Campus project and £2.015 million relates to the Cassiobury Park restoration project.

- 2.6 The graph below shows the Council's latest budget, forecast outturn and the actual spend to date for the current financial year (2016/17). The expenditure to date has been extrapolated (dashed line) to show it meeting the forecast position.



### ***Funding the Approved Capital Programme***

- 2.7 The approved capital programme is mainly supported by three income streams; capital receipts (derived from the sales of assets), grants and contributions, and the use of reserves. Services can also make a contribution to capital from surplus revenue funds if needed.
- 2.8 The largest source of funding is from the capital receipts reserve which has accumulated over the years by the disposal of the Council's surplus assets including the receipt received from the sale of ex-council dwellings to Watford Community Housing Trust under the stock transfer agreement.
- 2.9 The table below shows the forecasted position of the capital receipts reserve over the medium term as it supports the capital spending plans, details of each funding stream shown at **Appendix 4**.

<b>Capital Receipts Reserve</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>
Balance at 1 April 2016	(13,444)	(4,411)	(4,140)
In Year Receipts	(4,873)	(2,800)	(12,450)
Used to Finance Capital Spend	13,906	3,071	7,300
<b>Balance at 31 March 2017</b>	<b>(4,411)</b>	<b>(4,140)</b>	<b>(9,290)</b>

- 2.10 It should be noted that the large receipt in 2018/19 is primarily due to the estimated return on the sale of the Council's interest in Watford Business Park.

### ***Property Investment Board (PIB)***

- 2.11 In June, under its delegated authority the PIB approved the purchase of an investment property for a total of £4.286 million (including tax and costs). This acquisition was funded from receipts already achieved from the rationalisation of the investment portfolio and represents a net increase in rental income of £33,000 over that lost from the disposals.
- 2.12 The table below summarises the ring-fenced funds available to the PIB portfolio for the current year after accounting for disposal costs.

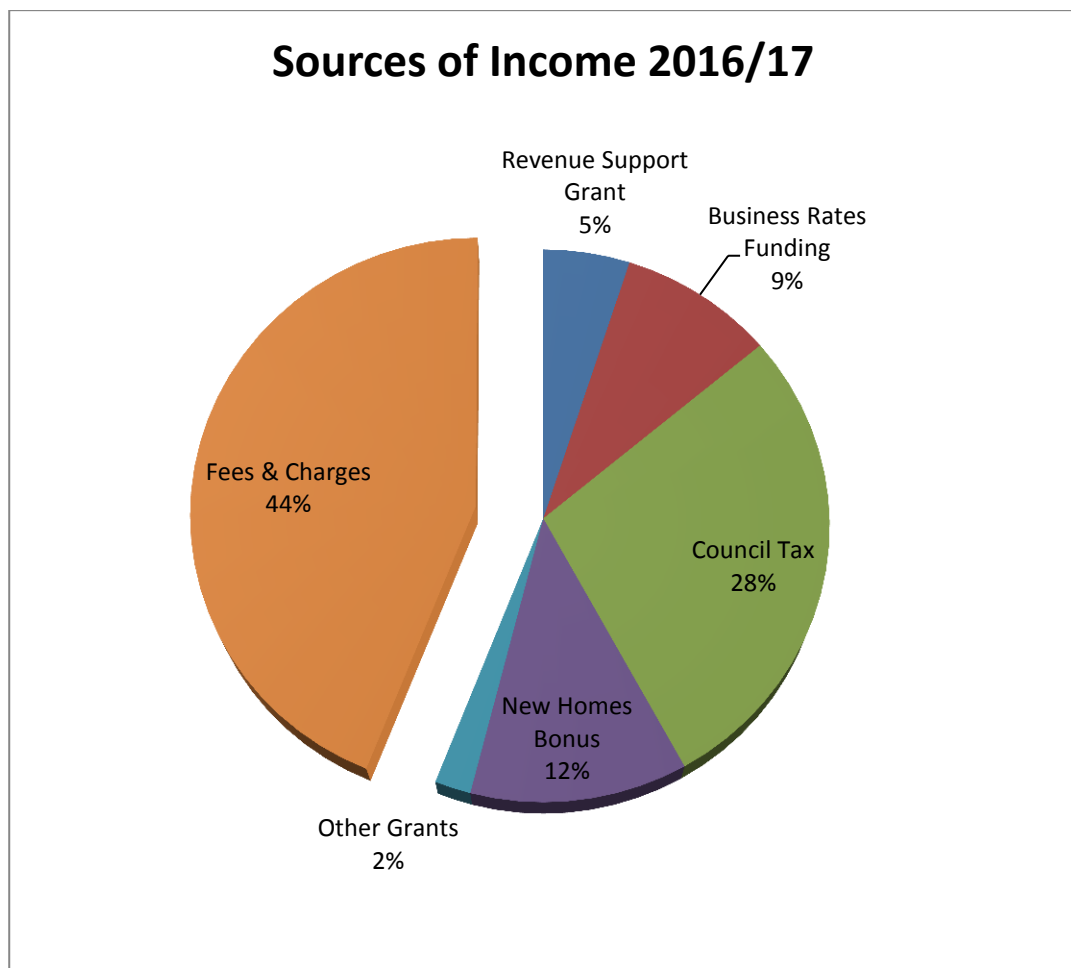
Property Investment Board	2016/17 £000
Balance Carried forward at 1 April	(4,042)
Receipts received in year	(1,085)
Forecast Spend in year	4,303
Balance to spend	<b>(824)</b>

### 3.0 Council Income

3.1 In providing its services to the public, the Council receives income from the Government, its Council tax payers and customers who pay a fee or charge for using a particular Council service.

