



BUDGET PANEL

SUPPLEMENTARY AGENDA (Items 7, 8 and 10)

Tuesday, 29th November, 2011

7.00 pm

Town Hall, Watford

Publication date: 24 November 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 (Minicom available on 01923 278499).

COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor T Poole (Vice-Chair)

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

AGENDA

PART A - OPEN TO THE PUBLIC

7. HOUSING VALUE FOR MONEY PHASE 2 (Pages 39 - 76)

Report of the Head of Community Services

8. REVIEW OF TRADE REFUSE ACCOUNT (Pages 77 - 86)

Report of the Head of Strategic Finance and Head of Environmental Services

10. FINANCE DIGEST: PERIOD 7 (Pages 87 - 112)

Report of the Head of Strategic Finance

PART A

Report to: Budget Panel
Cabinet

Date of meeting: 29 November 2011
5 December 2011

Report of: Head of Community Services

Title: Housing Value for Money Review Phase 1

1.0 SUMMARY

- 1.1 The Housing Value for Money Review aims to achieve savings targets of **£50,000** in 2011/12 and a further **£150,000** in 2012/13 as part of the Service Prioritisation Programme approved by Council.
- 1.2 Phase 1 savings were approved by Cabinet in June 2011 and are being implemented. Anticipated profiling will be £51,000 in the current year and an additional £4,000 in 2012/13. This leaves £145,000 savings to be identified.
- 1.3 Phase 2 savings will inevitably be located within employee costs as non staffing budgets have already been reduced during Phase 1. The current staffing budget post Phase 1 is £880,000.
- 1.4 This level of savings will require a fundamental remodelling of the service. Even without the necessity of achieving savings, this would have been imperative in the near future in order to manage the current and future demand for services and new workstreams that are emerging.
- 1.5 This report puts forward a proposed new staffing structure for Housing which takes account of the findings of internal and external reviews of the service and aims to align the staffing budget as closely as possible to the savings required. It also puts forward the proposed method of selection for the new roles. These are subject to the outcome of the consultation which closes on the 24th November, the results of which will be reported to the Cabinet meeting.

2.0 **RECOMMENDATIONS**

- 2.1 That Cabinet approves the proposed new staffing structure for Housing.
- 2.2 That Cabinet approves the proposed selection process for the new structure.
- 2.3 That Cabinet delegates authority to the Portfolio Holder for Housing and the Head of Community Services to make reasonable adjustments to the structure and/or profile of the savings targets should this become necessary before or during implementation.

Contact Officer:

For further information on this report please contact: Rachel Dawson, Housing Section Head telephone extension: 8902 email: Rachel.dawson@watford.gov.uk

Report approved by: Lesley Palumbo, Head of Community Services.

3.0 **DETAILED PROPOSAL**

3.1 **Review process**

- 3.1.1 The Housing Service has undertaken an extensive review over the past year involving both internal and external analysis of current service provision and emerging workstreams and pressures. Details of the initial findings were reported to Cabinet in June 2011 and further analysis is included in the accompanying report at **Appendix A**.

3.2 **Restructure principles**

- 3.2.1 In June 2011, Cabinet approved a set of key principles to be taken into account in the restructure proposals:

- Reductions in staffing resource will be spread across both strategic and operational functions
- The service will seek where possible to reduce management resource in order to maintain an adequate level of front line cover
- The potential for outsourcing or sharing aspects of the service where implementation can be achieved quickly will be considered in order to facilitate management reductions
- Current roles will be reviewed and activities redistributed where necessary to balance workloads within reduced resources
- Impact on vulnerable customers will be considered as an integral part of the review

3.2.2 Since that time, ongoing review work has identified further key issues which have also shaped the proposals. These recognise the need to:

- Manage demand for housing services more effectively and proactively e.g. get homelessness prevention in place earlier, be a more effective client to our accommodation providers, use our staffing and other resources to best effect
- Achieve a more flexible structure which can respond to changing tasks and peaks in workload and in particular new areas of work which are emerging e.g. private sector leasing
- Achieve a more resilient structure – to get away from cover issues where we have individuals with specialist skills and a number of small teams carrying out different roles necessitating managers for each of these
- Minimise duplication between teams which results in double handling of cases or fragmented activity e.g. homelessness, private sector
- Encourage a more “tenure blind” approach to the different housing options, reinforced by colleagues dealing with social housing and private sector housing within the same teams
- Achieve this within the allocated cost savings.

3.2.3 The council retains statutory duties regarding homelessness, aspects of the housing register, publication of a homelessness strategy and the provision of Disabled Facilities Grants. All the statutory functions and key discretionary functions will remain in place within the new model. While we anticipate changes to working practices and policies which will need to be assessed separately for their impacts, the core services to the public will continue to be provided and will be accessible to our more vulnerable clients.

3.2.4 The service has experienced a sharp increase in demand, particularly in terms of homelessness and the need for strategic policy responses to a range of national and local changes which impact on demand and supply. While a reduction in staffing resource will present a further challenge to the service, the intention behind the new structure is to mitigate the risks by deploying our remaining staff resources to manage demand and maximise housing supply more effectively than is possible within the constraints of the current structure.

3.3 Restructure detail

3.3.1 In summary, the proposed new structure attached at **Appendix B** moves away from having four teams within Housing to a model based around the two key activities of demand and supply, retaining also a strategic resource

with an overview of the whole service. Key differences from the current structure at **Appendix C** are that:

- There will be fewer managers and direct reports to the Housing Section Head
- The majority of roles will become more generic, dealing with both advice and statutory homelessness on the demand side and dealing with both affordable housing and private sector procurement on the supply side
- More roles will incorporate a visiting function to sites or applicants' homes
- Some existing functions currently located within single roles will be split across the demand and supply sides e.g. Rent Deposit Scheme, Housing Register applications and Choice Based Lettings shortlisting
- In the current structure there are 19.93 full time equivalents. In the proposed new structure there are 17 including 14 new roles which will not necessarily match the skills, experience and aspirations of existing staff members.

3.3.2 Full details of which posts would be deleted and which retained under the proposals can be found in **Appendix A** pages 5 and 6.

3.3.3 Job descriptions for the new roles have been evaluated and moderated and are within the scope of the staff consultation. It is anticipated that the proposed new structure will reduce the annual employee costs from the current budget of £880,000 to £747,000. Final costings will depend on which candidates are successful for which roles, their Spinal Column Point on appointment and whether they opt to join the Pension Scheme.

3.3.4 The cost of redundancy, voluntary redundancy and other factors such as pay protection will need to be assessed once staff have expressed their own preferences and the outcome of the recruitment is known.

4.0 **Recruitment and selection**

4.1 Of the 19.93 existing FTEs, 16.43 are currently covered by permanent staff and only 3 of these permanent staff are not at risk. The proposals will therefore have a significant impact, particularly as new roles may not align to the skills and experience within the existing service.

4.2 The proposal is to recruit to the 14 new roles through a process of interviews and work related assessment tests as appropriate to the grade and responsibilities of the role. Vacancies will be ringfenced to the Housing staff who have been placed at risk and they will be asked to submit expressions of interest and an application for each role they would like to be considered for. At the same time staff will be asked to indicate whether they are interested in voluntary redundancy or jobshare within the new roles.

5. Staff consultation

5.1 On 25 October, the 14 affected staff were advised that they were at risk of redundancy and the formal staff consultation began. This ends on 24 November and any alternative proposals will need to be assessed and tabled at Cabinet on 5 December.

5.2 A programme of consultation has also commenced with other services across the council who interact with Housing and will be affected by the restructure proposals in terms of working practices. These include Revenues & Benefits, the Customer Service Centre, Environmental Health, Property Services, Buildings & Projects and Planning. This will give colleagues the opportunity to identify risks and opportunities around our joint working in order to achieve a more integrated approach to service delivery through the implementation phase.

6. Implementation

6.1 Implementation of the staffing restructure and introducing the new service model will be managed by the Housing Section Head, deploying the principles of Prince 2 project management to plan each stage in detail and respond to emerging issues as they arise.

6.1.1 Subject to Cabinet approval, the outline implementation plan for the next stage is anticipated to be:

5 December	Cabinet decision
6 December – 14 December 11	Staff briefing, completion of skills audits (optional), expressions of interest and internal applications for new roles, voluntary redundancy or jobshare
14 and 15 December 11	Interview skills training for all affected staff
19 and 20 December 11	Interview for manager posts
w/c 9 and 16 January 12	Recruitment to next tier of posts
From 16 January onwards a detailed implementation plan will apply, headlines of which will be tabled at Cabinet on 5 December as critical aspects are under discussion as part of the current staff consultation.	

The timetable and detailed implementation project plan will depend on several variables including the preferences expressed by staff, the outcome of “other service” consultation, the number of interviews to be carried out, the outcome of these and an assessment of the impact of resulting training needs and vacancies.

7.0 **IMPLICATIONS**

7.1 **Financial**

7.1.1 The proposed new structure is anticipated to reduce staffing costs from £880,000 to £747,000. This will potentially leave a relatively small amount of savings (£12k) to be identified from elsewhere within the service depending on the costs associated with each individual staff member who is successfully redeployed into a new role. This will need to be assessed once the outcome of the recruitment is known. Analysis is currently ongoing, through the annual Fees and Charges process, in relation to income raising opportunities that may support any under achievement of the full savings through staffing costs.

