



# **BUDGET PANEL**

## **SUPPLEMENTARY AGENDA ITEM 7**

**Tuesday, 25th October, 2011**

**7.00 pm**

**Town Hall, Watford**

**Publication date: 20 October 2011**

### **CONTACT**

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Legal and Property Services on 01923 278377 or by email to [legalanddemocratic@watford.gov.uk](mailto:legalanddemocratic@watford.gov.uk) (Minicom available on 01923 278499).

# COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor T Poole (Vice-Chair)

Councillors S Counter, G Derbyshire, S Greenslade, R Martins, M Meerabux, S Rackett and M Watkin

## AGENDA

### PART A - OPEN TO THE PUBLIC

**7. FINANCE DIGEST 2011/2012: PERIOD 6** (Pages 87 - 118)

Report attached

# Agenda Item 7

## PART A

**Report to:** Budget Panel  
**Date of meeting:** 25<sup>th</sup> October 2011  
**Report of:** Head of Strategic Finance  
**Title:** Finance Digest 2011/2012: Period 6 (end of September)

### 1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of September 2011 and reflects the half year position.

### 2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at the end of period 6.

#### **Contact Officer:**

For further information on this report please contact Bernard Clarke, Head of Strategic Finance, telephone extension 8189, email [bernard.clarke@watford.gov.uk](mailto:bernard.clarke@watford.gov.uk)

### **3.0 INTRODUCTION**

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year. Whilst it has been remarkably effective in highlighting major variances throughout the year, it has been less effective in identifying minor changes to budget profiles. This period 6 Digest has been produced after a series of 'Star Chambers' have been held with most Heads of Service to seek to ensure that all variations are identified. It is anticipated that this approach will continue during the year.

### **4.0 SUMMARY OF REVENUE FORECAST**

4.1 The attached Digest indicates a forecast overspend of £83k when compared to the Original Revenue Budget. The largest adverse variation relates to the cost of bed and breakfast for homeless families (£150k) and which has been reported within earlier editions of the Digest. Had this not occurred then the forecast outturn would have indicated a minor underspend.

4.2 Earlier on the Agenda of the Budget Panel (Item 6) is the half year review of service prioritisation efficiency savings required to be delivered in 2011/2012. Not all of the variations identified at Agenda item 6 have been reflected within the Finance Digest. The Period 7 budget monitor will however ensure that all service prioritisation variations are incorporated into the overall budget forecast.

### **5.0 CAPITAL OUTTURN FORECAST**

5.1 The Finance Digest also includes at pages 19 to 22 the Council's Capital Programme, the key features include:

- a four year capital programme anticipated to invest £29,782k on improving the environment and asset base of the Council.
- major projects within the programme include the Colosseum refurbishment, Health Campus regeneration development, and initiatives relating to the Cultural Quarter/ Offer.
- the Programme also includes £6,814k of Section 106 funded projects which will deliver the Council's green spaces strategy.
- at the completion of this comprehensive development programme (March 2015), the Council is forecast to have a residual balance of £2,746k of available capital receipts. It is important therefore that future asset disposals are generated if investment in the Town is to continue.

**6.0 FINANCIAL IMPLICATIONS**

6.1 These have been included within the report.

**7.0 LEGAL IMPLICATIONS**

7.1 There are no legal implications arising out of this report..

**8.0 POTENTIAL RISKS**

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budget is overspent at year end and the use of unplanned reserves is the consequence	2	3	6

**9.0 EQUALITIES**

9.1 There are no equality implications arising out of the period 4 Finance Digest.

**Appendices**

Finance Digest Period 6 (end of September)

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# **FINANCE DIGEST**

**General Fund**

**Financial Monitoring**

**Period 6**

**(September 2011)**

## **Foreword**

The monthly Finance Digest is a key tool for raising awareness of financial issues throughout the Council at both member and officer level.

If you have any comments or queries on its contents and presentation, or a suggestion for an item to be included, please contact Nigel Pollard (727198) or Gilbert Mills (727437).

The Finance Digest brings together the key indicators that describe Watford's financial health. It provides a regular update on the progress of spend against the Council's revenue and capital budgets including performance within a number of discrete areas.

### **Part 1 - Budgetary Control**

This reflects the Council's latest forecast of its financial position for the year, assessing expected spend against the agreed budget and split into service area. The Digest includes information on key risks and volatile budgets including any action taken to mitigate their impact. Revenue spend is forecast monthly whereas capital updates are normally provided on a quarterly basis.

### **Part 2 - Performance Indicators**

This section provides the latest performance information.



