



BUDGET PANEL

Tuesday, 27th October, 2015

7.00 pm

Town Hall, Watford

Publication date: 19 October 2015

CONTACT

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Ishbel Morren in Democracy and Governance on 01923 278375 or by email to legalanddemocratic@watford.gov.uk .

Welcome to this meeting. We hope you find these notes useful.

ACCESS

Access to the Town Hall after 5.15 pm is via the entrance to the Customer Service Centre from the visitors' car park.

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COMMITTEE MEMBERSHIP

Councillor A Khan (Chair)

Councillor A Joynes (Vice-Chair)

Councillors N Bell, S Counter, G Derbyshire, M Hofman, R Martins, M Whitman and T Williams

AGENDA

PART A - OPEN TO THE PUBLIC

1. **APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**
2. **DISCLOSURE OF INTERESTS (IF ANY)**
3. **MINUTES**

The minutes of the meeting held on 2 September 2015 to be submitted and signed.

Copies of the minutes of this meeting are usually available seven working days following the meeting.

(All minutes are available on the Council's [website](#).)

4. **UPDATE ON ACTIONS** (Pages 5 - 14)

The update on actions is attached for the Panel's comments and for sign-off where completed.

5. **FINANCE DIGEST: PERIOD 5** (Pages 15 - 36)

Report of the Director of Finance

This report informs the Budget Panel of the expected financial position at the end of the financial year, based on the actual performance at the end of August 2015 (Period 5).

6. **ENTREPRENEURSHIP** (Pages 37 - 38)

Report of the Acting Head of Finance.

Members are invited to discuss and suggest ideas in which the Council can investigate ways to generate further revenue income through Entrepreneurship.

7. **DATES OF NEXT MEETINGS**

- 1 December 2015
- 13 January 2016
- 23 February 2016

BUDGET PANEL
ACTION LIST

Date of Meeting: 2 September 2015
Contact Officer: Ishbel Morren ext. 8375

Item	Service/Officer/Member	Action	Response
Finance Digest Period 03	Committee & Scrutiny Support Officer	<u>Local Government Finance Training</u> Circulate copies of the training slides.	This was sent to members on 11 September 2015.
	Acting Head of Finance	<u>Lanchester Community Free School Parking Spaces</u> Clarify how the Lanchester Community Free School Trust purchase of 16 parking spaces would be accounted for over the 25 year lease.	The receipt for the 16 parking spaces is to be treated as a receipt in advance. Each year 1/25th of the income will be credited to the revenue account and the remainder will be held on the balance sheet.
	Acting Head of Finance	<u>Property Investment Board</u> Circulate the list of properties for disposal under consideration by the Property Investment Board.	<ul style="list-style-type: none"> • 146-146A High Street • Land Adjoining 21 Clarendon Road • 73 to 83b Tolpits Lane • Callowland Surgery 141A • 26-30 Water Lane • 158 High Street • 160 High Street • 122-124 Exchange Road

Item	Service/Officer/Member	Action	Response																																				
	Acting Head of Finance	<u>Long term debtors</u> Send Members information on the Council's policy to deal with persistent and long term debtors.	Sundry Debts recovery policy is shown in the attached Word document.																																				
	Acting Head of Finance	<u>Outstanding Invoices</u> Provide more detailed information in future finance digests on the outstanding invoices (currently these are listed by service area only).	Information still awaited.																																				
	Acting Head of Finance	<u>Council Tax Payment Methods</u> In future digests, include statistics on Council Tax payment methods e.g., by cheque, direct debit etc in future finance digests.	The following statistics were taken from transactions on 31 August 2015 <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">£</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td style="text-align: right;">49</td> <td style="text-align: right;">0.15%</td> </tr> <tr> <td>Cheques</td> <td style="text-align: right;">380</td> <td style="text-align: right;">1.22%</td> </tr> <tr> <td>Debit Card</td> <td style="text-align: right;">463</td> <td style="text-align: right;">1.48%</td> </tr> <tr> <td>Credit Card</td> <td style="text-align: right;">56</td> <td style="text-align: right;">0.18%</td> </tr> <tr> <td>Auto - Phone/Internet Debit Card</td> <td style="text-align: right;">3,513</td> <td style="text-align: right;">11.24%</td> </tr> <tr> <td>Auto - Phone/Internet Credit Card</td> <td style="text-align: right;">622</td> <td style="text-align: right;">1.99%</td> </tr> <tr> <td>Swipe Cards</td> <td style="text-align: right;">2,024</td> <td style="text-align: right;">6.48%</td> </tr> <tr> <td>Transcash</td> <td style="text-align: right;">12</td> <td style="text-align: right;">0.04%</td> </tr> <tr> <td>Bank Transfer</td> <td style="text-align: right;">2,501</td> <td style="text-align: right;">8.00%</td> </tr> <tr> <td>Direct Debits</td> <td style="text-align: right;">21,636</td> <td style="text-align: right;">69.22%</td> </tr> <tr> <td></td> <td style="text-align: right;">31,256</td> <td style="text-align: right;">100.00%</td> </tr> </tbody> </table>		£	%	Cash	49	0.15%	Cheques	380	1.22%	Debit Card	463	1.48%	Credit Card	56	0.18%	Auto - Phone/Internet Debit Card	3,513	11.24%	Auto - Phone/Internet Credit Card	622	1.99%	Swipe Cards	2,024	6.48%	Transcash	12	0.04%	Bank Transfer	2,501	8.00%	Direct Debits	21,636	69.22%		31,256	100.00%
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Item	Service/Officer/Member	Action	Response
	Acting Head of Finance	<p><u>Tolpits Lane Community Centre</u></p> <p>Provide further information on a community centre project on Tolpits Lane.</p>	<p>The position is that the trustees have until March 2018 to raise the funds for, and to build, the youth centre.</p> <p>The Mayor has agreed through Council that key community centre projects can have matched funding support where it unlocks external funding or is key to completion of the project.</p> <p>In this case, the Council would be prepared to make a matched funding contribution of up to £100k if the Watford Muslim Youth Centre Project can demonstrate that either:</p> <p>a) it leverages external funding of at least the same amount. This would have to be as a result of a formal grant offer to the Project that is dependent on matched funding; such moneys would have to be reserved for the capital works; or</p> <p>b) it is needed for gap funding to complete the centre once sufficient funds have been raised and the building contract has been entered into.</p>

Date of issue: 15 October 2015

Shared Services -Sundry Debts Recovery

Policy & Procedures

Colin South

Final Document
Sundry Debts Recovery
Policy & Procedures

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1. Introduction

- 1.1 The Council's approach to the management of outstanding debt is an important factor in financial control. This policy and procedure document is intended to clarify the Council's approach to the management of sundry debts.
- 1.2 Sundry debtors represent one of the major sources of Council Income (the others being Council Tax, National non-domestic rates, and Benefits Overpaid Recovery). Income from sundry debtors amounts to many millions of pounds. The expected income from this source is an essential element of the Council's budget strategy.

2. Risk Assessment

- 2.1 If debts are not managed by having an effective sundry debt recovery policy, the Council runs the risk of:
 - Not fulfilling our duty to the taxpayers.

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- reducing the level of recovery so that the Council's budget strategy is adversely affected
- appearing to be unprofessional
- causing income shortfalls to be made up from other sources (most notably through an increase in residents' Council Tax).

3. Standard Recovery Process

3.1 The standard recovery process is detailed below. The model detailed assumes that no payments are received (this is to provide a straightforward listing of recovery procedures).