7.1.2 The number of voluntary redundancies which may be requested and granted is not known at this stage as these would only be agreed once it was clear that the service would not be left with vacancies which could have been filled by existing staff. There is a corporate provision and an earmarked reserve available to meet any redundancy/ pension implications.

7.1.3. The number of compulsory redundancies is anticipated to be small but it is not possible to predict precise numbers at this stage. While there are a significant number of new roles to apply for, these may not match the existing skills and experience within the service.

7.1.4 Pay protection may apply in a limited number of cases, again depending on the outcome of the recruitment process.

7.2 **Legal Issues** (Monitoring Officer)

7.2.1 The Head of Legal and Property comments that the Council’s HR policies have been complied with in relation to managing this restructure.

7.3 **Equalities**

7.3.1 An equality impact assessment of the restructure proposals is attached at **Appendix D**. This concludes that there is likely to be low level impact during Phase 2 amongst people with the protected characteristics under the Equalities Act 2010 and mitigating measures are proposed.

7.4 Potential Risks

The risks identified prior to the conclusion of the consultation process are:

Potential Risk	Likelihood	Impact	Overall score
<i>Failure to recruit to key roles leaving vacancies which would delay implementation</i>	2	3	6
<i>Lack of service capacity to develop associated working practices and procedures across the council</i>	3	4	12*
<i>Difficulty in managing increased pressure on the service e.g. homelessness while staffing resources are deployed in the implementation of the new model</i>	3	4	12*
<i>Significant costs incurred through redundancy, pay protection or necessity of interim cover or external recruitment.</i>	2	3	6
<i>*The implementation plan will include an analysis of the resource requirements to mitigate the risks of lack of service capacity.</i>			

7.5 Staffing

7.5.1 There is a significant impact on staffing as the restructure proposals put forward 16.93 existing FTE roles to be deleted and 14 new roles, many requiring different skills and working practices to be created.

7.6 Accommodation

7.6.1 There will be no impact on accommodation as the Housing Service will continue to be based within the new annexe of the Town Hall, although releasing some workstation capacity which could be deployed to meet the needs of other staff once the new structure is in place.

7.7 Community Safety

7.7.1 There will be no impact on Community Safety other than potentially a reduced capacity to engage in partnership projects through diminished staffing resource.

7.8 Sustainability

7.8.1 There will be no impact on sustainability issues.

Appendices

- A Housing Review Phase 2 Report
- B Proposed new structure for Housing Services
- C Current structure of Housing Services
- D Equalities Impact Assessment

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report:

None

File Reference

None

Housing Value for Money Review Report

Phase 2

November 2011

Rachel Dawson
Housing Section Head

This report sets out progress on the review of the Housing Service and proposes a new model and a new structure for service delivery.

1. Introduction

Under the programme of service prioritisation, the Housing Service has been set savings targets of:

Phase 1 £50,000 for 2011/12
Phase 2 £150,000 for 2012/13

The Phase 1 savings were approved by Cabinet in June 2011 and are being implemented. Anticipated profiling will be £51,000 in the current financial year and an additional £4,000 in the following year. This leaves £145,000 savings to be identified.

The Phase 2 savings will inevitably be located within employee costs, as non staffing budgets have already been reduced during Phase 1. The current staffing budget post Phase 1 is £880,000.

This level of savings will require a fundamental remodelling of the service. Even without the necessity of achieving savings, this would have been imperative in the near future in order to manage the current and future demand for services and new workstreams that are emerging.

2. Review process

The Housing Service has undertaken an extensive review over the past year which has included:

- Data analysis of performance, costs and demands on the service including the impact of impending national policy changes
- Comparison with other authorities in key areas of activity
- Workshops and interviews with staff, other services, partners and elected members
- External challenge from consultancy Campbell Tickell and the Communities and Local Government Specialist Advisor on Homelessness
- Service user consultation in line with the Channel Shift Project
- Cross departmental work to move towards improved integrated working between services which interface with Housing e.g. Planning, CSC, Environmental Services, Property, Housing Benefit

3. Contextual change

Over the lifetime of the review, there has been considerable change within the operating and strategic context. The service has needed to respond to a significant increase in demand for our services, particularly around

homelessness and has had to set up and resource systems for operating B&B placements which have not been in place for a number of years.

The impact of funding cuts by Supporting People is beginning to take effect e.g. loss of Floating Support provision. The mechanisms for funding affordable housing have changed and there is a considerable amount of policy work in progress to respond to the impacts for Watford. Similarly the impending Localism Bill has brought an urgent requirement for a strategic and operational review of our nomination policy and arrangements for managing the housing register.

4. **Headline findings**

A synopsis is provided at Appendix A which identifies the key findings from:

- The internal review
- Campbell Tickell consultancy report
- Communities and Local Government Peer Review
- Channel shift and service user consultation
- Head of Service frontline shadowing exercise

There is clear evidence of good practice within the service, experienced and professional staff who are keen to see the service improve and develop and good working relationships with partners.

The findings of our internal review work and external challenge reviews points to the need to:

- Manage demand for housing services more effectively and proactively e.g. get prevention in place earlier, be a more effective client to our accommodation providers, use our staffing and other resources to best effect
- Achieve a more flexible structure which can respond to changing tasks and peaks in workload and in particular new areas of work which are emerging e.g. private sector leasing
- Achieve a more resilient structure – to get away from cover issues where we have individuals with specialist skills and a number of small teams carrying out different roles necessitating managers for each of these
- Minimise duplication between teams which results in double handling of cases or fragmented activity e.g. homelessness, private sector
- Encourage a more “tenure blind” approach to the different housing options, reinforced by colleagues dealing with social housing and private sector housing within the same teams

5. Proposed new model for Housing Services

The proposed new model moves away from having 4 separate teams towards having 2 main areas of activity (**demand and supply**) which better reflect the nature and volume of work that the service needs to respond to, with an overarching strategic function across both of the main service areas.

The model is predicated on an active and co-ordinated approach to managing demand for the council's housing services though integrated working between all the appropriate services. It also anticipates parallel activity taking place to review the council's nomination policy (which could potentially see changes to the volume of applications registered if Band E is reviewed) and work with Herts Choice Homes to develop a self service assessment tool which can be accessed remotely or within the CSC.

Housing Section	
Demand Functions	Supply Functions
Housing advice (homelessness and housing register), casework	Placements into social housing, private rented, temporary accommodation, refuges, hostels (including Choice Based Lettings shortlisting)
Assessment for Choice Based Lettings and Rent Deposit Guarantee Scheme (RDGS) processing applications, banding decisions	Rent deposit bonds administration including sign up and claims
Homelessness investigation and decision making, out of hours standby	Liaison internal and external partners e.g. HARI, Housing Benefit and supply sustainment e.g. Rent Deposit Guarantee Scheme, B&B trouble shooting
Case management, workflow management, escalation of complex cases	Supply commissioning, monitoring and liaison (public and private sector, permanent and temporary), asset management, development of new affordable housing, local lettings policies, nomination agreements, private sector leasing, empty

Appendix A

	properties opportunities, standards, funding,
Visits for all demand related activities	Disabled Facilities Grant processing, assessment, technical function
Demand management and communication strategy including with partners	
Corporate working groups, budget monitoring and control, accounts, training, partnerships	
Strategy/policy/performance/consultation/equalities/asset management	
Integrated working Housing Benefit, Property, Service Support Team, Env. Health, CSC, Corporate Strategy, Planning, Legal, IT, Members	

6. Proposed structure

The proposed structure is included at Appendix B.

The structure sees a reduction in the number of FTEs and significant change to the majority of roles which will necessitate new working practices and/or a new range of skills. The roles of officers delivering the Disabled Facilities Grant function have not been amended as the county wide review of service delivery is continuing and outcomes are not clear at this stage.

The proposals would result in the following posts being deleted:

- 1 FTE Housing Needs Manager
- 1 FTE Homelessness Prevention and Housing Advice Manager
- 1 FTE Private Sector Housing Manager
- 1 FTE Senior Homelessness Officer
- 1 FTE Homelessness Officer
- 3 FTE Housing Needs Officers
- 1 FTE Housing Advisor
- 4.43 FTE Homelessness Prevention and Advice Officers
- 1 FTE Private Sector Access Co-ordinator
- 0.5 FTE Tenancy Liaison Officer
- 1 FTE Housing Development Co-ordinator
- 1 FTE Housing Strategy Manager

The following post would remain without significant change although additional duties have been incorporated:

1 FTE Housing Section Head

The following posts would remain without significant change:

1 FTE Disabled Adaptations Surveyor
1 FTE Private Sector Housing Officer

The following new posts would be created

1 FTE Housing Demand Manager (Grade 8)
1 FTE Casework Management Officer (Grade 7)
4 FTE Housing Advice Officers (Grade 6)
2 FTE Housing Officers (Demand) (Grade 5)
1 FTE Housing Supply Manager (Grade 8)
2 FTE Housing Supply Officers (Grade 6)
2 FTE Housing Officers (Supply) (Grade 5)
1 FTE Housing Strategy Officer (Grade 8)

Employee costs under this model reduce from £880,000 to an anticipated £747,000. Exact costings cannot be determined as they depend on the spinal point at which staff are appointed to the new roles, whether or not they opt for the pension scheme etc

7. Consultation

The principles of the supply and demand model have been presented to Housing staff and colleagues in other services through a number of workshops and have been received very positively.

Formal staff consultation on the actual structure commenced on 25 October which will give the opportunity for more detailed testing with colleagues on how the model will work in practice and to identify training and implementation issues which will need to be addressed.

