



**WATFORD
BOROUGH
COUNCIL**

FINANCE SCRUTINY COMMITTEE

6 March 2024

7.00 pm

Annexe, Town Hall, Watford

Contact

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For information about attending meetings please visit the [council's website](#).

Publication date: 27 February 2024

Committee Membership

Councillor A Khan (Chair)

Councillor P Kloss (Vice-Chair)

Councillors K Clarke-Taylor, S Johnson, R Martins, L Nembhard MBE, D Walford, D Watling and R Wenham

Agenda

Part A - Open to the Public

1. **Apologies for absence**
2. **Disclosure of interests**
3. **Minutes**

The [minutes](#) of the meeting held on 6 January 2024 to be submitted and signed.

4. **Financial Monitoring Report 2023/24- Period 10 (Pages 3 - 33)**

Part A

Report to: Finance Scrutiny Committee

Date of meeting: Wednesday, 6 March 2024

Report author: Chief Finance Officer

Title: Financial Monitoring Report 2023/24 - Period 10

1.0 Introduction

1.1 This report sets out the financial monitoring position for 2023/24 as at Period 10 (1 April to 31 January). This is the fourth report of the financial year and focuses on the forecast year end position compared to the Latest budget which includes budget changes as approved by Council on 30 January 2024.

1.2 As set out in the report, the Council's financial position is challenging. Persistent high inflation, rising interest rates, and the impact of the cost of living crisis on residents has resulted in a number significant pressures across the Council's budgets. Mitigation measures continue to be in place to bring down the forecast revenue overspend before year end which have been agreed by the Mayor and Portfolio Holders. These measures include:

- A recruitment freeze with an exception process in place for critical posts or where recruitment reduces cost of interim staff;
- Minimising use of agency staff, interim contractors, consultancy and overtime;
- Any procurements should be delivered within existing budgets or make savings on existing budgets
- Identifying opportunities to stop or pause activities and initiatives to reduce spend on non-essential matters in year.

1.3 Ongoing pressures have been addressed through the Council's budget planning process for 2024/25 onwards and have been incorporated in the Medium Term Financial Strategy (MTFS) agreed by Council on 30 January 2024.

1.4 Revenue Summary

1.4.1 The following table sets out the original budget of £14.962m which was agreed at Council on 31 January 2023. The latest budget includes approved changes as agreed at Council on 30 January 2024 is £20.301m. The year end forecast at Period 10 is £21.146m which is a net overspend of £0.545m compared to the latest budget.

1.4.2 The projected year end forecast has increased by £2.884m since the end of Period 8. However, this is predominantly due to the inclusion of the budget and forecast in relation to Croxley Business Park of £3.506m which will be met from the Croxley Reserve. The underlying position is therefore an improvement of £0.662m. The detailed revenue position, including changes to the forecast, is set out in Section 4 below with further detail at service level provided in appendices 1 to 4.

1.4.3 The underlying reduction to the forecast of £0.662m reduces the additional call on reserves. As a result, a contribution from the general fund is no longer forecast and this is now expected to remain at the risk assessed level of £2.000m at 31 March 2024. In addition, a reduction in the use of the Commercial Risk Reserve is forecast of £0.376m. The final use of reserves will be agreed by Council at year end when the finals position is known.

Revenue Account 2023/24				
Service Area	Original Budget	Latest Budget	Forecast	Variance to Latest Budget
	£'000	£'000	£'000	£'000
Corporate, Housing & Wellbeing	5,735	6,407	7,186	778
Place	188	5,129	7,396	2,267
Democracy, Strategy and Initiatives	3,925	4,130	4,146	16
Strategic Finance	5,114	4,934	2,419	(2,516)
Net Cost of Service	14,962	20,602	21,146	545
Funded By:				
Planned use of Reserves	(632)	(6,272)	(5,896)	376
Use of Economic Impact Reserve	0	0	(990)	(990)
Gap funded from General Reserves	(70)	(70)	0	70
Taxation & Non Specific Grants	(14,260)	(14,260)	(14,260)	0
Total Funding	(14,962)	(20,601)	(21,146)	(545)

1.5 Capital Summary

1.5.1 The original Capital Investment Programme for 2023/24 was agreed by Council on 31 January 2023. The latest agreed budget is £33.885m which was agreed by Council on 30 January 2024.

Budget	Latest Budget	Forecast	Variance
	£000	£000	£000
Corporate, Housing and Wellbeing	11,742	8,098	(3,644)
Place	20,956	20,915	(41)
Strategic Finance	1,188	1,188	-
Total Capital Investment Programme	33,885	30,201	(3,684)

1.5.2 The year end forecast is £30.201m. This is a variance of £3.684m, the majority of this relates to reprofiling of the Town Hall Quarter.

1.5.3 The detailed capital position is set out in Section 4 below with further detail at service level provided in appendices 1 to 4.

2.0 Risks

2.1 The key budgetary risks are set out in appendix 8. All risks are closely monitored on an ongoing basis.

2.2 Service specific risks are set out in appendices 1 to 4.

3.0 Recommendations

3.1 To consider the Financial Monitoring Report 2023/24 – Period 10 and note both the revenue and capital forecasts for 2023/24.

3.2 To make any recommendations to Cabinet and/or Council.

Further information:

Pritesh Shah

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Report approved by:

Hannah Doney, Chief Finance Officer

Hannah.Doney@watford.gov.uk

4.0 Detailed proposal

4.1 Revenue Budget 2023/24

4.1.1 The latest net revenue budget is £20.602m. The year end forecast of £21.147m and resulting variation to budget of £0.545m is set out by service area in the following table. Budget pressures continue to be driven by the external economic environment.

Directorate	Service Area	Latest Budget £'000	Year end Forecast £'000	Actuals to date £'000	Forecast Variance to Budget £'000
Corporate, Housing and Wellbeing	Customer and Corporate Services	1,810	1,787	1,781	(22)
	Housing and Wellbeing	3,405	3,995	2,640	591
	ICT and Shared Services	1,193	1,403	1,542	210
Place	Environment	8,020	9,716	8,698	1,696
	Planning, Infrastructure and Economic Development	1,595	1,714	903	119
	Property and Asset Management	(4,485)	(4,034)	(3,148)	452
Democracy, Strategy and Initiatives	Corporate Strategy and Communications	1,401	1,391	1,103	(10)
	Democracy and Governance	2,136	2,162	1,527	26
	Human Resources	593	593	541	0
Strategic Finance		4,934	2,419	4,789	(2,516)
Total		20,602	21,147	20,376	545

- 4.1.2 Within Housing and Wellbeing, there is a net forecast pressure of £0.591m. Within this, there is a pressure of £0.814m in relation to temporary accommodation due to an increase in the number of people being supported and increasing cost of providing accommodation. There are a range of contributing factors including rising rents, no fault evictions as private landlords exit the rental market, and a shortage of available accommodation. These factors are all linked to the cost of living crisis including rising interest rates driving up mortgage costs.
- 4.1.3 The cost of the Veolia contract is linked to inflation and the pay award meaning that the contract increases annually. The total forecast pressure in relation to the contract is £1.320m of which £1.1m is brought forward from 2022/23.
- 4.1.4 Within the net underspend of £2.516m for strategic finance, an underspend of £0.877m continues to be reported due to a reduction to the annual pension fund deficit payment to the pension fund following the pension fund triannual valuation which set employer contribution rates for 2023/24 to 2025/26.
- 4.1.5 Additional dividend income is also reported in relation to the Council's joint venture, Watford Health Campus Partnership LLP, of £1.173m. This relates to the distribution of retained profits.
- 4.1.6 Further detail on the revenue forecast and reported variations to budget are set out in Appendices 1 to 4.

