



BUDGET PANEL

Tuesday, 11th September, 2012

6.30 pm

Town Hall, Watford

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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 .

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

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COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor S Rackett (Vice-Chair)

Councillors J Aron, G Derbyshire, S Greenslade, P Jeffree, A Khan, R Martins and P Taylor

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 12 June 2012 to be submitted and signed.

4. REVIEW OF THE CORPORATE RECHARGE SYSTEM (To Follow)

Presentation explaining how the Council's Corporate Recharge System works

5. LOCALISATION OF COUNCIL TAX SUPPORT (Pages 1 - 16)

Report of the Head of Strategic Finance

This report provides an update on progress in devising a local scheme to provide support to Council Tax payers and outlines the consultation process that will occur.

6. INCOME POLICY REVIEW (Pages 17 - 52)

Report of the Head of Strategic Finance

This report informs the Budget Panel on income charging policy considerations.

7. SUMMARY OF THE FINANCIAL OUTTURN 2011/2012 (Pages 53 - 80)

Report of the Head of Strategic Finance

This report informs the Budget Panel of the revenue and capital outturns for 2011/2012 and will subsequently be reported to Cabinet on 17th September.

8. FINANCE DIGEST 2012/2013: PERIOD 4 (END OF JULY) (Pages 81 - 104)

Report of the Head of Strategic Finance

This report informs the Budget Panel of the reported budgetary variances as at end of July 2012.

9. DATES OF NEXT MEETINGS

- Tuesday 23 October 2012
- Tuesday 27 November 2012
- Wednesday 16 January 2013

Agenda Item 5

Report to: Budget Panel
Date of meeting: 11 September 2012
Report of: Head of Strategic Finance
Title: Localisation of Support for Council Tax

1.0 SUMMARY

1.1 This report provides an update on progress in devising a local scheme to provide support to Council Tax payers and outlines the consultation process that will occur.

2.0 RECOMMENDATIONS

2.1 The Budget Panel notes the current situation..

Contact Officer:

For further information on this report please contact:

Phil Adlard, Head of Revenues & Benefits, telephone extension 8023, email phil.adlard@watford.gov.uk

Or Kathryn Robson, Partnerships and Performance, telephone extension 8077, email kathryn.robson@watford.gov.uk

3.0 INTRODUCTION

- 3.1 Budget Panel will recall that it considered, at its meeting in June, proposed changes to Central Government funding arrangements to take effect from 1st April 2013. The essence of the changes is that Watford (and all other councils) will effectively suffer a reduction of at least 10% in its receipt of council tax benefit subsidy. It is estimated that this reduction will equate to £800k per annum for Watford and its preceptors (but may be higher when final figures are advised by the Department of Communities and Local Government).
- 3.2 The DCLG expect local authorities to fund this budget shortfall from either further 'efficiencies', by reducing entitlement to council tax benefit, or any other means deemed appropriate such as reviewing current levels of discount on empty properties and second homes.
- 3.3 Budget Panel gave this issue very serious consideration and were concerned about the impact on vulnerable sectors of the community (pensioners are exempt from any reductions) and felt that a review of discounts should be the first recourse. Budget Panel did not favour an across the board reduction in benefit entitlement.
- 3.4 Since the meeting of the Budget Panel, all authorities within Hertfordshire have considered the issues and could not reach agreement regarding the shape of any future benefit scheme. There will not be a common scheme across the County although some districts are attempting to produce similar schemes within local areas. In that respect Watford and Three Rivers have been attempting to develop a common scheme and that work will be influenced by the Consultation process.
- 3.5 The Elected Mayor and Portfolio Holders have considered this issue (there being no Cabinet Meeting within the tight timescales) and generally endorsed the views of the Budget Panel. A menu of options has to be presented to consultees and relevant documentation is attached at **Appendix I** (an outline of the proposed scheme) and **Appendix II** (survey). It should be noted that this does include the option of an across the board reduction in benefit. This option is not favoured by the Mayor/ Portfolio holders but it was felt that it had to be included as a bona fide option. There are clear dangers that vested interests might support this option in order to protect their own targeted financial position. It is essential that as wide a response as possible is encouraged.

4.0 CONSULTATION PROCESS

- 4.1 As part of the development of a local council tax support scheme, billing authorities (such as Watford BC) have to consult with 'major precepting authorities and such other persons as it considers likely to have an interest in the scheme about the scheme'.
- 4.2 A briefing paper was brought to Budget Panel in June 2012 outlining how Watford BC might approach this duty to consult. Following the decision by Hertfordshire authorities not to develop a countywide scheme, a proposed scheme was approved for consultation in late July – see 3.5 above. The proposals previously outlined in the paper to Budget Panel, as to how Watford BC would manage its own consultation, have been progressed.