Step	Day	Action	Comments
1	1	Issue Invoice	Detailed recovery charges on back.
2	21	Issue Reminder 1	Informing debtor that a £25 charge, for instigating recovery action against them, will be added to their account should a second reminder need be sent.
3	35	Issue Reminder 2	A charge of £25.00 is added to the account and the debtor is informed of this charge on the second reminder. The second reminder also informs pending court action or if a service then advises of a pending 'stop service'.
4	42+	Review of debt	Attempts should be made to make telephone contact at this stage, in order to make an arrangement. Request to Service Dept on how they wish to proceed.
8	42+	Choose appropriate enforcement action. (Appendix 3)	Appropriate enforcement action should be chosen with consideration to debtor's circumstances, history of the case, success rate of type of action, and value of the debt. If Court Claim required it should be completed online. (Or Form N1) should be completed and sent to County Court. At this stage the £60 charge is charged to their account.
9	50+	If recovery measures are exhausted, it may be	If it is appropriate within the context of the case to refer for write off, do so as

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		appropriate to complete write off form	per councils constitution.
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4. Trade Refuse Recovery Process

4.1 The recovery procedure for Trade Refuse collection follows a different model, as detailed below:

Step	Day	Action	Comments
1	1	Issue Invoice	Detailed recovery charges on back.
2	21	Issue Reminder1 (TR1)	Informing debtor that a £25 charge, for instigating recovery action against them, will be added to their account should a second reminder need be sent.
3	35	Issue Reminder 2 (TR2)	A charge of £25.00 is added to the account and the debtor is informed of this charge on the second reminder. The second reminder also advises that if full settlement is not received within 7 days from the date of the letter, the collections will be stopped.
4	49	Stop list provided to Trade Dept	Attempts should be made to make telephone contact at this stage, in order to make an arrangement. Collection are stopped.

5. Management of Recovery

5.1 It is essential that the whole recovery process is managed effectively.

- Recovery targets should be set and met
- these targets should be monitored
- the cost of recovery and alternative methods should be measured and monitored
- results of monitoring should inform future recovery policy and procedures
- realistic arrangements to pay debts should be made
- there should be sufficient provision for bad debts and write-offs

5.2 The Sundry Debtors Service should aim to recover (15/16) 98% of debts raised on the Efin Accounts Receivable module.

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- 5.3 This target will be monitored by the use of management information from BM2 system. This will show the value debt raised in the period, debt paid in the period, and debt outstanding at the end of the period.
- 5.4 The cost of the adopted recovery methods will all be recorded and monitored by the budget holder. The results of such monitoring will be evaluated and will inform future policy relating to recovery methods and policy.
- 5.5 The Efin AR system manages debtors as customers with debts rather than debts with customers. This means that no matter how many debts a customer has, they should only appear once in the Efin database. This helps to ensure that the customer's debts are dealt with as a whole, and not separately.
- 5.6 Suitable arrangements to repay debts will take the following into account:
- the customer's other debts to the Council
 - the customer's income and expenditure
 - the value of the debt
- 5.7 The Council's write-off policy for sundry debts is outlined at section 7, below.
- 5.8 In order to ensure that debts are managed in the most effective manner, it is important to control the lead-time of invoice production (as well as the rest of the recovery process). The Income target for Debit Note (or Invoice request) receipt to invoice production and issue is 5 working days..
6. Tracing Action
- 6.1 If invoices or reminders are returned "Not known at this address" this should be verified to ensure that this is not an administrative error. Attempts should be made to contact the debtor by phone at the address the correspondence was issued to (unless an alternative verifiable address is known at this stage).
- 6.2 If the above steps lead to the conclusion that the debtor is not at the address, and all other possibilities are exhausted, consideration will be given for the debt to be written off providing Service agrees.
7. Write-off Policy
- 7.1 The Council's Financial Regulations govern the main aspects of Write-offs. These Regulations can be accessed via Finance's page on the intranet. There are several instances where it is appropriate to write-off a debt. These are listed below:
- 7.2 The debt should be written off when it is irrecoverable owing to the insolvency of the debtor.

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- 7.3 The debt should be written off when it is irrecoverable owing to insufficient proof being available to substantiate the claim against the alleged debtor. In-House Law may indicate this following referral to them.
- 7.4 The debt should be written off when it is irrecoverable due to the effluxion of time. The Limitations Act (1980) states that debts cannot be pursued through the County following the passing of 6 years. The 6 year time limit (statute barred) runs from the date the invoice is issued, but starts again from the last point in time that the debtor acknowledges the debt in writing. For example, if an invoice was issued 10 years ago but the debtor has written to confirm an agreement to repay 5 years ago, the Council would have 1 year left to pursue the debtor for repayment through the Courts.
- 7.5 The debt should be written off when it is irrecoverable due to the debtor being deceased, where there are no assets in the estate. Debtors should seek to contact the executor of the estate in order to recover the debt owed. The debt is only suitable for write-off if the Council receives written confirmation from the executor stating that the debt cannot be paid due to insufficient assets.
- 7.6 The debt should be written off when the debtor cannot be traced. All reasonable and legal tracing methods should be used.
- 7.7 Debtors Officers should seek approval for Write-off:
- If the individual debt is below £500, the write off must be authorised by the HORB.
 - If the individual debt is between £500-£3000.00, the write off must be authorised by the Section 151 Officer. Each case must have relevant documentation to support the write off.
 - The process of writing off debts of below £3000 will be done at least every quarter. The relevant paperwork is given to the Head of Revenues and Benefits who will liaise with the S151 Officer.
 - Debts of £3000 or over need Cabinet approval. The Head of Revenues and Benefits will prepare a report for Cabinet. If Councillors approve, the debt can then be written off the system.
 - If the debt is to be written off due to insolvency/or debtor deceased with no assets then these can be approved by Section 151 Officer with no limit to the amount. No Legal Recourse.

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Appendix 1

Once Judgement has been obtained from the County Court against the debtor, it is possible to seek enforcement of the debt (again, via the Court). Enforcement action should be sought if the debt is not repaid, or if no agreement to repay the debt has been made, 30 days from the date of Judgement.

Types of Enforcement

Type	Description
Warrant of Execution	Council requests Court bailiffs to seize possessions of debtor for sale to recoup debt.
Charging Order	Council registers a Charge against the property with Land Registry via the Court.
Oral Examination	Not really enforcement action. Debtor is summonsed to Court to formally state his/her income and expenditure to enable a determination of how debt is to be recovered.
Statutory Demand in Bankruptcy/Winding Up	Notice served on an individual or company threatening bankruptcy or winding up procedures. Should only be used when willing to carry out threat if debtor fails to comply. Only for debts above £750.
Bankruptcy/Winding Up Petition	Actual petition for bankruptcy or winding up is relatively expensive. Debtor's bank account normally frozen. Unlikely to achieve debt repayment if no, or limited, assets.
Warrant of Possession	More common where Council is landlord (Commercial Rents). Council seeks Court order of possession of premises. Tenant/debtor is evicted.
Attachment of Earnings Order	Requires debtor's employer to make regular payments on earnings. May take a long time to pay off debt, and debtor may change jobs.
Garnishee Order	Order requiring the debtor's bank to pay money from his/her account. In most cases freezes debtor's account. Only of use if the debtor actually has money saved in an account. Also relatively expensive enforcement route.