3.2 The total of all these sources of income for 2016/17 is £28.269 million. The biggest source of income is fees and charges which includes commercial property rents, car parking charges and planning fees. It should be noted that although the Council will receive £1.310 million in Revenue Support Grant for 2016/17 although this will reduce to zero by 2019/20.

3.3 The chart below shows the percentage of the total amount of income for each source of income.





3.4 The table below shows the current figures for the significant sources of service income.

Department	Income Stream	Latest Budget 2016/17	Forecast 2016/17	Actuals to date	Income Description
Regeneration & Development	Rent	£6,774,930	£7,036,640	£3,381,475	Rents form commercial property including Intu as well as rental income from multi storey car parks.
	Car Parking	£1,008,950	£1,009,450	£591,583	Income largely from Avenue, Town Hall & Longspring car parks as well as the Parking Shop
	Development Section	£1,038,850	£923,350	£460,130	Income from planning applications, building control and land charges
Community & Customer Service	Environmental Health & Licensing	£338,620	£442,297	£287,372	Income from all Licensing activities including Hackney Carriage (taxis), pest control and fixed penalty notices for environmental crime

#### ***Debtors (invoicing)***

3.5 The Council charges its customers for various services by raising a debtor invoice. The customer is given 21 days to pay and unless there is a dispute, a reminder is issued. If the debt remains outstanding, then a variety of recovery methods are employed including: rearranging the payment terms; stopping the provision of the service or pursuing the debt through legal recovery processes. A debt will only be subject to write-off if it becomes uneconomical to pursue it further and there is no further legal recourse.

3.6 As at the 30 September 2016 the total outstanding value of debt was **£1.384 million** of which £0.596 million (43%) is less than one month old and therefore it is anticipated that this will be recovered. Outstanding debt over a year old is £0.206 million and equates to fifteen per cent of the total. The table below shows a summary of the outstanding debt by the three main aged categories and further detail can be found at **Appendix 5**.

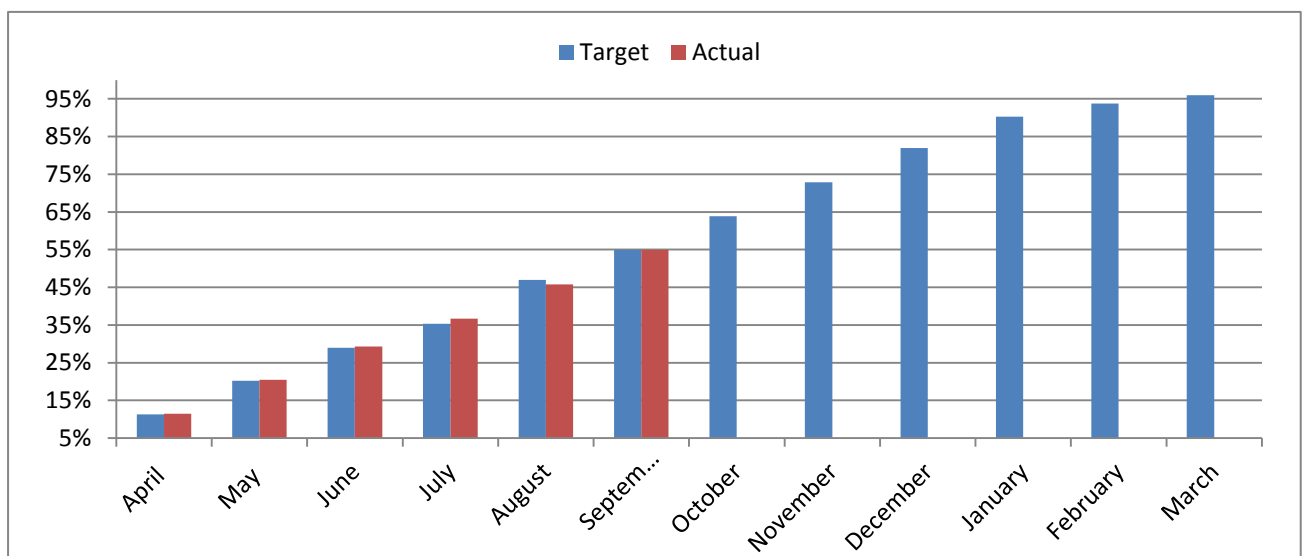
<b>Aged Debtors Summary at Quarter 2</b>	<b>Under 1 Month</b>	<b>Over 1 month to Year</b>	<b>Over a Year</b>	<b>Total</b>
<b>Service</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community & Customer Service	270,281	99,549	31,868	401,698
Democracy & Governance	2,117	1,000	3,176	6,293
Regeneration & Development	286,711	173,234	170,417	630,362
Managing Director	2,604	1,296	0	3,900
Human Resources	6,905	8,131	0	15,036
Finance	27,509	298,801	127	326,437
Recovery Charges / Unallocated Items	0	600	480	1,080
<b>Total</b>	<b>596,127</b>	<b>582,611</b>	<b>206,068</b>	<b>1,384,806</b>

**Council Tax and Business Rates Collection**

3.7 The revenue and benefits section play a key part in determining the outcome of the Council’s performance by measuring its targets against actual data during the year. The key areas of financial focus are the level of outstanding debt owed to the Council and the collection rates for both council tax and business rates. The Council’s collection rates for council tax and business rates is reported monthly to senior management as part of the Key Performance Indicators (KPI’s) .