A consultation with other services who interact on housing issues is also taking place in parallel to the Housing staff consultation. This includes services such as the Customer Service Centre, Revenues and Benefits, Property Services, Environmental Health and Planning in order to identify opportunities for greater integrated working across the council, how this can be implemented and what the likely impacts could be both from an internal and a customer perspective.

8. Provisional Timetable

21 October 2011 am	Proposed structure to Awayday for approval to consult
21 October pm	Meeting with Unison
25 October 2011	Staff consultation on structure begins
3 and 4 November	Individual consultation meetings (1)
10 November 2011	Consultation workshops with other

Appendix A

	services
21 and 22 November 2011	Individual consultation meetings (2)
24 November 2011	30 day staff consultation ends Cabinet reports to print
25 November – 29 November	Results of consultation processed and addendum to Cabinet report prepared if necessary
5 December 2011	Cabinet decision on new model and structure
6 December – 14 December 11	Staff briefing, completion of skills audits (optional), expressions of interest and internal applications for new roles, voluntary redundancy or jobshare
14 and 15 December 11	Interview skills training for all affected staff
19 and 20 December 11	Interview for manager posts
w/c 9 and 16 January 12	Recruitment to next tier of posts
From 16 January onwards a detailed implementation plan will apply, headlines of which will be tabled at Cabinet on 5 December as critical aspects are under discussion as part of the current staff consultation.	

Appendix A

Analysis key findings from review

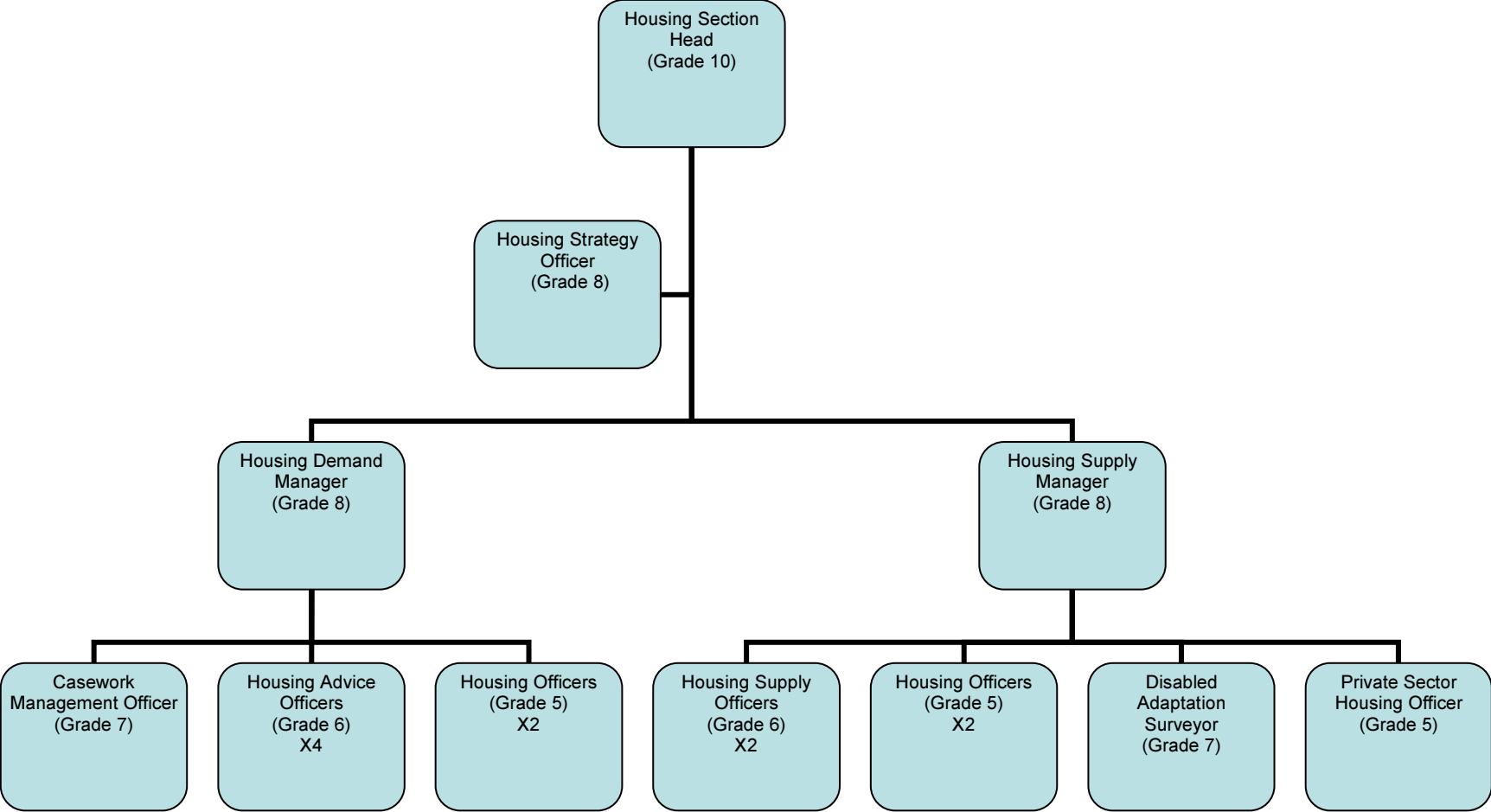
<p>Internal</p>	<ul style="list-style-type: none"> • Quick wins are achievable: Online form, Enhanced Housing Options Self Service, Alpha splits to avoid double handling, improved working with Housing Benefit, CSC, Environmental Health • Increase activity around supply in private sector • Reduce number of managers • Staff have informal specialisms – need to share the learning • Review Band E (no identified housing need) • Improve work to attract Private Sector Landlords • Reduce duplication e.g. forms and documents collected for different purposes
<p>Campbell Tickell</p>	<ul style="list-style-type: none"> • Traditional structure, not flexible or adaptable, needs a transformational approach • Reduce number of managers • Introduce more generic working • Join up housing actions to corporate work programmes • Increase focus on private rented activity • Investigate outsourcing Disabled Facilities Grant • Need to streamline P&A activity, remodel advice offer, reduce duplication • Housing benefit is a key area for attention • Joint approach on private rented needed across the council • Other services need training to deal with clients • Need alternative prevention not reliant on Rent Deposit Guarantee Scheme • Review visiting activity
<p>CLG</p>	<ul style="list-style-type: none"> • Accessibility of service is a strength • Review where our front line is positioned e.g. improve website, training and enhanced role for CSC, advisory literature, consult customers • Review prevention scripts for CSC, training • Keep service safe re homelessness approaches (open to challenge), earlier intervention, more home visits • Improve case management, consistency • Increase generic working around prevention and statutory homelessness • Repackage private rented offer, more intervention at interviews with landlords, tie in with Credit Union • Housing benefit delays are fuelling demand and compromising supply • Translate strategies into team plans • Use homelessness grant or lose it – consider landlord and benefit liaison officer

Appendix A

Channel shift and service user consultation	<ul style="list-style-type: none">• Sample of contact data shows same clients see Housing Benefit and Housing on one visit• Need to improve pathway starting with website, CSC, deter applications where no realistic opportunity of social housing, provide mini assessment with options, provide information while waiting for interview• Staff professional and respond quickly• Shorten process for DFG and homeless applications• Need to build more houses• Main preference telephone contact, but face to face still feels like a better way to get an effective response if not achieved in another way• Need to improve communication on cases between the teams
Head of Service	<ul style="list-style-type: none">• Demand management needs to be introduced• Visiting function to be reviewed• Re-active operational casework management requirement• Supply side issues identified• DFG – need to stabilise provision pending future analysis of partnership options• Role of Housing GMT and Section Head needs to link to changes to any future corporate model emerging from the Road Map work.• Integrated working needed between all services which impact on Housing operational and strategic delivery