Last Amended C South 23/09/15

Last updated September 2009



**FINANCE DIGEST
2015/16**

Financial Monitoring at

Period 05

August 2015

Prepared By : Finance Shared Service

Date : 14 October 2015

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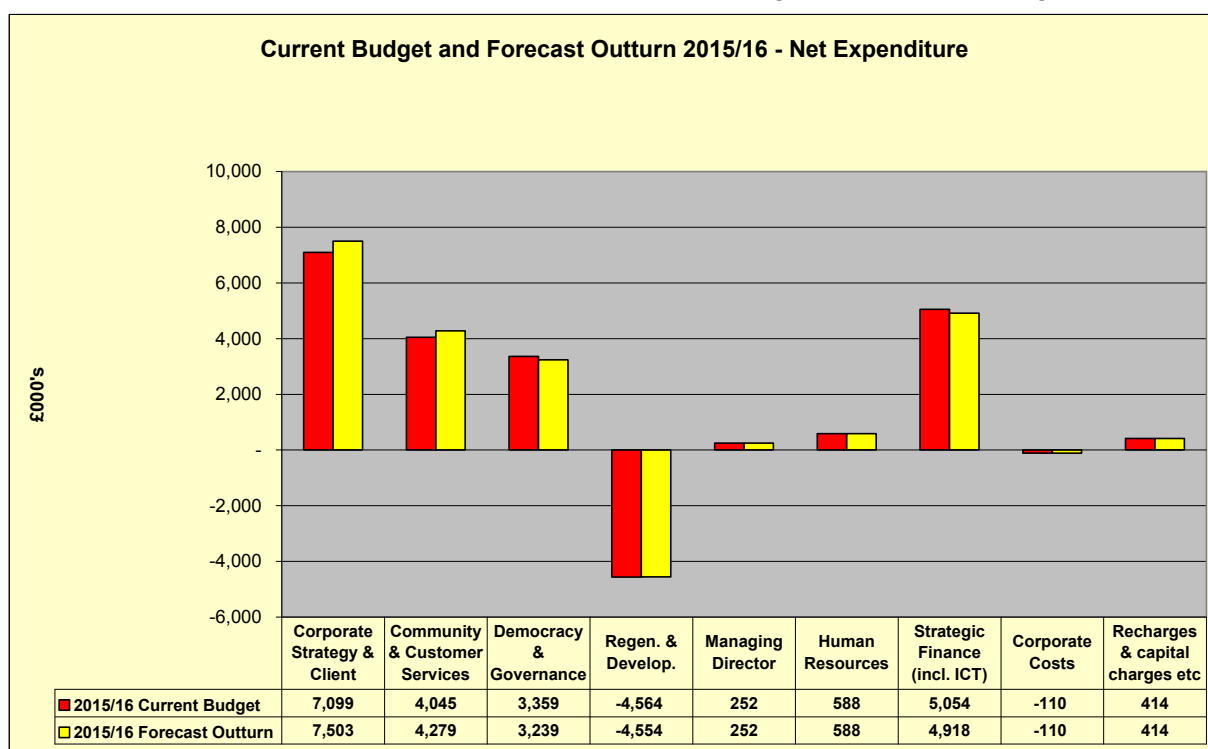
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1 Introduction

- 1.1 The monthly Finance Digest is the Council's key tool for monitoring the financial performance of the organisation. It is designed to be used by Members, officers and to provide an overview to our customers and residents.
- 1.2 It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.
- 1.3 This document shows the expected financial position at the end of the financial year, based on the actual performance at the end of August 2015 (Period 05).
- 1.4 This document brings together a range of information which ultimately impacts on the Council's financial performance. This includes budget monitoring and also financial performance indicators which will help the Council predict its position at the end of the financial year.

2 Revenue Budget – Net Expenditure

- 2.1 This section outlines the expected year end position for the Council's revenue budget. This takes into account both the expenditure incurred and the income received for the running of the day to day services e.g. waste collection, leisure and housing services.
- 2.2 The original 2015/16 budget of £15,176,500 was agreed at Full Council on 28th January 2015. Cabinet agreed carry forward budgets of £1,611,580 of which £961,580 were for revenue, thus increasing the current budget to £16,138,080.
- 2.3 The forecast outturn for the end of the year, as at the end of August 2015, is predicted to be £16,530,000. This leaves an overall unfavourable variance of £392,000. Last month there was an unfavourable variance of £564,000. Therefore a favourable variance of £172,000 is reported this month. The forecast outturn compared with the current budget is shown in the graph below and further details can be found in **Appendices 1 to 3**. These figures exclude indirect expenditure and income i.e. internal support recharges and capital charges.



2.4 Further details on the variance are shown in the table below:

	2015/16 Current Budget	2015/16 Forecast Outturn	Variance
	£000's	£000's	£000's
Corporate Strategy & Client Services	7,099	7,503	404
Community & Customer Services	4,045	4,279	234
Democracy & Governance	3,359	3,239	(120)
Regeneration & Development	(4,564)	(4,554)	11
Managing Director	252	252	0
Human Resources	588	588	0
Strategic Finance (including ICT)	5,054	4,918	(137)
Corporate Costs (interest earned less interest paid)	(110)	(110)	0
Recharges, capital charges and accounting adjustments	414	414	0
Total	16,138	16,530	392

2.5 The period 05 favourable variance is £172,000. Those key variances over £20,000 are shown below. Further details of variances can be found at **Appendix 2**.

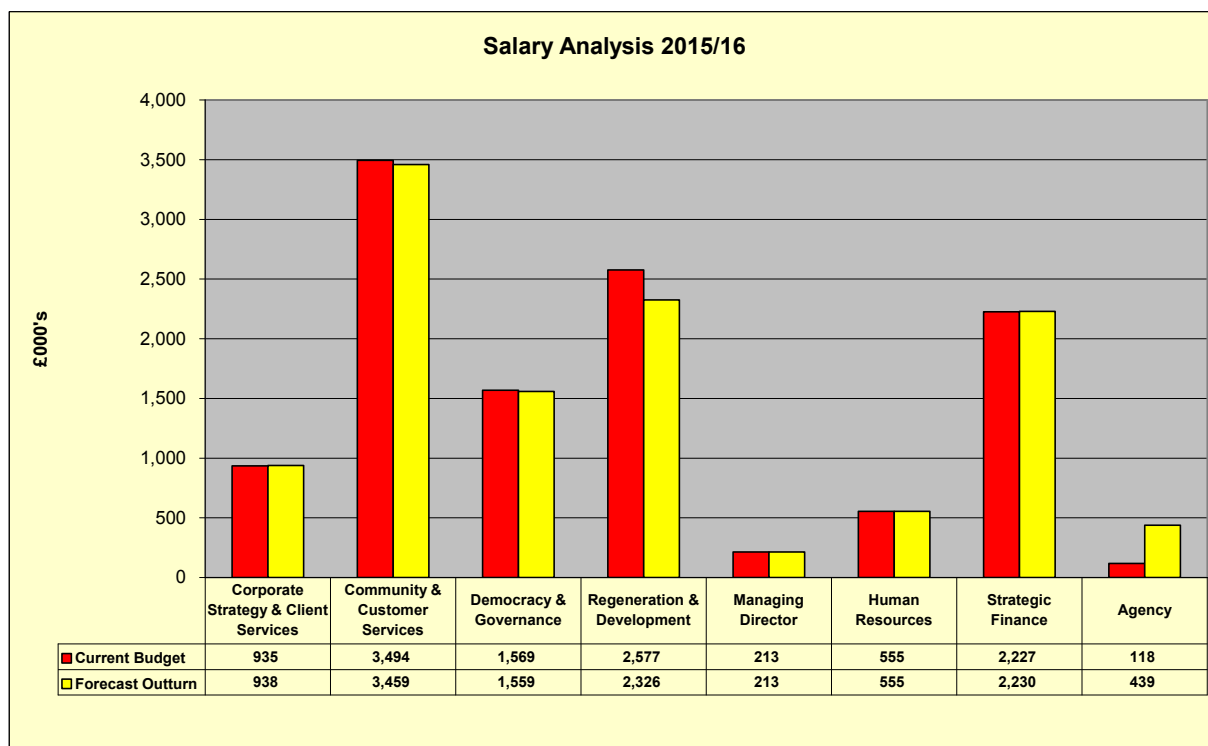
Favourable variances

- £218,000 Increase commercial property rent received
- £33,000 Funding received for Individual Election Registration
- £30,000 Underspend due to having combined elections

Unfavourable variances

- £50,000 Increase in the provision of temporary accommodation for the homeless
- £31,000 Agency cost for Interim Head of Communications

2.6 Overall staff costs remain close to budget as permanent vacancies are being covered in the short term through agency staff in order to deliver the required level of service. Further information can be found in **Appendix 4**, where salaries for employees and agency staff for cover have been reported separately for each service.



3 Funding and Reserves

Funding

- 3.1 Overall the Council's government funding position compared to the current budget has not changed. Full details of the current funding position can be seen in **Appendix 5**.