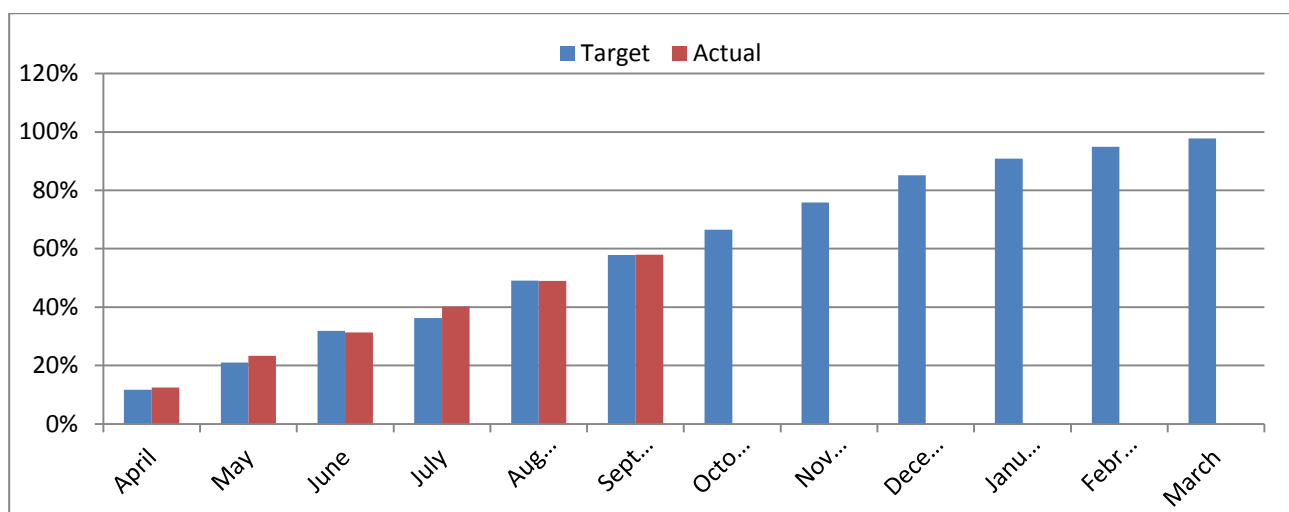
**Council Tax Collection**

3.8 The Council’s performance in the collection of **Council Tax** can be seen in the following chart. It shows the collection % to date along with the target for the year. The actual income collected as at 30 September 2016 is 54.97 % of the annual target which is above the profiled target of 54.93%. Further information can be found at **Appendix 6**.



## Business Rates Collection

- 3.9 The Council's performance for **business rates** collection is shown in the following chart. The actual income collected as at 30 September 2016 is 57.99% of the annual target which is just above the profiled target of 57.90%. Further information can also be found at **Appendix 6**.



### 4.0 Treasury Management

- 4.1 The Treasury Management Strategy is an important part of the overall financial management of the Council's affairs. The purpose is monitor its cash flows and to earn interest on its surplus cash by investing it over the short term (3-12 months).
- 4.2 Watford Borough Council does potentially have indirect exposure to funding from the EU structural fund through the Local Enterprise Partnership (LEP), although EU funds only form a part of the LEP funding streams. The LEP has loaned £7.5 million to the Council.
- 4.3 The interest earned on the investments made by the Council supports the funding of the services it provides. The target rate of earning interest rate was previously 0.62%, however since the reduction in the bank base rate in August to 0.25% the target has been revised to 0.37%. Up to Quarter 2 (30 September), the average annualised interest rate earned on investments was 0.76%.
- 4.4 The Council set a budget of **£220,000** on investment interest. The amount earned up to Quarter 2 was **£176,300**. This is high due to the Council having higher cash balances than estimated at this stage of the year; however this is unlikely to continue as large sums will be released to support the Councils major capital projects. Furthermore with the bank base rate falling it will mean that any sums invested now will be at the lower rates; it is therefore considered prudent not to revise the forecast at this stage.

### 5.0 Key Risk Areas

- 5.1 Resources are allocated in the revenue and capital budgets to support the achievement of the Council's corporate plan. The Council's budget is exposed to risks that can potentially impact on service level provision. The key financial risks are shown at **Appendix 7** together with a risk matrix that shows the likelihood and impact of each risk if they were to materialise.

- 5.2 Particular service areas of risk are monitored monthly; these are predominantly income generating budgets where demand for a particular service can fluctuate depending on the economic climate, popularity and affordability i.e. planning fees.
- 5.3 The main 3 risks that are considered the most critical are shown in the table below. It compares the latest budget to the forecast outturn and explains the variance. The latest position of all the key risks is shown in **Appendix 8**.

Risk Area	Latest Budget	Forecast Outturn	Variance	Comment
	£000	£000	£000	
Temporary Accommodation	410	860	450	Increased demand has resulted in an additional budget pressure
Development Control Fees	(708)	(542)	166	Reduction in planning fees due to uncertainty in the housing market
Commercial Rent	(6,836)	(7,090)	(254)	Increase from acquisition of investment property and new lettings at WBP

Report prepared by: Nigel Pollard – Section Head (Accountancy)  
Pritesh Shah – Finance Manager

#### **Background Papers**

2015/16 Outturn report  
Budget returns from Heads of Service  
Quarter 1 Finance Digest  
Period 4 & 5 budget monitoring reports

#### **APPENDICES**

Appendix 1 Revenue Summary – By Service and explanations  
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**REVENUE SERVICES – FINANCIAL POSITION AT QUARTER 1**