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## 1 - General Fund Revenue

- 1.1 This report provides an update, in summary form, of the latest position as at 30th September 2011 on the Council's budget for the current financial year.
- 1.2 The forecast out-turn net expenditure for 2011/12 at the end of period 6 is predicted to be £15,050k and needs to be reconciled back to the net budget requirement agreed at the start of the year of £14,718k. The difference of (£332k) comprises the following :-

	£k
* Use of 2010/11 Carry Forward Reserve	(349)
* Use of Invest To Save Reserve (Resilience Officer)	(38)
* Contribution to Vehicle Replacement Reserve	150
* Anticipated use of Economic Impact Reserve up to period 6	(96)
* <i>Rounding Adjustment</i>	1
Sum of reserve movements up to period 6	<u>(332)</u>

### 1.3 Carry Forward Reserve (£349k)

In closing the final accounts for 2010/2011 there were a number of specific expenditure programmes which had been delayed and for which an under spend was being reported. The Leadership Team considered all proposals and agreed that budgets could be carried forward into 2011/2012. These proposals totalled £349k and a specific reserve was set up to enable the expenditure to be financed and, as a consequence, the Current Budget for 2011/2012 has been increased accordingly. Full detail of all carry forward proposals has been itemised on individual service variance sheets. For the Period 4 Digest onwards only the total of carry forwards will be reported.

### Invest to Save Reserve (£38k)

The Mayor has approved the two year appointment of a Resilience Officer who will have responsibility for liaising with the voluntary sector in order to help co-ordinate current and future service delivery on behalf of the Council. This post to be financed from the Invest to Save Reserve.

### Vehicle Replacement Reserve £150k

This budgeted reserve was created to finance future vehicle acquisitions, notably refuse and recycling freighters used within Environmental Services.

### Anticipated Use of General Fund Balance

This £13k represented the budget shortfall for 2011/2012 at the time the council tax was approved in February 2011. Since that date Cabinet received a report upon the revised Medium Term Financial Strategy on 25<sup>th</sup> July in which it approved that any budget shortfalls should be funded from the Economic Impact Reserve which is reflected within this digest and will be in future digests.

### Anticipated Use of Economic Impact Reserve (£96k)

This reserve will largely reflect the overspend / underspend position of the Council. As at the end of period 6 (the half year), it is showing £96k will need to be drawn down from it and comprises the £13k substitution with the General Fund Balance (referred to above); and an £83k budget variation.

This £83k is the predicted overspend forecast to be incurred in 2011/2012 and is completely due to the £150k additional cost of bed and breakfast for homeless families. Had this not occurred then there would have been a £68k forecast underspend which is a very satisfactory position during a period of financial depression in the wider economy.

### Forecast Overspend of £83k (prior to rounding adjustment)

See comments above.

### **Icons**

Icons have been used to indicate the severity of the variation against budget.

The key is as follows:

☺ Forecast net expenditure is within budget

☹ Forecast net expenditure is as per budget

⊗ Forecast net expenditure is over budget but there is no cause for concern at this stage.

🔔 Forecast net expenditure is more than 10% or £50k over budget and is a cause for concern.

**Table 1 - General Fund summary**

**General Fund Variance Summary for 2011/12 Period 6**

Service Area	Original Budget	Current Budget	Variance @ Period 5	Variance This Month	Total Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺
Corporate Services	473	589	14	0	14	603	2.4	☹
Community Services	8,701	8,745	120	(70)	50	8,795	0.6	☹
Environmental Services	6,199	6,199	0	0	0	6,199	0.0	☺
Planning	2,305	2,313	(20)	(47)	(67)	2,246	-2.9	☺
Corporate Management	1,360	1,360	0	0	0	1,360	0.0	☺
Legal and Property Services	(3,576)	(3,418)	(9)	(7)	(16)	(3,434)	-0.5	☺
Shared Services Implementation	30	30	0	0	0	30	0.0	☺
Shared Services	3,881	3,889	76	0	76	3,965	2.0	🔔
Strategic Finance	(4,792)	(4,739)	0	25	25	(4,714)	0.5	☹
<b>NET GENERAL FUND</b>	<b>14,581</b>	<b>14,968</b>	<b>181</b>	<b>(99)</b>	<b>82</b>	<b>15,050</b>	<b>0.5</b>	<b>🔔</b>
Transfer To/(From) Reserves	150	(250)	(181)	98	(83)	(333)		
Transfer To/(From) Working Balance	(13)	0	0	0	0	0		
<i>Rounding Adjustment</i>				1	1	1		
<b>NET BUDGET REQUIREMENT</b>	<b>14,718</b>	<b>14,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,718</b>		
General Fund working Balance								
Opening Balance	1,350	1,350	0	0	0	1,350		
Transfer To/(From) Working Balance	(13)	0	0	0	0	0		
<b>CLOSING WORKING BALANCE</b>	<b>1,337</b>	<b>1,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,350</b>		