4.1.7 In order to address the in year overspend a number of corporate spending controls have been put in place:

- Recruitment freeze (exceptions process in place for key posts)
- Minimising use of agency staff, interim posts and consultancy
- Minimising overtime
- Contract procurements should be delivered within existing budgets
- Identify opportunities to stop or pause activities and initiatives to reduce spend on non-essential matters

4.1.8 It is expected that these measures will continue to have an impact on managing the in year pressures. Where in year pressures are expected to be ongoing, the impact is being taken into account in the budget planning process.

4.2 Capital Investment Programme 2023/24 to 2025/26

4.2.1 The Capital Investment Programme was agreed by Council in January 2023. The original budget for 2023/24 was £46.369m. The latest budget has been updated to reflect the changes agreed by Council on 30 January 2024.

Budget		Latest Budget 2023/24	Forecast Outturn 2023/24	Actual to date	Latest Budget 2024/25	Latest Budget 2025/26
		£'000	£'000	£'000	£'000	£'000
Corporate, Housing & Wellbeing Services	ICT & Shared Services	535	435	300	722	922
	Customer & Corporate Services	9,848	4,783	3,000	16,131	30
	Housing & Wellbeing	1,359	2,880	1,122	343	250
Place	Planning, Infrastructure & Economy	748	723	246	1,170	705
	Property & Asset Management	17,204	17,041	11,655	12,058	7,260
	Environment	3,004	3,152	1,529	3,047	666
Strategic Finance		1,188	1,188	-	3,807	677
TOTAL CURRENT CAPITAL PROGRAMME		33,885	30,201	17,852	37,277	10,510

4.2.2 The forecast year end position of £30.201m is £3.684m lower than the latest budget of £33.885m. Actual spend as at the 31 January 2024 was £17.852m.

4.2.3 As has been noted throughout the year, high inflation poses a significant risk to the affordability of the Capital Investment Programme and there continues to be a risk

of contractor failure in light of the low economic growth and the impact of recession. Mitigation measures continue to be in place to protect the Council through the tender and contracting process, including assessment of the financial sustainability of contractors.

- 4.2.4 All schemes within the capital programme are kept under review to ensure that they continue to deliver value for money.
- 4.2.5 The Capital Investment Programme is funded by capital receipts (generated by the sale of assets), revenue contributions (including earmarked reserves), capital grants and contributions, and borrowing under the prudential borrowing framework. Detail of the proposed funding for the 2023/24 forecast capital investment is set out in appendix 5.
- 4.2.6 The revenue implications of borrowing are incorporated into the Council's MTFs and are reported within the Strategic Finance budgets. This includes interest payable on external borrowing, fees associated with arranging borrowing, and the Minimum Revenue Provision for the repayment of debt (MRP). Rising interest rates mean that the charge to revenue for borrowing will be higher over the medium term than previously forecast. Where schemes are financed by borrowing, in addition to considering value for money, the affordability of capital schemes is kept under review to ensure that sufficient revenue budget is available.

4.3 General Fund and Earmarked Reserves

4.3.1 The following table sets out the latest forecast for the General Fund and Earmarked Reserves:

Reserve	Balance at 1 April 2023 £000	Latest Budgeted use of reserves £000	Forecast Variance £000	Balance at 31 March 2024 £000
Specific Earmarked Reserves	(35,065)	6,273	(376)	(29,168)
Economic Impact Reserve	(990)	0	990	0
General Fund	(2,000)	69	(69)	(2,000)
Total	(38,055)	6,342	545	(31,168)

- 4.3.2 Earmarked Reserves are used to support service expenditure and projects. A detailed breakdown of the forecast for Earmarked Reserves is provided at Appendix 6.
- 4.3.3 The Economic Impact Reserve is held to smooth the impact of a surplus or deficit against the budget. The forecast assumes that the balance of this reserve, £0.990m,

is utilised in full to manage the forecast in year overspend and reduce the impact on the general fund.

4.3.4 The Council's risk assessed level for the General Fund is £2.000m. It is currently forecast to be at this level at the 31 March 2024. This is an improvement of £0.285m from the position previously reported.

4.4 **Strategic Finance**

4.4.1 Strategic Finance includes budgets in relation to the Council's Treasury activities and Capital Financing, incorporating borrowing costs and investment income.

4.4.2 The Council has managed its cash flows and adhered to its Treasury Management policy since the last report. The interest earned on the investments made by the Council supports the funding of the services it provides.

4.4.3 The Bank of England base interest rate was 4.25% on 1 April 2023, and was subsequently increased in May, June and August 2023 to 5.25%. The Monetary Policy Committee has subsequently maintained base rate at 5.25%. The increase in base rate has fed through into increased market returns for short-term deposits which will have a positive impact on interest earned. However, the interest rate on Government Gilts has also risen resulting in increased borrowing rates from both the Public Works Loan Board (PWLB) and the inter-authority lending market. The Council plans to utilise internal borrowing during the remainder of 2023/24 rather than refinancing maturing loans and taking additional borrowing over the remainder of the year.

4.4.4 The monitoring position includes a forecast for additional net income of £0.713m from treasury management activities. This reflects the change in approach to the Council's investment in externally managed funds which will deliver additional short term investment interest income and reduce borrowing costs incurred in year.