	Budgets & Forecast at 30 September Q2			Actuals compared to profiled budget at 30 September Q2		
Service Area	Latest Approved	Forecast Outturn	Variance	Latest budget profiled	Actual	Variance
	£	£	£	£	£	£
<b>Corp Strategy &amp; Client Service</b>						
Management & Support	112,890	112,890	0	56,445	50,044	(6,401)
Contract Monitoring	318,160	318,160	0	2,027,302	2,022,174	(5,128)
Parks And Open Spaces	1,181,050	1,141,050	(40,000)	86,522	87,288	766
Leisure	445,890	445,890	0	300,232	296,430	(3,802)
Grants	750,870	750,870	0	370,050	486,358	116,308
Street Cleansing	1,866,850	1,866,850	0	158,925	148,944	(9,981)
Waste And Recycling	2,165,670	2,122,180	(43,490)	290,533	281,468	(9,065)
Partnerships & Performance	669,900	669,900	0	309,950	240,866	(69,084)
<b>Totals - Corp Strategy &amp; Client Service</b>	<b>7,511,280</b>	<b>7,427,790</b>	<b>(83,490)</b>	<b>3,599,959</b>	<b>3,613,573</b>	<b>13,614</b>
<b>Community &amp; Customer Service</b>						
Customer Services	900,120	935,120	35,000	450,060	386,507	(63,553)
Housing	1,196,030	1,670,800	474,770	666,331	1,005,608	339,277
Environmental Hlth & Licensing	1,339,560	1,314,883	(24,677)	530,513	447,149	(83,364)
Culture & Play	1,079,980	1,079,980	0	565,623	568,086	2,463
<b>Totals - Community &amp; Customer Service</b>	<b>4,515,690</b>	<b>5,000,783</b>	<b>485,093</b>	<b>2,212,527</b>	<b>2,408,849</b>	<b>196,322</b>
<b>Democracy &amp; Governance</b>						
Legal And Democratic	1,880,050	1,880,050	0	944,310	818,724	(125,586)
Buildings And Projects	1,507,470	1,507,470	0	853,126	762,146	(90,980)
Procurement	26,990	26,990	0	(6,505)	(5,091)	1,414
<b>Totals - Democracy &amp; Governance</b>	<b>3,414,510</b>	<b>3,414,510</b>	<b>0</b>	<b>1,790,931</b>	<b>1,575,778</b>	<b>(215,153)</b>

Service Area	Budgets & Forecast at 30 September Q2			Actuals compared to profiled budget at 30 September Q2		
	Latest Approved	Forecast Outturn	Variance	Latest budget profiled	Actual	Variance
	£	£	£	£	£	£
<b>Regeneration &amp; Development</b>						
Property Management	711,070	798,390	87,320	329,800	322,693	(7,107)
Investment Assets Outsourced	(6,324,225)	(6,479,755)	(155,530)	(2,758,959)	(2,607,478)	151,481
Operational Assets - Owner Occupied	(186,600)	(194,310)	(7,710)	(68,717)	(64,302)	4,415
Community Assets	(18,300)	(18,300)	0	(9,150)	(9,368)	(218)
Development Section	141,050	255,550	114,500	70,275	32,891	(37,384)
Transport And Infrastructure	299,815	362,990	63,175	493,823	518,237	24,414
Policy Team	509,990	509,990	0	250,480	228,210	(22,270)
Economic Development	125,300	211,700	86,400	173,650	194,494	20,844
<b>Totals - Regeneration &amp; Development</b>	<b>(4,741,900)</b>	<b>(4,553,745)</b>	<b>188,155</b>	<b>(1,518,798)</b>	<b>(1,384,624)</b>	<b>134,174</b>
<b>Managing Director</b>						
Corporate Management	659,800	659,800	0	222,400	220,176	(2,224)
<b>Totals - Managing Director</b>	<b>659,800</b>	<b>659,800</b>	<b>0</b>	<b>222,400</b>	<b>220,176</b>	<b>(2,224)</b>
<b>Human Resources</b>						
Human Resources Client	149,360	149,360	0	98,680	102,559	3,879
HR Shared Service	426,290	426,290	0	295,645	309,332	13,687
<b>Totals - Human Resources</b>	<b>575,650</b>	<b>575,650</b>	<b>0</b>	<b>394,325</b>	<b>411,891</b>	<b>17,566</b>
<b>Strategic Finance</b>						
Finance & Resources	225,390	225,390	0	62,128	53,680	(8,448)
Finance Services Client	879,750	879,750	0	506,715	483,350	(23,365)
Revenues And Benefits Client	1,083,820	1,083,820	0	224,910	388,404	163,494
ICT Service	870,190	870,190	0	588,175	824,673	236,498
Corporate Costs	2,608,170	2,825,170	217,000	2,122,120	2,338,746	216,626
<b>Totals - Strategic Finance</b>	<b>5,667,320</b>	<b>5,884,320</b>	<b>217,000</b>	<b>3,504,048</b>	<b>4,088,853</b>	<b>584,805</b>
<b>Adjustments Under Statute</b>	<b>(376,950)</b>	<b>(376,950)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTALS</b>	<b>17,225,400</b>	<b>18,032,158</b>	<b>806,758</b>	<b>10,205,392</b>	<b>10,934,496</b>	<b>729,104</b>

## Explanation of Revenue Variance at Quarter 2 (September) 2016/17

Service Area	Description	Details of Outturn Variance to Latest Budget	£
<b>Corporate Strategy &amp; Client Service</b>	Parks & Open Spaces	Vehicle leasing no longer required, vehicles have been procured	(40,000)
	Clinical Waste	Savings made due to rationalisation of service	(25,000)
		Other minor variances	(18,490)
		<b>TOTAL</b>	<b>(83,490)</b>
<b>Community &amp; Customer Service</b>	Environmental Health Team	New post for 2016/17 as part of new contract for pest services with TRDC from April'16 and increase in agency costs to cover vacant posts in the current structure. See below for income from TRDC	55,000
	Health & Safety at Work	Legal advice regarding accident at work	7,000
		Additional income from Primary Authority Partnership	(4,000)
	Pest Control	Additional income from the pest control contract with TRDC (contract cost plus call outs)	(76,800)
	Housing Standards	Recovery of court costs from successful prosecutions	(4,000)
	Taxi Licensing	Legal advice costs	2,000
	Housing Supply	Additional cost of temporary accommodation	450,000
	Printing Section	Expected income from print work will not be achieved	35,000
	Temporary Accommodation	Further expenditure required to complete temporary accommodation project. This is funded from the PMB reserve	24,770
	Other minor variances	(3,877)	
		<b>TOTAL</b>	<b>485,093</b>

