

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 31st October 2014. The reasons for these variances are shown in Appendix 2.

Service Area	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Strategy & Client Services	8,198	8,275	3,506	7,475	(800)	(778)	(22)
Community & Customer Services	4,993	5,061	1,935	5,137	76	76	0
Democracy & Governance	1,985	2,026	1,685	2,024	(3)	(3)	0
Regeneration & Development	(1,311)	(1,203)	(3,497)	(916)	287	414	(127)
Managing Director	1,017	1,017	130	1,012	(6)	(6)	0
Human Resources	0	40	379	(47)	(87)	(87)	0
Strategic Finance	(288)	(284)	3,354	(396)	(112)	0	(112)
NET EXPENDITURE	14,593	14,932	7,491	14,288	(644)	(383)	(261)
<u>Funded By :-</u>							
Council tax and Government Grants (see appendix 4)	(14,631)	(14,631)	(2,790)	(14,631)	(0)	(0)	375
Surplus / (Deficit) - Transfer to / (from) reserves	38	(301)	0	343	644	383	(114)
NET BUDGET REQUIREMENT	(14,593)	(14,932)		(14,288)	644	383	261

Detailed revenue variances by service area

The tables below show, at sub service level, the reasons for the variances between the current budget and the forecast outturn as at period 7 (October).

Corporate Strategy and Client	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Management & Support	0	0	57	(4)	(4)	0	(4)	Reduction in employee expenses
Contract Monitoring	0	0	215	0	0	0	0	
Parks And Open Spaces	1,322	1,419	693	1,399	(19)	0	(19)	Increased income from Hertfordshire County Council (trees and verges)
Leisure	1,608	1,515	(345)	688	(827)	(815)	(12)	Colosseum contract service not needed, Orbital Community Centre management fee budget adjustment and contingency budget for Leavesden Green Community Centre adjustment.
Grants	807	807	523	775	(32)	0	(32)	W3RT agreed budget adjustment, grants (admin and general) efficiency and contingency savings.
Street Cleansing	1,999	1,999	982	1,999	0	0	0	
Waste And Recycling	1,983	2,008	1,000	2,053	45	0	45	Decline in textile, Alternative Financial Model and glass bring banks, increased costs due to new Local Government Pension Scheme rules from 1st April 2014 and increased income from kerbside recycling.
Partnerships & Performance	478	527	383	564	37	37	0	
Total	8,198	8,275	3,506	7,475	(800)	(778)	(22)	

Community and Customer Services	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Customer Services	19	31	452	27	(4)	(4)	0	
Housing	1,860	1,895	126	1,977	82	82	0	
Environmental Health & Licensing	1,968	1,980	665	1,977	(4)	(4)	0	
Culture & Play	1,147	1,155	692	1,156	1	1	0	
Total	4,993	5,061	1,935	5,137	76	76	0	

Detailed revenue variances by service area

Democracy and Governance	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Legal And Democratic	1,809	1,851	917	1,870	19	19	0	
Buildings And Projects	175	175	747	175	0	0	0	
Procurement	0	0	21	(21)	(21)	(21)	0	
Total	1,985	2,026	1,685	2,024	(3)	(3)	0	

Regeneration And Development	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Projects	(5,300)	(5,211)	(3,844)	(4,849)	362	454	(92)	Increase in rent back rent from various tenants. (Note: Palace car park forecast transferred from Charter Place cost centre to Multi Storey Car Parks but this does not affect overall position).
							40	Cessation of administration fees received following closure of Old Market.
Development Section	1,105	1,105	(304)	930	(175)	0	(175)	Increase in volumes of planning application fees.
Policy Team	2,196	2,215	282	2,215	0	0	0	
Economic Development	658	658	325	758	100	0	100	£20k for small projects, funded from the Economic Impact Reserve. £80k for the BID initiative, funded from the Invest to Save Reserve.
Transport And Infrastructure	30	30	43	30	0	0	0	
Total	(1,311)	(1,203)	(3,497)	(916)	287	454	(127)	

Managing Director	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Management	1,017	1,017	130	1,012	(6)	(6)	0	
Total	1,017	1,017	130	1,012	(6)	(6)	0	

Detailed revenue variances by service area

Human Resources	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
HR Client	0	0	75	(87)	(87)	(87)	0	
HR Shared Services	0	40	304	40	0	0	0	
Total	0	40	379	(47)	(87)	(87)	0	

Strategic Finance	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Forecast Variance Period 7	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Finance & Resources	169	169	56	169	0	0	0	
Finance Services Client	163	163	(26)	163	0	0	0	
Revenues And Benefits Client	2,123	2,123	2,473	2,123	0	0	0	
Corporate Costs	3,565	3,565	(7)	3,440	(125)	0	(125)	Savings on utilities and insurance
Finance Shared Service	0	0	0	0	0	0	0	
Revs & Bens Shared Service	0	0	39	0	0	0	0	
ICT Service	0	4	820	17	13	17	(4)	Watford share of saving on Capita contract and increase for agency staff (agreed 3rd April 2014), professional fees, software licences. Also ICT procurement proposal of £20k, funded from Invest to Save Reserve.
Adjustments Under Statute	(6,309)	(6,309)	0	(6,309)	0	0	17	Increase in client costs for Uniform and CRM (£17k)
Total	(288)	(284)	3,354	(396)	(112)	17	(112)	

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 current budget and the forecast outturn as at period 7 (October).