4.3 The elements of Watford BC's consultation process comprise:

- A survey – as attached – **Appendix II** (available online and offline)
https://www.surveymonkey.com/s/council_tax_support_scheme_2012
- Consultation page for Watford BC website (to include an overview of the proposed scheme and a calculation tool so people can find out the impact of the proposals on their household)
- Setting up 'drop in' sessions for those not online / who want to go through the survey in person (September)
- Letter to be sent to those affected by reduction in discount (i.e. those of working age) inviting them to take part in the consultation. The letter will include details of the online survey (including where to access computers in the borough for free), the drop in sessions, it will also offer the opportunity to go through the survey over the phone if that is easier for people
- News release for local media + Watford BC website alerting people to the consultation and the various ways to get involved
- Contacting 'interested parties' to advise them of the consultation including:
 - Hertfordshire County Council
 - Hertfordshire Police
 - Watford Community Housing Trust + other registered providers
 - Hertfordshire Welfare Unit (at Hertfordshire CC)
 - Watford Citizens Advice Bureau
- Members update:
 - Report to Budget Panel – 11 September 2012
 - Article in Members' Bulletin – September 2012

4.4 The consultation is open until 8 October 2012. Results from the consultation will help support the recommendations within the report to Cabinet in November and the development of the Equality Impact Analysis – see 9.0 below.

5.0 FINANCIAL IMPLICATIONS

5.1 Central Government proposals mean that Watford Borough Council and its preceptors (HCC & HPA) will experience a shortfall in funding of at least £800k per annum. Recent exemplifications seem to suggest this may be understating the position and that the shortfall may be closer to £900k (final figures will not be known until the Autumn).

5.2 Leaders across Hertfordshire have indicated that they would attempt to compensate for this shortfall by reviewing council tax discounts and the current national council tax benefit scheme. There is no wish to increase the level of council tax to meet any funding deficit. Any decision will be painful to those clients who are affected but regrettably there are limited alternatives. A further report upon the ultimate financial implication for Watford will be produced for a future meeting of the Panel.

6.0 LEGAL IMPLICATIONS

6.1 The Head of Legal and Property Services comments that if no scheme is decided by 31 January 2013, a “default scheme” will be imposed. This default scheme largely replicates the current local council tax benefit scheme.

7.0 CONSULTATION PROCESS

7.1 See 4.0.

8.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That consultation is not progressed and feedback not achieved from local people and organisations	2	3	6
That the Software required for a local scheme is not in place in time for the scheme to be fully operational in 2013	4	3	12
That a robust Equality Impact Analysis is not developed to support decision making	1	4	4

9.0 EQUALITIES

9.1 Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices and decisions impact on people with different protected characteristics. It is also important to demonstrate that the Council is not discriminating unlawfully when carrying out any of its functions.

A draft Equality Impact Analysis (EIA) is prepared and will be reviewed as the consultation findings are received. The EIA will be available to support the report to Cabinet in November when a decision on the final scheme will be sought.

The survey contains equality questions on all protected characteristics as defined by the Equality Act 2010 to support

Appendices:

- Appendix I – Watford Borough Council local council tax support scheme explanatory note
- Appendix II – local council tax support scheme survey

Watford Borough Council
Local Council Tax Support Scheme
Explanatory Note

Introduction

From April 2013, the Government has abolished Council Tax Benefit. To help people who may have difficulty in paying their Council Tax, the Government has said that each Local Authority should have its own Local Council Tax Support Scheme.

The local schemes will have to take into account the following:

1. The amount the Government will give to each Council to fund the local scheme will be 10% less than it gave under the current Council Tax Benefit scheme. This means that Watford will receive around £780,000 less from the Government so it will need to look at ways to make this saving.
2. Pensioners will be protected from any changes that a new scheme will introduce and will have their awards calculated the same way as they are now.

Other Considerations

Watford Borough Council has to take into account the impact that the new scheme will have on various groups within the borough, for example the disabled and families with children. It also has to consider what effect the scheme will have on various religious and ethnic groups.

The Local Scheme that is being considered intends to keep the elements currently used to work out a person's Council Tax Benefit so that people who are disabled or families and may have extra financial burdens do not lose out when compared to other claimants

The Local Scheme

Watford Borough Council will need to reduce the amount it pays in Council Tax Support to people who are working age so that it does not increase the Council Tax that everyone will have to pay.

There are two options under consideration and part of the consultation that Watford Borough Council is carrying out.

These are:

Option 1.

To reduce the Council Tax Support that is received by Working Age claimants by a fixed percentage. This will be in the region of 17% when compared to the amount of help a person is getting in Council Tax Benefit this year.

Option 2.

The second option is to make the savings by reducing the amount it pays to certain claimants as follows:

2a. Reduce the Capital Limit to £8,000

Under the current scheme, you cannot receive Council Tax Benefit if you have savings (money in the bank, shares etc) of more than £16,000. We are considering reducing this limit so that you will not receive Council Tax Support from April 2013 if you have more than £8,000 in savings.

2b. Increase Non-Dependant Deductions

Under the current scheme, if you have an adult living with you such as a grown-up son or daughter (known as a non-dependant), we make a deduction from the amount of Council Tax Benefit we pay. This deduction is based on the income that the non-dependant receives. We are considering increasing the level of deductions so that they are double the current level.

2c. Capping the amount of Council Tax Support to the level of a Band D property.

