



# **FINANCE DIGEST 2014/15**

**Financial Monitoring at**

**Period 6**

**September 2014**

**Prepared By : Finance Shared Service**

**Date : 20th October 2014**

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## **Introduction**

The monthly Finance Digest is a key tool for raising awareness of the Council's financial issues at Member and officer level.

The Council has a legal responsibility to set a budget in February for the forthcoming year year (1st April to 31st March). The budget is a reflection of the Council's policies and priorities in financial terms.

It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

There are two types of budgets:

### **1. Revenue**

This relates to expenditure incurred and income received on the day to day services the Council provides e.g. waste collection and leisure activities.

The revenue budget is funded from Government grants, Business rates, Council tax, Fees & charges and contributions to and from reserves.

Figures shown in the actuals column contain only direct expenditure and income. Charges relating to internal recharges and capital financing costs are not included as they are processed at year end.

The original budget requirement for 2014/15 was £14.593M. The latest forecast at period 4 was £14.529M. Changes reported this month total an unfavourable variance of £20K, giving a forecast outturn at September of £14.550M. This variance will be funded from the Economic Impact Reserve.

### **2. Capital**

The capital budget is funded from capital receipts (proceeds from selling assets), Government grants and section 106 contributions.

The original capital budget for 2014/15 was £18.421M. Variances this month total -£4M, giving a forecast outturn at September of £14.421M.

*The Digest is divided into 2 sections;*

#### **Section 1 - Budget Monitoring**

The digest is designed to show a forecast outturn for 2014/15, by assessing expected spend against the latest forecast that was previously reported. Variances against the latest previously reported forecast are analysed by each service area. The digest reports key risks (i.e. income streams subject to economic conditions) including any action taken to mitigate their impact. Revenue variances are reported monthly whereas capital variances are reported on a quarterly basis. Favourable variances are shown in brackets ().

#### **Section 2 - Performance Indicators**

This section provides up to date performance information on its core financial business functions.

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## Section 1 - Budget Monitoring

## Appendix 1

**Summary Revenue Account**

The table below shows at summary service level the original 2014/15 budget and variances that have occurred in the year to provide a forecast outturn at 30th September 2014. The reasons for these variances are shown in Appendix 2.

Service Area	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6
	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Strategy & Client Services	8,198	(737)	7,461	2,875	7,497	37
Community & Customer Services	4,993	108	5,101	1,595	5,138	36
Democracy & Governance	1,985	61	2,045	1,449	2,024	(21)
Regeneration & Development	(1,311)	548	(763)	(2,818)	(789)	(26)
Managing Director	1,017	0	1,017	111	1,012	(6)
Human Resources	0	(47)	(47)	326	(47)	0
Strategic Finance	(288)	4	(284)	383	(284)	0
<b>NET EXPENDITURE</b>	<b>14,593</b>	<b>(65)</b>	<b>14,529</b>	<b>3,921</b>	<b>14,550</b>	<b>20</b>
<u>Funded By :-</u>						
Council tax and Government Grants (see appendix 4)	(14,631)	0	(14,631)	(2,555)	(15,006)	(375)
Surplus / (Deficit) - Transfer to / (from) reserves	38	65	102		456	355
<b>NET BUDGET REQUIREMENT</b>	<b>(14,593)</b>	<b>65</b>	<b>(14,529)</b>		<b>(14,550)</b>	<b>(20)</b>

## Detailed revenue variances by service area

Appendix 2

The tables below show, at sub service level, the reasons for the variances between the latest forecast at period 4 (July) and the outturn forecast at period 6 (September).