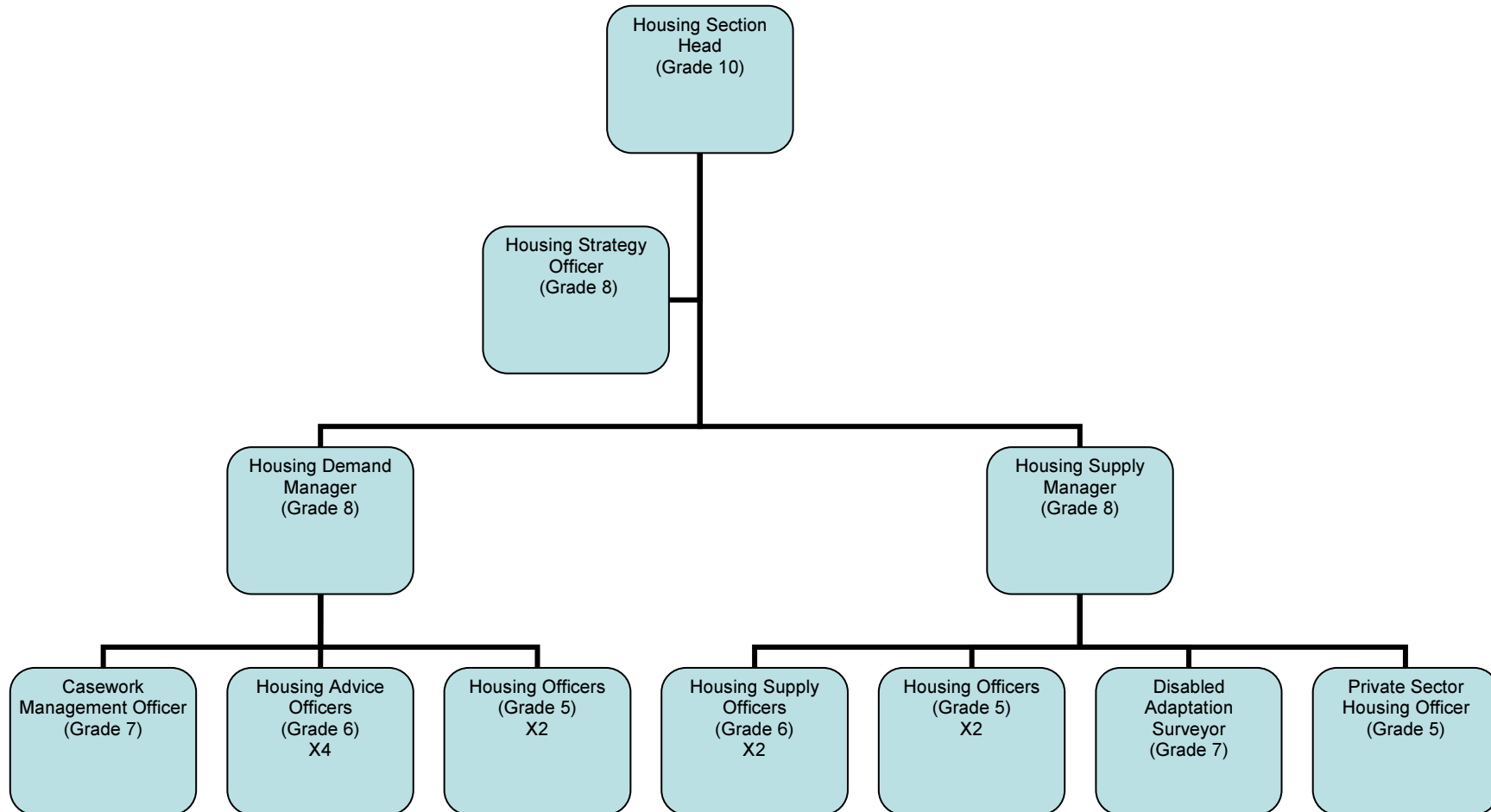
Appendix B Proposed Structure

(Working titles, provisional grades)



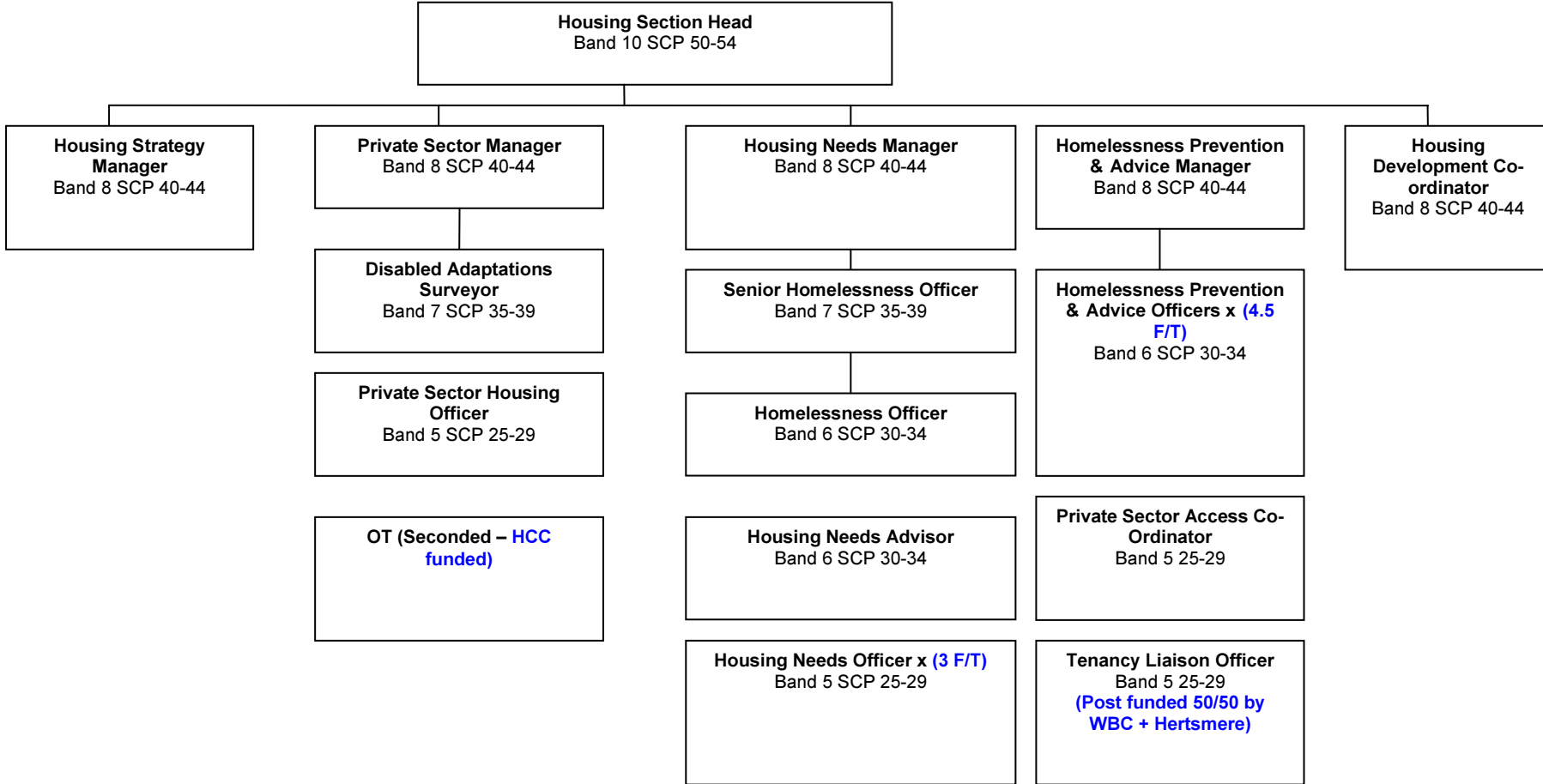
This page is intentionally left blank

Proposed new structure for WBC Housing Service

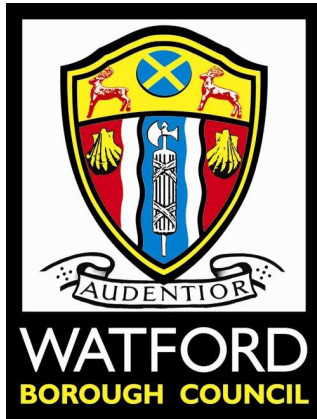


This page is intentionally left blank

Housing Current Structure



This page is intentionally left blank



ASSESSMENT OF IMPACT OF STAFFING RESTRUCTURE

Service

Community Services

Title of policy, function or service

**Housing Value for
Money Review Phase 2**

Lead officer

Rachel Dawson

People involved with completing the EIA

Housing Service

Type of policy, function or service:

Existing

New/Proposed

1. BACKGROUND AND CONTEXT

Background

This assessment considers the potential effects, both positive and negative, of the savings proposals resulting from Phase 2 of the Housing Value for Money Review on the people in the groups or with the characteristics protected in the Equalities Act 2010. These are:

1. Age
2. Disability
3. Gender Reassignment
4. Pregnancy and maternity
5. Race
6. Religion or belief
7. Sex (gender)
8. Sexual Orientation
9. Marriage and Civil Partnership

The assessment also considers how we can achieve the positive effects and reduce or mitigate the negatives.

It considers the impact on clients of the service rather than on affected staff which are the subject of a separate analysis being carried out by Human Resources at the request of Trade Union representatives.

What is the Housing Value for Money Review?

The Housing Value for Money Review aims to achieve savings targets of £50,000 in 2011/12 and a further £150,000 in 2012/13.

This is part of the process of Service Prioritisation undertaken by Watford BC in response to a reduction in formula grant of 16.8% in 2011-12 and 12.7% in 2012-13. Across the council, this means that £5 million of savings need to be found.

Savings of this level from Housing Service budgets can only be achieved through a reduction in staffing costs. This in turn will require a fundamental remodelling of the service in order to ensure that essential functions continue, increasing demands can be managed and the appropriate skills and resources are in place to meet current and future challenges on the service. Even without the requirement to make significant savings, the remodelling would have become necessary due to the rapid pace of change in both the operational and strategic context.

Proposals for the resulting restructure in order to achieve Phase 2 savings have

been identified through in house work with staff and partners and an external health check commissioned from consultants and the Specialist Advisor for Homelessness from the CLG which included service user and stakeholder consultation.

In June 2011, Cabinet approved a set of key principles to be taken into account in the restructure proposals:

- Reductions in staffing resource will be spread across both strategic and operational functions
- The service will seek where possible to reduce management resource in order to maintain an adequate level of front line cover
- The potential for outsourcing or sharing aspects of the service where implementation can be achieved quickly will be considered in order to facilitate management reductions
- Current roles will be reviewed and activities redistributed where necessary to balance workloads within reduced resources
- Impact on vulnerable customers will be considered as an integral part of the review.

