

Place Directorate

1. Revenue Summary

Service	Latest Budget £000	Year End			Year End	
		Forecast at Period 8 £000	Actuals £000	Forecast Variance £000	Forecast at Quarter 2 £000	Change in Forecast £000
Planning, Infrastructure & Eco	1,521	1,584	1,141	63	1,543	41
Property & Asset Management	(8,694)	(7,937)	(2,175)	757	(8,575)	638
Environment	7,954	9,672	6,860	1,718	9,868	(196)
Total	781	3,319	5,826	2,538	2,836	483

At the end of Period 8 an overspend of £2.538m is forecast for the Place Directorate. The forecast year end spend has increased by £0.483m from £2.836m to £3.319m.

2. Revenue Variances

The change in forecast is primarily due to a change in the forecast for commercial income of £0.589m. There are two main reasons for this. The first is a part year loss of rent as a result of a tenant entering administration (£0.330m). The second is a reduction in rent due to the Council as freeholder as a result of deductible capital expenditure (£0.267m). A virement request is included in Appendix 7 to offset this net reduction in income with a contribution from the Riverwell Reserve. If this is approved, the latest budget will be updated to reflect the income achievable in year.

The financial impact of the tenant entering administration will continue over the Medium Term Financial Strategy (MTFS) as the property is relet. As the tenant has entered administration, the Council will be unable to recover dilapidations which would usually be due when a lease ends. There is also a risk that there may be a void period while a new tenant is secured. This has been taken into account when preparing the draft budget for 2024/25 and MTFS to 2026/27.

Reported variances are itemised in the table below:

Service Area	Description	Details of Variances	£'000
PLACE	CCTV	Additional cost on security contract due to revision of contracted hours and maintenance	37
	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
		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.	(48)
	Investment Properties	Loss of rental income from 29/31 High Street and intu Watford	598
	Facilities	Interim costs to support vacancy and long term leave	144
	Council Offices	Net pressure from loss of rental income from the Annex offset by savings on town hall running costs.	10
		Increase in Rates	58
	Leisure	Income expected from service provider £113k and lower costs of £35k on developmnet 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 memeorial fees	(178)
	Parks & Open Spaces (Various)	Support costs for conservation project	30
Environment	Cost pressure on Veolia contract	1,333	
	Other Variances	(72)	
	TOTAL	2,538	

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	(9,520)	(8,933)	587	Minor Variation
	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 Area	Services	Latest Budget 2023/24 £'000	Forecast Outturn 2023/24 £'000	Actuals to date £'000	Latest Budget 2024/25 £'000	Latest Budget 2025/26 £'000
Planning, Infrastructure and Economy	Transport & Infrastructure	1,833	719	97	810	400
	Development Control	29	29	6	120	0
Property and Asset Management	Corporate Asset Management	140	85	26	250	500
	Watford Business Park	10,933	10,933	9,601	300	0
	Watford Riverwell	1,829	4,286	182	4,353	11,799
	Property Management	2,547	1,747	607	0	0
	Town Hall Quarter	153	153	60	0	0
Environment	Waste & Recycling	905	849	149	551	11
	Parks & Open Spaces	1,566	1,318	522	680	320
	Cemeteries	76	16	26	0	0
	Leisure & Play	1,642	467	336	5,474	75
	Culture & Heritage	0	15	0	100	0
	Community Projects	71	5	4	0	0
	Commissioning	516	100	39	500	0
Town Hall Quarter	233	233	85	1,106	0	

The development of Watford Business Park, Aspire, is due to substantially complete during 2023/24. This is a significant regeneration scheme that will also deliver additional income for the Council in future years.