Corporate Strategy and Client	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Management & Support	0	0	0	49	0	0	
Contract Monitoring	0	0	0	2,451	0	0	
Parks And Open Spaces	1,322	97	1,419	32	1,419	0	
Leisure	1,608	(908)	700	(436)	700	0	
Grants	807	0	807	481	807	0	
Street Cleansing	1,999	0	1,999	(0)	1,999	0	
Waste And Recycling	1,983	25	2,008	9	2,008	0	
Partnerships & Performance	478	49	527	290	564	37	Unbudgetted expenditure on consultancy for Corporate Projects. This relates to the Watford Town Model.
<b>Total</b>	<b>8,198</b>	<b>(737)</b>	<b>7,461</b>	<b>2,875</b>	<b>7,497</b>	<b>37</b>	

Community and Customer Services	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Customer Services	19	12	31	385	27	(4)	Savings on professional fees and subscriptions in the information unit.
Housing	1,860	75	1,935	45	1,977	42	Increased expenditure on legal fees due to greater volumes of court cases (18k). Loss of income from other local authorities for Homeless Service (7k). Loss of income from Housing Associations for management fees (17k).
Environmental Health & Licensing	1,968	12	1,980	558	1,978	(3)	Increased expenditure on external Food Safety training courses (1k), offset by additional income from court costs (-2k) and issue of food certificates (-2k)
						(13)	Increased expenditure on legal fees relating to Housing Standards prosecutions (1k) offset by additional income from inspection fees (-1k) and income from successful prosecutions, awarded by the courts (-12.5k).
						5	Increased expenditure on legal fees relating to Envirocrime prosecutions (7.5k) together with additional income from successful prosecutions.
						7	Reduced demand for Pest Control to provide wasp nest treatment, resulting in a loss of income. There has been a national natural change in wasps this year.
Culture & Play	1,147	8	1,155	607	1,156	1	Unbudgetted expenditure on the maintenance of gazebos owned by the Council.
<b>Total</b>	<b>4,993</b>	<b>108</b>	<b>5,101</b>	<b>1,595</b>	<b>5,138</b>	<b>36</b>	

**Detailed revenue variances by service area**

Democracy and Governance	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Legal And Democratic	1,809	61	1,870	775	1,870	0	
Buildings And Projects	175	0	175	657	175	0	
Procurement	0	0	0	17	(21)	(21)	Contribution from Three Rivers for Shared Procurement Officer.
<b>Total</b>	<b>1,985</b>	<b>61</b>	<b>2,045</b>	<b>1,449</b>	<b>2,024</b>	<b>(21)</b>	

Regeneration And Development	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Projects	(5,300)	529	(4,771)	(3,281)	(4,797)	(26)	Reinstatement of rent due on one site, subject to negotiation.
Development Section	1,105	0	1,105	(265)	1,105	0	
Policy Team	658	0	658	285	658	0	
Economic Development	30	0	30	42	30	0	
<b>Transport And Infrastructure</b>	<b>2,196</b>	<b>19</b>	<b>2,215</b>	<b>401</b>	<b>2,215</b>	<b>0</b>	
<b>Total</b>	<b>(1,311)</b>	<b>548</b>	<b>(763)</b>	<b>(2,818)</b>	<b>(789)</b>	<b>(26)</b>	

Managing Director	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Strategy Team	0	0	0	111	0	0	
Corporate Management	1,017	0	1,017	0	1,012	(6)	Budget for corporate activitates no longer required
<b>Total</b>	<b>1,017</b>	<b>0</b>	<b>1,017</b>	<b>111</b>	<b>1,012</b>	<b>(6)</b>	

**Detailed revenue variances by service area**

Human Resources	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
HR Client	0	(87)	(87)	57	(87)	0	
HR Shared Services	0	40	40	269	40	0	
<b>Total</b>	<b>0</b>	<b>(47)</b>	<b>(47)</b>	<b>326</b>	<b>(47)</b>	<b>0</b>	

Strategic Finance	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Finance & Resources	169	0	169	56	169	0	
Finance Services Client	163	0	163	101	163	0	
Revenues And Benefits Client	2,123	0	2,123	(663)	2,123	0	
Corporate Costs	3,565	0	3,565	8	3,565	0	
Finance Shared Service	0	0	0	(36)	0	0	
Revs & Bens Shared Service	0	0	0	39	0	0	
ICT Service	0	4	4	786	4	0	
Adjustments Under Statute	(6,309)	0	(6,309)	93	(6,309)	0	
<b>Total</b>	<b>(288)</b>	<b>4</b>	<b>(284)</b>	<b>383</b>	<b>(284)</b>	<b>0</b>	

## Salary Analysis

## Appendix 3

Employees represent one of the highest revenue expenditure items for the Council. The table below shows the total direct employee costs (salaries, superannuation, national insurance etc.) at service level and variances between the latest forecast (July) and the forecast outturn (September).