Since that time, ongoing review work has identified further key issues which have also shaped the proposals. These recognise the need to:

- Manage demand for housing services more effectively and proactively e.g. get homelessness prevention in place earlier, be a more effective client to our accommodation providers, use our staffing and other resources to best effect
- Achieve a more flexible structure which can respond to changing tasks and peaks in workload and in particular new areas of work which are emerging e.g. private sector leasing
- Achieve a more resilient structure – to get away from cover issues where we have individuals with specialist skills and a number of small teams carrying out different roles necessitating managers for each of these
- Minimise duplication between teams which results in double handling of cases or fragmented activity e.g. homelessness, private sector
- Encourage a more “tenure blind” approach to the different housing options, reinforced by colleagues dealing with social housing and private sector housing within the same teams
- Achieve this within the allocated cost savings.

The key statutory functions in terms of homelessness, the housing register, the homelessness strategy, private sector renewal policy and disabled facilities grants

will continue to be met under the new structure.

It is considered that Phase 2 proposals can be implemented without a detrimental effect on vulnerable service users and the new structure is designed to maximise housing opportunities through a more effective deployment of staffing resources particularly in terms of increasing available supply.

At the same time as implementing the restructure, the service will need to consider new ways of working and changes regarding the housing nominations policy and development of a new Tenancy Strategy in order to respond to emerging pressures and national change brought in by for example the Localism Bill. Significant changes arising from this process will be subject to a specific Equalities Impact Assessment to examine the individual and cumulative impacts over the coming months.

What are the savings proposals?

The proposal is to restructure the service into two main teams of Demand and Supply with an overarching strategic function. This moves away from the current model of four separate teams. All the key functions will be retained so that in summary:

- There will be fewer managers and direct reports to the Housing Section Head
- The majority of roles will become more generic, dealing with both advice and statutory homelessness on the demand side and dealing with both affordable housing and private sector procurement on the supply side
- More roles will incorporate a visiting function to sites or applicants' homes
- Some existing functions currently located within single roles will be split across the demand and supply sides e.g. Rent Deposit Scheme, Housing Register applications and Choice Based Lettings shortlisting
- In the current structure there are 19.93 full time equivalents. In the proposed new structure there are 17 including 14 new roles which will not necessarily match the skills, experience and aspirations of existing staff members.

How will the policy support the general Equality Duty to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and those who do not
3. Foster good relations between people who share a protected characteristic and those who do not.

The savings proposals will still allow adequate capacity within the service to support

the general Equality Duty. The intention has been to preserve adequate frontline cover and strategic resource to maximise opportunities for clients of the service.

How will you put your policy/savings into practice?

Once approved, a separate implementation plan will be put in place and monitored for the Phase 2 activities.

What barriers are there?

The implementation plan will need to take account of the capacity of officers who are experiencing increased pressure on day to day service delivery at present. The proposed structure continues to rely on effective working relationships between internal and external partners and a significant amount of work will need to be undertaken to align our collective resources and working practices to best effect.

What existing information/data do you have?

The following information gives an indication of the profile of Housing Service customers and the issues that need to be considered when assessing the impact of our savings proposals. It is clear that women, BME communities and those with children or who are pregnant as well as those with a disability have particularly high representation in various aspects of our services. A profile of the wider Watford community is included as Appendix A of this document.

Housing services data relating to client profile

During the year from 1 April 2010 to 31 March 2011 there were **251 households** who were provided with assistance by housing advice and homelessness prevention staff that successfully prevented or relieved homelessness. Of these:

- 40 (16%) were men, 126 (50%) were women, and 85 (34%) were couples
- 1 (<1%) was aged 16 to 17, 47 (19%) were aged 18 to 24, 197 (78%) were aged 25 to 64, and 6 (2%) were 65 or older

Our mid year monitoring information from 1 April 2011 to end of September 2011 shows a comparable analysis except for an increase in the 18 to 24 age group. Out of the **135 households** assisted as above:

- 22 (16%) were men, 71 (53%) were women and 42 (31%) were couples.
- 0 were 16-17, 35 (26%) were aged 18 to 24, 96 (71%) were aged 25 to 64 and 4 (3%) were over 65.

In 2010/11 there were 186 households in mortgage difficulties and threatened with repossession that approached the council.

- Ethnicity data is available for 107 (57%) of these households whose profile is as follows: White 74 (40%), Asian or Asian British 27 (14%), and 6 (3%) Black or

Black British

There were 145 homelessness decisions made during 2010/11 of which 84 (58%) were for White British households and 61 (42%) were BME

117 of these were accepted as being owed the main homelessness statutory duty of which 66 (56%) were White British and 51 (44%) were BME. A further breakdown of these households shows that:

- 5 (3%) were aged 16 or 17, 46 (39%) were 18 to 24, 58 (50%) were 25 to 44, 6 (5%) were 45 to 59, 1 (<1%) was 60 to 64, and 1 (<1%) was 65 to 74. There were none 75 or over.
- The majority either had dependent children (76, 65%) or included a pregnant woman (28, 24%)
- 7 (6%) of households had a member with a mental illness or disability

At 31st October 2011 there were 102 households living in temporary accommodation.

- 80 of the households had children, of which 52 were lone parent families and 28 were couples.
- 22 households did not have children. 12 of these included a pregnant women.

At the 1 November 2011, there were a total of 4,626 households registered on the Housing Register. Of these:

- 53.2% were White British, 35.8% were BME and there were 11% where ethnicity was not stated or not known
- 13% were under 25, 79% were aged 25 to 59 and 8% were over 60
- 44% were male, 56% were female
- Data relating to religion and to sexual orientation is collected, but both questions have large numbers of households that do not provide an answer.
 - Religion: Christian 7% Muslim 2% Hindu 0.4% Buddhist 0.09% Jewish 0.17% other/none/do not wish to disclose 14%
 - Sexual orientation: Bi-sexual (0.24%), Homosexual 10 (0.2%), Heterosexual (13%), prefer not to say 10%
 - Disabled Facilities Grants – the council received 92 referrals in 2010/11, approved 46 grants and 39 adaptations were completed of which 26 (39%) were for clients over 60 and 5 (13%) were for children

Appendix D

2. Potential effects of proposed policies:

The table below summarises potential positive effects and the groups or characteristics to which they relate:

Potential positive effect	Relevant proposed policy(ies)	Affected group or characteristic	Ways to deliver the positive effect
Increased capacity and expertise to maximise housing supply including within the private rented sector	Restructure	All particularly women, pregnant women and BME applicants	Implementation of the restructure and associated working practices to maximise supply
Earlier homelessness prevention intervention	Restructure	As above	Introducing home visits and continuity of caseworkers from prevention to homelessness application.
Fewer separate points of contact for clients	Restructure	As above	Avoiding double handling of cases through streamlining teams.
More holistic approach to housing options through co-location of teams	Restructure	Disabled applicants	Locate disabled facilities grants officers into wider supply team.

Appendix D

The next table summarises potential negative effects and ways in which they can be removed or mitigated:

Potential Negative Effect	Relevant proposed policy(ies)	Affected group or characteristic	Ways to mitigate the negative effect
Reduced capacity to lead proactive partnership work which historically has benefited specific client groups by targeted approaches and leveraging in joint funding.	Restructure	All but particularly disability, race e.g. those with no recourse to public funds.	Ensure gaps in capacity are identified and key workstreams absorbed within roles wherever possible
Changes to working practices may disrupt service delivery until established	Restructure	All	Ensure a detailed implementation plan is developed and well communicated to all affected parties including internal and external parties. Consider whether additional resource may be required for the transitional period.

3. CONCLUSION AND NEXT STEPS

Have any changes been made to the proposed savings as a result of this assessment?

Equalities issues were already taken into account prior to the restructure proposals being put forward. We have identified the need for a formal monitoring process to be set up to ensure the impacts of these changes are kept under review after implementation and adjustments made as necessary while keeping within the boundaries of the savings identified.

Who have you consulted?

The Value for Money Review process has involved consultation with staff within the Housing Service and other colleagues across the council in addition to interviews with partner agencies, interviews and workshops with officers in other authorities who are also providing a housing function, a briefing for elected members and telephone surveys with service users.

Is further consultation planned?

The implementation phase will include further detailed consultation with staff, colleagues, partners and service users where appropriate.

If you are not in a position to go ahead what actions are you going to take?

In the event that the restructure proposals are not approved or not possible to achieve within the given timescales, alternative options will need to be put forward for approval and implementation.

How are you going to monitor the policy, function or service, how often and who will be responsible?

The performance of the service will continue to be monitored by Housing GMT and the Portfolio Holder for Housing through the quarterly review process every 3 months.

Approved by:

Date:

Appendix D

The Annual Monitoring Report 2009-10 contains information about the population of Watford, based primarily on the 2001 Census. The extracts below contain information about some of the groups or characteristics covered by the equality duty :

Age and Gender of Population

WATFORD	Total Resident Population	Males	Females
All Ages	79,726	39,227	40,499
0-4	5,117	2,570	2,547
5-9	5,305	2,651	2,654
10-14	5,053	2,585	2,468
15-19	4,380	2,191	2,189
20-24	5,004	2,373	2,631
25-29	7,206	3,556	3,650
30-34	7,528	3,822	3,706
35-39	7,093	3,706	3,387
40-44	5,783	3,032	2,751
45-49	4,807	2,424	2,383
50-54	4,781	2,370	2,411
55-59	3,871	1,985	1,886
60-64	3,249	1,618	1,631
65-69	2,866	1,373	1,493
70-74	2,587	1,168	1,419
75-79	2,177	864	1,313
80-84	1,480	534	946
85-89	936	297	639
90 and over	506	102	404

Source: Office for National Statistics 2001 Census

Watford's population is 49 per cent male and 51 per cent female, broadly in line with

the male/female ratio in the East of England and across England as a whole.