### Explanation of Revenue Variance at Quarter 2 (September) 2016/17

Service Area	Description	Details of Outturn Variance to Latest Budget	£	
<b>Regeneration and Development</b>	Watford Business Park	Increased rental income mainly due to two new lettings at 28-30 Greenhill Crescent & 40 Caxton Way	(52,660)	
		Additional cost of outsourcing property management services	92,000	
	Marriott House	Rental income for 9 months following the purchase as approved by PIB	(197,800)	
	The Parade (Nos 38/46)	Increase due to rent review	(15,550)	
	Timberlake	Introduction of car park charges	(8,500)	
	Cardiff Road	Accrued income for Cardiff Road 15/16 has been revised downwards	50,000	
	29/31 High St.	1st Floor & 29 Charter Place rental income	(43,110)	
	Green Travel Plan	Reduction from staff parking income as spaces allocated to NHS	11,000	
	Parking Service	Cabinet approved scheme (12/09/16) to implement new parking bays funded from CPZ reserve	48,000	
	Land Charges	Reduction in the number of searches mainly due to Brexit	20,000	
	Building Control	Increase in application fees	(72,000)	
	Implementation Team		Cost of Traffic Engineer 2 days a week from Hertsmere	16,000
			Loss of project work income	10,000
	Property Services		Further expenditure required to complete the review of property investment services. This is funded from the PMB reserve	30,000
			Further expenditure required to complete the corporate property review project. This is funded from the PMB reserve	50,000
	Economic Development		Contribution to the Chamber of Commerce and Skill Makers - funded from LABGI reserve	54,000
			Use of High Street Innovation reserve to fund the monitoring of the town centre footfall.	32,400
	Development Control		Reduction in planning application fees	150,000
			Increase in CIL monitoring income	(7,500)
			Increase in fees for unilateral undertaking drafting fees	(4,000)
			Income target on planning application fees unlikely to be achieved	20,000
			Increase in cost of staff pool cars	8,000
			Other minor variances	(2,125)
		<b>TOTAL</b>	<b>188,155</b>	
<b>Strategic Finance</b>	Dividend Received	Dividend for Health Campus will now be received in 2017/18	217,000	
		<b>TOTAL</b>	<b>217,000</b>	
		<b>GRAND TOTAL</b>	<b>806,758</b>	



## Explanation of Revenue Variance Reported for Period 6 (September) 2016/17

Service Area	Description	Details of Changes Reported	£
Corporate Strategy & Client Service	Parks & Open Spaces	Vehicle leasing no longer required, vehicles have been procured	(40,000)
	Refuse	Increased income expected from Refuse and Recycling	(18,490)
	Clinical Waste	Savings made due to rationalisation of service	(25,000)
		<b>TOTAL</b>	<b>(83,490)</b>
Community & Customer Service	Community Safety	Additional income from The Police	(6,677)
	Pest Control	Additional income from the pest control services	(13,000)
	Printing Section	Expected income from print work will not be achieved	35,000
		Other minor variances	(2,700)
		<b>TOTAL</b>	<b>12,623</b>
Democracy & Governance	Legal services	Savings on Legal feessupplies and services	(5,000)
		<b>TOTAL</b>	<b>(5,000)</b>
Regeneration and Development	Rental Income	Changes in rental income due to revised rents	(4,495)
	Street Furniture & Maint	Savings on supplies and services	(5,000)
	Building Control	Increase in application and regulation fees	(12,000)
	Implementation Team	Cost of Traffic Engineer 2 days a week from Hertsmere	16,000
		Loss of project work income	10,000
	Economic Development	Contribution to the Chamber of Commerce and Skill Makers - funded from LABGI reserve	10,550
Development Control	Reduction in planning application fees	20,000	
		<b>TOTAL</b>	<b>35,055</b>
		<b>GRAND TOTAL</b>	<b>(40,812)</b>

**CAPITAL INVESTMENT PROGRAMME – SUMMARY**

<b>Capital Scheme</b>	<b>Latest Approved 2016/17</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Actual</b>	<b>Draft Budget 2017/18</b>	<b>Draft Budget 2018/19</b>
	£	£	£	£	£	£
<b>Key Projects</b>	4,665,160	5,816,420	1,151,260	3,776,921	310,000	250,000
<b>Environmental Services</b>	408,950	482,650	73,700	170,336	110,000	325,000
<b>Community &amp; Leisure Services</b>	9,712,759	9,596,814	(115,945)	3,048,722	118,000	600,000
<b>Housing Services</b>	816,370	816,370	0	303,041	450,000	450,000
<b>Parking Services</b>	19,507	19,507	0	0	0	0
<b>Asset Management</b>	5,300,548	2,097,303	(3,203,245)	252,995	4,847,000	5,367,805
<b>ICT</b>	404,496	404,496	0	76,351	320,000	320,000
<b>ICT Shared Services</b>	924,000	924,000	0	450,643	210,000	210,000
<b>Section 106 Funded Schemes</b>	94,389	179,389	85,000	108,008	0	20,000
<b>Corp Serv / Project Mgt</b>	552,470	552,470	0	0	552,470	552,470
<b>TOTAL CAPITAL PROGRAMME</b>	<b>22,898,649</b>	<b>20,889,419</b>	<b>(2,009,230)</b>	<b>8,187,016</b>	<b>6,917,470</b>	<b>8,095,275</b>