Service Area	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Strategy & Client Services	801	0	801	404	801	0	
Community & Customer Services	3,451	20	3,471	1,666	3,478	6	Funding for a job evaluation transferred from savings on a subscriptions budget.
Democracy & Governance	1,535	0	1,535	795	1,535	0	
Regeneration & Development	2,528	0	2,528	1,184	2,528	0	
Managing Director	212	0	212	101	212	0	
Human Resources	16	(13)	3	(42)	3	0	
Strategic Finance	(43)	0	(43)	75	(43)	0	
Consultancy	103	85	188	144	188	0	
<b>Total</b>	<b>8,603</b>	<b>92</b>	<b>8,695</b>	<b>4,329</b>	<b>8,701</b>	<b>6</b>	



## Funding Analysis

## Appendix 4

This table shows the individual funding streams that support the Council's revenue budget.

Funding Stream	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Government Grants</b>							
Revenue Support Grant	(2,575)	0	(2,575)	(1,130)	(2,575)	0	
Redistributed Business Rates	(2,331)	0	(2,331)	0	(2,331)	0	
<b>Council Tax Receipts</b>	(7,523)	0	(7,523)	0	(7,523)	0	
<b>Other Government Funding</b>							
Council Tax Freeze Grant	(369)	0	(369)	(50)	(369)	0	
Homeless Grant	(276)	0	(276)	0	(276)	0	
Funding-New Homes Bonus	(1,731)	0	(1,731)	(1,375)	(1,731)	0	
Funding-Business Rate Reduction/(Growth)	175	0	175	0	(200)	(375)	Increase due to less empty properties and transitional relief changes.
<b>Total</b>	<b>(14,631)</b>	<b>0</b>	<b>(14,631)</b>	<b>(2,555)</b>	<b>(15,006)</b>	<b>(375)</b>	

**Key Financial Risk Areas**

**Appendix 5**

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.

Service Area	2014/15 Original Budget	2014/15 Previously Reported Variances	2014/15 Latest Forecast	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Forecast Variance Period 6	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	
Parks, Street & Waste Services	5,652	0	5,652	2,305	5,652	0	Regular meetings between the client monitoring team and operational representatives from Veolia Environmental Services are held to ensure the contract is being delivered as specified.
Kerbside Recycling Income	(457)	0	(457)	(53)	(457)	0	Awaiting quarter 2 income from Herts County Council and payment for the County wide scheme to reduce landfill volumes which is received at year end.
Homelessness Spend (net)	110	40	150	114	150	0	B&B expenditure is monitored regularly by the Housing Section Head in order to minimise the budgetary impact. However, the variance reported for the provision of emergency accommodation was unavoidable.
Development Control / Building Control and Land Charges Income	(574)	0	(574)	(537)	(574)	0	
Investment Interest	(240)	0	(240)	(101)	(240)	0	Interest rates continue to be depressed.
Commercial rent income	(4,381)	414	(3,967)				This generates a large income stream for the Council and has to be monitored closely. See further analysis below.

## Capital Programme Summary

## Appendix 6

The table below shows at summary level the Council's capital programme over the four year period (2014/15 to 2017/18).