Watford has a relatively young population, with a significantly larger percentage than the national average of people who are aged 25 to 44 (34.6% in Watford compared with 29.3% of England as a whole). Children under 15, at 19.4%, make up a higher proportion of the population than people aged 60 or over, at 17.3%, which is contrary to the county and national trend. The average age for Watford is 36.7 years as opposed to 38.6 years in England and Wales.

Ethnicity

The non-white proportion of Watford’s population has increased from 10% in 1991 to 14% in 2001, which is higher than the national average of 9% and reflects Watford’s broad mix of cultures.

People identifying themselves as Asian or Asian British amount to 8.2% in Watford, as compared with 3% overall in Hertfordshire. People identifying as Black or Black British total 2.7% in Watford as compared with 1.2% in Hertfordshire as a whole.

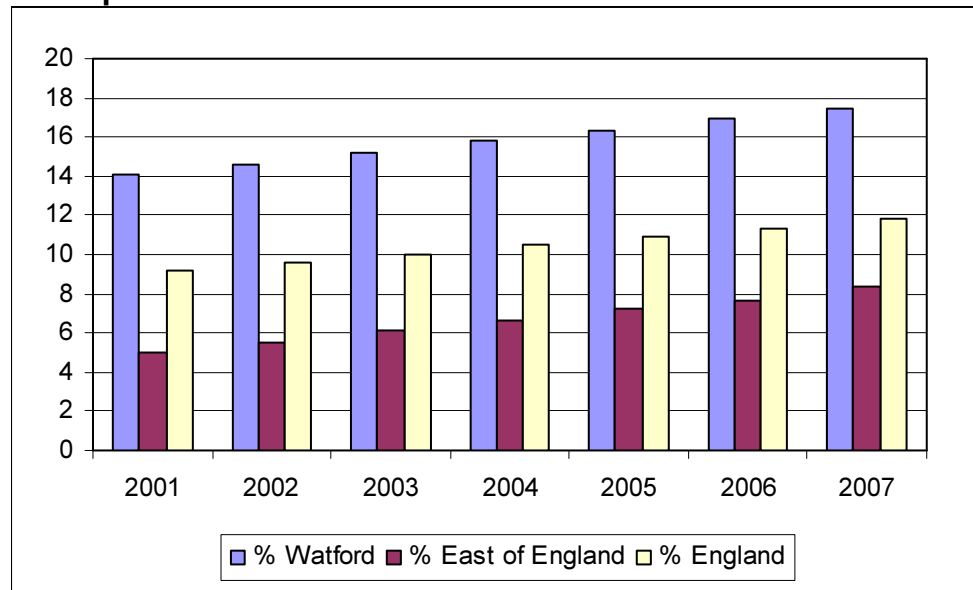
Ethnic Composition of Resident Population in percentages

	WATFORD %	HERTS %	ENGLAND %
White	86.0	93.7	90.9
White Irish	2.9	1.7	1.3
Mixed	2.1	1.4	1.3
Asian or Asian British	8.2	3.0	4.6
Indian	2.4	1.6	2.1
Pakistani	4.6	0.7	1.4
Bangladeshi	0.3	0.3	0.6
Other Asian	0.9	0.4	0.5
Black or Black British	2.7	1.2	2.1
Caribbean	1.5	0.6	1.1
African	1.0	0.5	1.0
Other Black	0.2	0.1	0.2
Chinese/Other Ethnic	1.1	0.8	0.9

Source: Figures sourced from Office for National Statistics 2001 Census

The Office of National Statistics has produced estimates on how ethnicity of the population has changed since the 2001 census and the chart below illustrates the non-white proportion. These are experimental statistics only.

Figure 2: Resident Population Estimates by Ethnic Group (Percentages) Non-white persons



Source: Office for National Statistics estimates updated 14 Sep 2009, compiled by Planning Policy, Watford Borough Council, extracted 27 May 2010.

Disability

The 2001 Census did not ask about disability but 11,321 people stated they had a “limiting long term illness”.

Religious beliefs

Of those who indicated their religion in the 2001 Census, 66.4% indicated a Christian background. The second largest religious group was Muslim, indicated by 6.1%.

Marriage and Civil Partnership

In Watford, the 2001 census shows:

- 47.7% of people aged 16 and over in households were living as a married couple
- 12.1% of people were co-habiting
- 25.4% were single (never having been married)
- 14.9% remaining were not living in a couple, being widowed, divorced, separated or married to somebody not resident in the household

In 2006, 797 marriages took place in Watford and 794 in 2007.

In 2001, 114 people in Watford aged 16 and over (0.18% of 62,145 people) stated that they were living together in a same-sex couple

The Civil Partnership Act came into force on 5 December 2005 in the UK – the first day couples could give notice of their intention to form a civil partnership. The Act enables same-sex couples, aged 16 or over to obtain legal recognition of their relationship.

Figures show that 116 civil partnerships were formed in Hertfordshire in 2007, 92 in 2008 and 74 in 2009 (the figure for 2009 is provisional).

Pregnancy and maternity

The average completed family size for women born in 1964 in England and Wales and completing their childbearing in 2009 was 1.9 children per woman. This compares with their mothers’ generation, represented by woman born in 1937, who had an average of 2.4 children.

The UK has relatively high fertility levels compared with many European countries. The conception rate in England and Wales for 2009 has risen to 80.9 conceptions per 1000 women aged 15-44, from 79.9 in 2008. Between 2008 and 2009 conception rates increased in all age groups apart from those aged under 25.

The under 18 conception rate decreased by 5.9 per cent, from 40.7 conceptions per 1000 women aged 15-17 in 2008 to 38.3 in 2009 (figures for 2009 are provisional).

There has been a long term rise in the proportion of conceptions occurring outside a legal partnership. In 2009 conceptions outside a legal partnership accounted for 57 per cent of all conceptions in England and Wales, whereas it was 42 per cent in 1989.

The under 18 conception rate in Watford for 2007-09 (provisional) was 27 per 1,000 females, higher than the county average of 24.7 per 1,000, but lower than the regional average (31.9 per 1,000) and the national average (40.2 per 1,000) (ONS statistics – rates for 2009 are provisional)

2008 stats at county level	Herts	E of E	England
Percentage of conceptions to all women outside marriage	49%	54%	56.2%
Percentage of conceptions to all women terminated by abortion	19.2%	18.9%	21.9%
Percentage of conceptions o/s marriage leading to maternities	63.7%	66.4%	63.2%
Percentage of conceptions o/s marriage terminated by abortion	32%	29.4%	33.1%

We do not currently have data on sexual orientation or gender reassignment. This is a data gap that will be looked at corporately.

This page is intentionally left blank

PART A

Report to: Budget Panel
Date of meeting: 29th November 2011.
Report of: Head of Strategic Finance
Title: Trade Waste Services: Environmental Services

1.0 **SUMMARY**

1.1 This report provides background information relating to the trade waste service and its financial viability.

2.0 **RECOMMENDATIONS**

2.1 Whether to support a 5% increase in charges for 2012/2013.

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

3.0 **DETAIL**

- 3.1 The Budget Scrutiny Committee periodically reviews the trade waste service and recommended in October 2009 that it should be required to break even without recourse to subsidy from council tax payers. The Papers attached to this report provide background data and forecast information relating to the service.
- 3.2 The Council is the Waste Collection Authority for the purposes of the Environmental Protection Act 1990 and as such must, if requested to do so by an occupier of commercial premises, arrange for the collection of their waste which can be done either directly by the Council or the Council can arrange for a third party to collect it. The Council can make a reasonable charge for such a collection.
- 3.3 **Appendix A** attached indicates that the trade waste service in 2010/2011 made a small surplus of £720 (on a turnover of £1.4m) and suggests budgeting of the highest calibre. Appendix A also forecasts a small deficit at the end of the financial year 2011/2012 of £10,638. It is quite probable that this will not actually materialise when the accounts are closed as there are often salary savings that were not predicted during the year. (the fact that the trade waste account is showing a £378k surplus at the end of October is due to the fact that bills are sent out in advance at beginning of April and October). On the basis of the projections at Appendix A the aim for the service to break even has largely been achieved for the past two years.
- 3.4 **Appendix B** provides an advanced forecast of the draft budget for 2012/2013. It is not the final estimate as work is still ongoing but it should be a reasonable reflection of the situation. Expenditure increases that need to be absorbed include an anticipated 2% pay award; a 10% assumed increase in fuel costs; and a further 10% increase in disposal costs payable to Herts County Council. These increases will very likely also apply to the private sector providers within Watford. As a consequence of these increased costs the waste service is anticipated to make a £31k deficit. In these circumstances what are the options facing the Council?
- 3.5 The Council could withdraw its trade waste service as it statutorily only need to ensure a trade waste provider operates within the Watford area. This has a number of disadvantages which include:
- without the presence of a direct council service the private sector suppliers would have no competitive restriction from increasing prices to suit their profitability. Should traders balk at a significant increase in costs then that is likely to increase the incidence of fly tipping which would increase costs falling to the Council.
 - withdrawal of the service would result in the need to relocate existing employees. This may not result in additional costs as the refuse service generally has a pool of agency staff and substitution should be possible.