**Table 2 - Variance Analysis by Service and Cost Centre**

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's			£000's	£000's		£000's	
<b>Corporate Services</b>								
Partnerships & Performance	473	50	523	15	0	15	538	
Customer Services	0	10	10	0	0	0	10	
Corporate Projects	0	56	56	0	0	0	56	
<i>Rounding Adjustment</i>							(1)	
<b>Total for Corporate Services</b>	<b>473</b>	<b>116</b>	<b>589</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>603</b>	

**Variance Analysis by Service and Cost Centre (contd.)**

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 5**

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Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Community Services</b>								
Parks and Open Spaces	2,075	0	2,075	0	10	10	2,085	Anticipated Cemeteries income post service prioritisation programme unlikely to be achieved due to reduced volume affecting burial fees..
Sports and Arts	4,297	44	4,341	(51)	(80)	(131)	4,210	Reduced commissioning costs for Youth Services of (£40k) as well as a (£6k) saving associated with Prevent in part offset by an expected £16k increase in expenditure at the Colosseum. Vacant posts within Community Centres and Play Services have also reduced anticipated spend by (£50k).
Housing	2,329	0	2,329	172	0	172	2,501	
<i>Rounding Adjustment</i>							(1)	
<b>Total for Community Services</b>	<b>8,701</b>	<b>44</b>	<b>8,745</b>	<b>121</b>	<b>(70)</b>	<b>51</b>	<b>8,795</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 5**

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**Variance Analysis by Service and Cost Centre (contd.)**

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's			£000's	£000's		£000's	
<b>Environmental Services</b>								
Environmental Health & Licensing	1,604	2	1,606	0	0	0	1,606	
Street Cleansing	2,068	(2)	2,066	0	0	0	2,066	
Waste & Recycling	2,527	0	2,527	0	0	0	2,527	
<b>Total for Environmental Services</b>	<b>6,199</b>	<b>0</b>	<b>6,199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,199</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported in Finance Digest Period 5**

**0**

Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Planning Services</b>								
Development Section	1,070	0	1,070	0	(43)	(43)	1,027	Additional income from TRDC of (£8k) and savings due to vacant posts of (£93k) offset in part by reduced income from Development Control and Building Control of £38k and £20k respectively.
Transport and Infrastructure	667	8	675	(20)	(4)	(24)	651	Additional income anticipated from TRDC for transport related work of (£26k) and savings on vacant posts of (£33k). Other identified savings of (£8k) offset by reduced income from Parking Services totalling £63k.
Policy Team	568	0	568	0	0	0	568	
Economic Development	0	(0)	0	0	0	0	0	
<b>Total for Planning Services</b>	<b>2,305</b>	<b>8</b>	<b>2,313</b>	<b>(20)</b>	<b>(47)</b>	<b>(67)</b>	<b>2,246</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported  
in Finance Digest Period 5

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Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Corporate Management</b>								
Corporate Management	1,360	0	1,360	0	0	0	1,360	
<b>Total for Corporate Management</b>	<b>1,360</b>	<b>0</b>	<b>1,360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,360</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 5

0

Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's			£000's	£000's	£000's	£000's	
<b>Legal and Property Services</b>								
Legal and Democratic	1,810	12	1,822	0	(7)	(7)	1,815	Membership saving identified due to non renewal to Mayoral Forum.
Property	(5,816)	0	(5,816)	(9)	0	(9)	(5,825)	
Buildings and Projects	430	146	576	0	0	0	576	
<b>Total for Legal and Property Services</b>	<b>(3,576)</b>	<b>158</b>	<b>(3,418)</b>	<b>(9)</b>	<b>(7)</b>	<b>(16)</b>	<b>(3,434)</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 5

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**Variance Analysis by Service and Cost Centre (contd.)**

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
<b>Shared Services Implementation</b>								
Shared Services Implementation	30	0	30	0	0	0	30	
<b>Total for Shared Services Implementation</b>	30	0	30	0	0	0	30	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 5**

**0**

Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's			£000's	£000's		£000's	
<b>Shared Services</b> Revenues and Benefits	1,538	0	1,538	12	0	12	1,550	
ICT	875	(0)	875	66	0	66	941	
Human Resources	493	9	502	(3)	0	(3)	499	
Finance	975	0	975	0	0	0	975	
<i>Rounding Adjustment</i>			(1)					
<b>Total for Shared Services</b>	<b>3,881</b>	<b>9</b>	<b>3,889</b>	<b>75</b>	<b>0</b>	<b>75</b>	<b>3,965</b>	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

Agreed Budget Changes reported  
in Finance Digest Period 5

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**Variance Analysis by Service and Cost Centre (contd.)**