4.4.5 Further detail is provided in appendix 4.

4.5 **Savings Monitoring**

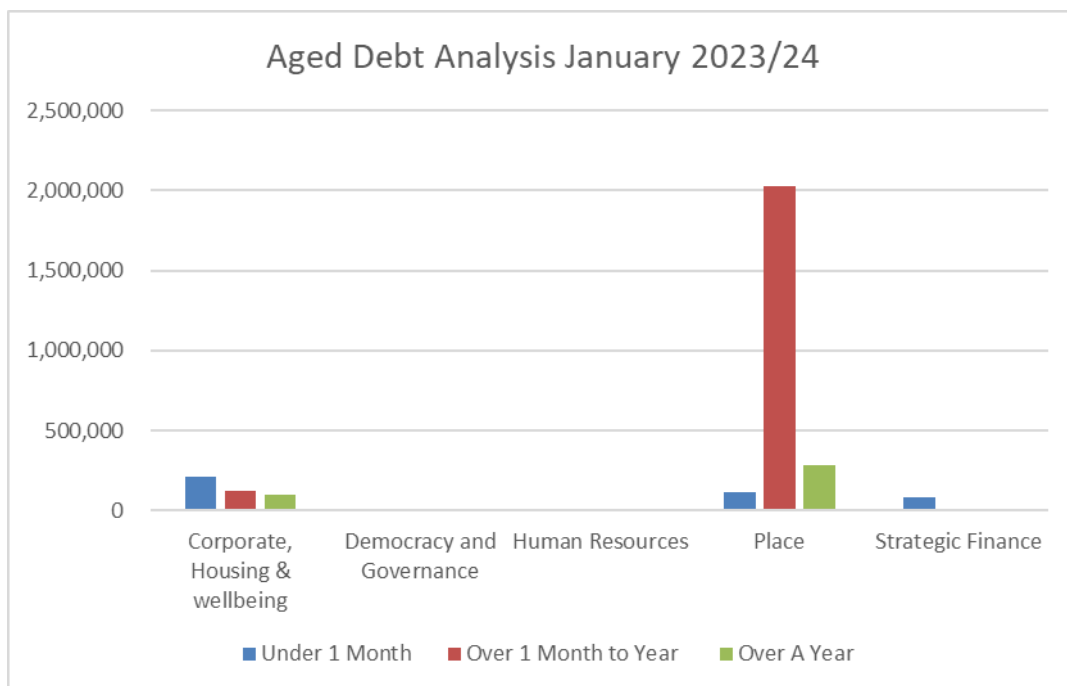
4.5.1 The MTFS agreed by Council in January 2023 included planned savings of £1.060m in 2023/24. There has been no change to the position reported to the end of period 8. Savings of £0.587m (55.4%) have been delivered and a further £0.313m (29.5%) are reported as being on track to be delivered (rated green). Savings totalling £0.025m (2.4%) are at risk of not being delivered or not delivered in full (rated amber). One saving of £0.135m (12.7%) has been identified as not deliverable in 2023/24. This saving relates to additional income from the investment property portfolio which is not achievable in the current year due to the impact of lease events across the portfolio.

4.5.2 Where savings are not expected to be met or will only be part met in year, the impact has been taken into account in the reported forecast variation to budget. The detailed breakdown and commentary is provided in Appendix 8.

4.6 Aged Debt

4.6.1 The Council charges its customers for various services by raising a debtor invoice. The customer is given 21 days to pay after which a reminder is issued if payment remains outstanding and a dispute has not been raised. If the debt continues to remain 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.

4.6.2 The graph below sets out the aged debt by service area as at 31 January 2024. The total outstanding debt was £2.923m. This compares to a total outstanding debt of £0.860m at 30 November 2023. The significant increase relates to £1.134m outstanding for CIL income and £0.370m relating to the S106 income, both amounts are within the Place directorate.



4.6.3 Of the outstanding debt, 14% is under one month past due, while 73% is between one month and 12 months. The remaining 13% is over 12 months old. The Council's debt recovery team will continue to chase these debts and initiate payment plans (instalments) wherever possible.

5.0 **Implications**

5.1 **Financial**

5.1.1 The Chief Finance Officer comments that the financial implications are set out in the main body of the report.

5.2 **Legal Issues (Monitoring Officer)**

5.2.1 The Group Head of Democracy and Governance comments that there are no legal implications directly arising from this report.

5.3 **Equalities, Human Rights and Data Protection**

5.3.1 Under s149 (1) of the Equality Act the council must have due regard, in the exercise of its functions, to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
- advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
- foster good relations between persons who share relevant protected characteristics and persons who do not share them.

5.3.2 Having had regard to the council's obligations under s149, it is considered there are no relevant issues arising directly from this report.

5.3.3 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

5.4 **Staffing**

5.4.1 There are no staffing implications arising from this report.

5.5 **Accommodation**

5.5.1 There are no accommodation implications arising from this report.

5.6 **Community Safety/Crime and Disorder**

5.6.1 Section 17 of the Crime and Disorder Act 1998 requires the council to give due regard to the likely effect of the exercise of its functions on crime and disorder in its area and to do all it reasonably can to prevent these. There are no issues arising from this report.

5.7 Sustainability

5.7.1 There are no sustainability implications arising from this report.

Appendices

- Appendix 1 Corporate, Housing and Wellbeing Services Directorate Monitoring Report
- Appendix 2 Place Directorate Monitoring Report
- Appendix 3 Democracy, Strategy, and Initiatives Monitoring Report
- Appendix 4 Strategic Finance
- Appendix 5 Capital Finance
- Appendix 6 General Balances and Earmarked Reserves
- Appendix 7 Key Budgetary Risks
- Appendix 8 Savings Monitoring

Background Papers

Financial Monitoring Report to 30 November 2023 – Finance Scrutiny Committee
January

Corporate, Housing and Wellbeing Services Directorate

1. Revenue Summary

At the end of Period 10 an overspend of £0.778m is forecast for the Corporate, Housing and Wellbeing Services Directorate.

The forecast spend at year end is £7.186m. This has increased by £0.559m from the forecast reported at Period 8. This primarily relates to an increase of £0.300m to the forecast for temporary accommodation and the cost of the pay award for 2023/24 which was previously reported against the Corporate Contingency budget within Strategic Finance.

Service	Year End Forecast at Period 10				Year End Forecast at P8 £000	Change in Forecast £000
	Latest Budget £000	Forecast at Period 10 £000	Actuals £000	Forecast Variance £000		
ICT & Shared Services	1,193	1,403	1,542	210	1,177	226
Customer & Corporate Services	1,810	1,787	1,781	(22)	1,719	68
Housing & Wellbeing	3,405	3,995	2,640	591	3,730	265
Total	6,407	7,186	5,963	778	6,626	559

2. Revenue Variances

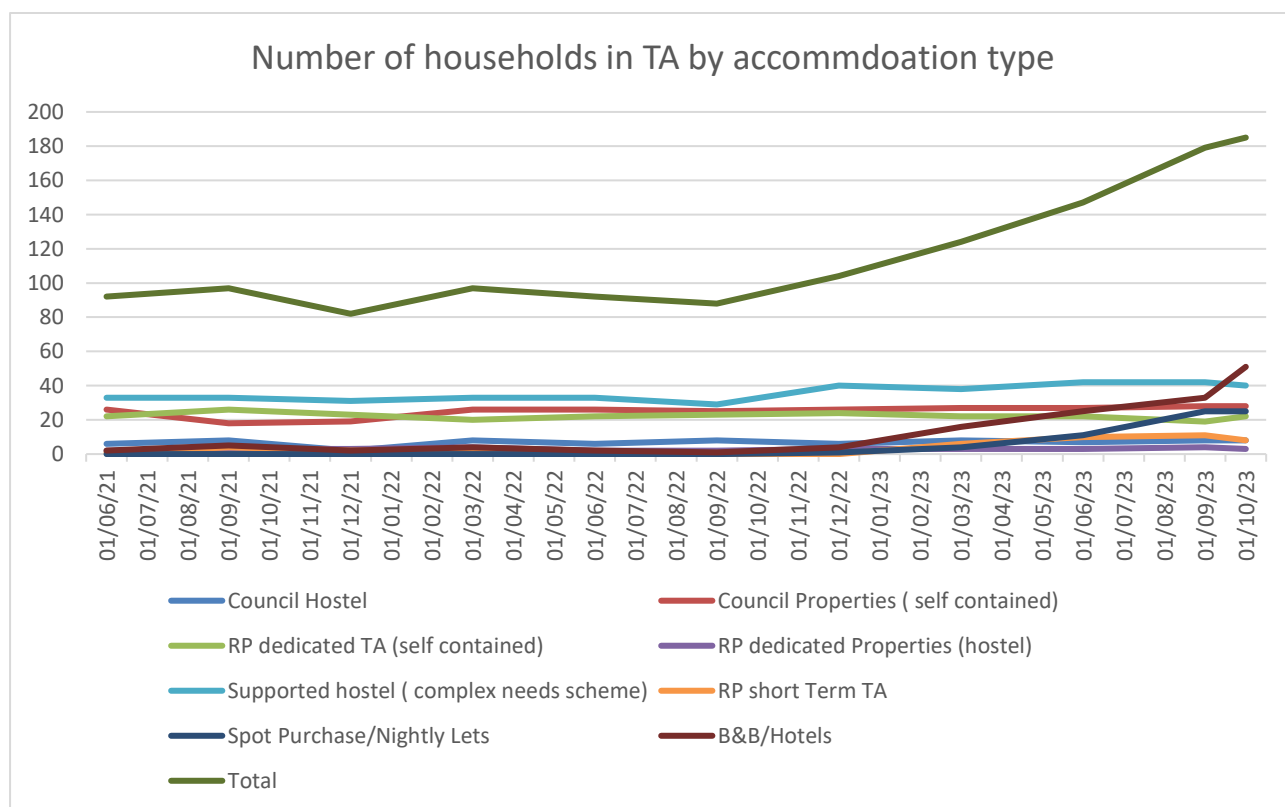
Reported variances are itemised in the table below:

Service Area	Description	Details of Variances	£'000
Corporate Housing & Wellbeing	ICT	Net additional share of shared service costs, includes additional staffing costs, hardware maintenance and software maintenance and licencing costs	125
		Direct client costs of licences and licences	51
	Housing	Net additional pressure on cost and volume of temporary accommodation	814
		Net Addition grant for the refugee scheme	(20)
	Pest Control Contract	Loss of income due to a lower demand for the service	10
	Environmental Health	Additional income as a result of H4U work, providing support to other local authorities and followup work on HMOs	(108)
		Additional income for Health Inequalities work and other health work	(138)
	Project Resource	Savings on staffing cost	(22)
		Other Variances	66
	TOTAL	778	

The main variation to budget continues to be relate to the costs of temporary accommodation. As at 31 January, this is expected to result in an overspend of £0.814m. The pressure is due to an increase in demand which has increased significantly since the end of the last financial year. The trend has continued to see an increase in the number of families being supported compared to demand from single individuals requiring support. Since the start of the financial year, there has been a 68% increase in the number of people needing single person accommodation compared to an increase of 107% in the demand for family accommodation.

There are a range of contributing factors driving the increase in demand. These include rising rents, no fault evictions as private landlords exit the rental market, and a shortage of available accommodation. These factors are all linked to the cost of living crisis including rising interest rates driving up mortgage costs for both families and landlords.

The following graph shows the number of households in temporary accommodation by accommodation type and illustrates the sharp increase in households supported over the last 14 months from Autumn 2022 compared to a stable period of demand over the previous 14 months in 2021/22. This increase in demand is over and above the core accommodation that is commissioned for temporary accommodation and demand has been met through an increase in the use of bed and breakfast and hotel accommodation and the spot purchase of nightly lets. The typical cost of accommodating a household in through nightly lets is between £200 and £300 per week. This cost increases to a typical cost of between £400 and £500 when households are accommodated in bed and breakfast.



Actions are being taken to manage the cost pressures. These actions broadly fall into three categories:

- Targeted prevention to reduce demand
- Procurement of additional core temporary accommodation to meet demand at a lower cost, including reviewing opportunities to redeploy Council owned properties
- Increasing through-put by working with partners to maximise opportunities to deliver affordable housing and enable households to move on into stable accommodation

3. Significant Income Streams

Income generating items can fluctuate depending on the economic climate. Licencing income has been identified as a significant income stream for this directorate. It is currently forecast to achieve a small favourable variance at year end.

Service Area	Income Stream	Latest Budget 2023/24 £000	Forecast 2023/24 £000	Forecast Variance £000	Comments
Corporate, Housing & Wellbeing	Licensing	(246)	(261)	(15)	Minor Variation

4. Capital Investment Programme

Budget Responsibility	Services	Latest Budget 2023/24	Forecast Outturn 2023/24	Actual to date	Latest Budget 2024/25	Latest Budget 2025/26
		£'000	£'000	£'000	£'000	£'000
ICT & Shared Services	ICT Shared Services	68	68	223	68	68
	ICT Client Services	468	368	78	655	855
Customer & Corporate Services	Customer Services	46	46	0	30	30
	Town Hall Quarter	9,801	4,736	3,000	16,101	0
Housing & Wellbeing	Environmental Health	300	265	132	220	200
	Housing	1,059	2,615	990	123	50

The Capital Investment Programme includes the Town Hall Quarter Programme. A number of key milestones have been achieved during the year, including achieving practical completion of decarbonisation works to the Town Hall and Colosseum and commencing work on the Colosseum refurbishment following the appointment of Morgan Sindall as the contractor.

The scheme detail is provided at Annex A

Corporate, Housing and Wellbeing Services Directorate Capital Scheme Detail

Capital Scheme	Latest Budget 2023/24	Forecast Outturn 2023/24	Forecast Variance	Actual 2023/24	Scheme Update
	£	£	£	£	
ED-CORPORATE, HOUSING & WELLBEING					
ICT Shared Services					
ShS-ICT Modernisation	0	0	0	(450)	
ShS-Migration To The Cloud	22,534	22,534	0	0	
ShS-Hardware Replacement Programme	45,000	45,000	0	223,197	
ICT Client Services					
ICT-Hardware Replacement Programme	100,929	929	(100,000)	77,603	In year underspend forecast by service.
ICT-Business Application Upgrade	206,756	206,756	0	0	
ICT-Project Management Provision	160,000	160,000	0	0	
Customer Services					
Building Investment Programme	46,411	46,411	0	0	
Town Hall Quarter (Concept)					
Town Hall & Colosseum Projects	0	0	0	17,519	
Decarbonisation Project Salix	0	0	0	781,574	
Town Hall Quarter (Delivery)					
Town Hall Refurbishment	1,800,000	400,000	(1,400,000)	212,132	Service request for budget rephasing into 2024/25.
Colosseum Refurbishment	6,500,000	3,000,000	(3,500,000)	1,214,086	
Annexe Refurbishment	38,848	38,848	0	38,848	
Thq Programme Delivery	500,000	300,000	(200,000)	176,890	
Decarbonisation Project Salix	646,436	646,436	0	255,904	
Innovation & Incubation Hub	0	35,000	35,000	0	
Town Hall / Colosseum Fabric Works	315,807	315,807	0	303,306	
Environmental Health					
Decent Homes Assistance	100,000	85,000	(15,000)	15,750	In year underspend forecast by service.
Private Sector Housing Renewal	200,000	180,000	(20,000)	115,943	Service rephase request of £20k into 2024/25.
Housing					
Private Sector Stock Condition	16,534	16,534	0	3,000	
Retained Housing Stock	62,372	62,372	0	7,262	Additional works needed in order to let for temporary accommodation.
LAHF Properties (Rounds 1 & 2)	980,000	2,536,105	1,556,105	980,000	DLUHC funding relating to Afghan resettlement to be utilised in 2023/24.
Renovation - 4, Butterwick	0	0	0	0	
Total	11,741,627	8,097,732	(3,643,895)	4,422,563	