**CAPITAL INVESTMENT PROGRAMME – DETAIL**

Capital Scheme	Latest Approved 2016/17 £	Forecast Outturn £	Forecast Variance £	Actual £	Scheme Update
<b>Key Projects</b>					
New Market	122,573	122,573	0	105,552	
CSI Project	247,500	172,500	(75,000)	9,000	Rephasing request due to review of project completion date
Health Campus	449,847	561,107	111,260	103,312	Forecast increase due to the cost of preparatory and planning works for a future phase of the project
Health Campus-Contribution to LABV	3,600,000	4,700,000	1,100,000	3,450,000	Additional costs for completion of infrastructure and master planning work. Report to Council in October
Green Spaces Strategy	74,000	89,000	15,000	93,078	Rephasing from 2017/18 based on project needs E.G. Garston Park
Website Enhancement	3,400	3,400	0	732	
Cultural Quarter Phase 1	167,840	167,840	0	15,248	
<b>Environmental Services</b>					
Replacement Domestic Bins	42,185	42,185	0	0	
Electric Vehicle Charging Units	27,265	27,265	0	6,083	
Transit Vans x 2	48,000	48,000	0	33,706	
Pest Control Van	13,560	13,560	0	13,578	
Wood Chipper / Shredder	0	15,500	15,500	15,300	Replacing two old shredders and funded by vehicle replacement reserve
Cricket Pitch Roller	0	11,100	11,100	10,700	Replacement required as current one in poor condition. Funded by vehicle replacement reserve
Caged Vehicle / Bulky Lorry	0	15,000	15,000	15,000	Lease vehicle purchase providing better value than buying new funded by vehicle replacement reserve
Pedestrian Aerator	0	7,650	7,650	0	Replacement required as current one in poor condition. Funded by vehicle replacement reserve
Mounted Aerator	0	24,450	24,450	24,450	Replacement required as current one in poor condition. Funded by vehicle replacement reserve
Recycling Boxes	36,940	36,940	0	0	
Additional Green Waste Bins	36,000	36,000	0	0	
Decent Homes Assistance	205,000	205,000	0	51,519	

Capital Scheme	Latest Approved 2016/17 £	Forecast Outturn £	Forecast Variance £	Actual £	Scheme Update
<b>Community &amp; Leisure Services</b>					
Town Hall Subway CCTV	17,300	17,300	0	7,867	
Clarendon Road Street Improvements-Relocation of CCTV	18,000	0	(18,000)	0	Rephasing request due to Herts County Council scheme being delayed
Watford Museum HLF Matchfunding	125,000	25,000	(100,000)	0	Rephasing request due to review of project completion date
Meriden Community Centre Redevelopments	444,000	444,000	0	325,402	On track to complete by October
Play Review	1,250,000	1,250,000	0	184,386	
Allotments & Parks Upgrades	416,990	416,990	0	44,413	
Farm Terrace Allotments	552,874	552,874	0	30,908	
Town Centre CCTV Camera Replacement	22,711	24,766	2,055	24,766	Camera failure not in original capital programme
Gaelic Football Relocation	865,886	865,886	0	315,468	Building due to be completed within this calendar year
Improvements Community Centres	159,160	159,160	0	100,000	
Cassiobury Park HLF Project	5,640,838	5,640,838	0	2,015,513	Project ahead of schedule. Launch of bandstand and Cha café on 4th September. Hub progressing well.
Cassiobury Dev't (Fullerians)	200,000	200,000	0	0	
<b>Housing Services</b>					
Retained Housing Stock	163,800	163,800	0	13,079	
Mand Disabled Facilities Grant	652,570	652,570	0	289,962	Demand led depending on application criteria

Capital Scheme	Latest Approved 2016/17 £	Forecast Outturn £	Forecast Variance £	Actual £	Scheme Update
<b>Parking Services</b>					
Upgrading/Resurfacing Car Parks	19,507	19,507	0	0	
<b>Asset Management</b>					
Watford Business Park Redevelopment	3,964,216	1,560,971	(2,403,245)	161,673	Rephasing required into 2018/19 due to slippage with 18-20 Caxton Way because of further engineering activity to limit build costs and ensure project viability. More detailed planning expected for Zone A
Private Sector Stock Condition Survey	150,000	150,000	0	0	
Atrium / GIS	16,988	16,988	0	16,847	
Pop Up Toilets Refurbishment	35,000	35,000	0	0	
Non PIB - Strategy & Prog Disposal	16,796	16,796	0	0	
Match Funding Capital Projects	67,378	17,378	(50,000)	4,000	Rephasing request due to bulk of work expected to be undertaken in 2017/18
Veolia Capital Improvements	93,170	93,170	0	7,620	
Building Investment Programme	957,000	207,000	(750,000)	62,855	Rephasing into 2017/18 due to duration of major Colosseum project including roof
<b>ICT</b>					
ICT-Hardware Replacement Programme	160,000	160,000	0	847	
ICT - Document Management Process	4,036	4,036	0	0	
ICT-Env Health	13,460	13,460	0	7,936	
ICT-Project Management Provision	227,000	227,000	0	67,568	

Capital Scheme	Latest Approved 2016/17 £	Forecast Outturn £	Forecast Variance £	Actual £	Scheme Update
<b>ICT Shared Services</b>			0		
ShS-Business Application Upgrade	243,000	243,000	0	5,200	
ShS-IT Modernisation	603,000	603,000	0	443,994	
ShS-Hardware Replace Programme	78,000	78,000	0	1,449	
<b>Section 106 Funded Schemes</b>					
Himalayan Way Play Area	7,100	67,100	60,000	72,740	S106 funding rephased from 2018/19 due to worsening conditions of play area
Berry Avenue Play Area	6,025	6,025	0	8,957	
Ridgehurst Avenue Play Area	4,266	29,266	25,000	18,767	S106 funding rephased from 2018/19 due to worsening conditions of play area
Colne River Project	11,450	11,450	0	7,284	
Local Nature Reserves	6,350	6,350	0	260	
Lower High St Cycle Scheme	15,393	15,393	0	0	
Abbey Way Cycle Scheme	28,175	28,175	0	0	
Garston Park Cycle Scheme	15,630	15,630	0	0	
<b>Corporate Services / Project Management</b>					
Support Services	552,470	552,470	0	0	Allocated at year end as part of the internal recharge process
<b>TOTAL CAPITAL PROGRAMME</b>	<b>22,898,649</b>	<b>20,889,419</b>	<b>(2,009,230)</b>	<b>8,187,016</b>	