- the Council has two relatively new freighters earmarked for the trade waste service. These would either need to be 'mothballed' for circa 5 years until the remainder of the fleet became time expired or else would need to be sold at a considerable loss (each freighter costs circa £140k when purchased brand new). Should the Council have leased these freighters then firstly they would be more expensive than outright purchase but there would also be significant penalty charges in an early termination.
- finally part of the costs of the trade waste service relate to central support costs such as income and debt recovery (£38k forecast cost in 2012/2013) and it is a moot point whether these costs would actually fall or be transferred to another service. An actual reduction in staffing probably would have redundancy cost implications.

3.6 The Council could decide to recognise the extreme pressures on the business community at the present time and could resolve to finance any forecast deficit. This would however ultimately need to be subsidised by council tax payers. It would also be counter to the Budget Panel previous recommendation (which was accepted by Cabinet) that the service should seek to break even.

3.7 The Council could seek to recover anticipated increased costs through a minimum increase in current charges. In that respect **Appendix C** indicates the current charges for the 3 main providers within Watford where the Council tariff falls in the middle of the three. It is questionable whether the lowest cost provider can continue to operate an extremely low charging schedule and that perhaps its strategy to achieve greater volume may not be sustainable. In any event the private sector providers will also experience pay awards, fuel and disposal cost increases. Based upon Appendix B a 5% per cent increase in trade refuse charges should achieve circa £30k of additional income and should result in an approximate break even being achieved for another year. It is **recommended** that this is the option that Budget Panel should support.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that any deficit from the service would need to be funded from alternative savings unless it was resolved to utilise reserves in the short term.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Legal Implications are contained within the body of the report.

4.3 Potential Risks

4.3.1	Potential Risk	Likelihood	Impact	Overall score
	Failure to recover unavoidable increases in costs will make it difficult to achieve a balanced budget for all council services. budgets	2	3	6

Background Papers

No papers were used in the preparation of this report.

File Reference

None.

Appendices

Appendix A – Trade waste financial analysis 2011/12

Appendix B – Trade waste projected financial performance & Income summary

Appendix C – Cost comparison with our competitors

Trade Waste - Financial Analysis 2011/12

Appendix A

Description	Current Budget 2011/12	Actual To Period (as at 30/10/11)	Forecast Outturn 2011/12	Notes
Expenditure				
Salaries & Associated Costs	£194,230	£110,237	£189,091	
Equipment & Materials	£15,710	£4,576	£7,844	
Plant & Vehicle Charge	£87,600	£0	£87,600	
Support Service Costs:-				
Human Resources	£7,110	£4,151	£7,110	
Debt Recovery Client	£37,680	£21,980	£37,680	
Street Clean	£7,380	£4,305	£7,380	
Wigenhall depot	£21,030	£12,271	£21,030	
Others	£6,440	£3,759	£6,440	
Sub Total	£377,180	£161,279	£364,175	
HCC Disposal Costs	£332,200	£75,552	£301,063	Lower than expected due to better recycling
Total Expenditure	£709,380	£236,831	£665,238	
Income				
Sales - Paper	0	-£1,912	-£3,800	
Sales - Glass	-4000	-£1,436	-£5,000	
Sales - Cardboard	-1000	-£1,302	-£2,800	
Sales - Trade Waste Sacks	-12,450	-£6,018	-£10,000	
Fees - Trade Refuse	-649,180	-£562,731	-£590,000	Based on all regular billings for 2011/12
Hire of Equipment	-43,470	-£42,035	-£43,000	
Total Income	-£710,100.00	-£615,433.27	-£654,600.00	
Net Expenditure	-£720	-£378,602	£10,638	

This page is intentionally left blank

Trade Waste - Financial Analysis 2012/13

Appendix B

Description	Proposed Budget 2012/13	Notes
Expenditure		
Salaries & Associated Costs	£204,528	
Equipment & Materials	£13,400	
Plant & Vehicle Charge	£87,600	
<u>Support Service Costs:-</u>		
Human Resources	£7,110	
Debt Recovery Client	£37,680	
Street Clean	£7,380	
Wigenhall depot	£21,030	
Recharge to Domestic Waste	-£26,000	
Others	£6,440	
Sub Total	£359,168	
HCC Disposal Costs	£331,000	
Total Expenditure	£690,168	
Income		
Sales - Paper	-£12,800	
Sales - Glass	-£1,000	
Sales - Cardboard	-£2,800	
Sales - Trade Waste Sacks	-£10,000	
Fees - Trade Refuse	-£590,000	
Hire of Equipment	-£43,000	
Total Income	-£659,600.00	
Net Expenditure	£30,568	

Base on 2012/13 Spinal Points

2011/12 Projection with a 10% increase

Drop in Market Glass prices

Based on Current Year Projections

Based on Current Year Projections

Based on Current Year Projections

This page is intentionally left blank

	Watford Borough Council	Veolia	Biffa
1100 litre bin			
Per lift	£11.90	£9.60	£13.14
660 litre bin			
Per lift	£9.63	£7.56	£11.10
360 Wheelie bin			
Per lift	£6.80	£6.00	£8.10
Weekly hire	£1.25	£0.42	0.84
Duty of care	£0.00	£6 a month	£6 a month

Charges as at November 2011.

This page is intentionally left blank

Report to: Budget Panel
Date of meeting: 29th November 2011
Report of: Head of Strategic Finance
Title: Finance Digest 2011/2012: Period 7 (end of October)

1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of October 2011.

2.0 RECOMMENDATIONS

2.1 To note that the financial situation is relatively stable with the current over spend of £158k being largely due to the additional costs of £150k associated with bed and breakfast provision. This overspend is after reflecting the circa £239k of efficiencies not achieved as part of the service prioritisation process.

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

3.0 INTRODUCTION

3.1 The Finance Digest monitors the Council's expenditure and income throughout the financial year and where a large variation is forecast then corrective action would be required. The current position is relatively stable although it is probable that actions such as delaying filling vacancies and a temporary moratoria on the purchase of supplies and services may be considered should the position deteriorate.

4.0 SUMMARY OF REVENUE FORECAST

4.1 The attached Digest indicates a forecast overspend of £158k 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 overspend which is extremely encouraging against a background of a deterioration in standards of living.

4.2 The Period 7 budget monitor now includes the underachievement of service prioritisation savings which were reported to the previous meeting of the Budget Panel.

5.0 FINANCIAL IMPLICATIONS

5.1 These have been included within the report.

6.0 LEGAL IMPLICATIONS

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

7.0 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

8.0 EQUALITIES

8.1 There are no equality implications arising out of the period 7 Finance Digest.

Appendix

Finance Digest Period 7 (end of October)



FINANCE DIGEST

General Fund

Financial Monitoring

Period 7

(October 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.

Contents

	Pages
Part 1 - Budgetary Control	
General Fund Revenue	
Summary General Fund (incl Table 1)	4 - 6
Detailed Variances by Service area - Table 2	7 - 15
Salaries Analysis - Table 3	16
Key Risk Analysis - Table 4	17 - 18
Part 2 - Performance Indicators	
Treasury Management Performance	19
NNDR & Council Tax Collection Rates	20
Creditor Payment Monitoring	21
Debtor Monitoring	22
Key Business Indicators	22 - 23

1 - General Fund Revenue

- 1.1 This report provides an update, in summary form, of the latest position as at 31st October 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 7 is predicted to be £15,186k and needs to be reconciled back to the net budget requirement agreed at the start of the year of £14,708k. The difference of (£478k) comprises the following :-

	£k
* Use of 2010/11 Carry Forward Reserve	(349)
* Use of Invest To Save Reserve (Resilience Officer & V4 Consultancy)	(43)
* Contribution to Vehicle Replacement Reserve	150
* Use of LABGI Reserve (funding for 'Watford for You', 'Imagine Watford' & Indoor Guest Market)	(55)
* Use of Economic Impact Reserve (funding 'Watford Learning Partnership')	(23)
* Anticipated use of Economic Impact Reserve up to period 7	(158)
Sum of reserve movements up to period 7	<u>(478)</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. As of the Period 4 Digest onwards, only the total of carry forwards will be reported.

Invest to Save Reserve (£43k)

The Mayor has approved the two year appointment of a Resilience Officer (£38k) 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. In addition to this, the Council is currently utilising the services of V4 Consultancy (£5k as at period 7) to prepare an Outline Business Case for Parks, Street Cleansing & Waste Services to be available in the early part of the new year.

Vehicle Replacement Reserve £150k

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

Local Authority Business Growth Incentive (LABGI) Reserve (£55k)

This reserve is being utilised to develop opportunities that exist through programmes connected with 'Imagine Watford' (£20k) and 'Watford for You' (£25k). It is also funding costs associated with the Indoor Guest Market at Charter Place (£10k).

Economic Impact Reserve (£23k)

Aggregated funds held on behalf of the local strategic partnership under the 'Watford Learning Partnership' (£23k) are to be utilised from this reserve.

Anticipated Use of Economic Impact Reserve (£158k)

This reserve largely reflects the overspend / underspend position of the Council. As at the end of period 7, it is showing £158k will need to be drawn down from it which largely comprises the £150k additional cost of bed and breakfast for homeless families.