Place Directorate

1. Revenue Summary

Service	Latest Budget £000	Year End Forecast at Period 10 £000	Actuals £000	Forecast Variance £000	Year End Forecast at P8	Change in Forecast
					£000	£000
Planning, Infrastructure & Eco	1,595	1,714	903	119	1,584	130
Property & Asset Management	(4,485)	(4,034)	(3,148)	451	(7,937)	3,903
Environment	8,020	9,716	8,698	1,696	9,672	44
Total	5,130	7,396	6,453	2,266	3,319	4,077

At the end of Period 10 an overspend of £2.266m is forecast for the Place Directorate. The forecast year end spend has increased by £4.077m from Period 8. This is primarily due to the inclusion of the budget and forecast in relation to Croxley Business Park of £3.506m. This funded from the Croxley Park Reserve.

2. Revenue Variances

The Veolia contract continues to represent the most significant pressure on the budget within place. This is an ongoing cost that has arisen due to high inflation in 2022/23 and 2023/24. The increased cost has been built into the budget for 2024/25 onwards.

Reported variances are itemised in the table below:

Description	Details of Variances	£'000
CCTV	Additional cost on security contract due to revision of contracted hours and maintenance	14
Arts & Events	Grant Income reduced	40
Watford Museum	Additional staffing costs as part of the museum transformation	153
Allotments	Increase in Rates, the council is reviewing with Valuation Office Agency	23
Development Control	Lower than expected income from planning application fees, mitigated by reduction in salaries, increase in pre-app charges and grant.	242
	Increase in professional consultancy fees relating to planning appeals fees	77
	Reduction in staffing costs , as highlighted above	(33)
Policy Team	Local development framework saving as there is no engagement in 2023/24 and additional savings on supplies and services budget	(105)
	Joint partnership working income	(40)
Building control and Planning Enforcement	Net underspend within the Building Control shared service as a result of staffing vacancies. This is after accounting for a reduction in building control fee income of £83k.	(38)
Investment Properties	Shortfall against budget for anticipated rental increases.	423
Facilities	Interim costs to support vacancy and long term leave	144
Council Offices	Net saving from loss of rental income from the Annex offset by savings on town hall running costs.	(94)
	Increase in Rates	58
Leisure	Income expected from service provider £113k and lower costs of £35k on development work	(148)
Cassiobury Park (inc Hub)	Significant increase in electricity costs for the year following a change to billing allocation.	180
	Cost of pools management	35
	Increase in cleaning /maintenance costs and loss of income from parking	70
Refuse - Trade	Decrease in gate fees for recycling due to economic climate	115
Recycling - Kerbside	Forecast income did not take into account timing of price increase for green bin charges	94
Cemetaries	Increase in expected income from sale of grave spaces, burial and memorial fees	(178)
Parks & Open Spaces (Various)	Support costs for conservation project	30
Environment	Cost pressure on Veolia contract	1,320
	Other Variances	(115)
	TOTAL	2,267

3. Significant Income Streams

Particular income generating items can fluctuate depending on the economic climate, popularity and affordability. The main risks that are considered the most critical and their financial position are shown in the table below. However, they will continue to be

closely monitored throughout the year as the impact of the cost of living crisis on businesses and households is likely to make income targets harder to achieve.

Service Area	Income Stream	Latest Budget 2023/24 £000	Forecast 2023/24 £000	Forecast Variance £000	Comments
Place	Commercial Rent	(19,060)	(18,637)	423	Loss of income mainly due to tenant entering administration
	Development Control Fees	(792)	(550)	242	Reduction in demand for services
	Building Control Fees	(278)	(195)	83	
	Car Parking Charges	(1,740)	(1,740)	0	

4. Capital Investment Programme

Budget Responsibility	Services	Latest Budget 2023/24	Forecast Outturn 2023/24	Actual to date	Latest Budget 2024/25	Latest Budget 2025/26
		£'000	£'000	£'000	£'000	£'000
Planning, Infrastructure & Economy	Transport & Infrastructure	719	694	242	750	405
	Development Control	29	29	4	420	300
Property & Asset Management	Corporate Asset Management	85	85	34	100	100
	Watford Business Park	10,933	10,823	10,555	410	0
	Watford Riverwell	4,286	4,286	327	2,496	6,900
	Property Investment Board	0	0	0	0	0
	Property Management	1,747	1,747	669	8,999	260
	Town Hall Quarter	153	100	70	53	0
Environment	Waste & Recycling (inc Veolia)	849	944	244	765	0
	Parks & Open Spaces	1,318	1,103	685	646	85
	Cemeteries	16	26	26	60	0
	Leisure & Play	467	761	427	90	400
	Culture & Heritage	15	15	0	30	15
	Community Projects	5	5	8	0	0
	Commissioning	100	100	46	300	166
	Town Hall Quarter	233	198	93	1,156	0

Scheme detail is provided at Annex A.

Place Directorate Capital Scheme Detail

Capital Scheme	Latest Budget 2023/24	Forecast Outturn 2023/24	Forecast Variance	Actual 2023/24	Scheme Update
	£	£	£	£	
Transport & Infrastructure					
Public Realm (Clarendon Rd Phase III)	10,636	10,636	0	4,258	In year underspend rephased into 2024/25.
CCTV Site Equipment	10,000	10,000	0	0	
Public Realm - Market St South	11,823	11,823	0	(11,476)	
Public Realm - Queens Rd, The Broadway	0	0	0	(38)	
TTIW Delivery Programme	0	0	0	(32,797)	In year underspend forecast by service.
St Albans Rd Imp Works (Ph 2)	0	0	0	0	In year underspend forecast by service.
Wayfinding & Public Art Strategy	62,000	62,000	0	25,713	Considerable in year budget rephasing into
EV Rapid Charging Points Programme	99,597	99,597	0	46,793	
CCTV Control Room Strategy	416,906	391,906	(25,000)	167,946	In year underspend forecast by service.
Public Realm (Bridle Path Improvements)	54,035	54,035	0	0	Additional budget approved with application of Section 106 receipts.
Watford 3D Planning Model	0	0	0	16,815	
High St Phase 2 (St Mary's)	29,166	29,166	0	24,358	In year underspend rephased into 2026/27.
Parades Improvements	25,000	25,000	0	107	In year underspend forecast by service.
Development Control					
CIL Review	0	0	0	70	
CIL Grant Funded Projects	8,087	8,087	0	3,778	
Supporting Local Business	20,490	20,490	0	0	
Corporate Asset Management					
Community Asset Review	85,132	85,132	0	33,889	In year underspend forecast by service.
Watford Business Park					
Watford Business Park Phase 2	10,933,468	10,823,468	(110,000)	10,555,292	In year underspend rephased into 2024/25.
Watford Riverwell	4,286,000	4,286,000	0	327,147	Routine reviews carried out by service of all phases of the Watford Riverwell scheme.
Property Management					
Charter Place	0	0	0	6,479	
Temp Housing Accommodation	0	0	0	26,904	
Surplus Sites	400,000	400,000	0	313,745	
Croxley Park Asset	0	0	0	134,254	Funded by PPM contribution that formed part of the original Croxley Business Park transaction.
Lower High Street	306,577	306,577	0	187,923	In year underspend forecast by service.
Infill Sites (LEP funded)	0	0	0	0	Projects recently re-appraised with one scheme discontinuing.
Surplus Site - Land Acquisition (Site A)	1,040,000	1,040,000	0	0	
Core Investment Portfolio	0	0	0	0	
Waste & Recycling (inc Veolia)					
Veolia Contract Fleet Requirements	763,748	858,464	94,716	179,412	Budgets reflect ongoing review of vehicle replacement programme.
Flats - Extension Of Recycling Provision	4,485	4,485	0	4,485	Scheme underspend due to review by service.
Recycling Redesign (New Bins)	0	0	0	0	
Veolia Capital Improvements	80,560	80,560	0	60,032	Budget reflecting increases in contract indexation.