Reserves

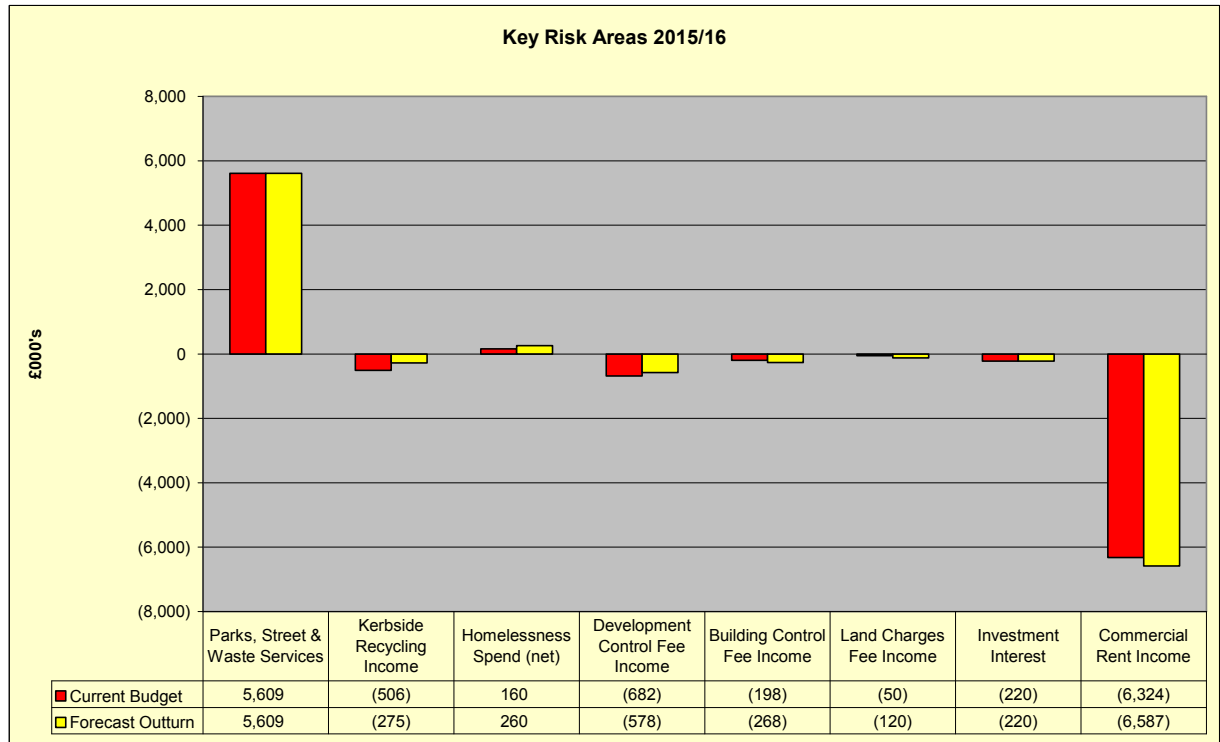
- 3.2 The Council's reserves position can be seen in the table below, and further details can be found in **Appendix 6**.

Description	Bal B/F as @ 1-Apr-2015	Agreed use of reserves	Previously Reported Movement	Movement Period 05	Total Movement	Forecast Bal. as @ 31-Mar-2016
General Fund Working Balance	-1,350,000	0	0	0	0	-1,350,000
Capital Financing Reserve	-604,000	4,870	0	0	4,870	-599,130
Earmarked Reserves	-7,481,000	1,612,000	0	0	1,612,000	-5,869,000
General Reserves	-13,049,000	411,840	564,000	-172,000	803,840	-12,245,160
Total Revenue Reserves (including GFWB)	-22,484,000	2,028,710	564,000	-172,000	2,420,710	-20,063,290

4 Key Financial Risk Areas

4.1 The Council's budget is exposed to some key risk areas; these are generally areas of expenditure where the Council is not in control of the demand for that service, or where there have been income assumptions built into the budget. These risks are regularly monitored and the difference between the latest position and the current budget is shown in the chart below. Further details can be found in **Appendix 7**.

4.2 This chart shows how the risk areas are currently performing.



5 Debtors

5.1 The table shows the total outstanding debt as at 31 August 2015 was £1,673,053 of which 71% is less than one month old and it is anticipated that this will be recovered. The table also identifies that 18% of the outstanding debt is over three months old.

5.2 The "over 12 months" category is significant because these amounts are not easily recovered. Further investigation into these balances is being undertaken.

Invoices Outstanding from 1st April 2015 to 31st August 2015										
Service Area	Invoices outstanding by age of debt								Instalment Plan	Grand Total
	No. of Invoices	0 - 1 month	2 - 3 months	4 - 6 months	7 - 9 months	10 - 12 months	over 12 months	£		
		£	£	£	£	£	£	£		
Corporate Strategy & Client Service	28	226,607	0	0	0	0	17,041	0	243,648	
Community & Customer Service	828	87,297	29,426	12,841	12,214	5,088	51,060	3,045	200,971	
Democracy and Governance	2	900	0	0	0	0	900	0	1,800	
Regeneration and Development	160	841,571	145,239	16,856	16,565	16,860	151,168	0	1,188,259	
Managing Director	0	0	0	0	0	0	0	0	0	
Human Resources	0	0	0	0	0	0	0	0	0	
Strategic Finance (including ICT)	46	38,375	0	0	0	0	0	0	38,375	
Grand Total	1,064	1,194,750	174,665	29,697	28,779	21,948	220,169	3,045	1,673,053	
Percentage of Amount Outstanding		71.41%	10.44%	1.78%	1.72%	1.31%	13.16%	0.18%	100.00%	

Commercial Property Rents

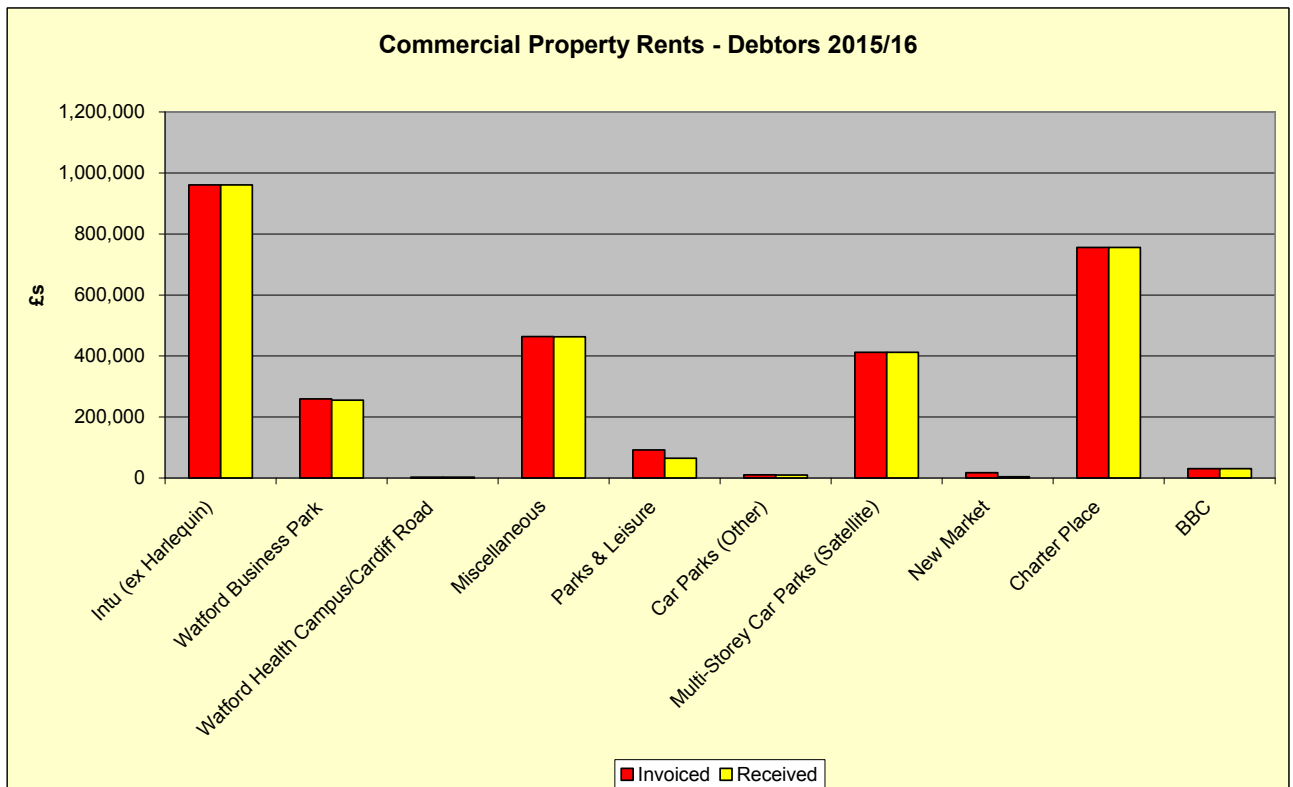
5.3 The commercial rent portfolio forms a large part of the Council's total income and it is important that the Council closely monitors this income stream. A detailed breakdown is included in the table below.