Each property is placed in a Council Tax Band based on its value. At the moment there are 8 Council Tax Bands, A – H with A being the cheaper properties and H the most expensive. The current Council Tax Benefit scheme has no restrictions so a person living in a large property in Band H could still get help with all of the Council Tax they should pay.

We are considering capping the amount of Council Tax Support so that anyone who lives in a property which is in Council Tax Band E or above, will have the level of support calculated as if they were in a property in Band D.

The total amount that will be saved by the above options (2a – 2c) will still not be enough to cover the £780,000 that needs to be saved. As a result Watford Borough Council is considering the following additional options:

2e. Abolish the Council Tax Exemption given to properties that are empty and need structural work to make them habitable.

At the moment, if a property is empty and needs structural work to make it habitable, no Council tax is charged for up to 12 months. The Government is intending to abolish this exemption and replace it by giving Local Authorities the power to grant a discount of anything from 0% to 100%.

So that we can increase the number of properties available and discourage owners from keeping properties empty, we are considering NOT granting a discount to empty properties that need structural work.

2f. Abolish the Council Tax Exemption given to properties that are empty and unfurnished.

At the moment, if a property is empty and unfurnished, no Council tax is charged for up to 6 months. The Government is intending to abolish this exemption and replace it by giving Local Authorities the power to grant a discount of anything from 0% to 100%.

So that we can increase the number of properties available and discourage owners from keeping properties empty, we are considering NOT granting a discount to empty properties.

2g. Increase the amount we charge on Second Homes

If a property is classed as a second home (because a person's main home is elsewhere), Watford Borough Council grants a discount of 50% of the Council Tax due. The Government has stated that it intends to change the law so that Councils can charge full Council Tax on Second Homes.

Watford Borough Council intends to make use of this new power so that second homes are charged full Council Tax.

2h. Charge an "Empty Homes" Premium

Properties that have been empty for a long time can become a problem. They can attract vandalism or squatters and can have a negative effect on a neighbourhood. The Government has stated that it will allow Councils to charge more Council Tax on a property that has been empty for more than 2 years.

Watford Borough Council intends to use this power and charge an extra 50% where a property has been empty for more than 2 years to encourage more of these properties to become occupied.

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Watford Borough Council Local Council Tax Support Consultation 2012

Why are we consulting

The government is proposing to abolish the national scheme for council tax benefits (CTB) for those who may have difficulty in paying their council tax bills on 31 March 2013.

All councils have to replace the national scheme with their own local one, called a council tax support scheme. To ensure we have a scheme that suits our borough we are consulting on proposals for our new scheme.

Watford Borough Council's local scheme will have to take into account the following:

1. The amount the government will give to each council to fund the local scheme will be 10% less than it gave under the current council tax benefit scheme. This means that Watford will receive around £780,000 less from the government so it will need to look at ways to make this saving. It means we have to make some difficult decisions about who gets financial support and how much
2. Pensioners will be protected from any changes that a new scheme will introduce and will have their support calculated the same way as they are now

If the council wanted to keep the current CTB scheme (so not reducing the council tax support it pays) it would need to fund the extra cost itself, which would mean an increase in council tax for everyone or cost reductions in other services provided by the Council.

Instead, Watford is proposing a new scheme that is as fair as possible and in line with the needs of the community. The council is consulting with residents and other interested stakeholders from 15 August to 8 October 2012 to find out their views. Feedback from this consultation will be used by the council's Cabinet in deciding the detail of the new scheme later in the year.

The new scheme will start from 1 April 2013.

Who will be affected?

Apart from pensioners, everyone of working age currently entitled to council tax benefit will potentially be affected so it's important to have your say. As the scheme concerns Watford's local approach to support for council tax, we are keen to receive views from all residents whether or not they currently claim benefit and from the voluntary sector and relevant advice organisations. The information you provide will be treated confidentially and used solely by Watford Borough Council.

Our local scheme

Watford Borough Council will need to reduce the amount it pays in council tax support to people who are working age so that it does not increase the council tax that everyone will have to pay.

There are **two** options under consideration, which we would like you to comment on. These are:

Option 1

To reduce the council tax support that is received by **all** working age claimants by a fixed percentage.

This will be in the region of **17%** when compared to the amount of support a person is getting in council tax benefit this year

Option 2

To make savings by identifying a range of reductions to the amount Watford BC pays to certain claimants. This would mean no one faces a reduction in their support as high as 17%

Q1. Considering the two options for Watford's local scheme outlined above, which do you think should be taken forward: Please tick one box only

Option 1

Reduce the council tax support for all working age claimants by 17%

Option 2

Identify a range of reductions to payments made to certain claimants so no one faces a 17% reduction in their support

If Watford BC were to take forward Option 2 there are a number of options that have been identified to help achieve the savings needed. These are outlined below:

Q2. Please indicate if you agree or disagree with the following options on discounts that Watford BC could introduce as part of its local council tax scheme:

		Agree	Disagree	Don't know
Option 1	<p>Level of savings Under the current scheme you can't receive council tax benefit if you have savings (money in the bank, shares etc) of more than £16,000.</p> <p>Option: We could reduce this limit for our council tax support scheme to £8,000 from April 2013.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option 2	<p>Non-dependent deductions Under the current scheme, if you have an adult living with you (e.g. grown up son or daughter) we make a deduction from the council tax benefit we pay.</p> <p>Option: We could increase the level of deductions so they are double the current level.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option 3	<p>Capping support to the level of a Band D property All properties have a council tax band (based on their value). These range from A – H (H being the most expensive properties). Under the current scheme you can receive support no matter what band property you live in.</p> <p>Option: We could cap the amount of support so that anyone in a Band E property or above will have their level of support calculated as if they lived in a Band D property.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Even if we did take forward the three options above, the savings we would make would not be enough to cover the £780,000 cut in our budget.