Capital Scheme	Latest Budget 2023/24	Forecast Outturn 2023/24	Forecast Variance	Actual 2023/24	Scheme Update
	£	£	£	£	
Parks & Open Spaces					
Green Spaces Strategy	159,722	127,222	(32,500)	63,690	In year savings identified by service.
Oxhey Park North	0	0	0	0	In year savings identified by service.
Tree Planting Programme	50,000	52,788	2,788	3,990	In year growth identified by service.
River Colne Restoration	343,609	175,668	(167,941)	56,248	Service rephase request into 2024/25.
Parks Litter Bin Replacements	18,183	18,183	0	0	
Meriden Park Improvements	51,132	51,132	0	42,871	
Cassiobury Park Wetlands	312,972	305,080	(7,892)	295,691	Additional budget request funded by approved use of Section 106 receipts.
Cassiobury Park Ad Hoc Works	17,500	17,500	0	9,453	
Parks Litter Bins	0	0	0	762	
Footpaths - Cassiobury Park Nature Reserve	101,000	101,000	0	40,123	In year and future year underspends forecast
Footpaths - Cassiobury Park	70,000	45,000	(25,000)	4,375	by service.
Allotment Provision	0	0	0	0	In year saving identified by service.
Shrub Replacement (Open Space)	25,027	25,027	0	5,194	
Parks - Building Investment	149,119	149,119	0	147,259	In year underspends forecast by service.
Water Fountains in Green Flag Parks	20,000	35,000	15,000	15,139	In year underspend and £15k budget rephasing from 2024/25.
Cemeteries					
North Watford Cemetery Improvements	2,021	26,021	24,000	26,157	In year growth identified by service.
New Cemetery Provision	14,363	0	(14,363)	0	In year saving identified by service.
Vicarage Rd - WFC Memorial Area	0	0	0	0	In year saving identified by service.
Leisure & Play					
Watford Tennis Partnership	0	0	0	0	In year underspend forecast by service.
Oxhey Grange-Bowling Gr'N Imps	40,095	40,095	0	18,190	
Cassiobury Park Tennis Courts	0	0	0	0	In year underspends forecast by service.
Orchard Park & Callowland Cricket Improvements	0	0	0	0	
Leavesden Green Rec Ground Improvements	50,000	50,000	0	45,602	
Woodside Sports Village	287,000	596,000	309,000	316,775	Savings identified due to project review carried out by service.
Play Area Improvements	90,000	75,000	(15,000)	46,004	In year underspend forecast by service.
Lea Farm Recreation Improvements	0	0	0	0	In year saving declared by service.
Culture & Heritage					
Watford Market	15,000	15,000	0	0	Service request for in year budget of £15k to be rephased into 2024/25.
Community Projects					
Paddock Road Depot Enhancements	5,009	5,009	0	8,036	In year underspend forecast by service.
Commissioning					
Cycle & Road Infrastructure Improvements	100,000	100,000	0	45,633	In year underspend forecast by service.
Town Hall Quarter (Concept)					
Regeneration Project	153,246	100,000	(53,246)	69,777	Service request for in year underspend to be rephased into 2024/25.
Town Hall Quarter (Delivery)					
Museum & Heritage	200,000	150,000	(50,000)	57,059	Service request for in year underspend to be rephased into 2024/25.
Colosseum Retender	33,227	48,227	15,000	36,390	In year overspend mitigated within other THQ budgets.
Total	20,955,935	20,915,497	(40,438)	13,429,505	

Democracy, Strategy and Initiatives

1. Revenue Summary

<u>Corporate Strategy & Comms</u>							
Service	Latest Budget £000	Year End Forecast at Period 10		Actuals £000	Forecast Variance £000	Year End Forecast at P8	
		£000	£000			£000	Change in Forecast £000
Partnerships & Performance	963	953		647	(10)	935	18
Corporate Management	438	438		457	0	413	25
Total	1,401	1,391		1,103	(10)	1,348	43
<u>Democracy & Governance</u>							
Service	Latest Budget £000	Year End Forecast at Period 10		Actuals £000	Forecast Variance £000	Year End Forecast at P8	
		£000	£000			£000	Change in Forecast £000
Legal And Democratic	2,136	2,162		1,527	26	2,049	113
Total	2,136	2,162		1,527	26	2,049	113
<u>Human Resources</u>							
Service	Latest Budget £000	Year End Forecast at Period 10		Actuals £000	Forecast Variance £000	Year End Forecast at P8	
		£000	£000			£000	Change in Forecast £000
Human Resources Client	54	54		(4)	0	54	0
HR Shared Service	539	539		544	0	497	42
Total	593	593		541	0	551	42

At the end of Period 10 an overspend of £0.026m is forecast for Democracy and Governance Service, a saving of £0.010m for corporate Strategy & Comms and there is no variation to budget forecast for the Human Resources services. The change in forecast reflects the allocation of the allocation of costs in relation to the 2023/24 pay award previously reported against the Corporate Contingency budget within Strategic Finance.

2. Revenue Variances

Reported variances are itemised in the table below. The reported position includes a forecast overspend for the Legal Shared Service with St Albans due to implementation

costs and the use of agency staff prior to permanent recruitment of staff to the new service.

Description	Details of Variances	£'000
Legal Services	Savings on employee costs in relation to a vacant post	(14)
	increased costs of the Legal shared service	40
	Other Variances	(10)
	TOTAL	16

3. Capital Investment Programme

There are currently no capital investment budgets for this service area for 2023/24 to 2025/26.

Strategic Finance

1. Revenue Summary

Service	Latest Budget £000	Year End Forecast	Actuals £000	Forecast Variance £000	Year End Forecast at P8 £000	Change in Forecast £000
		at Period 10 £000				
Finance & Resources	223	404	357	181	431	(27)
Finance Services Client	1,024	1,227	877	204	1,187	40
Revenues And Benefits Client	1,078	1,078	6,020	0	1,078	0
Service Transformation	59	28	(19)	(31)	28	0
Corporate Costs	2,551	(318)	(2,446)	(2,869)	1,685	(2,003)
Total	4,934	2,419	4,789	(2,516)	4,409	(1,990)

Corporate Costs includes the budgets relating to treasury management activity and capital financing costs and the contingency budget for pay and other inflation. The change in forecast primarily relates to additional dividend income of £1.173m and the allocation of the cost of the 2023/24 pay award (£0.780m) to pay budgets across the Council, previously reported against the Corporate Contingency.