Cost Centre	Capital Scheme	2014/15				Latest Forecast 2015/16	Latest Forecast 2016/17	Latest Forecast 2017/18
		Original Budget 2014/15	Variances Period 6	Forecast Outturn 2014/15	Actual Spend P6 2014/15			
WA6920	Key Projects	9,669,477	(3,500,000)	6,169,477	3,296,256	89,710	0	0
WA6921	Environmental Services	404,078	0	404,078	31,333	238,000	0	0
WA6922	Community & Leisure Services	3,559,962	(600,000)	2,959,962	56,680	621,000	21,000	0
WA6923	Housing Services	685,802	0	685,802	169,360	450,000	450,000	450,000
WA6924	Parking Services	59,111	0	59,111	0	0	0	0
WA6925	Asset Management	1,449,369	100,000	1,549,369	448,687	535,000	510,000	510,000
WA6926	ICT	414,139	0	414,139	36,944	245,000	200,000	200,000
WA6927	ICT Shared Services	18,000	0	18,000	0	18,000	0	0
WAA601	Corp Serv / Project Mgt	552,470	0	552,470	0	500,000	400,000	400,000
WA6928	Section 106 Funded Schemes	1,608,282	0	1,608,282	749,851	0	0	0
<b>WA4900</b>	<b>Total</b>	<b>18,420,690</b>	<b>(4,000,000)</b>	<b>14,420,690</b>	<b>4,789,111</b>	<b>2,696,710</b>	<b>1,581,000</b>	<b>1,560,000</b>

## Detailed Capital Programme

## Appendix 7

The table below details the financial position of each capital scheme over a four year period.

Cost Centre	Capital Scheme	2014/15				Latest Forecast 2015/16	Latest Forecast 2016/17	Latest Forecast 2017/18
		Original Budget 2014/15	Variances Period 6	Forecast Outturn 2014/15	Actual Spend P6 2014/15			
<b>WA6920</b>	<b>Key Projects</b>							
WAA983	Cultural Quarter Phase 1	2,050,582	0	2,050,582	1,470,854	89,710	0	0
WAA954	Green Spaces Strategy	52,741	0	52,741	29,713	0	0	0
WAA923	Health Campus-Contribution to LABV	1,500,000	(1,500,000)	0	0	0	0	0
WAA927	Health Campus-Loan to WHHT	2,000,000	(2,000,000)	0	0	0	0	0
WAA920	Health Campus	1,603,790	0	1,603,790	205,895	0	0	0
WAA211	New Market	2,462,364	0	2,462,364	1,589,794	0	0	0
<b>WA6921</b>	<b>Environmental Services</b>							
WAA992	Additional Green Waste Bins	18,000	0	18,000	0	18,000	0	0
WAJ300	Decent Homes Assistance	219,015	0	219,015	28,052	200,000	0	0
WAJ602	Energy Grants	26,954	0	26,954	0	0	0	0
WAJ600	Environmental Services Schemes	8,393	0	8,393	3,281	0	0	0
WAJ800	Environmental Services Schemes	72,590	0	72,590	0	0	0	0
WAA975	Recycling Boxes	36,940	0	36,940	0	0	0	0
WAA161	Replacement Domestic Bins	22,186	0	22,186	0	20,000	0	0
<b>WA6922</b>	<b>Community &amp; Leisure Services</b>							
WAA201	Allotments Upgrades	1,374,720	0	1,374,720	17,948	0	0	0
WAB966	Cassiobury Park HLF Project	478,261	0	478,261	859	0	0	0
WAA202	Farm Terrace Allotments	647,835	0	647,835	6,911	0	0	0
WAA219	Hurling Club Relocation	908,146	(600,000)	308,146	10,122	600,000	0	0
WAA912	Improvements Community Centres	80,000	0	80,000	20,840	0	0	0
WAA214	Museum CCTV Intruder Alarm Sys	50,000	0	50,000	0	0	0	0
WAA215	Town Centre CCTV Camera Replac	21,000	0	21,000	0	21,000	21,000	0
<b>WA6923</b>	<b>Housing Services</b>							
WAJ203	Affordable Housing	24,328	0	24,328	0	0	0	0
WAJ100	Mand Disabled Facilities Grant	599,552	0	599,552	169,360	400,000	400,000	400,000
WAA987	Stand Alone Prop to Decent Std	61,922	0	61,922	0	50,000	50,000	50,000
<b>WA6924</b>	<b>Parking Services</b>							
WAA950	Upgrading/Resurfacing CarParks	59,111	0	59,111	0	0	0	0
<b>WA6925</b>	<b>Asset Management</b>							
WAA203	Atrium Phase 5	34,000	0	34,000	458	0	0	0
WAA995	Building Investment Programme	1,015,369	0	1,015,369	117,958	400,000	400,000	400,000
WAA210	Car Parks Structure Surv	15,000	0	15,000	24,156	10,000	0	0
WAA173	CCTV Control Room Relocation	0	0	0	135,108	0	0	0
WAA925	Charter Place	0	0	0	62,524	0	0	0
WAA994	Depot Refurbishment	0	0	0	4,270	0	0	0
WAA952	Match Funding Capital Projects	35,000	0	35,000	0	35,000	20,000	20,000
WAA213	Pop Up Toilets Refurbishment	35,000	0	35,000	0	0	0	0
WAA225	Property Review	0	100,000	100,000	15,000	0	0	0
WAA991	Veolia Capital Improvements	90,000	0	90,000	0	90,000	90,000	90,000
WAA185	Watford Business Park Redevelo	225,000	0	225,000	89,213	0	0	0
<b>WA6926</b>	<b>ICT</b>							
WAA132	ICT - Document Management Proc	15,000	0	15,000	0	0	0	0
WAA134	ICT-Env Health	189,139	0	189,139	2,850	45,000	0	0
WAA109	ICT-Hardware Replacement Prog	80,000	0	80,000	1,080	80,000	80,000	80,000
WAA221	ICT-Project Management Provisi	120,000	0	120,000	33,014	120,000	120,000	120,000
WAA212	Telephony-Cost of Server Repla	10,000	0	10,000	0	0	0	0