As a result Watford BC is also considering the following options that affect current exemptions and other charges. Many of these options will help discourage owners from leaving properties empty and help increase the number of properties available within the borough.

Q3. Please indicate if you agree with the following options on exemptions and other charges that Watford BC could introduce as part of its local council tax scheme:

		Agree	Disagree	Don't know
Option 4	<p>Empty properties needing structural work At the moment, if a property is empty and needs structural work to make it fit to live in, no council tax is charged for up to 12 months.</p> <p>The government is planning to abolish this exemption and leave us to decide if we want to offer a discount from 0% to 100%.</p> <p>Option: We could stop granting any discount on empty properties needing structural work (i.e. 0% discount)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option 5	<p>Empty and unfurnished properties At the moment if a property is empty and unfurnished, no council tax is charged for up to 6 months.</p> <p>The government is planning to abolish this exemption and leave us to decide if we want to offer a discount from 0% to 100%.</p> <p>Option: We could stop granting any discount on properties that are empty and unfurnished (i.e. 0% discount)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option 6	<p>Second homes At the moment, we grant a discount of 50% on council tax for properties classed as second homes.</p> <p>The government is planning to change the law so that councils can charge full council tax on second homes.</p> <p>Option: We could charge full council tax on second homes</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Option 7	<p>Empty homes premium The government is planning to allow councils to charge more council tax on a property that has been empty for more than 2 years</p> <p>Option: We could charge an extra 50% where a property has been empty for more than 2 years</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q4. Are you?

- An organisation (**please go to Question 5**)
- An individual (**please go to Question 6**)

Q5. Are you responding to this consultation in your capacity as a representative of any of the following?

- Voluntary organisation
- Advice organisation
- Precepting body
- Housing association
- Landlord
- Other (please write in)

.....

PLEASE GO TO THE END OF THE SURVEY – QUESTION 21 – FINAL COMMENTS

Q6. Do you pay council tax to Watford Borough Council?

- Yes
- No

Q7. Do you currently receive council tax benefit?

- Yes
- No

Q8. Would any of the changes outlined above impact your household?

- Yes (go to Q9)
- No (go to Q10)

Q9. If yes, which one(s)?

- | | |
|--|---|
| <input type="checkbox"/> Option 1 – Level of savings | <input type="checkbox"/> Option 4 – Empty properties needing structural work |
| <input type="checkbox"/> Option 2 – Non-dependent deductions | <input type="checkbox"/> Option 5 – Empty and unfurnished properties |
| <input type="checkbox"/> Option 3 – Capping support to the level of a Band D property | <input type="checkbox"/> Option 6 – Second homes |
| | <input type="checkbox"/> Option 7 – Empty homes premium |

About You

It would be very helpful if you could complete this part of the survey. The information you give us will help us find out if all sections of the community are taking the opportunity to share their views on the future of our services. All the questions are voluntary and your answers will be completely anonymous and not used for any other purposes. They are, in the main, in line with the questions asked in the Census 2011.

Q10. Are you

Male

Female

Q11. To which of these groups do you consider you belong to?

White or White British

English / Welsh / Scottish /
Northern Irish / British

Gypsy or Irish Traveller

Irish

Any other White background
(✓ and write in below)

.....
Mixed / multiple ethnic groups

White & Black Caribbean

White & Black African

White & Asian

Any other mixed / multiple ethnic background
(✓ and write in below)

.....

Black or Black British

Caribbean

African

Any other Black background
(✓ and write in below)

.....

Asian or Asian British

Indian

Pakistani

Bangladeshi

Chinese

Any other Asian background
(✓ and write in below)

.....

Other ethnic group

Arab

Other ethnic group
(✓ and write in below)

.....

Q12. Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

- Yes, limited a lot
- Yes, limited a little
- No

Q13. Please indicate your current age group.

- | | | | |
|----------------------|--------------------------|----------------------|--------------------------|
| 16 to 24 years | <input type="checkbox"/> | 55 to 59 years | <input type="checkbox"/> |
| 25 to 34 years | <input type="checkbox"/> | 60 to 64 years | <input type="checkbox"/> |
| 35 to 44 years | <input type="checkbox"/> | 65 to 70 years | <input type="checkbox"/> |
| 45 to 54 years | <input type="checkbox"/> | 70 years + | <input type="checkbox"/> |

Q14. What is your religion or belief?