Service Area	2014/15 Original Budget	2014/15 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Variance Period 7 Outturn	Reason for variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Strategy & Client Services	801	823	464	845	22	22	22	Funding for salaries of staff at Centrepoint Community Centre, which has been brought back in-house, transferred from Management Fees budget. This change reflect a virement from supplies and services to the salaries code. There is not impact on the overall budget.
Community & Customer Services	3,451	3,478	1,949	3,478	0	26	0	
Democracy & Governance	1,535	1,535	933	1,535	0	0	0	
Regeneration & Development	2,528	2,528	1,381	2,528	0	0	0	
Managing Director	212	212	119	212	0	0	0	
Human Resources	16	16	0	3	(13)	(13)	0	
Strategic Finance	(43)	(43)	84	(43)	0	0	0	
Consultancy	103	153	144	224	71	121	0	
Total	8,603	8,701	5,073	8,782	80	157	22	

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 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Variance Period 7 Outturn	2014/15 Variance Period 7 Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Government Grants								
Revenue Support Grant	(2,575)	(2,575)	(1,130)	(2,575)	0	0	0	
Redistributed Business Rates	(2,331)	(2,331)	0	(2,331)	0	0	0	
Council Tax Receipts	(7,523)	(7,523)	0	(7,523)	0	0	0	
Other Government Funding								
Council Tax Freeze Grant	(369)	(369)	(58)	(369)	0	0	0	
Homeless Grant	(276)	(276)	0	(276)	0	0	0	
Funding-New Homes Bonus	(1,731)	(1,731)	(1,602)	(1,731)	0	0	0	
Funding-Business Rate Reduction/(Growth)	175	175	0	175	(0)	(0)	375	Business rates income continues to fluctuate. And the projected income has now reduced.
Total	(14,631)	(14,631)	(2,790)	(14,631)	(0)	(0)	375	

Key Financial Risk Areas

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 Current Budget	2014/15 Actuals to date	2014/15 Forecast Outturn	2014/15 Variance Current Budget to Forecast Outturn	2014/15 Previously Reported Variances	2014/15 Variance Period 7 Outturn	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Parks, Street & Waste Services	5,652	5,652	2,801	5,652	0	0	0	
Kerbside Recycling Income	(457)	(457)	(57)	(457)	0	0	0	
Homelessness Spend (net)	110	110	125	150	40	40	0	
Development Control Fee Income	(297)	(297)	(450)	(472)	(175)	0	(175)	Increase in voumes of planning application fees
Building Control Fee Income	(198)	(198)	(162)	(198)	0	0	0	
Land Charges Fee Income	(80)	(80)	(64)	(80)	0	0	0	
Investment Interest	(240)	(240)	(120)	(240)	0	0	0	
Commercial rent income	(6,578)	(6,578)	(3,735)	(6,255)	323	414	(91)	Net increase in rent predominately back rent from various tenants

FORECAST REVENUE RESERVE BALANCES AT PERIOD 7

Appendix 6

2014/15

Description	Bal B/F as @ 1-Apr-2014	In year movement to Period 6	Movement his Month	Movement in Year	Forecast Bal as @ 31-Mar-2015
General Fund Working Balance	-1,350,000	0	0	0	-1,350,000
REVENUE					
Capital Financing Reserves					
Multi-Storey Car Pk Rep Reserve	-181,000	0		0	-181,000
Leisure Structured Maintenance Reserve	-423,000	0		0	-423,000
Earmarked Reserves					
Car Parking Zones Reserve	-630,000	0		0	-630,000
Charter Place Tenants Reserve	-160,000	0		0	-160,000
Le Marie Centre Repair Reserve	-12,000	0		0	-12,000
Rent Deposit Guarantee Scheme	-100,000	0		0	-100,000
Homeless Prevention Reserve	-113,000	0		0	-113,000
Budget Carry Forwards Reserve	-339,000	339,000		339,000	0
Climate Change Reserve	-57,000	0		0	-57,000
Recycling Reserve	0	0		0	0
NNDR Collection Fund Reserve	-4,661,000	0		0	-4,661,000
Parks Waste & street Strategy	-60,000	0		0	-60,000
General Reserves					
Exam In Public - LDF Reserve	-233,000	0		0	-233,000
Housing Benefit Subsidy Reserve	-996,000	0		0	-996,000
Invest To Save Reserve	-839,000	97,790	80,000	177,790	-661,210
Future Pension Funding Reserve	-2,249,000	0		0	-2,249,000
Insurance Fund Reserve	0	0		0	0
LA Business Growth Incentive Reserve	-570,000	25,000		25,000	-545,000
Area Based Grant Reserve	-85,000	0		0	-85,000
Performance Reward Grant Resrv	-32,000	0		0	-32,000
Housing & PDG Reserve	-266,000	0		0	-266,000
Economic Impact Reserve	-1,927,000	-616,150	34,170	-581,980	-2,508,980
High Street Inovation Reserve	-90,000	50,000		50,000	-40,000
PRG Capital Grants-One Watford Reserve	-191,000	0		0	-191,000
Revenue Reserves including General Fund Balance	-15,564,000	-104,360	114,170	9,810	-15,554,190