Cost Centre	Capital Scheme	2014/15				Latest Forecast 2015/16	Latest Forecast 2016/17	Latest Forecast 2017/18
		Original Budget 2014/15	Variance Period 6	Forecast Outturn 2014/15	Actual Spend P6 2014/15			
<b>WA6927</b>	<b>ICT Shared Services</b>							
WAA982	ShS-Hardware Replace Prog	18,000	0	18,000	0	18,000	0	0
<b>WAA601</b>	<b>Corporate Services / Project Management</b>							
WAA601	Support Services	552,470	0	552,470	0	500,000	400,000	400,000
<b>WA6928</b>	<b>Section 106 Funded Schemes</b>							
WAB944	Berry Avenue Play Area	60,000	0	60,000	0	0	0	0
WAB964	Centennial House Landscaping	210	0	210	0	0	0	0
WAB961	Cherry Tree Allotments	12,000	0	12,000	0	0	0	0
WAB951	Colne River Project	464,903	0	464,903	308,458	0	0	0
WNC004	Colne Valley Improvements	8,699	0	8,699	0	0	0	0
WAB940	East Drive Play Area	120,000	0	120,000	55,522	0	0	0
WAB965	Farm Terrace Allotments	0	0	0	11,000	0	0	0
WAB952	Fern Way Play Area Landscaping	15,000	0	15,000	0	0	0	0
WAB938	Goodwood Rec Play Area Improve	5,000	0	5,000	2,568	0	0	0
WAB931	Himalayan Way Play Area	98,942	0	98,942	27,523	0	0	0
WAB932	Jellicoe Road Play Area Improv	6,893	0	6,893	0	0	0	0
WAB950	King George V Playing Field	0	0	0	35,487	0	0	0
WAB954	Knutsford Road	34,600	0	34,600	0	0	0	0
WAB962	Local Nature Reserves	38,784	0	38,784	19,369	0	0	0
WAB958	Local Park Improvements	60,779	0	60,779	51,035	0	0	0
WNC022	Multi Use Games At Meriden	120,000	0	120,000	0	0	0	0
WAB949	Oxhey Park	0	0	0	2,149	0	0	0
WAB953	Radlet Road MUGA	30,000	0	30,000	0	0	0	0
WAB946	Ridgehurst Avenue Play Area	50,000	0	50,000	0	0	0	0
WAB948	Riverside Recreation Ground	310,300	0	310,300	129,922	0	0	0
WAB945	Southwold Road Play Area	50,000	0	50,000	0	0	0	0
WAB942	Waterfields Rec Play Area	122,172	0	122,172	106,818	0	0	0
<b>WA4900</b>	<b>TOTAL CAPITAL PROGRAMME</b>	<b>18,420,690</b>	<b>(4,000,000)</b>	<b>14,420,690</b>	<b>4,789,111</b>	<b>2,696,710</b>	<b>1,581,000</b>	<b>1,560,000</b>

## Capital Variances 2014/15 by scheme

## Appendix 8

The table below shows the variances reported for period 6, and the reason for the variance:

There have been no variances reported prior to this period.