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Variances
	£000's			£000's	£000's		£000's	
<b>Strategic Finance</b>								
Finance and Resources	216	0	216	0	0	0	216	
Finance Services Client	(895)	40	(855)	0	0	0	(855)	
Revenues and Benefits Client	198	0	198	0	0	0	198	
ICT Services Client	(875)	0	(875)	0	0	0	(875)	
Human Resources Client	(493)	53	(440)	0	0	0	(440)	
Procurement	0	0	0	0	0	0	0	
Corporate costs	3,151	(40)	3,111	0	25	25	3,136	Provision for a historical utility cost liability at a facility no longer in operation.
Capital & FRS17 Adjustments	(6,094)	0	(6,094)	0	0	0	(6,094)	
<b>Total for Strategic Finance</b>	<b>(4,792)</b>	<b>53</b>	<b>(4,739)</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>(4,714)</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 5**

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**Table 3 - Salary Breakdown**

**Salaries Variance Analysis (Excl. IAS19)**

Service Area	Previous Year Final	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Comments regarding This Month's Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%		
Corporate Services	1,754	1,434	146	1,580	15	0	15	1,595	0.9	☹	
Community Services	3,507	3,269	95	3,364	(44)	(50)	(94)	3,270	(2.8)	☺	See Table 2 - variance analysis by service and cost centre.
Environmental Services	4,821	4,724	0	4,724	0	0	0	4,724	0.0	☺	
Planning Services	2,043	2,078	0	2,078	0	(126)	(126)	1,952	(6.1)	☺	See Table 2 - variance analysis by service and cost centre.
Corporate Management	564	531	0	531	0	0	0	531	0.0	☺	
Legal and Property Services	2,606	2,450	(5)	2,445	0	0	0	2,445	0.0	☺	
Shared Services Implementation	298	43	0	43	0	0	0	43	0.0	☺	
Strategic Finance	145	204	(75)	129	0	0	0	129	0.0	☺	
Consultancy	437	274	(75)	199	0	0	0	199	0.0	☺	
<b>Total</b>	<b>16,175</b>	<b>15,007</b>	<b>86</b>	<b>15,093</b>	<b>(29)</b>	<b>(176)</b>	<b>(205)</b>	<b>14,888</b>	<b>(1.4)</b>	<b>☺</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 5**

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**Table 4 - Key Financial Risk Areas (as at end of September 2011)**

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%			
Investment Interest	(346)	(346)	0	0	0	(346)	0.0	☺	Extreme volatility in the financial markets will result in a 'flight to safety' and maturity profile being shorter. Both of these will affect the Council's rate of return.	Dependent upon Eurozone countries resolving the issues around sovereign debt.
Commercial Property Income	(6,870)	(6,870)	34	0	34	(6,836)	0.5	☹	Currently holding up reasonably well, but economic situation will probably deteriorate.	
Charter Place Market Rents	(474)	(474)	0	0	0	(474)	0.0	☺	Vacancy levels are higher than budgeted. Under review and likely to report an adverse variance in future digest.	Marketing of vacancies is being actively pursued.
Bed and Breakfast homelessness cost increase	6	0	150	0	150	150	0.0	⚠	The Council is unable to accommodate all families deemed to be homeless without recourse to using bed and breakfast accommodation.	Options for commissioning additional temporary accommodation and more effective demand management being explored.
Development and Building Control Income	(635)	(635)	0	58	58	(577)	9.1	⚠	See Table 2 variance analysis by service and cost centre (Planning Services). Economic downturn has affected the level of fee income.	Staffing levels are showing a £93k saving which more than compensates for this loss of income.

Table 4 - Key Financial Risk Areas (as at end of September 2011) contd.

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 5	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%			
Land Charges Income	(40)	(40)	0	0	0	(40)	0.0	☺	The income budget has been reduced significantly due to a change in legislation. There could be the need to reimburse charges relating to previous years.	The LGA is supporting a 'test case' through the courts opposing the need to reimburse fee income.
Trade Refuse Income	(710)	(710)	0	0	0	(710)	0.0	☺	A fall off in demand for this service is being endured. A potential adverse variance for future digest (invoices to customers for second half of year dispatched in October).	A review of the trade refuse service may need to be carried out.
Kerbside Recycling Income	(607)	(607)	0	0	0	(607)	0.0	☺	Income forecast should be achieved.	
Council Tax and Rent Allowance Net Expenditure <i>(Client cost that includes relevant shared service operating costs detailed below)</i>	1,716	1,716	12	0	12	1,728	0.7	☹	This is potentially the greatest risk area facing the Council. Increased demand for this service and increased risks of overpayment could significantly affect this budget.	There needs to be a very rigorous quality control process in place to ensure all benefit claims are properly validated.
Shared Service Operating Costs :-										
Finance	975	975	0	0	0	975	0.0	☺		
Human Resources	493	502	(3)	0	(3)	499	(0.6)	☺		
ICT	875	875	66	0	66	941	7.5	⚠		
Revenues & Benefits	1,538	1,538	12	0	12	1,550	0.8	☹		



## Capital Programme

The position is summarised below and broken down on the following tables.