The 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)	80,636	10,636	(70,000)	8,778	Service request for budget rephasing into 2024/25 due to design delays.
CCTV Site Equipment	10,000	10,000	0	(15,000)	Budget growth identified for future financial years.
Public Realm - Market St South	11,823	11,823	0	(31,476)	
Public Realm - Queens Rd, The Broadway	0	0	0	(38)	
TTIW Delivery Programme	286,452	0	(286,452)	(32,797)	In year underspend forecast by service including savings for 2024/25.
St Albans Rd Imp Works (Ph 2)	10,777	0	(10,777)	0	In year underspend and budget growth for future years identified by service.
Wayfinding & Public Art Strategy	230,655	62,000	(168,655)	25,713	Service request for budget rephasing into 2026/27.
EV Rapid Charging Points Programme	99,597	99,597	0	46,793	Future years savings identified by service.
CCTV Control Room Strategy	416,906	416,906	0	64,813	
Public Realm (Bridle Path Improvements)	0	54,035	54,035	0	Additional budget request funded by approved use of Section 106 receipts.
Watford 3D Planning Model	0	0	0	16,815	
High St Phase 2 (St Mary's)	485,940	29,166	(456,774)	13,304	Service request for budget rephasing into 2026/27.
Parades Improvements	200,000	25,000	(175,000)	107	In year underspend forecast by service including savings for future years.
Development Control					
CIL Review	0	0	0	70	
CIL Grant Funded Projects	8,087	8,087	0	5,778	
Supporting Local Business	20,490	20,490	0	0	
Corporate Asset Management					
Community Asset Review	140,021	85,132	(54,889)	26,466	In year underspend forecast by service including savings for future years.
Watford Business Park					
Watford Business Park Phase 2	10,933,468	10,933,468	0	9,601,418	
Watford Riverwell	1,828,576	4,286,000	2,457,424	181,852	Review by service of all cost centres within Riverwell scheme requiring budget rephasings, budget adjustments and identifiable future savings.
Property Investment Board					
PIB Investment Board	0	0	0	0	
Property Management					
Charter Place	0	0	0	6,479	
Temp Housing Accommodation	0	0	0	24,166	
Surplus Sites	400,000	400,000	0	292,635	Budget growth identified for future financial years.
Croxley Park Asset	0	0	0	114,237	Funded by PPM contribution that formed part of the original Croxley Business Park transaction.
Lower High Street	406,577	306,577	(100,000)	169,349	In year underspend forecast by service.
Infill Sites (LEP Funded)	840,675	0	(840,675)	0	Projects recently re-appraised with one scheme discontinued.
Surplus Site - Land Acquisition (Site A)	900,000	1,040,000	140,000	0	
Waste & Recycling (inc Veolia)					
Veolia Contract Fleet Requirements	763,748	763,748	0	105,864	Budgets reflect ongoing review of vehicle replacement programme.
Flats - Extension Of Recycling Provision	70,000	4,485	(65,515)	4,485	Scheme underspend due to review by service.
Veolia Capital Improvements	71,000	80,560	9,560	38,452	Budget reflecting increases in contract indexation.
Parks & Open Spaces					
Green Spaces Strategy	159,722	159,722	0	42,759	Future year savings identified by service.
Oxhey Park North	40,798	0	(40,798)	0	In year underspend forecast by service.
Tree Planting Programme	28,140	50,000	21,860	3,990	Current and future year's review carried out by service.
River Colne Restoration	343,609	343,609	0	17,391	
Parks Litter Bin Replacements	18,183	18,183	0	0	Budget growth identified for future financial years.
Meriden Park Improvements	51,132	51,132	0	12,847	
Cassiobury Park Wetlands	293,992	312,972	18,980	237,418	Additional budget request funded by approved use of Section 106 receipts.
Cassiobury Park Ad Hoc Works	25,000	17,500	(7,500)	9,453	In year underspend forecast by service.
Footpaths - Cassiobury Park Nature Reserve	197,494	101,000	(96,494)	34,047	In year and future year underspends forecast by service.
Footpaths - Cassiobury Park	114,022	70,000	(44,022)	4,375	
Allotment Provision	50,000	0	(50,000)	0	Service request for budget rephasing into 2024/25.
Shrub Replacement (Open Space)	45,027	25,027	(20,000)	5,194	In year underspends forecast by service.
Parks - Building Investment	153,519	149,119	(4,400)	147,259	
Water Fountains in Green Flag Parks	45,000	20,000	(25,000)	7,694	In year underspend forecast by service including savings for future years.
Cemeteries					
North Watford Cemetery Improvements	2,021	2,021	0	26,157	2024/25 budget growth identified by service.
New Cemetery Provision	14,363	14,363	0	0	
Vicarage Rd - WFC Memorial Area	60,000	0	(60,000)	0	In year underspend forecast by service.
Leisure & Play					
Watford Tennis Partnership	25,000	0	(25,000)	0	In year underspend forecast by service.
Oxhey Grange-Bowling Gr'N Imps	89,206	40,095	(49,111)	15,040	
Cassiobury Park Tennis Courts	40,000	0	(40,000)	0	In year underspends forecast by service.
Orchard Park & Callowland Cricket Improve	13,522	0	(13,522)	0	
Leavesden Green Rec Ground Improvements	50,000	50,000	0	45,602	
Woodside Sports Village	1,237,000	287,000	(950,000)	265,645	Savings identified due to project review carried out by service.
Play Area Improvements	175,000	90,000	(85,000)	10,065	In year underspend forecast by service including savings for future years.
Lea Farm Recreation Improvements	12,000	0	(12,000)	0	In year saving declared by service.
Orchard Park Ballproof Fence & Astro turf Wick	0	0	0	0	2024/25 budget underspend forecast by service.
Culture & Heritage					
Heritage Trail	0	0	0	0	This scheme will merge with 'Wayfinding & Public Art Strategy' in 2024/25.
Watford Market	0	15,000	15,000	0	Budget growth identified for current and future financial years.
Community Projects					
Paddock Road Depot Enhancements	70,862	5,009	(65,853)	4,251	In year underspend forecast by service.
Commissioning					
Cycle & Road Infrastructure Improvements	515,959	100,000	(415,959)	39,104	Aggregate scheme savings identified post project review.
Town Hall Quarter (Concept)					
Regeneration Project	153,246	153,246	0	59,827	
Town Hall Quarter (Delivery)					
Museum & Heritage	200,000	200,000	0	57,059	
Colosseum Retender	33,227	33,227	0	27,885	
Total	22,472,472	20,955,935	(1,516,537)	11,741,324	