**CAPITAL INVESTMENT PROGRAMME – FUNDING**

<b>FUNDING THE APPROVED CAPITAL PROGRAMME</b>			
<b>FUNDING TYPE</b>	<b>Forecast Outturn £</b>	<b>Draft Budget 2017/18 £</b>	<b>Draft Budget 2018/19 £</b>
Grants & Contributions	4,949,250	239,000	239,000
Reserves	347,600	3,607,750	536,400
Capital Receipts	13,905,874	3,070,720	7,299,875
Section 106 & CIL Contributions	1,526,559	0	20,000
Local Enterprise Partnership Loan	160,136	0	0
<b>TOTAL CAPITAL FUNDING APPLIED</b>	<b>20,889,419</b>	<b>6,917,470</b>	<b>8,095,275</b>
<b>CAPITAL BALANCES AFTER FUNDING THE APPROVED CAPITAL PROGRAMME</b>			
<b>FUNDING TYPE</b>	<b>Forecast Outturn £</b>	<b>Draft Budget 2017/18 £</b>	<b>Draft Budget 2018/19 £</b>
Grants & Contributions	43,362	43,362	43,362
Reserves	5,728,611	2,120,861	1,584,461
Capital Receipts	4,410,507	4,139,787	9,289,912
Section 106 & CIL Contributions	959,333	964,333	949,333
Local Enterprise Partnership Loan	0	0	0
<b>TOTAL CAPITAL FUNDING AVAILABLE</b>	<b>11,141,813</b>	<b>7,268,343</b>	<b>11,867,068</b>

**AGED DEBT ANALYSIS**

Invoices Outstanding from 1st October 2015 to 30th September 2016								
Service Area	Description	Invoices outstanding by age of debt						Grand Total
		0 - 1	2 - 3	4 - 6	7 - 9	10 - 12	Over 12	
Community & Customer Service	Community Standard	253,503	14,610	41,183	23,384	11,824	24,170	368,674
	Community and Customer Service	1,512						1,512
	Env Services-Premises Licence	3,058	5,030	1,380	365	1,195	4,233	15,261
	Community Services - Pitch Hire							0
	Environmental Health	12,208	100	200		278	3,465	16,251
Democracy and Governance	Democracy and Governance	2,117	1,000				3,176	6,293
Regeneration & Development	Property - Standard	69,440		285			1,077	70,802
	Property - Commercial Rents	91,865	46,794	25,403	16,680	16,680	169,334	366,756
	Property - Service Charges			28,620	28,620	9,378		66,618
	Property - Garages	190	290					480
	Property - Wayleaves			51			6	57
	Property - Parking Spaces	233	433					666
	Planning - Standard	108,926						108,926
	Planning - Inspection Fees	15,987						15,987
Regeneration & Development	70						70	
Managing Director	Corporate Service	2,604	1,268		28			3,900
Human Resources		6,905			8,131			15,036
Finance		27,509	298,801				127	326,437
Other	Recovery Charges	0	225	150	175	50	480	1,080
<b>Grand Total</b>		<b>596,127</b>	<b>368,551</b>	<b>97,272</b>	<b>77,383</b>	<b>39,405</b>	<b>206,068</b>	<b>1,384,806</b>
<b>Percentage of Amount Outstanding</b>		<b>43.05%</b>	<b>26.61%</b>	<b>7.02%</b>	<b>5.59%</b>	<b>2.85%</b>	<b>14.88%</b>	<b>100.00%</b>



**KEY FINANCIAL & BUDGETARY RISKS**

No.	Type of Risk	Comment	Likelihood	Impact	Overall Score
1	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account the pay increases for the period 2016/17 - 2018/19	2	2	4
2	Revenue balances insufficient to meet estimate of Employers' pension contributions	Pension Contributions have been budgeted at 15.9% for the period 2016/17 - 2018/19	2	2	4
3	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	2	2	4
4	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy following the EU referendum continues to place uncertainty on the investment strategy.	3	3	9
5	Inaccurate estimates of fees and charges income	See Key Income Streams are shown in the latest Finance Digest	2	3	6
6	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vat able expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs.	2	3	6
7	Major emergency	Major Emergency requires funds beyond Bellwin scheme and causes serious drain on balances	1	1	1
8	The estimated cost reductions and additional income gains are not achieved	Savings identified in 2016/17 will be monitored as part of the monthly budget monitoring process.	2	3	6
9	The income received from Commercial rents decreases	The rental income received from the Councils property portfolio is a significant proportion of the total income the Council receives.	2	4	8
10	The Council is faced with potential litigation and other employment related risks	The Council has one outstanding litigation case.	2	3	6
11	The amount of government grant is adversely affected	The provisional grant settlement for 2017/18 & 2018/19 have been factored into the MTFS .	3	4	12
12	The amount of New Homes Bonus grant is adversely affected	The grant for 2016/17 has been factored into the MTFS . The Government are carrying out a review on the allocation process in 2016/17. Until the review is concluded, it has been assumed that the Council will receive £2M pa in future years.	3	4	12
13	Fluctuations in Business Rates Retention	The Council is legally obliged to cover the first 7.5% loss on its pre determined baseline level. The Council is currently in a safety net position	2	2	4
14	Right to Buy Receipts & VAT Shelter Receipts	Under the Housing stock transfer with Watford Community Housing Trust (WCHT) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on both these income streams are outside the Council's control.	2	3	6
1= VERY LOW RISK 4 = VERY HIGH RISK					

**KEY FINANCIAL RISKS**

The Council is exposed to risks in certain key areas. These risks include economic conditions, demographics and dependency on demand. The table below shows those risks that are closely monitored each month and the variances between the latest budget and the forecast outturn at Quarter 2.