Capital Programme Financing	4 Year £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Spend</b>						
General Fund Spend	22,967,778	12,658,638	5,875,448	6,862,570	2,406,570	1,040,000
Section 106 Schemes	6,814,472	3,005,037	476,703	2,872,435	604,500	332,500
<b>Total Spend</b>	<b>29,782,250</b>	<b>15,663,675</b>	<b>6,352,151</b>	<b>9,735,005</b>	<b>3,011,070</b>	<b>1,372,500</b>
<b>Funding</b>						
Grants and Contributions	900,000	300,000	238,897	200,000	200,000	200,000
Reserves	400,000	100,000	30,723	100,000	100,000	100,000
Capital Receipts	21,667,778	12,258,638	5,605,828	6,562,570	2,106,570	740,000
Section 106 Schemes	6,814,472	3,005,037	476,703	2,872,435	604,500	332,500
<b>New Resources</b>						
Reserves (CPZ)	0	0	0	0	0	0
Section 106 Schemes	0	0	0	0	0	0
<b>Total Funding</b>	<b>29,782,250</b>	<b>15,663,675</b>	<b>6,352,151</b>	<b>9,735,005</b>	<b>3,011,070</b>	<b>1,372,500</b>

Available Funding - Capital Receipts		2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
Balance Bought Forward		19,413,307	19,413,307	8,654,669	3,592,099	2,485,529
Used for Financing		(12,258,638)	(5,605,828)	(6,562,570)	(2,106,570)	(740,000)
New Receipts		1,500,000	344,315	1,500,000	1,000,000	1,000,000
<b>Balance Carried Forward</b>		<b>8,654,669</b>	<b>14,151,794</b>	<b>3,592,099</b>	<b>2,485,529</b>	<b>2,745,529</b>

Available Funding - S106		2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
Balance Bought Forward		5,898,141	5,898,141	3,197,129	549,874	152,023
Used for Financing		(3,005,037)	(476,703)	(2,872,435)	(604,500)	(332,500)
New Receipts		259,110	259,110	200,000	200,000	200,000
Interest @ 1.2%		44,915	44,915	25,180	6,649	3,864
<b>Balance Carried Forward</b>		<b>3,197,129</b>	<b>5,725,463</b>	<b>549,874</b>	<b>152,023</b>	<b>23,387</b>

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes</b>						
<b>Key Projects</b>						
Cardiff Rd Campus	4,174,376	2,724,376	1,201,644	1,450,000	0	0
Green Spaces Strategy	787,500	366,500	175,093	210,500	210,500	0
Colosseum Refurbishment	2,375,855	2,375,855	2,364,709	0	0	0
Cultural Quarter Ph 1	4,495,000	1,895,000	87,893	2,600,000	0	0
Colosseum Roof	188,905	188,905	188,408	0	0	0
<b>Environmental Services</b>						
Recycling Boxes	80,000	20,000	0	20,000	20,000	20,000
Trade Waste Recycling Bins	80,000	20,000	1,550	20,000	20,000	20,000
Change Bins in Communal Props.	0	0	0	0	0	0
Additional Green Waste Bins	36,000	18,000	0	18,000	0	0
Kerbside Recycling Vehicles	360,000	0	0	360,000	0	0
Handhelds To Report Nat Inds	28,000	0	0	28,000	0	0
Renovation Grants - General	641,712	241,712	50,434	200,000	200,000	0
Environmental Services Schemes	16,613	16,613	15,947	0	0	0
Energy Grants	308,000	154,000	9,834	77,000	77,000	0
Environmental Services Schemes	9,975	9,975	9,975	0	0	0
Empty Properties (CPOS)	0	0	(19,358)	0	0	0

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes</b>						
<b>Community &amp; Leisure Services</b>						
Woodside Fence	0	0	0	0	0	0
Woodside Pole Vault beds	0	0	0	0	0	0
Woodside Access Improve. Ph1	223,900	223,900	52,005	0	0	0
Woodside Stadium Toilet Refurb	40,495	40,495	40,495	0	0	0
Resurface Woodside Stad Track	0	0	0	0	0	0
Waterfield Rec Ground Car Park	15,000	15,000	0	0	0	0
Callowland Demolition	0	0	0	0	0	0
Cassiobury Park Depot	160,000	160,000	0	0	0	0
Property & Services	0	0	(33)	0	0	0
<b>Capital Investment Programme Schemes</b>	<b>4 Year Cost £</b>	<b>2011/12 Budget £</b>	<b>2011/12 As At P6 £</b>	<b>2012/13 Budget £</b>	<b>2013/14 Budget £</b>	<b>2014/15 Budget £</b>
<b>General Fund Schemes (contd.)</b>						
<b>Housing Services</b>						
Stand Alone Prop to Decent Std	156,500	156,500	1,495	0	0	0
York House to Decent Std	85,000	85,000	0	0	0	0
Mand Disabled Facilities Grant	2,010,300	510,300	191,243	500,000	500,000	500,000
Emergency Disabled Fac'y Grant	50,000	50,000	0	0	0	0
Affordable Housing	984,740	484,740	37,179	250,000	250,000	0
Private Sect Stock Cond Survey	20,875	20,875	0	0	0	0
<b>Parking Service</b>						
Pay And Display To Car Parks	65,000	65,000	0	0	0	0
CPZ in Nascot and Cassio	0	0	0	0	0	0