- | | | | |
|---|--------------------------|------------------------------------|--------------------------|
| No religion..... | <input type="checkbox"/> | Muslim | <input type="checkbox"/> |
| Buddhist | <input type="checkbox"/> | Sikh | <input type="checkbox"/> |
| Christian (including Church of England, Catholic, Protestant and all other Christian denominations) | <input type="checkbox"/> | Any other religion, write in | <input type="checkbox"/> |
| Hindu | <input type="checkbox"/> | | |
| Jewish | <input type="checkbox"/> | | |

Q15. How would you define your sexual orientation?

- | | | | |
|--------------------|--------------------------|---------------|--------------------------|
| Heterosexual | <input type="checkbox"/> | Lesbian | <input type="checkbox"/> |
| Bisexual | <input type="checkbox"/> | | |
| Gay | <input type="checkbox"/> | | |

Q16. What is your legal marital or same-sex civil partnership status?

- | | | | |
|---|--------------------------|---|--------------------------|
| Never married and never registered a same-sex civil partnership | <input type="checkbox"/> | In a registered same-sex civil partnership | <input type="checkbox"/> |
| Married | <input type="checkbox"/> | Separated, but still legally in a same-sex civil partnership | <input type="checkbox"/> |
| Separated, but still legally married | <input type="checkbox"/> | Formerly in a same-sex civil partnership which is now legally dissolved | <input type="checkbox"/> |
| Divorced | <input type="checkbox"/> | Surviving partner from a same-sex civil partnership | <input type="checkbox"/> |
| Widowed | <input type="checkbox"/> | | |

Q17. *Is your gender identity the same as the gender you were assigned at birth.*

Yes

No

Q18. *Have you been pregnant or had maternity leave from work within the last two years?*

Yes

No

Q19. *Would you say that any of the following describe you or your household?
Please tick as many as apply to you*

- A lone parent with one or more children under the age of five
- A lone parent with all children above the age of five
- Living with a partner and one or more children under the age of five
- Living with a partner and with one or more children all above the age of five
- A carer
- A household with full and/or part-time workers
- A household that includes someone who is disabled
- A single person household or a couple without children
- None of them
- Don't know

Q20. *Please add any additional comments if you feel the proposed council tax scheme changes will affect you more because of your membership of any of the above groups.*

Final Comments

Q21. **Do you have any additional comments on the proposed local council tax scheme you would want us to consider.**

Thank you very much for taking part in this survey

Agenda Item 6

Report to: Budget Panel
Date of Meeting: 11 September 2012
Report of: Head of Strategic Finance
Title: Income Policy Review

1.0 SUMMARY

1.1 This report informs the Budget Panel on income charging policy considerations.

2.0 RECOMMENDATIONS

2.1 To request the Budget Panel to consider the attached papers and make recommendations for a revised Income Charging Policy. Views of the Budget Panel can then be incorporated into a more specific paper (back to Budget Panel) with proposals for levels of fees and charges for 2013/2014. Budget Panel can then make recommendations on to Cabinet as part of the Budget process for next year. In particular would the Budget Panel accept the categorisation of charges referred to at Paragraph 7.3.1 and should officers seek to classify current fees and charges accordingly?

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 Budget Panel's Rolling Work Programme for 2012/13 requested a report on Income Policy Review to its September 2012 meeting.
- 3.2 This report provides a discussion document and potential framework for deciding whether and how to charge for services in order to strike a balance between the need to generate increased income (and so reduce the pressure for reductions to front line services) and the need to mitigate any direct adverse impact charging could have on achieving the Council's priorities or the use of services by the community.
- 3.3 The Council does have a framework policy for determining the setting of fees and charges but it has not been reviewed for a number of years (**see Appendix 1**)

4.0 Background

- 4.1 The Council continues to face significant budgetary pressures. Income has reduced along with reductions in Government Grant. Service Prioritisation measures over 2010-2013 has achieved annual savings of £1.6m. Service Redesign and the Council Roadmap is targeted to generate a further £2m of additional annual savings/income over the remaining period of the current Medium Term Financial Strategy (MTFS) (2013-2016).
- 4.2 The Council is faced with decisions to achieve balanced budgets and acceptable levels of Council Tax. A consideration in setting budgets within the MTFS will be whether to increase income from charging for those services which are currently provided or subsidised by Council Tax. A clear framework and approach is required to ensure transparency.

5.0 Audit Commission Review

- 5.1 The Audit Commission has produced three reports in recent years 'Positively Charged'; 'The Price is Right' and 'A Stitch in Time' and internet references are provided within the Appendices Section of this report.
- 5.2 A summary of the Audit Commission publication '*Positively Charged*' is included below. The report itself includes recommendations with questions for councillors to examine their own council's approach to charging.

'Positively Charged' (Audit Commission 2008)

- Intended to help councils improve their approaches to charging, enabling them to better support their strategic objectives.
- Charging for local services makes a significant contribution to council finances, with district councils collecting nearly one fifth of their total expenditure on services, which has a substantial impact on an authority's budget.