Commercial Property Rents

AREA/Zone/Site	Current Budget for 2015/16	Invoiced to 31/08/2015	Received to 31/08/2015	Forecast rent for 2015/16	Previously Reported Variances	Forecast Variances Period 05
	£	£	£	£	£	£
Intu (ex Harlequin)	(910,000)	(960,845)	(960,845)	(1,100,000)	56,080	(246,080)
Watford Business Park	(676,210)	(259,100)	(254,975)	(743,510)	(69,800)	2,500
Watford Health Campus/Cardiff Road	(56,400)	(2,727)	(2,727)	(56,400)	0	0
Miscellaneous	(1,131,460)	(463,480)	(463,186)	(1,037,915)	70,365	23,180
Parks & Leisure	(182,260)	(92,308)	(64,507)	(203,360)	(20,000)	(1,100)
Car Parks (Other)	(13,400)	(10,242)	(9,771)	(21,005)	(7,605)	0
Multi-Storey Car Parks (Satellite)	(868,000)	(412,388)	(412,388)	(910,000)	(42,000)	0
New Market	(45,000)	(17,500)	(4,125)	(27,500)	17,500	0
Charter Place	(2,380,000)	(755,771)	(755,771)	(2,426,250)	(50,000)	3,750
BBC	(61,000)	(30,500)	(30,500)	(61,000)	0	0
Total	(6,323,730)	(3,004,860)	(2,958,795)	(6,586,940)	(45,460)	(217,750)

For the period 1 April to 31 August 2015 the Council has invoiced £3,004,860 with £46,065 of that outstanding. There is a favourable forecast variance for period 05 of £217,750 due largely to the increased forecast for Intu (based on the actual received for the first quarter and a full year forecast received from Intu).

The chart below shows the value of the rent invoiced compared to the rent received for commercial properties. This shows that 98% of the rent that has been invoiced in 2015/16 has been received.



6 Creditors

- 6.1 In period 05, the Council paid 97.36% of undisputed invoices within 30 days and for the year to date is 97.76%.
- 6.2 A breakdown of payments by department at period 05 is shown in the table below.

Service Area	Monthly Undisputed Invoices Paid	Late Payments	Payments On Time	% Payments On Time Period 05	% Payments On Time YTD
Corporate Strategy & Client Services	51	1	50	98.04	98.95
Community & Customer Services	124	1	123	99.19	98.52
Democracy & Governance	128	3	125	97.66	97.41
Regeneration & Development	72	4	68	94.44	96.47
Managing Director	1	0	1	100.00	100.00
Shared Services (including ICT)	41	2	39	95.12	98.00
Total	417	11	406	97.36	97.76

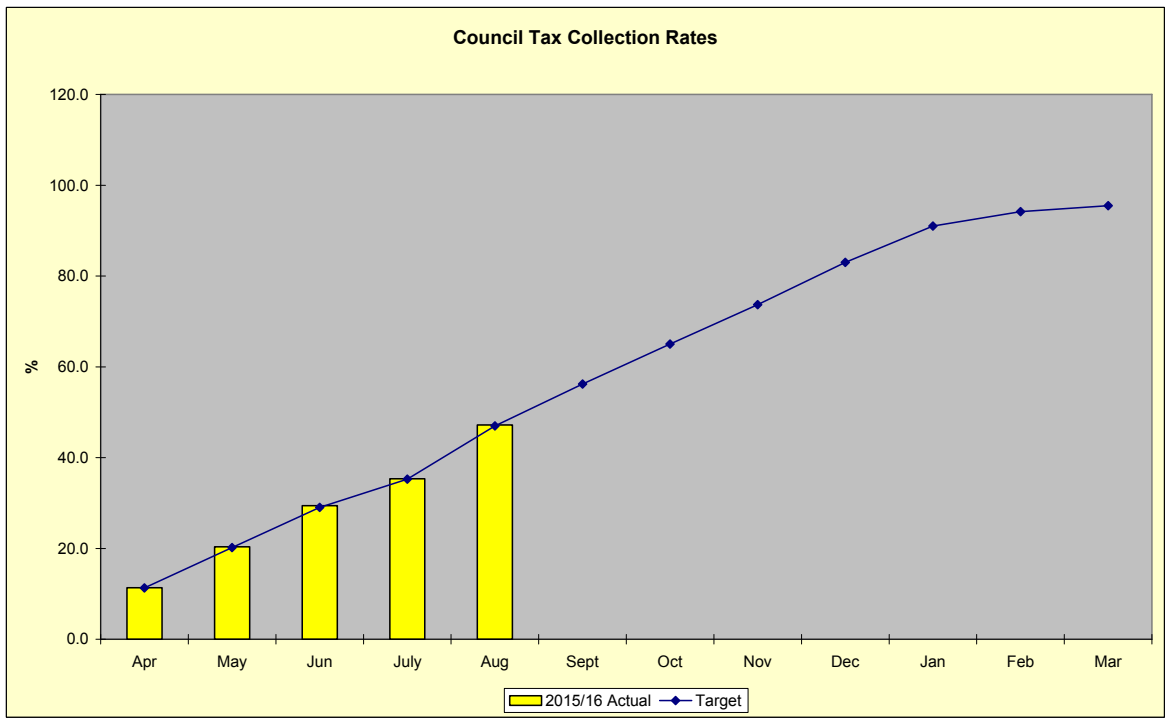
- 6.3 The number of payments made by BACS for the month was 99.53% and for the year to date is 99.55% (against a target of 98%).

7 Treasury Management

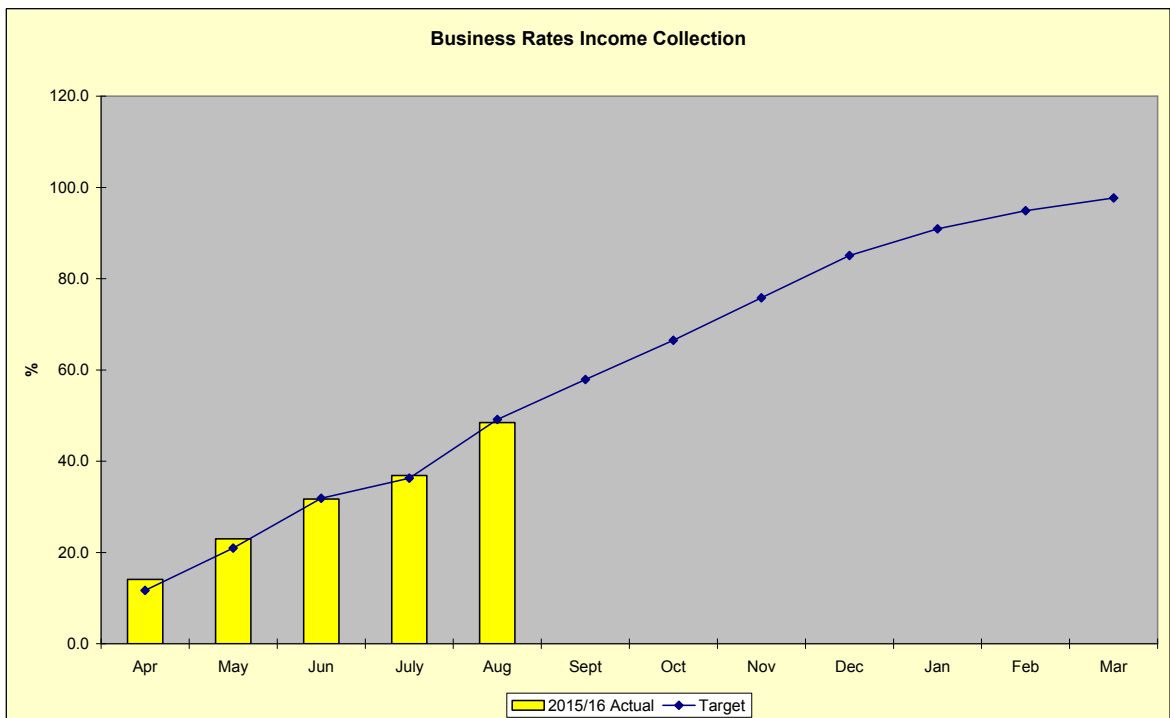
- 7.1 Treasury Management is kept under close review and currently the return on the Council's investments shows an average annualised return of 0.67% against a benchmark rate of 0.62%. Further information can be found in **Appendix 8**.