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Asset Management</b>						
Watford Business Incubator	0	0	0	0	0	0
Charter Place Consultancy	100,000	100,000	47,576	0	0	0
Feasibility Studies	200,000	0	0	100,000	100,000	0
Improve Orbital Community Centre	10,424	10,424	10,424	0	0	0
Creating Events Market	146,671	146,671	61,443	0	0	0
Depot Refurb	1,085,380	1,085,380	859,509	0	0	0
Backlog Repairs To Council Buildings	1,989,576	489,576	191,542	500,000	500,000	500,000
Council Chamber Sound System	80,000	80,000	815	0	0	0
High St Building Refurbishment	30,000	30,000	52,768	0	0	0
Indoor Market	10,000	10,000	0	0	0	0
Stripling Way cycle path	8,000	8,000	0	0	0	0
Charter Place CCTV	0	0	(25,001)	0	0	0

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes (contd.)</b>						
<b>ICT</b>						
ICT-Hardware Replacement Prog	212,747	72,747	14,530	70,000	70,000	0
ICT-Customer Relationship	40,000	40,000	25,924	0	0	0
ICT-eDemocracy	28,024	16,024	16,024	6,000	6,000	0
ICT - DMP	15,000	15,000	0	0	0	0
ICT-Env Health	135,000	45,000	(19,672)	45,000	45,000	0
Asset Management System	3,000	3,000	8,377	0	0	0
ShS Thin Client Refresh	70,000	70,000	0	0	0	0

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Shared Services Joint Cttee</b>						
HR & Payroll System	0	0	532	0	0	0
ShS - Server Replacement	120,000	120,000	0	0	0	0
ShS Govt Connect Sec XtraNet	48,000	48,000	0	0	0	0
Shared Services Hardware Replace Prog	18,000	18,000	14,008	0	0	0
Shared Services Imp New San	0	0	0	0	0	0
Shared Services HR CPD Module	0	0	0	0	0	0
<b>Corp Serv / Project Mgt</b>						
Support Services-General Fund	1,224,210	408,070	208,136	408,070	408,070	0
<b>Total General Fund Schemes</b>	<b>22,967,778</b>	<b>12,658,638</b>	<b>5,875,448</b>	<b>6,862,570</b>	<b>2,406,570</b>	<b>1,040,000</b>

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Section 106 Schemes</b>						
Cassio Pk Shepherds Rd Entranc	85,000	85,000	0	0	0	0
Cassio Park Imp Tea Pavillion	140,000	140,000	0	0	0	0
Cassio Park Toilet Improvement	240,000	240,000	0	0	0	0
Croxley Rail Link	536,000	536,000	0	0	0	0
Stamford Road Rec Play Area	17,000	17,000	0	0	0	0
St Johns Road Play Area	31,000	31,000	0	0	0	0
Stripling Road Play Area Improvements	10,000	10,000	0	0	0	0
Courtlands Close Play Area	40,000	40,000	0	0	0	0
Oxhey Green Play Area	10,000	10,000	0	0	0	0
Goodwood Rec Play Area Improvements	30,000	30,000	0	0	0	0
Riverside Recreation Ground	330,000	330,000	0	0	0	0
Colne River Project	1,000,000	250,000	0	250,000	250,000	250,000
Fern Way Play Area Landscaping	15,000	15,000	0	0	0	0
Knutsford Road	100,000	100,000	0	0	0	0
Local Park Improvements	250,000	62,500	0	62,500	62,500	62,500
Wiggenhall Allotments	75,000	75,000	0	0	0	0
Local Nature Reserves	80,000	20,000	0	20,000	20,000	20,000
Watford Museum	76,435	2,500	0	73,935	0	0
Allotments Green Toilets	10,000	10,000	0	0	0	0
Colne Valley Improvements	60,000	20,000	1,993	20,000	20,000	0
Oxhey Park	67,979	67,979	67,979	0	0	0
King George V Nature Reserve	5,000	5,000	5,006	0	0	0
Cow Lane Improvements	23,000	23,000	0	0	0	0
Woodside Playing Fd Green Flag	34,000	34,000	3,936	0	0	0
Multi Use Games At Meriden	120,000	120,000	0	0	0	0
Cassio Park Ph 2 Consultation	8,000	8,000	0	0	0	0
Cassiobury Park Signage	5,860	5,860	0	0	0	0
Cassiobury Pk Study Facilities	18,982	18,982	0	0	0	0
Town Centre Cycle Way	0	0	(3)	0	0	0
Townscheme Enhancements Ph2	27,950	27,950	13,984	0	0	0
Changing Facs Knutsfd Play Fds	430,588	430,588	400,091	0	0	0
Westfield & Rec Knutsford PG	160,000	160,000	6,039	0	0	0
Oxhey Village Green	25,000	25,000	25,000	0	0	0