Treasury Management Performance

The Council held £34.9m of investments at 31st October 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 31st October 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 7 (October 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 97.60% (cumulative figure is 98.54%) against a target of 90%.

Creditor Payment Monitoring Statistics By Service Area

Service Area	Monthly Undisputed Invoices Paid	Late Payments	Payments On Time	% Payments On Time Period 7	% Payments On Time YTD
Corporate Strategy & Client Services	49	1	48	97.96	99.09
Community & Customer Services	119	0	119	100.00	99.10
Democracy & Governance	194	2	192	98.97	98.24
Regeneration and Development	90	0	90	100.00	99.37
Managing Director	1	0	1	100.00	95.00
Shared Services	27	0	27	100.00	95.60
Total	480	3	477	99.38	98.50

The table below shows the amounts raised and collected from 1st April to 31st October by service areas.

The total outstanding at 31st October was £1.1M, representing 13% of the total raised.

Service Area	No. of Invoices	Invoices outstanding by age of debt							Grand Total
		0 - 1 month	2 - 3 months	4 - 6 months	7 - 9 months	10 - 12 months	over 12 months	instalment plan	
		£	£	£	£	£	£	£	
Community Services	185	234,361	4,366	4,431	5,839	8,227	7,793	380	265,397
Corporate Management	3	0	1,140	2,280	0	0	0	0	3,420
Corporate Services	6	29,621	0	125	0	0	0	0	29,746
Democracy and Governance	2	0	0	0	1,000	0	0	0	1,000
Environmental Services	115	5,058	247	5,795	4,740	1,675	34,471	0	51,986
Finance	49	83,892	22,174	0	0	70	17,041	0	123,176
Housing	40	0	0	0	0	0	24,948	0	24,948
Human Resources - Standard	1	56	0	0	0	0	0	0	56
Legal and Property	233	147,551	53,348	16,860	24,889	34,572	125,949	0	403,169
Regeneration and Development	35	183,131	9,000	570	558	7,593	0	0	200,852
Revenues recovery Charges	308	375	300	585	1,530	1,310	10,769	0	14,869
Grand Total	977	684,044	90,576	30,645	38,556	53,448	220,970	380	1,118,619

Commercial Property Rents**Appendix 10**

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 31/10/2014	Received to 31/10/2014	Forecast Outturn	Forecast Variance
AREA/Zone/Site	£	£	£	£	£
Intu	(1,300,000)	(766,055)	(766,055)	(949,300)	350,700
Charter Place	(2,115,100)	(1,399,104)	(1,399,104)	(2,105,000)	10,100
Watford Business Park	(768,000)	(456,662)	(393,344)	(697,800)	70,200
Watford Health Campus/Cardiff Road	(110,000)	(3,945)	(3,945)	(56,000)	54,000
Miscellaneous	(1,093,950)	(833,672)	(724,576)	(1,240,950)	(147,000)
Parks & Leisure	(174,820)	(132,532)	(87,222)	(178,220)	(3,400)
Multi-Story Car Parks (Satellite)	(930,730)	(296,601)	(296,601)	(943,000)	(12,270)
Car Parks (Other)	(24,160)	(20,782)	(18,095)	(24,160)	0
BBC	(61,000)	(45,750)	(45,750)	(61,000)	0
Total	(6,577,760)	(3,955,103)	(3,734,692)	(6,255,430)	322,330

Council Tax and NNDR Collection Rates

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

Reference	Description													
RB 1	Council Tax Collection													
Indicator Definition	Percentage of current year council tax collected in year													
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Watford	Target	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	38.3	47.0	56.2	65.0					
	Target Achieved?		😊	😊	😊	😊	😊	😊	😊					
	Direction of Travel		↔	↑	↑	↑	↑	↑	↑					
Comment on Performance														

Reference	Description													
RB 2	NNDR Collection													
Indicator Definition	Percentage of current year national non-domestic rates collected in year													
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Watford	Target	97.3	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	41.5	49.3	57.9	66.5					
	Target Achieved?		😞	😞	😞	😞	😞	😞	😞					
	Direction of Travel		↓	↓	↓	↓	↓	↓	↓					
Comment on Performance														