2. Revenue Variances

At the end of Quarter 2 a net underspend of £2.516m is forecast across Strategic Finance. A breakdown of the reported variances is set out in the following table. Further detail is provided in the paragraphs below.

Description	Details of Variances	£'000
Insurance	Increase in premises insurance costs due to inflation	73
Finance	Additional cost of external audit fees	148
	Net Additional change in interest income / borrowing costs due to change in investment activity	(713)
	Additional dividend income from Watford Health Campus Partnership LLP - Riverwell joint venture	(1,173)
	Reduction in employers Pension Deficit costs as per pension fund triannual valuation / use of pension reserve	(877)
	Other Variances	26
	TOTAL	(2,516)

Insurance premiums are set annually. Insurance costs have increased in 2023/24 due to the rising costs of construction which have fed through to higher premiums for premises insurance, reflecting the increased costs of repairs or reconstruction.

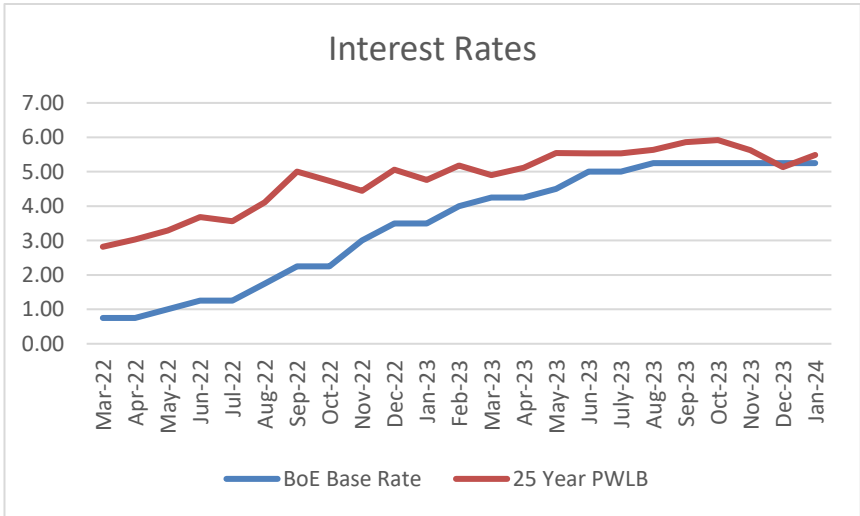
The Council has now received the final invoice from the external auditors for the 2019/20 audits of the main statement of accounts and housing benefits audits. The fee for the main audit is set by Public Sector Audit Appointments Ltd (PSAA) who also oversee requests for additional fees. The schedule fee due to the external auditors for 2019/20 was £0.040m. A fee variation proposal was submitted to the PSAA by the external auditors for an additional £0.168m. After consideration of the proposal, the PSAA have agreed a variation of £0.119m taking the total fee to £0.159m. A total pressure of £0.148m is reported across both audits.

At 31 January 2024 the Council had external borrowing of £47.000m (£64.500m at 30 November 2023). As per the Treasury Management Strategy, the Treasury Management team continue to minimise the cost of carry (the difference between interest earned on deposits and the interest paid on borrowing) by utilising cash balances to reduce external borrowing.

As set out in the Treasury Management Mid Term Review, the Council will utilise funds currently invested in pooled investment funds to increase internal borrowing. This will reduce interest payable charges and increase interest received in the short term. A change in net interest is reported of £0.713m

The graph below shows the Bank Of England Base rate and Public Works Loans Board (PWLB) rate for new 25 year loans from March 2022 to January 2024. PWLB rates are based on gilt yields (UK Government Bonds) plus a margin specified by HM Treasury, currently 100 basis points. As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

PWLB borrowing rates increased significantly in September 2022 following the mini budget announced by Kwasi Kwarteng, then Chancellor of the Exchequer. It was initially expected that gilt yields would fall to around 3% following the resignation of both the Chancellor and the Prime Minister. Although there was an initial drop, the inflation forecast and the Bank of England’s decision to raise base rate has pushed PWLB rates above the levels recorded following the mini budget during the first quarter of 2023/24. Rates have remained at these levels into the fourth quarter of 2023/24.



At a meeting of the board of Watford Health Campus Partnership LLP it was agreed to distribute an element of retained profits from within the partnership in addition to the expected profit distribution arising from the sale of the 'Central Site' to the West Hertfordshire Teaching Hospitals Trust (WHTHT). This was made possible as a result of an improved cash position within the joint venture. This has increased the profits distributed in year by £1.173m and was not previously included in the forecast for dividends and interest earned from the Council's joint ventures.

An actuarial valuation of the pension fund assets and liabilities is undertaken every three years to set the employer contribution rates to the pension fund. The latest triannual valuation was completed as at 31 March 2022 and has set the employer contribution rates for three years from 1 April 2023 to 31 March 2026. The triannual valuation has resulted in an increase to the employer's contribution rate for the Council from 18.2% to 19.1%. However, it has also decreased the annual lump sum paid in relation to past service cost deficit reflecting an increase in pension fund assets. The net saving in 2023/24, after taking into account the increase in contribution rate, is £0.877m.

3. Capital Investment Programme

Services	Latest Budget 2023/24 £'000	Forecast Outturn 2023/24 £'000	Actual to date £'000	Latest Budget 2024/25 £'000	Latest Budget 2025/26 £'000
Capital Support Services	677	677	0	677	677
Hart Homes JV	0	0	0	3,130	0
Capital Budget Contingency	511	511	0	0	0

The scheme detail is provided at Annex A.

Capital Investment Programme – Scheme Detail

Capital Scheme	Latest Budget 2023/24 £	Forecast Outturn 2023/24 £	Forecast Variance £	Actual 2023/24 £	Scheme Update
Capitalised Support Services					
Support Services	552,470	552,470	0	0	
Major Projects - FBP and QS	124,390	124,390	0	0	
Capital Budget Contingency					
Capital Contingency	510,931	511,000	69	0	
Total	1,187,791	1,187,860	69	(0)	

Capital Financing 2023/24

Medium Term Financial Strategy	2023/24
Latest Budget	33,885,353
Variances	(3,684,264)
Forecast Outturn	30,201,089
Funded By :-	
Grants & Contributions, S106 & CIL	(6,248,437)
Reserves	(206,806)
Capital Receipts (<u>Incl.</u> land transfers)	(7,518,021)
Borrowing (Internal & External)	(16,227,825)
Total Funding Used	(30,201,089)