Capital Investment Programme Schemes	4 Year Cost £	2011/12 Budget £	2011/12 As At P6 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Section 106 Schemes (contd.)</b>						
Stamford Road Playground	25,000	25,000	25,000	0	0	0
Aspen Park Drive Playground	0	0	0	0	0	0
Norbury Avenue Playground	18,368	18,368	18,368	0	0	0
Jellicoe Road Playground	11,310	11,310	11,310	0	0	0
Oxhey Park Bridge	0	0	(102,000)	0	0	0
Harwoods Rec Play Area	145,000	0	0	145,000	0	0
Central Primary School Play Area	40,000	0	0	40,000	0	0
North Watford Playing Fields Area	51,000	0	0	51,000	0	0
Himalayan Way Play Area	100,000	0	0	100,000	0	0
Jellicoe Road Play Area Improvements	11,000	0	0	11,000	0	0
Estcourt Road Improvements	15,000	0	0	15,000	0	0
Watford Fields Play Area	20,000	0	0	20,000	0	0
East Drive Play Area	120,000	0	0	120,000	0	0
Harebreaks Rec Ground Play Area	121,000	0	0	121,000	0	0
Waterfields Rec Play Area	100,000	0	0	100,000	0	0
Meriden Park Play Area	100,000	0	0	100,000	0	0
Callowland Recreation Ground	460,000	0	0	460,000	0	0
Oxhey Park	550,000	0	0	550,000	0	0
King George V Playing Field	350,000	0	0	350,000	0	0
Radlett Road MUGA	30,000	0	0	30,000	0	0
Leavesden Green Rec MUGA	50,000	0	0	50,000	0	0
North Watford Cemetery	75,000	0	0	75,000	0	0
Vicarage Road Cemetery	75,000	0	0	75,000	0	0
Cherry Tree Allotments	33,000	0	0	33,000	0	0
Skate Park Improvements	30,000	0	0	0	30,000	0
Berry Avenue Play Area	60,000	0	0	0	60,000	0
Southwold Road Play Area	50,000	0	0	0	50,000	0
Ridgehurst Avenue Play Area	50,000	0	0	0	50,000	0
Garston Park	62,000	0	0	0	62,000	0
<b>Total Section 106 Schemes</b>	<b>6,814,472</b>	<b>3,005,037</b>	<b>476,703</b>	<b>2,872,435</b>	<b>604,500</b>	<b>332,500</b>
<b>Total Capital Investment Programme</b>	<b>29,782,250</b>	<b>15,663,675</b>	<b>6,352,151</b>	<b>9,735,005</b>	<b>3,011,070</b>	<b>1,372,500</b>

## 2 - Performance Indicators

The following analysis identifies performance on the Councils key 'financial health' and key business indicators.

### 2.1 Treasury Management Performance

The performance of the council's treasury management function for the period ending 30th September 2011 shows an average annualised return on investments of 1.237% (compared to an estimate of 1.3%). Interest received as at 30th September 2011 (after allowing for previous year accruals) equates to £329k.

The current estimate of interest returns for 2011/12 is:

	<b>2011/12</b>
Best case	1.4 %
Central case	1.2 %
Worst case	1.0 %

Interest base rates (0.5%) are *not now* expected to *rise* until December 2012.

The forecast out-turn for investment interest is £346k.