- Charging Policy is an important tool to influence or discourage people to use services, and is not being used enough in this capacity. In choosing how charges are used, councils are able to make an important decision – which users should pay for services, and which should be subsidised by the taxpayer.
- The report made the following recommendations:
 - Councils should undertake regular reviews of their approaches to charging, both within service areas and across the council;
 - Finance managers should ensure that income from charges, and the level of subsidy this provides, are transparent and inform the decision-making process;
 - Councillors and managers should better understand the non-financial contribution charging has to strategic and service objectives.
- Councils do not make an effective use of their charging powers, and authorities need to change their approach to charging if they are to achieve their financial and strategic objectives. At a time when pressure on services is increasing in the public sector and revenues decreasing, councils need to understand, address and improve the way they charge for services.

6.0 Response from Other Authorities

- 6.1 Every District Council in England (circa 280 authorities) has been contacted to ascertain how they deal with the issues associated with 'an Incomes Policy'. It was extremely gratifying that approximately 50 authorities responded accompanied by at least 30 detailed submissions. Attached at **Appendices 2, 3 & 4** are three typical responses received and the Budget Panel might find it useful background as part of this evening's discussion.
- 6.2 The general approach of councils over recent years has been to classify services in a framework to support a clear policy approach. An income policy must support the strategic aims of the Council. In terms of increases in charges there are different approaches whereby, for example, Guildford has been increasing its charges by inflation whereas other authorities have tended to take Watford's approach which has been to generally freeze charges until the wider economy recovers.
- 6.3 Additionally recent developments with a number of councils have been to explore innovative ways to involve corporate sponsors (other than sponsorship of roundabouts and road junctions to meet maintenance costs). Aimed to offset the effect of spending cuts these seek to access revenue from asset wealth and include advertising on council websites, use of 'brand reputation' to endorse private initiatives and sponsoring council buildings and museums. This is an initiative that Watford has tended to reject in the past.

6.4 Discussions have also been held with SLM (the Council's private sector operator of our leisure facilities) and centred upon any modelling techniques used to determine future pricing policies. SLM has advised that it does not model 'elasticity of supply and demand' as it is an imprecise science. Price increases are very much geared to a subjective view of what the market might bear but it is important to closely monitor usage and be prepared to reverse increases if they appear counter productive.

7.0 Policy Principles

7.1 Key principles for a Charging Policy - in general a charge will be levied for all discretionary services on the principle "the user pays". Charges should seek to optimise potential income. The decision of whether to charge for a specific service will be subject to an assessment of the impact of charging on the delivery of the Council's corporate priorities and priority outcomes.

7.2 In undertaking an 'impact assessment' the following questions will be asked:-

- Why are we providing the service?
- Which of the Council's corporate priorities and priority outcomes are achieved by the service?
- What impact will charging have on the achievement of the Council's corporate priorities and priority outcomes?
- Do other similar or neighbouring Councils charge for the service and what is the impact of any such change?
- Are alternate service providers operating in the market and if so what is their level of charging?
- What is the estimated net additional income that is likely to be generated by the charge (i.e. impact on our financial position)?

7.3 There are different levels, or basis, for the charging of service. The actual level, or basis of the charge, will be influenced by the impact assessments.

7.3.1 The objectives for differing charging strategies can be -

Charging Strategy	Objective
Commercial Charges	The Council aims to cover the cost of providing the service and make a surplus used to fund other priority services. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Full Cost Recovery	The council aims to recover the costs of providing this service from those who use it. The full cost of the service, including an element for capital financing costs, support services and corporate overheads, will be the starting point for calculating charges.
Subsidised	Users of the service to make a contribution to the costs of providing it. This might be to meet a service objective or allow competition with other providers

Free	The Council chooses to make the service available at no charge to meet a service objective - cost of service met by all Council Tax payers.
Statutory	Charges are determined in line with legal requirements

8.0 Service Responsibilities

8.1 Service Managers should initially assess current chargeable services and allocate these to one of the categories in the Charging Strategy above.

8.2 To maximise income from fees and charges in accordance with an Income policy, Service Managers would be responsible for –

- Annually reviewing their services to identify any aspects that could be charged for and to introduce such charges unless Cabinet considers it would be inappropriate.
- Reviewing and varying fees and charges at least annually for services under their control, after consultation with the relevant Portfolio Holder and, in doing so, they shall –
 - ensure that relevant legislation is complied with,
 - have regard to the charges of any alternative service providers with whom the Council is competing, seek to maximise income, net of applicable costs, unless it will have a clearly detrimental impact on the achievement of the Council objectives.
 - introduce differential pricing to particular client groups where these are expected to stimulate demand and generate additional net income which would otherwise not be obtained.
 - set prices lower than could be reasonably achieved if this is the most cost effective way of achieving Council objectives and the necessary funding is available. Use of this option requires approval of Cabinet,
 - set fees and charges that allow an element of discretion if it can be demonstrated that this will lead to an overall benefit to the Council. It is important that any use of discretion is recorded so that it can be clearly shown that decisions have been made fairly and consistently.