8 Council Tax and Business Rates Collection

- 8.1 The Council's performance in the collection of Council Tax can be seen in the following graph. The actual income collected as at 31st August 2015 is 47.2% which is just above the target of 47.0%. Payments received between 28th and 31st August did not appear on the system until 1st September. This shows that the collection rates for the year are slightly better than the profiled target. Further information can be found in **Appendix 9**.



8.2 The Council’s performance in relation to business rates is shown in the following graph. The actual income collected as at 31st August 2015 is 48.5% which is just below the target of 49.1%. Payments received between 28th and 31st August did not appear on the system until 1st September. The collection rates for the year are close to the profiled target. Further information can be found in **Appendix 9**.



Section 1 - Budget Monitoring

Summary Revenue Account

The tables below show, at sub service level, the variances between the current budget and the forecast outturn as at period 05 (August). The figures in this table for each sub service exclude recharges, capital charges and accounting adjustments: these are all shown on the line above the NET EXPENDITURE total.

Service Area	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Strategy & Client Services	6,949	7,099	2,866	7,503	404	354	50
Community & Customer Services	3,677	4,045	1,648	4,279	234	171	63
Democracy & Governance	3,215	3,359	1,329	3,239	(120)	(28)	(92)
Regeneration & Development	(4,797)	(4,564)	(2,063)	(4,554)	11	204	(193)
Managing Director	252	252	117	252	0	0	0
Human Resources	574	588	306	588	0	0	0
Strategic Finance (including ICT)	5,002	5,054	2,532	4,918	(137)	(137)	0
Net Cost of Services	14,872	15,833	6,735	16,225	392	564	(172)
Corporate Costs (interest earned less interest paid)	(110)	(110)	(12)	(110)	0	0	0
Recharges, capital charges and accounting adjustments under statute	414	414	0	414	0	0	0
NET EXPENDITURE	15,177	16,138	6,723	16,530	392	564	(172)
Funded By :-							
Council tax and Government Grants (see appendix 4)	(15,156)	(15,156)	(6,690)	(15,156)	0	0	0
Surplus / (Deficit) - Transfer to / (from) reserves	(21)	(982)	0	(1,374)	(392)	(564)	172
NET BUDGET REQUIREMENT	(15,177)	(16,138)		(16,530)	(392)	(564)	172

The variances included in this appendix include those previously reported. Where there has been more than one variance for a particular area of service, these have been aggregated. The main reasons for the £392,000 overall unfavourable variance are detailed below:

Favourable variances

- £263,000 Increase commercial property rent received from Intu.
- £192,000 Improved collection rates for overpayment of rent allowances.
- £65,000 Increase payment expected for recycling credits.
- £33,000 Funding received for Individual Election Registration.
- £30,000 Underspend due to having combined elections.

Unfavourable variances

- £180,000 Decline in recycling material market values (nil cost now £15 per tonne).
- £116,000 Kerbside Recycling budget removed.
- £100,000 Reduction in planning fee income.
- £100,000 Increase in net cost of Bed and Breakfast Accommodation for the homeless.
- £92,000 Increase cost of scanning documents for planning portal.
- £75,000 Increase in legal costs for Land Charges.
- £68,000 Expenditure on Economic Development.
- £31,000 Agency cost for Interim Head of Communications.
- £30,000 Additional cost for Housing Section Head for 6 months.
- £20,000 Expenditure on corporate initiatives.

Variances funded from reserves

- £190,000 Increase in expenditure for the Council's major projects -Temporary staff £70,000, Hostel Accommodation £50,000, Consultants £40,000 and Branding Review £30,000. These are funded from the Projects and Programme Management Reserve.

Changes in funding

- There are no changes in funding this month.

The total of the variances above is (£419,000). Other unfavourable variances total £27,000.

Detailed revenue variances by service area

The table below shows at summary service level the original 2015/16 budget, current 2015/16 budget and variances that have occurred in the year to provide a forecast outturn at 31st August. The reasons for these variances are shown below. The budgets are for direct expenditure and income only and exclude internal support charges and capital charges.

Corporate Strategy and Client	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Management & Support	117	117	41	113	(4)	0	(4)	£4,430 transferred to Communications (see below in Partnerships and Performance).
Contract Monitoring	303	303	568	306	3	3	0	Actuals include the Veolia invoices paid up to July but only April to June invoices have been recharged from here to the relevant cost centres.
Parks And Open Spaces	1,089	1,089	424	1,097	8	8	0	Actuals include the Veolia invoices for April to June only - see Contract Monitoring above.
Leisure	370	444	253	426	(18)	(18)	0	Actuals include two quarters management fees.
Grants	744	748	338	748	0	0	0	Actuals include two quarters funding payments.
Street Cleansing	1,838	1,855	494	1,855	0	0	0	Actuals include the Veolia invoices for April to June only - see Contract Monitoring above.
Waste And Recycling	1,967	1,967	539	2,198	231	231	0	Actuals include the Veolia invoices for April to June only - see Contract Monitoring above.
Partnerships & Performance	522	577	210	762	185	130	55	£30,620 Agency cost of Interim Head of Communications, £19,650 transferred from Economic Development for Corporate Initiatives and £4,430 transferred from Community Services Support (see above in Management and Support).
Total	6,949	7,099	2,866	7,503	404	354	50	

Community and Customer Services	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Customer Services	815	837	326	837	0	0	0	
Housing	588	687	389	892	204	154	50	Increase in the provision of temporary accommodation for homeless families due to increasing caseload.
Environmental Health & Licensing	1,159	1,286	379	1,304	18	5	13	£6,000 Court costs for Housing Standards and Envirocrime (Flytipping) prosecutions: income from costs may follow. £3,000 Specialist technical consultancy required for air quality management. £2, 000 Lower pest control income for wasps treatment at the end of the season. £2,000 Fewer adult gaming licenses issued £2,000.
Culture & Play	1,115	1,235	554	1,247	12	12	0	
Total	3,677	4,045	1,648	4,279	234	171	63	

Democracy and Governance	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Legal And Democratic	1,831	1,875	617	1,792	(83)	9	(92)	(£33,000) Individual Electoral Registration funding received, (£30,000) underspend on Borough election due to combined elections, (£16,800) European election settlement for 14/15 election, (£10,000) underspend on professional legal fees and (£2,000) underspend on printing and stationery.
Buildings And Projects	1,359	1,459	711	1,421	(38)	(38)	0	Actuals include business rates for the whole year for the Town Hall.
Procurement	25	25	1	27	2	2	0	
Total	3,215	3,359	1,329	3,239	(120)	(28)	(92)	