## 2.2 Council Tax and NNDR

For the 6 months ending 30th September 2011, for Council Tax and NNDR collection rates are as follows:

<b>Council Tax Collection rates</b>	<b>2009/10</b> %	<b>2010/11</b> %	<b>2011/12</b> %	<b>Target</b> %
End April	9.3	10.8	10.7	8.3
End May	18.3	17.8	19.7	16.6
End June	27.4	27.2	28.5	24.9
End July	36.5	35.8	37.6	37.0
End August	45.4	45.0	46.5	46.0
End September	54.7	54.1	55.0	55.0
End October	63.9	62.8		64.0
End November	73.0	71.9		73.0
End December	81.7	80.4		82.0
End January	90.6	88.9		91.0
End February	94.8	92.8		94.0
End March	96.7	95.3		96.0

<b>NNDR Collection rates</b>	<b>2009/10</b> %	<b>2010/11</b> %	<b>2011/12</b> %	<b>Target</b> %
End April	10.3	9.6	13.7	10.9
End May	20.7	17.2	23.5	21.0
End June	30.2	27.2	33.4	30.5
End July	39.7	37.2	41.6	40.0
End August	48.3	51.7	50.5	50.0
End September	58.5	57.9	60.2	60.0
End October	67.7	68.9		70.0
End November	77.0	80.2		80.0
End December	87.2	87.2		89.5
End January	94.2	93.5		96.0
End February	94.5	95.7		97.0
End March	95.9	96.3		98.0

The improved collection rates in 2011/2012 are very encouraging and reflect an improved recovery performance from the Revenues Division.

67% of council tax is paid by direct debit which is the cheapest and most reliable form of collection.

### 2.3 Creditor Payment Monitoring

For 2011/12, and in particular the month of September 2011, the Council paid 91.79% of undisputed invoices within 30 days (against an Audit Commission target of 100%)

The number of payments made by BACS for September is currently 85.54% (cumulative figure is 85%) against a target of 90%.

#### Creditor Payment Monitoring Statistics By Service Area

	Total Undisputed Invoices	Late Payments	Payments On Time	% Payments On Time (This Month)	% Payments On Time (Yr to date)
Corporate Services	28	1	27	96.43	98.03
Community Services	85	2	83	97.65	96.72
Environmental Services	240	6	234	97.50	98.82
Planning	22	0	22	100.00	95.27
Corporate Management	7	1	6	85.71	96.97
Legal and Property	142	29	113	79.58	81.71
Shared Services	97	12	85	87.63	85.46
<b>Total</b>	<b>621</b>	<b>51</b>	<b>570</b>	<b>91.79</b>	<b>92.49</b>

#### Cumulative Percentages of Payments Made On Time

	2009/10	2010/11	2011/12
April	N/A	N/A	98.45
May	98.15	63.77	95.11
June	96.59	69.79	93.27
July	96.07	71.77	93.23
August	95.35	74.62	92.63
September	94.06	81.59	92.49
October	93.58	84.61	
November	93.60	86.45	
December	93.23	87.59	
January	92.40	87.91	
February	92.03	87.94	
March	92.22	89.16	

The April figure has not been reported separately in past years so a historic comparison is not possible.

As can be seen above, the cumulative position at the end of September 2011 indicates 92.49% of invoices were paid within 30 days.

## 2.4 Debtors

A summary of debtors raised / paid is shown in the table below.

### General Debtor Invoices Raised to the end of September 2011

Invoices Raised from 1st April 2011 to 30th September 2011					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Corporate Services	21	47,672	47,192	480	1.01
Community Services	152	352,447	337,904	14,543	4.13
Environmental Services	1,524	747,558	624,526	123,032	16.46
Planning	129	345,856	232,362	113,493	32.82
Corporate Management	16	4,942	3,046	1,896	38.37
Legal and Property	3,612	6,882,439	5,441,852	1,440,586	20.93
Human Resources	3	894	326	567	63.47
Housing	72	11,629	5,479	6,150	52.88
Finance	109	1,157,464	1,139,158	18,305	1.58
ICT	1	1,163	1,163	0	0.00
Revenues & Benefits	449	16,860	5,164	11,697	69.37
<b>Total</b>	<b>6,088</b>	<b>9,568,922</b>	<b>7,838,173</b>	<b>1,730,749</b>	<b>18.09</b>

Of the outstanding debt of £1,730,749 the amount between 0 to 3 months old is £1,406,027 (81%)

## 2.5 Key Business Indicators

### Monthly indicators at the end of September 2011 (Period 6):

Occupancy rates at Market	61% (target 75%)
Occupancy rates-Commercial	98% (target 99%)
Repair & Maintenance Programme	15.0% underspent
Procurement Efficiencies	On target (only £50k assumed for the year)
Capital Programme	Figures included on agenda



Capital Programme Section 106	Figures included on agenda
Internal Audit Plan – productive days	3.7% over achieved
Average time to process housing benefits	44.52 days (against a target of 30 days).
Average time for change of circumstances	41.36 days (against a target of 20 days)
Sickness Levels	4.29 days at end of September 2011 (3.30 days is profiled target)
Staff Appraisals completed on time	95.6% (against a target of 100%)
CSC - all calls answered	99% (against a target of 95%)
Complaints resolved at Stage 1	72% (against a target of 90%)
% of valid bins missed	0.052% (target 0.1%) - exceptionally good performance
ICT service availability	99.52% during month (target 99.5%)

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