9.0 Equalities

9.1 Where appropriate and specifically when significant increases in existing charges or the introduction of new/additional charges are being considered, an Equalities Analysis will be undertaken.

9.2 This will ensure that the impact on residents and service users, who share a relevant protected characteristic as defined under the Equality Act 2010, are fully understood before any proposals are implemented.

10.0 Shared Service Implications

10.1 The opportunity will be taken wherever possible to align with and follow the same policy principles as Three Rivers District Council.

11.0 Concessions

11.1 In some circumstances it may be appropriate to consider offering a concession to certain users of a particular service where this is consistent with achieving the Council's strategic aims and priorities.

11.2 The Council recently reviewed its policy on concessions and it is suggested that this should not be reconsidered at the present time.

12.0 Financial Implications

12.1 Included in the body of the Report

13.0 Legal Implications

13.1 Councils can charge for services where express legal powers exist. The Local Government Act 2003 introduced a wide ranging power to charge and this includes all discretionary services under the Well Being powers. There are exceptions where charging is specifically prohibited or a special charging regime exists.

14.0 Potential Risks

14.1

Potential Risk	Likelihood	Impact	Overall Score
The Council fails to increase charges. Services have to be cut back to compensate	2	3	6
The Council increases charges excessively and chokes off demand	2	3	6

Appendices

Appendix 1: Current Council Policy on Income Charging

Appendix 2: Lancaster Fees & Charges Policy

Appendix 3: Woking Strategy for Applying and Setting Fees & Charges

Appendix 4: Newark and Sherwood Corporate Charging Policy

Internet References to Audit Commission Publications

Positively Charged – Audit Commission 2008 <http://www.audit-commission.gov.uk/subwebs/publications/studies/studyPDF/3423.pdf>

The Price is Right – Audit Commission 1999 <http://www.audit-commission.gov.uk/subwebs/publications/studies/studyPDF/1585.pdf>

Stitch in Time – Audit Commission 1999 <http://www.audit-commission.gov.uk/subwebs/publications/studies/studyPDF/1266.pdf>

APPENDIX 1

Fees and Charges Policy

1. All services provided to an individual/body/organisation should attract a charge, if there is the legal power to make one and it can be collected economically.
2. Charges should be established after consideration of:
 - benchmarking comparisons with other providers
 - consultation with the public, including users
 - market conditions, including flexibility of charges
 - the cost of the service
 - service policy objectives
 - legal requirements

with the aim of ensuring that any subsidy to the service is a deliberate policy decision
3. Wherever possible, there should be provision for reduced charges for those on limited incomes.
4. Methods of income collection must make payment as easy as possible for the customer
5. Heads of Service are responsible for ensuring that these principles are adopted and all services reviewed at least annually.

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LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

FEES AND CHARGES POLICY

DECEMBER 2011

1. INTRODUCTION

- 1.1. The decisions made by councils about charging for local public services affect everyone. Where councils charge for services, users pay directly for some or all of the costs of the services they use. Where no charges are made, or where charges do not recover the full cost of providing a service, council taxpayers subsidise users.
- 1.2. Fees and charges represent an important source of income, providing finance to assist in achieving the corporate objectives of Lancaster City Council. The purpose of this policy is to establish a framework within which fees and charges levied by the council are agreed and regularly reviewed.
- 1.3. The decision on whether to make a charge (and the amount to charge) is not always within the control of the council. But where it is, it is important that the implications of the charging decisions being taken are fully understood and that the appropriate information is available for the council to make informed decisions.
- 1.4. The policy therefore provides clear guidance to service heads and service managers on;
 - The setting of new fees and the policy context within which existing charges should be reviewed.
 - How fees and charges can assist in the achievement of corporate priorities.
 - The council's approach to cost recovery and income generation from fees and charges.
 - Eligibility for concessions.
- 1.5. The policy should allow the council to have a properly considered, consistent and informed approach to all charges it makes for its services. This will in turn, support the delivery of corporate objectives.

2. GENERAL POLICY

- 2.1. This policy relates to fees and charges currently being levied by the council and those which are permissible under the wider general powers to provide and charge for discretionary services included within the Local Government Act 2003.
- 2.2. Statutory charges also fall within the scope of the policy, even though their level may not be determined by the council. This ensures clarity and consistency and allows subsequent reviews of the policy to be comprehensive. It also enables changes to the national legislative charging framework, and any other situations that may arise in the future, to be addressed.

Council policies, strategies and priorities

- 2.3. Specific decisions and charging policies should support delivery of the council's Corporate Plan and other local strategies and service objectives.

Charging decisions will take account of the council's corporate priorities and have regard for the potential impact on other service areas.

Basis of charging decisions

- 2.4. The council will charge for all services where it is appropriate and cost-effective to do so, unless there are contrary policies, legal or contractual reasons.
- 2.5. When discretionary charges are set, the general aim shall be to cover the cost of the service or, where legally possible, the council may charge on a commercial basis. Charges will reflect the full cost of provision, unless covered by subsidies/concessions designed to meet corporate priorities or there are contrary policies or legal reasons.