Revenue Reserves Forecast 2023/24

Description	Balance at 1 April £000	Agreed use of Reserves 2023/24 £000	2023/24 Variations £000	Balance £000	Purpose
Earmarked Reserves					
Car Parking Zones	(331)	119		(212)	Ring fenced for parking projects
Collection Fund	(6,317)			(6,317)	Equalisation fund to smooth impact of surplus / deficit
Crematorium	(150)			(150)	Funding repairs and maintenance
Economic Impact Reserve	(990)		990	0	Provide resources to offset economic downturn
Housing Benefit Subsidy	(1,606)			(1,606)	Provision if Dept for Work & Pensions claw back funds
Housing Planning Delivery Grant	(266)			(266)	Improve planning outcomes and delivery of housing
Leisure Structured Maintenance	(57)			(57)	Funding unforeseen maintenance not covered in contract
Local Development Framework	(178)			(178)	Support local plan production and inspection
Multi-Storey Car Park Repair	(181)			(181)	Funding major structural works
Pension Funding	(2,248)	1,600	0	(648)	Reduction of pension deficit
Redundancy Reserve	0	(1,000)	0	(1,000)	Reserve to fund redundancy costs arising from service redesign
Grants and Contribution Reserve	(1,177)	478	0	(699)	Funding identified projects in future years
Rent Deposit Guarantee Scheme	(100)	100	0	0	Assist in providing homelessness accommodation
Commercial Risk Reserve	(6,522)	826	(376)	(6,072)	To cover any guarantees, repayments of outstanding loans and fund future investment.
Sustainability Reserve	(500)	143	0	(357)	Funding sustainable projects for a better environment
Croxley Park General Reserve	(14,864)	3,507		(11,357)	cover any shortfall from Croxley Park
Renewal Recovery Fund	(568)	500	0	(68)	Budgeted to be used over the MTFs to offset the reduction in income due to COVID-19
Total Earmarked Reserves	(36,055)	6,273	614	(29,168)	
General Fund Working Balance	(2,000)	69	(69)	(2,000)	Risk assessed prudent balance is £2.000m
Total Revenue Reserves	(38,055)	6,342	545	(31,168)	

Key Budgetary Risks

Ref.	Type of Consequence	Comment	Likelihood	Impact	Overall Score
Corp 7	Council budget is not sufficient to undertake all services and projects desired / required	In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.7 on the Council's corporate risk register.	3	4	12
15	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. The economic climate has increased risk as evidenced by tenants going into administration. The Council's management of the commercial investment portfolio is supported by LSH and closely monitored by the Property Investment Board (PIB).	4	3	12
7	Revenue balances insufficient to meet estimate pay award increases	The Council's 3 year Medium Term Financial Strategy (MTFS) includes forecast pay awards for the next three years linked to inflation forecasts. The final award for 23/24 has now been confirmed and the pressure has been managed in year through use of reserves.	3	3	9
9	Revenue balances insufficient to meet other inflationary increases	The budget planning process for 2024/25 onwards has addressed the ongoing impact of high inflation on contract costs during 2022/23 and 2023/24. .	3	3	9
10	Interest rates resulting in significant variations in estimated interest income and borrowing costs	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market and the cost of borrowing to fund capital expenditure.	3	2	6
Page 11	Inaccurate estimates of fees and charges income	The current financial climate impacts key income streams as residents reduce use of discretionary services such as planning and building control.	3	3	9
31 12	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.	1	4	4
13	Major emergency	Major Emergency requires funds beyond Bellwin scheme and causes serious drain on balances.	1	2	2
14	The estimated cost reductions and additional income gains are not achieved	Savings identified are monitored as part of the monthly budget monitoring process and reported to CMB, Portfolio Holders and Finance Scrutiny Committee.	2	2	4
18	The amount of government grant is adversely affected	The provisional grant settlement has been factored into the MTFS. A prudent forecast is made for future years in the absence of a multi year local government finance settlement.	2	3	6
19	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. The system was due to be subject to reset and increase to 75% retention. This has been postponed until 2025/26 at the earliest.	2	2	4
16	The Council is faced with potential litigation and other employment related risks	One off pressures are managed by use of reserves.	3	1	3
21	Loss of Key Personnel	Following a revision of job descriptions, minor amendments to the structure, and a successful recruitment campaign during 2022/23, the Finance team is currently fully staffed. All staff have an annual Personal Development Review which contains smart objectives including objectives related to career development and identification of training needs and opportunities.	1	3	3
		1= LOW RISK 4 = HIGH RISK			

Savings Monitoring

Corporate, Housing and Wellbeing Services	Category	Proposal Description	2023/24 £	RAG	Commentary
	Efficiency Saving	Service efficiencies in the former Community Protection service budgets	(35,000)	Delivered	
	Efficiency Saving	Licensing services efficiencies	(7,000)	Green	Restructure project commenced
	Efficiency Saving	Utilities and rates savings on surplus sites.	(3,000)	Delivered	
Housing and Wellbeing	Fees and Charges	Increase in income from pest control services	(23,000)	Green	Promotion of the service is underway, shortfall in income can be met from offsetting salary savings due to vacancy.
	Efficiency Saving	Efficiencies in animal control	(8,000)	Delivered	
	Efficiency Saving	Deletion of vacant 0.5FTE post	(17,000)	Delivered	
	Efficiency Saving	Alternative funding for particulate monitoring	(7,000)	Delivered	
	Efficiency Saving		(4,000)	Delivered	
	Efficiency Saving	Reduce the number of staff mobile phones.	(3,000)	Delivered	
	Efficiency Saving	Reduce consultancy support to the corporate mapping system.	(20,000)	Delivered	
Customer and Corporate Services	Efficiency Saving	Reduce consultancy support to the corporate reporting platform.	(9,070)	Delivered	
	Efficiency Saving	Reduce consultancy support to the Customer Service Centre systems.	(8,750)	Delivered	
	Efficiency Saving	Service efficiencies and increased digitalisation of the Customer Service Centre.	(8,750)	Delivered	
	Efficiency Saving	Service efficiencies in print.	(8,000)	Delivered	
	Efficiency Saving	Increase use of outsourced hybrid mail contracts.	(35,000)	Delivered	
	Income generation	Additional income from the street naming and numbering.	(7,500)	Delivered	
Total Corporate, Housing and Wellbeing Services			(195,320)		

Place	Category	Proposal Description	2023/24 £		
Environment	Fees and Charges	Additional income from Bulky Waste Collection	(8,870)	Delivered	Implemented but high underperformance, partially offset by operating savings
	Fees and Charges	Additional income from Garden Waste Collection	(208,820)	Delivered	
	Income generation	Donations for use of paddling pools	(25,000)	Amber	
	Income generation	Additional income from allotments.	(5,000)	Delivered	
	Income generation	Additional income from the parking reserve.	(200,000)	Green	
	Service Change	Veolia: Staffing Changes	(108,000)	Delivered	
	Service Change	Veolia: High Speed Road	(16,000)	Delivered	
Planning, Infrastructure and Economic Development	Fees and Charges	Additional income from Pre-Application planning fees.	(12,000)	Delivered	
	Income generation	Recover costs associated with CIL administration.	(32,798)	Green	
	Service Change	Delete part of vacant post.	(17,000)	Delivered	
Property and Asset Management	Efficiency Saving	Service efficiency from MSCI.	(13,000)	Delivered	
	Income generation	Additional income from the MSCP at Riverwell.	(50,000)	Green	
	Income generation	Additional income from commercial lettings	(135,000)	Not deliverable	
	Service Change	Delete part of vacant post.	(33,000)	Delivered	
Total Place			(864,488)		
Total Savings			(1,059,808)		