Regeneration And Development	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Projects	(5,815)	(5,582)	(3,024)	(5,781)	(200)	17	(218)	(£217,750) variance made up of increased commercial property rent from Intu (£246,080) and reduced commercial property rent from Miscellaneous properties £28,330.
Development Section	181	181	(100)	307	126	102	23	£23,250 Software maintenance for Exacom system for Community Infrastructure Levy.
Transport And Infrastructure	206	206	719	214	10	10	0	Actuals include expenditure for traffic management projects that will be funded by Hertfordshire County Council.
Policy Team	481	481	183	469	(12)	(14)	2	£2,000 Employment Tribunal costs.
Economic Development	150	150	159	237	87	88	(1)	£19,000 Subscription to Chamber of Commerce for Inward Investment, funded from the Local Authority Business Growth Incentive Reserve. (£19,650) transferred to Partnerships and Performance for Corporate Initiatives.
Total	(4,797)	(4,564)	(2,063)	(4,554)	11	204	(193)	

Managing Director	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
	252	252	117	252	0	0	0	
Total	252	252	117	252	0	0	0	

Human Resources	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
HR Client	153	153	53	153	0	0	0	
HR Shared Services	421	435	254	435	0	0	0	Actuals do not include Three Rivers contribution which is invoiced at the year end.
Total	574	588	306	588	0	0	0	

Strategic Finance	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Finance & Resources	2,262	2,262	2,138	2,299	37	37	0	Actuals include lump sum payment of £2.1M to reduce pension deficit.
Finance Services Client	867	889	163	889	0	0	0	Actuals do not show contract payment to Three Rivers which is not paid until year end.
Revenues And Benefits Client	966	966	(402)	789	(177)	(177)	0	Actuals do not show contract payment to Three Rivers which is not paid until year end.
Revenues And Benefits Shared Service	0	0	7	0	0	0	0	
ICT Service	907	937	627	940	3	3	0	Actuals include software licences that have been paid for the whole year and do not include the contribution from Three Rivers which is received at the year end.
Total	5,002	5,054	2,532	4,918	(137)	(137)	0	

Corporate Costs	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	Variance Current Budget to	Previously Reported Variances	Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Interest Earned	(220)	(220)	(13)	(220)	0	0	0	Actual (£13,000). See Appendix 7 - Treasury Management Performance: the interest including accruals is (£115,000).
Interest Paid	110	110	0	110	0	0	0	Actuals include S106 Earmarked Reserves and Finance Leases where interest is charged at the financial year end.
Accounting Adjustments	0	0	0	0	0	0	0	
Pension Adjustments In I&E	0	0	0	0	0	0	0	
Other Comprehensive Inc & Exp	0	0	0	0	0	0	0	
Cap Exp Not Adding Val-Leisure	0	0	0	0	0	0	0	
Cap Exp Not Adding Val-Property	0	0	0	0	0	0	0	
Total	(110)	(110)	(12)	(110)	0	0	0	

Salary Analysis - Direct Employee Costs

Employees represent one of the highest revenue expenditure items for the Council. The table below shows the total direct employee costs (includes salaries, superannuation, national insurance etc but excludes IAS19 adjustments) at service level and variances between the current budget and the forecast outturn at period 05 (August).

Service Area	2015/16 Original Budget £000's	2015/16 Current Budget £000's	2015/16 Actuals to Date £000's	2015/16 Forecast Outturn £000's	2015/16 Variance Current Budget to Forecast Outturn £000's	2015/16 Previously Reported Variances £000's	2015/16 Forecast Variance Period 05 £000's	Comments
Corporate Strategy & Client Services	933	935	363	934	(2)	3	(4)	Actuals reflect vacancies including Head of Communications and Engagement - see Agency table below.
Community & Customer Services	3,494	3,494	1,314	3,459	(35)	(35)	0	Savings due to vacancies in Environmental Health and Licencing previously reported. Cross reference to Agency Staff table below.
Democracy & Governance	1,569	1,569	662	1,559	(10)	(10)	0	Savings on vacancy in Elections offset by by expenditure on Agency staff. Cross reference to Agency Staff table below.
Regeneration & Development	2,577	2,577	884	2,326	(251)	(251)	0	Savings on vacant posts in Development Control (£100,000), Policy Team (£79,000), Building Control (£40,000) and Commercial Projects (£30,000) previously reported. Cross reference to Agency Staff table below.
Managing Director	213	213	88	213	0	0	0	
Human Resources	541	555	186	555	0	0	0	Actuals reflect savings on vacancies. The forecast will be amended as part of the revised budget process. Cross reference to Agency table below.
Strategic Finance	2,227	2,227	2,157	2,230	3	3	0	
Total	11,553	11,569	5,654	11,275	(294)	(290)	(4)	

Other Costs - Agency Staff

The table below shows the cost of agency staff at service level and variances between the current budget and the forecast outturn at period 05 (August).

Service Area	2015/16 Original Budget £000's	2015/16 Current Budget £000's	2015/16 Actuals to Date £000's	2015/16 Forecast Outturn £000's	2015/16 Variance Current Budget to Forecast Outturn £000's	2015/16 Previously Reported Variances £000's	2015/16 Forecast Variance Period 05 £000's	Comments
Corporate Strategy & Client Services	0	0	35	35	35	0	35	Actuals include agency staff to cover the Head of Communications and Engagement vacancy.
Community & Customer Services	21	21	118	103	82	82	0	Increase in agency staff to cover vacant posts previously reported. The forecast will be amended as part of the revised budget process to match the actual cost. Cross reference to Salary Analysis table above.
Democracy & Governance	0	0	15	0	0	0	0	Actuals cover full time employee working on the Atrium project (to be covered by a Capital budget) and a vacancy in elections offset by a saving in salaries (now a full time officer in post).
Regeneration & Development	35	35	108	243	208	208	0	Increase in agency staff to cover vacant posts in Development Control £100,000, Policy Team £70,000, Commercial Projects £30,000 and Building Control £8,000 previously reported. Cross reference to Salary Analysis table above.
Managing Director	0	0	0	0	0	0	0	
Human Resources	0	0	38	0	0	0	0	Actuals reflect cover for vacancies - see Salaries table above. The forecast will be amended as part of the revised budget process.
Strategic Finance - ICT	63	63	32	63	0	0	0	Actuals include costs to be reduced from December.
Total	118	118	345	443	325	290	35	

Funding Analysis

This table shows the individual funding streams that support the Council's revenue budget. The table below shows there are no variances between the current budget and the forecast outturn at period 05 (August).

Funding Stream	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Government Grants								
Revenue Support Grant	(2,166)	(2,166)	(722)	(2,166)	0	0	0	
Redistributed Business Rates	(2,577)	(2,577)	(1,074)	(2,577)	0	0	0	
Council Tax Receipts	(7,696)	(7,696)	(3,207)	(7,696)	0	0	0	
Other Government Funding								
Council Tax Freeze Grant	(83)	(83)	(39)	(83)	0	0	0	
Funding-New Homes Bonus	(2,822)	(2,822)	(1,648)	(2,822)	0	0	0	
Funding-Business Rate Reduction/(Growth)	189	189	0	189	0	0	0	Actuals will be posted at year end when the accounts are closed.
Total	(15,156)	(15,156)	(6,690)	(15,156)	0	0	0	