Table 1 - General Fund summary

General Fund Variance Summary for 2011/12 Period 7

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺
Corporate Services	473	636	14	1	15	651	2.4	☹
Community Services	8,701	8,747	50	(53)	(3)	8,744	0.0	☺
Environmental Services	6,199	6,203	0	0	0	6,203	0.0	☺
Planning	2,305	2,333	(67)	69	2	2,335	0.1	☹
Corporate Management	1,360	1,360	0	0	0	1,360	0.0	☺
Legal and Property Services	(3,576)	(3,418)	(16)	31	15	(3,403)	0.4	☹
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)	25	15	40	(4,699)	0.8	☹
NET GENERAL FUND	14,581	15,041	82	63	145	15,186	1.0	☹
Transfer To/(From) Reserves	150	(333)	(83)	(62)	(145)	(478)		
Transfer To/(From) Working Balance	(13)	0	0	0	0	0		
<i>Rounding Adjustment</i>			1	(1)				
NET BUDGET REQUIREMENT	14,718	14,708	0	0	0	14,708		
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		
CLOSING WORKING BALANCE	1,337	1,350	0	0	0	1,350		

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% and £50k over budget which is a cause for concern.

Table 2 - Variance Analysis by Service and Cost Centre

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Services								
Partnerships & Performance	473	98	571	15	(1)	14	585	
Customer Services	0	10	10	0	0	0	10	
Corporate Projects	0	56	56	0	0	0	56	
<i>Rounding Adjustment</i>			(1)		1	1		
Total for Corporate Services	473	164	636	15	0	15	651	

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 6

116
25 Approved virement from LABGI Reserve Re 'Watford for You'
23 Approved virement from Economic Impact Reserve Re 'Watford Learning Partnership'

Corporate Services - Total

164

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Community Services								
Parks and Open Spaces	2,075	2	2,077	10	20	30	2,107	Replacement costs for stolen equipment totalling £16k and additional £4k spend anticipated on skip hire.
Sports and Arts	4,297	44	4,341	(131)	(22)	(153)	4,188	Further reduced commissioning costs for Youth Services of (£10k) as well as extra savings identified via vacant posts of (£20k), in part offset by an expected £8k spend anticipated on hoist equipment at the Colosseum.
Housing	2,329	0	2,329	172	(50)	122	2,451	Expected income increases at hostels (£40k) and WBC managed properties of (£10k) due to current pressure within the temporary housing market.
<i>Rounding Adjustment</i>							(2)	
Total for Community Services	8,701	46	8,747	51	(52)	(1)	8,744	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 6**

44

2 Approved virement from Invest to Save Reserve Re V4 Consultancy

Community Services - Total

46

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's			£000's	£000's		£000's	
Environmental Services								
Environmental Health & Licensing	1,604	2	1,606	0	0	0	1,606	
Street Cleansing	2,068	0	2,068	0	0	0	2,068	
Waste & Recycling	2,527	2	2,529	0	0	0	2,529	
Total for Environmental Services	6,199	4	6,203	0	0	0	6,203	

Page 97

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

0	
3	Approved virement from Invest to Save Reserve Re V4 Consultancy
1	Minor adjustments
4	

Environmental Services - Total

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Planning Services								
Development Section	1,070	0	1,070	(43)	6	(37)	1,033	Further £6k income reduction with regard staff monitoring in connection with S106 works.
Transport and Infrastructure	667	8	675	(24)	63	39	714	Occupancy levels at the Avenue Car park lower than expected reducing income by £20k. In addition to this, Yr 1 SP not achieved with regard disabled parking bays (Ref No 72) totalling £43k due to it being retained as a free service.
Policy Team	568	20	588	0	0	0	588	
Economic Development	0	(0)	0	0	0	0	0	
Total for Planning Services	2,305	28	2,333	(67)	69	2	2,335	

Notes to Agreed Budget Changes.

Agreed Budget Changes reported in Finance Digest Period 6

8

20 Approved virement from LABGI Reserve Re 'Imagine Watford'

Planning Services - Total

28

Reason for Agreed Budget Change

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Management								
Corporate Management	1,360	0	1,360	0	0	0	1,360	
Total for Corporate Management	1,360	0	1,360	0	0	0	1,360	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

0

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Legal and Property Services								
Legal and Democratic	1,810	12	1,822	(7)	0	(7)	1,815	
Property	(5,816)	0	(5,816)	(9)	0	(9)	(5,825)	
Buildings and Projects	430	146	576	0	31	31	607	Yr 1 SP not achieved with regard public conveniences (Ref No 64) totalling £61k due to Subway toilets remaining open. This has been part offset by an anticipated (£30k) reduction in general routine property maintenance affecting operational buildings.
Total for Legal and Property Services	(3,576)	158	(3,418)	(16)	31	15	(3,403)	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 6**

158

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Shared Services Implementation								
Shared Services Implementation	30	0	30	0	0	0	30	
Total for Shared Services Implementation	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 6**

0

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Shared Services 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)					
Total for Shared Services	3,881	9	3,889	75	0	75	3,965	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 6**

9

Table 2 - Variance Analysis by Service and Cost Centre (contd.)

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	£000's			£000's	£000's		£000's	
Strategic Finance								
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	25	15	40	3,151	Expected reduction of £15k in investment interest due to lower returns.
Capital & FRS17 Adjustments	(6,094)	0	(6,094)	0	0	0	(6,094)	
Total for Strategic Finance	(4,792)	53	(4,739)	25	15	40	(4,699)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6

53

Table 3 - Salary Breakdown

Salaries Variance Analysis (Excl. IAS19)

Service Area	Previous Year Final	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 6	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Comments regarding This Month's Forecast 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	(94)	(20)	(114)	3,250	(3.4)	☺	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	(126)	0	(126)	1,952	(6.1)	☺	
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	(70)	204	0	0	0	204	0.0	☺	
Total	16,175	15,007	91	15,098	(205)	(20)	(225)	14,873	(1.5)	☺	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 6	86
Total	5
	91

Approved virement from Invest to Save Reserve Re V4 Consultancy

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

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	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	15	15	(331)	4.3	☹	See Table 2 variance analysis by service and cost centre (Strategic Finance). Extreme volatility in the financial markets has resulted in a 'flight to safety' and maturity profile being shorter.	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	100.0	⚠	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)	58	6	64	(571)	10.1	⚠	See Table 2 variance analysis by service and cost centre (Planning Services). Economic downturn has affected the level of fee income.	Staffing levels savings more than compensate for loss of income to date.

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

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 6	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 (Client cost that includes relevant shared service operating costs detailed below)	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)	☺	Reviewed and monitored monthly by the appropriate Head of Service	The harmonisation of processes should result in efficiencies.
ICT	875	875	66	0	66	941	7.5	☹		
Revenues & Benefits	1,538	1,538	12	0	12	1,550	0.8	☹		

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 31st October 2011 shows an average annualised return on investments of 1.23% (compared to an estimate of 1.3%). Interest received as at 31st October 2011 (after allowing for previous year accruals) equates to £193k.

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

	2011/12
Best case	1.4 %
Central case	1.2 %
Worst case	1.0 %

Interest base rates (0.5%) are not now expected to rise until May 2013.

The revised forecast outturn for investment interest is £331k compared to an original estimate of £346k..

2.2 Council Tax and NNDR

For the 7 months ending 31st October 2011, for Council Tax and NNDR collection rates are as follows:

Council Tax Collection rates	2009/10	2010/11	2011/12	Target
	%	%	%	%
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	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

NNDR Collection rates	2009/10	2010/11	2011/12	Target
	%	%	%	%
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	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 general improvement in 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 October 2011, the Council paid 93.52% of undisputed invoices within 30 days (against an Audit Commission target of 100%)

The number of payments made by BACS for October is currently 85.37% (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	36	0	36	100.00	97.36
Community Services	100	3	97	97.00	96.75
Environmental Services	327	5	322	98.47	98.76
Planning	36	3	33	91.67	94.56
Corporate Management	8	0	8	100.00	97.29
Legal and Property	190	17	173	91.05	83.13
Shared Services	121	25	96	79.34	84.44
Total	818	53	765	93.52	92.65

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	92.65
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 October 2011 indicates 92.65% 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 October 2011

Invoices Raised from 1st April 2011 to 31st October 2011					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Corporate Services	23	49,208	49,112	96	0.20
Community Services	1,307	412,054	389,335	22,719	5.51
Environmental Services	2,844	1,109,134	832,672	276,462	24.93
Planning	183	487,682	355,180	132,502	27.17
Corporate Management	16	4,942	4,942	0	0.00
Legal and Property	4,256	8,390,478	7,535,774	854,704	10.19
Human Resources	3	894	326	567	63.47
Housing	84	157,902	16,724	141,179	89.41
Finance	114	1,160,533	1,146,542	13,991	1.21
ICT	1	1,163	1,163	0	0.00
Revenues & Benefits	451	17,190	5,900	11,290	65.68
Total	9,282	11,791,180	10,337,670	1,453,510	12.33

Of the outstanding debt of £1,453,510, the amount between 0 to 3 months old is £980,000 (67.4%)

2.5 Key Business Indicators

Monthly indicators at the end of October 2011 (Period 7):

Occupancy rates at Market	N/A (target 75%)
Occupancy rates-Commercial	N/A (target 99%)
Repair & Maintenance Programme (incl Yr 4 capitalised budget)	27.0% underspent
Procurement Efficiencies	On target (only £50k assumed for the year)

Capital Programme	12% under spent at period 7
Capital Programme Section 106	68% under spent at period 7
Internal Audit Plan – productive days	5.6% over achieved
Average time to process housing benefits	45.46 days (against a target of 30 days).
Average time for change of circumstances	49.37 days (against a target of 20 days)
Sickness Levels	5.04 days at end of October 2011 (4.41 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	83% (against a target of 90%)
% of valid bins missed	0.050% (target 0.1%) - exceptionally good performance
ICT service availability	95.28% during month (target 99.5%)

This page is intentionally left blank