Cost Centre	Capital Scheme	Variance £	Reason for Variance
WAA923	Health Campus-Contribution to LABV	(1,500,000)	Following an external audit recommendation this has been transferred to long term investments as it specifically relates to the investment in the LABV.
WAA927	Health Campus-Loan to WHHT	(2,000,000)	Transferred to long term debtors as loan is repayable by the West Hertfordshire Health Trust.
WAA225	Property Review	100,000	This is the cost of consultants relating to the property review which was approved by Portfolio Holders.
WAA219	Hurling Club	(600,000)	The building works are now scheduled to commence in 2015/16 and the budget has been rephased into next year.
<b>TOTAL VARIANCES</b>		<b>(4,000,000)</b>	

The variances reported this period for 2014/15 totals £4.0M of which £600K for the Hurling Club is rephased to 2015/16.

**Capital Funding****Appendix 9**

This table shows the funding streams that support the Council's four year capital programme.

<b>Funding Stream</b>	<b>Latest Forecast 2014/15</b>	<b>Latest Forecast 2015/16</b>	<b>Latest Forecast 2016/17</b>	<b>Latest Forecast 2017/18</b>
Grants & Contributions	428,071	239,000	239,000	239,000
Reserves	2,993,981	38,000	0	0
Capital Receipts	9,096,434	2,419,710	1,342,000	1,321,000
Section 106 Contributions	1,902,204	0	0	0
<b>TOTAL FUNDING</b>	<b>14,420,690</b>	<b>2,696,710</b>	<b>1,581,000</b>	<b>1,560,000</b>

**Performance Indicators**

The following analysis identifies performance on the Council's Key Business Indicators.

**Treasury Management Performance**

The Council held £33.9m of investments at 30th September 2014 of which £4.9m was invested from a loan of £6.0m from Growing Places with regard to the Watford Health Campus Partnership. The Council has invested this loan with the Debt Management Office which guarantees full security of funds placed with them.

The performance of the Council's treasury management strategy up to the end of period 6 excluding the investment of £4.9m above shows an average annualised return on investments of 0.58% against a benchmark rate of 0.62%

The forecast for interest receivable remains unchanged at £240k for 2014/15.

**Creditor Payment Monitoring @ Period 6 (September 2014)**

The Council paid 98.50% of undisputed invoices within 30 days against a target of 100%. Under government legislation, invoices not paid within 30 days are subject to interest charges (excluding those invoices that are in dispute). To date, the Council has not incurred any interest charges.

The number of payments made by BACS for the month was 97.95% (cumulative figure is 98.50%) against a target of 90%.

**Creditor Payment Monitoring Statistics By Service Area**

Service Area	Late Payments	Payments On Time	% Payments On Time Period 6	% Payments On Time YTD
Corporate Strategy & Client Services	0	40	100.00	99.28
Community & Customer Services	0	146	100.00	98.93
Democracy & Governance	6	265	97.79	98.14
Regeneration & Development	0	119	100.00	99.27
Managing Director	0	2	100.00	94.74
Shared Services	3	20	86.96	95.07
<b>Total</b>	<b>9</b>	<b>592</b>	<b>98.50</b>	<b>98.36</b>



**Debtors Monitoring @ Period 6 (September 2014)****Appendix 11**

The table below shows the amounts raised and collected from 1st April to 30th September on key service areas.

The total outstanding at 30th September was £1.1M, representing 13% of the total raised.