Service Area	Latest Budget	Forecast Outturn	Forecast Variance Quarter 2	Actuals to Date	Comments
	£000's	£000's	£000's	£000's	
Parks, Street & Waste Services	5,875	5,875	0	1,860	The invoice for September totalling £ 470,000 has not yet been paid.
Kerbside Recycling Expenditure and Income	(211)	(215)	(4)	0	The Herts CC (Alternative Financial Model) income for Kerbside Recycling across the County is not received until the end of the year.
Temporary Accommodation (net)	410	860	450	424	There is a budget pressure in Temporary accommodation due to increased demand
Development Control Fee Income	(708)	(542)	166	(242)	Forecasted income from planning application fees has been reduced by £150,000
Building Control Fee Income	(197)	(269)	(72)	(160)	Increase in Building Control application fees.
Land Charges Fee Income	(120)	(100)	20	(48)	Income is expected to be lower than budgeted.
Commercial rent income	(6,836)	(7,098)	(262)	(2,870)	Due to the outsourcing of the property management contract there is a timing difference in the receipt of rental income. Income of £700,000 relating to September will be received in October .

**COLLECTION RATES FOR COUNCIL TAX AND BUSINESS RATES**

Council Tax Collection - Percentage of current year council tax collected by period													
	Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	96.0	11.3	20.2	29.0	35.3	47.0	54.9	63.8	72.8	81.9	90.2	93.7	96.0
2016/17 Actual		11.5	20.5	29.3	36.7	45.8	54.9						
On Target													

Business Rates - Percentage of current year business rates collected by period													
	Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Target	97.7	11.7	21.0	31.9	36.3	49.1	57.9	66.5	75.8	85.1	90.9	94.9	97.7
2016/17 Actual		12.5	23.3	31.3	40.2	49.0	58.0						
On Target													

'On target' has a RAG rating whereby the underachievement of the target is based on the following thresholds.

RAG	% below target	
Red	More than 5%	
Amber	2% to 5%	
Green	Less than 2%	

**RESERVE BALANCES**

Description	Balance at 1 April 2016 £000	Agreed Use £000	Movement Previously Reported £000	Movement this period £000	Total Movement £000	Balance £000
<b><u>CAPITAL RESERVES</u></b>						
Capital Fund	(810)	160	0	0	160	(650)
Development Sites Decontamination	(446)	0	0	0	0	(446)
New Homes Bonus	(4,069)	0	0	0	0	(4,069)
Performance Reward Grant	(191)	50	0		50	(141)
Project and Programme Management	(251)	251	0	(75)	176	(75)
Vehicle Replacement	(310)	48	74	0	122	(188)
Weekly Collection Support Grant	(158)	0	0	0	0	(158)
<b>Total Capital Reserves</b>	<b>(6,235)</b>	<b>509</b>	<b>74</b>	<b>(75)</b>	<b>508</b>	<b>(5,727)</b>
<b><u>REVENUE RESERVES</u></b>						
<b><u>Earmarked</u></b>						
Budget Carry Forward	(1,190)	1,072	0	0	1,072	(118)
Business Rates	(4,661)	0	0	0	0	(4,661)
Car Parking Zones	(775)	0	48	0	48	(727)
Charter Place Tenants	(160)	0	0	0	0	(160)
Climate Change	(57)	0	0	0	0	(57)
Homelessness Prevention	(113)	0	0	0	0	(113)
Leisure Structured Maintenance	(423)	0	0	0	0	(423)
Le Marie Centre Repairs	(12)	0	0	0	0	(12)
Multi-Storey Car Park Repair	(181)	0	0	0	0	(181)
Parks, Waste & Street Strategy	(60)	0	0	0	0	(60)
Rent Deposit Guarantee Scheme	(100)	0	0	0	0	(100)
Area Based Grant	(85)	0	0	0	0	(85)
Crematorium	(50)	0	0	0	0	(50)
Economic Impact	(4,029)	(20)	619	(51)	548	(3,481)
High Street Innovation	(90)	0	32	0	32	(58)
Housing Benefit Subsidy	(996)	0	0	0	0	(996)
Housing Planning Delivery Grant	(266)	0	0	0	0	(266)
Invest to Save	(839)	0	0	0	0	(839)
LA Business Growth Incentive (LABGI)	(570)	12	43	11	66	(504)
Local Development Framework	(178)	50	0	0	50	(128)
Pension Funding	(2,249)	700	0	0	700	(1,549)
Performance Reward Grant	(29)	0	0	0	0	(29)
Project and Programme Management	(404)	118	105	0	223	(181)
Weekly Collection Support Grant	(30)	0	0	0	0	(30)
<b>Total Earmarked Reserves</b>	<b>(17,547)</b>	<b>1,932</b>	<b>847</b>	<b>(40)</b>	<b>2,739</b>	<b>(14,808)</b>
<b>General Fund Working Balance</b>	<b>(1,350)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,350)</b>
<b>Total Revenue Reserves</b>	<b>(18,897)</b>	<b>1,932</b>	<b>847</b>	<b>(40)</b>	<b>2,739</b>	<b>(16,158)</b>