FORECAST REVENUE RESERVE BALANCES AT PERIOD 05 (August)**2015/16**

Description	Bal B/F as @ 1-Apr-2015	Agreed use of reserves	Previously Reported Movement	Movement Period 05	Total Movement	Forecast Bal as @ 31-Mar-2016
General Fund Working Balance	-1,350,000					-1,350,000
Capital Financing Reserves						
Leisure Structured Maintenance Reserve	-423,000	4,870			4,870	-418,130
Multi-Storey Car Pk Rep Reserve	-181,000				0	-181,000
Earmarked Reserves						
Budget Carry Forwards Reserve	-1,612,000	1,612,000			1,612,000	0
Car Parking Zones Reserve	-707,000				0	-707,000
Charter Place Tenants Reserve	-160,000				0	-160,000
Climate Change Reserve	-56,000				0	-56,000
Homeless Prevention Reserve	-112,000				0	-112,000
Le Marie Centre Repair Reserve	-13,000				0	-13,000
NNDR Collection Fund Reserve	-4,661,000				0	-4,661,000
Parks Waste & Street Strategy	-60,000				0	-60,000
Recycling Reserve	0				0	0
Rent Deposit Guarantee Scheme	-100,000				0	-100,000
General Reserves						
Area Based Grant Reserve	-86,000				0	-86,000
Development Sites - Decontamination	-646,000				0	-646,000
Economic Impact Reserve	-1,330,000		374,000	-191,000	183,000	-1,147,000
Exam In Public - LDF Reserve	-178,000				0	-178,000
Future Pension Funding Reserve	-2,248,000				0	-2,248,000
High Street Innovation Reserve	-90,000				0	-90,000
Housing & PDG Reserve	-266,000				0	-266,000
Housing Benefit Subsidy Reserve	-997,000				0	-997,000
Insurance Fund Reserve	0				0	0
Invest To Save Reserve	-839,000				0	-839,000
LA Business Growth Incentive Reserve	-570,000			19,000	19,000	-551,000
New Homes Bonus	-3,612,000				0	-3,612,000
Performance Reward Grant Resrv	-28,000				0	-28,000
PRG Capital Grants-One Watford Reserve	-191,000	50,000			50,000	-141,000
Projects and Programmed Management	-1,000,000	150,000	190,000		340,000	-660,000
Vehicle Replacement	-725,000	211,840			211,840	-513,160
Weekly Collection Support - DCLG	-193,000				0	-193,000
West Herts Crematorium	-50,000				0	-50,000
Revenue Reserves	-21,134,000	2,028,710	564,000	-172,000	2,420,710	-18,713,290
Total Reserves incl GFWB	-22,484,000					-20,063,290

Key Financial Risk Areas

The Council is exposed to risks in certain key areas. These risks include economic conditions, demographics and dependency on demand. The table below shows those risks that are closely monitored each month and the variances between the current budget and the forecast outturn at period 05 (August).

Service Area	2015/16 Original Budget	2015/16 Current Budget	2015/16 Actuals to Date	2015/16 Forecast Outturn	2015/16 Variance Current Budget to Forecast Outturn	2015/16 Previously Reported Variances	2015/16 Forecast Variance Period 05	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Parks, Street & Waste Services	5,609	5,609	1,806	5,609	0	0	0	Actuals include the Veolia invoices for April to June only.
Kerbside Recycling Income	(506)	(506)	(67)	(275)	231	231	0	Increase in cost of recycling material market values now £15 per tonne and loss of income previously received. Actuals include the Veolia invoices for April and June only.
Homelessness Spend (net)	160	160	237	260	100	50	50	Increase in the provision of temporary accommodation for homeless families due to increasing caseload.
Development Control Fee Income	(682)	(682)	(197)	(578)	104	104	0	Income fluctuates month on month, depending on the numbers and size of the fees received. The forecast outturn does not require changing, this month.
Building Control Fee Income	(198)	(198)	(115)	(268)	(70)	(70)	0	Income is on target.
Land Charges Fee Income	(50)	(50)	(52)	(120)	(70)	(70)	0	Income is on target
Investment Interest	(220)	(220)	(13)	(220)	0	0	0	See Appendix 3 - Treasury Management Performance: the interest including accruals is (£115,000).
Commercial rent income	(6,324)	(6,324)	(2,959)	(6,587)	(263)	(45)	(218)	(£217,750) variance made up of increased commercial property rent from Intu (£246,080) and reduced commercial property rent from Miscellaneous properties £28,330.

Treasury Management Performance

The Council held £39.9M of investments as at 31 August 2015 (see table below). This information is reported in the monthly Members Information Bulletin.

Institution	Principal
<u>Banks</u>	£
Clydesdale	3,000,000
Lloyds	12,950,000
Nat West	0
<i>Total Banks</i>	15,950,000
<u>Building Societies</u>	
Coventry	4,000,000
Leeds	2,000,000
Nationwide	4,000,000
Principality	6,500,000
Skipton	7,500,000
<i>Total Building Societies</i>	24,000,000
<i>Total</i>	39,950,000

The return on the Council's investments up to 31 August 2015 (excluding the investment of £4.9M for LABV) shows an average annualised return of 0.67% against a benchmark rate of 0.62%. Interest accrued at 31st August was £115,000. At this stage the forecast remains unchanged at £220,000 for 2015/16.

Council Tax and NNDR Collection Rates														
The Council monitors these performance indicators as part of Managing the Business.														
Reference	Description													
RB 1	Council Tax Collection													
Indicator Definition	Percentage of current year council tax collected in year													
Watford		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	Target	95.5	11.3	20.2	29.0	35.3	47.0	56.2	65.0	73.7	83.0	91.0	94.2	95.5
	2014/15 Actual	96.2	11.0	20.2	29.0	38.3	47.0	56.2	65.0	73.7	83.0	91.0	94.2	96.2
	2015/16 Actual		11.4	20.3	29.4	35.4	47.2							
	Target Achieved?		😊	😊	😊	😊	😊							
Direction of Travel		↑	↑	↑	↑	↑								
Reference	Description													
RB 2	NNDR Collection													
Indicator Definition	Percentage of current year national non-domestic rates collected in year													
Watford		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	Target	97.7	11.7	21.0	31.9	36.3	49.1	57.9	66.5	75.8	85.1	90.9	94.9	97.7
	2014/15 Actual	97.7	10.6	21.1	32.0	41.5	49.3	57.9	66.5	75.8	85.1	90.9	94.9	97.7
	2015/16 Actual		14.1	23.0	31.7	36.9	48.5							
	Target Achieved?		😊	😊	😞	😊	😞							
Direction of Travel		↑	↑	↓	↑	↓								

Budget Panel Report

27 October 2015

Report of: Director of Finance
Title: Entrepreneurship
Nature of Report For Discussion

1.0 Introduction

1.1 Local Government continues to face a perfect storm, with a combination of reduced central government funding and rising demand, in particular from ageing local populations. As a result, councils in many areas will not have enough money to meet all of their statutory responsibilities. Therefore they are preparing strategies to help mitigate these pressures through cost savings or income generation to achieve a sustainable financial position. The most common strategies that councils have adopted to tackle this challenge are:

- Changes to council tax support.
- Reviewing how assets can be used more effectively.
- Increasing council tax.
- Sharing services with other councils.
- Maximising fees and charges.
- Outsourcing.
- Investing in Property.

1.2 Not all approaches will be suitable to every authority and authorities are not limited to using one approach.

2.0 Actions taken by Watford Borough Council

2.1 Over the course of the 2010 spending review, local government funding has reduced by 40% and further reductions are to continue over the life of the current parliament. The Council has taken the following actions to mitigate the funding gap:

- The 3 year Service Prioritisation programme has achieved efficiency savings of £3M per annum.
- Outsourcing of Waste and Parks achieving savings of £593K per annum.
- Shared Director of Finance saving approx £50K per annum.
- Shared Procurement Officer.
- Property review. From 1st April 2015 set up a Property Investment Board specifically to look at its property portfolio with the aim of maximising its returns.
- Fees and Charges are reviewed on an annual basis that takes into consideration both demand and affordability.

In addition, since April 2010, the Council has shared 4 workstreams with Three Rivers District Council which has delivered savings across both authorities of approximately £1M per annum.

2.2 As the Council has explored most of strategies shown in paragraph 1.1 above, one area that can be further explored to achieve a sustainable financial position is

Entrepreneurship. The entrepreneurial spirit requires both innovation and risk-taking to achieve additional income and can be an essential part of a Council's ability to survive.

2.3 Possible ideas for consideration include:

- Council lottery.
- Sponsorship/ advertising on Council owned assets.
- Charging for replacement waste bins.
- Commercialisation of the printing service.
- Further Shared services.

2.4 The list is not exhaustive, but is a catalyst to stimulate discussion between Budget Panel members.

3.0 **Decision Required**

3.1 To discuss and suggest ideas in which the Council can investigate ways to generate further revenue income through Entrepreneurship.

Contact Officer:

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