<b>Invoices Raised from 1st April 2014 to 30th September 2014</b>					
<b>Key Service Areas</b>	<b>No. Invoices</b>	<b>Total Raised £</b>	<b>Collected £</b>	<b>Outstanding</b>	
				<b>£</b>	<b>%</b>
Community Standard	288	725,930	489,310	236,620	32.60
Environmental Services - Premises Licence	105	27,696	20,121	7,575	27.35
Environmental Health	47	19,055	15,037	4,018	21.09
Finance	13	2,154,034	2,116,504	37,530	1.74
Legal and Property	3	94,975	94,975	0	0.00
Commercial Rents	332	3,312,862	2,800,534	512,328	15.46
Service Charges	10	87,263	80,340	6,923	7.93
Garages	645	30,737	29,554	1,183	3.85
Markets	1,196	253,180	239,380	13,800	5.45
Planning	50	2,287,911	1,963,356	324,555	14.19
Inspection Fees	111	57,857	52,243	5,614	9.70
Corporate Services	69	41,593	32,479	9,114	21.91
<b>Total</b>	<b>2,869</b>	<b>9,093,092</b>	<b>7,933,832</b>	<b>1,159,260</b>	<b>12.75</b>

**Commercial Property Rents**

The Commercial rent portfolio forms a large part of the Council's total income (approximately 33%). Therefore it is essential that the Council closely monitors this income stream.

	Budget for 2014/5	Invoiced to 30/09/2014 at Period 6	Received to 30/09/2014 at Period 6	Forecast rent for 2014/15 at Period 6	Forecast Variance for 2014-15
AREA/Zone/Site	£	£	£	£	£
Intu	1,300,000	605,101	605,101	960,000	(340,000)
Charter Place	2,115,100	1,258,750	928,688	2,115,100	0
Watford Business Park	768,000	363,701	313,184	683,000	(85,000)
Watford Health Campus/Cardiff Road	110,000	2,582	2,582	56,000	(54,000)
Miscellaneous	1,093,950	652,203	548,575	1,158,950	65,000
Parks & Leisure	174,820	89,393	61,417	174,820	0
Multi-Story Car Parks (Satellite)	930,730	296,601	296,601	930,730	0
Car Parks (Other)	24,160	14,031	13,886	24,160	0
BBC	61,000	30,500	30,500	61,000	0
	0	0	0	0	
<b>Total</b>	<b>6,577,760</b>	<b>3,312,862</b>	<b>2,800,534</b>	<b>6,163,760</b>	<b>(414,000)</b>

Details of the variances are shown on the separate report entitled 'Property Rents', elsewhere in this agenda.

**Council Tax and NNDR Collection Rates**

The Council monitors these performance indicators as part of Managing the Business.

Reference	Description														
<b>RB 1</b>	<b>Council Tax Collection</b>														
Indicator Definition	Percentage of current year council tax collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	95.5	11.0	19.9	28.5	37.4	46.2	55.0	64.4	73.1	82.0	90.1	93.4	95.5	
	2013/14 Actual	95.5	11.0	19.9	28.5	37.4	46.2	55.0	64.4	73.1	82.0	90.1	93.4	95.5	
	2014/15 Actual		11.0	20.2	29.0	38.2	47.0	56.2							
	Target Achieved?		☹️	😊	😊	😊	😊	😊	😊						
	Direction of Travel		↔️	↑	↑	↑	↑	↑	↑						
Comment on Performance															

Reference	Description														
<b>RB 2</b>	<b>NNDR Collection</b>														
Indicator Definition	Percentage of current year national non-domestic rates collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	97.3	13.3	23.9	32.4	42.3	51.4	60.0	70.4	80.1	87.6	93.8	96.4	97.3	
	2013/14 Actual	97.3	13.3	23.9	32.4	42.3	51.4	60.0	70.4	80.1	87.6	93.8	96.4	97.3	
	2014/15 Actual		10.6	21.1	32.0	38.7	49.3	57.9							
	Target Achieved?		☹️	☹️	☹️	☹️	☹️	☹️	☹️						
	Direction of Travel		↓	↓	↓	↓	↓	↓	↓						
Comment on Performance															