Concessions

- 2.6. Subsidies and concessions should be used to help achieve specific targets or objectives. Concessions should be awarded and reviewed in relation to each service. Where subsidies and concessions are applied there should be an evaluation process in place to measure levels of success in meeting these objectives. Definitions and qualifying criteria for concessionary target groups should be consistent across the council.

Surplus Income

- 2.7. Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated from charges 50% of this surplus will be considered as a corporate resource and transferred to unallocated balances. This is on the provision that this is not prohibited by other statutory requirements or government guidance.
- 2.8. However, it is acknowledged that the ability to use charges to deliver the corporate priorities of the Council requires a degree of freedom and corporate controls (as expressed through this policy) need to avoid imposing unnecessary restrictions. Therefore, proposals for re-investing any additional income raised from charging in the expansion and development of a particular service will need to be considered as part of the annual review of charges. Each proposal will therefore be considered on its own merit and in light of financial planning process.

Efficient Administration

- 2.9. Arrangements for charging and collecting fees should be efficient, practical and simple to understand by users. The reasons behind any significant changes to charges should be communicated to residents and service users. The impact of charging decisions on service users and local residents will need to be taken into account.

Regular Review

- 2.10. Charges, and decisions not to charge, will be reviewed annually in sufficient time for the impact of any revisions to be included in the budget setting process.

Policy Implementation

- 2.11. The policy will encompass decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.
- 2.12. The policy is undertaken in accordance with the council's Constitution (Financial Regulations). These put the responsibility with Service Heads, for recommending the level of existing or new charges, to the Council.

3. CHARGING POLICY

- 3.1. Within the service and financial planning process, each fee or charge should be identified to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates / levels. This will be subject to approval through the budget process or, for in-year changes, subject to approval by Cabinet or Service Heads under delegated authority. In all cases, in determining an appropriate charging policy, proper consideration should be given to the wider equalities implications which may be involved affecting full accessibility of all groups to council services.

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	The council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service.
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair charging	The council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the council may be a monopoly supplier of services.
Cost recovery	The council wishes to make the service generally available, but does not wish to allocate its own resources to the service.
Cost recovery with discounts	As above, but the council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The council wishes the service to be fully available, but sets a charges to discourage frivolous usage.
Free	Council policy is to make the service fully available.
Statutory	Charges are set in line with legal obligations.

- 3.2. In applying the appropriate charging policy, the issues which may need to be considered in setting the level of fee and charge for any particular service include typically those set out below:

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	<ul style="list-style-type: none"> • Are the charges high enough for the service to be profitable? If not, consider whether the service should be provided. • Are competitors charging similar prices? • Does the council offer any premium in terms of service levels that customers would be prepared to pay more for? • How would changes in pricing structures affect demand for the service and potentially its profitability? • How does the proposed fee structure fit in with the long-term business plan for the service?
Fair charging	<ul style="list-style-type: none"> • How do the charges compare to other providers of similar services? • Has the loss of income from not charging on a commercial basis been evaluated? • Is the policy constraint justifying this charging policy still valid?
Cost recovery	<ul style="list-style-type: none"> • Do charges recover the full costs, including overheads, capital charges and recharges? • Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated? • Are Members aware of the effect on demand for this service from this charging policy? • What would be the effect of changing the policy to a different one e.g. subsidised?
Subsidised	<ul style="list-style-type: none"> • Has the cost of the subsidy been evaluated? • What has been the impact on demand and on service levels from adopting this approach? • Does this approach fit in with the requirements of other funding streams i.e. grants? • Is this approach legally required? • Is there a problem of frivolous use of the service?
Nominal	
Free	
Statutory	<ul style="list-style-type: none"> • Are charges in line with statutory requirements? • Are they set at the maximum permitted levels?

4. SUBSIDIES AND CONCESSIONS

4.1. It might be appropriate to consider subsidising some services, particularly if this helps to achieve corporate priorities and supports local strategies and policies. The main reasons for charging less than full cost are set out below;

- There is a sound financial and policy justification for the council tax payers subsidising this service.
- The desire to encourage particular sections of the community to use specific services, and they could not afford, or might otherwise be deterred by, full cost charges.
- Charging full cost discourages or prevent uptake, which may have a detrimental impact on the council's finances in the long run.

- Use of the service is sensitive to a change in price – an increase in charges reduces demand and income.
 - The council incurs higher costs than other providers because the service is provided in a way that is appropriate and accessible for all sectors of the community.
- 4.2. When considering using a subsidy, the following points should be taken into account;
- That it supports a corporate priority, objective, or policy.
 - There is evidence to suggest that the impact of the policy can be measured.
 - The cost of the subsidy can be estimated and accommodated within the council's budget.
 - That the proposal is the most effective approach available to deliver the policy objective.
- 4.3. It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

5. NEW FEES AND CHARGES

- 5.1. Proposals for new fees and charges must be considered within the financial planning process or, where necessary, submitted to Cabinet for approval as an in-year change.
- 5.2. Proposals for new fees and charges should be analysed using the guidance in the appendix to this policy. This effectively provides a brief rationale and business case for the proposed charge.
- 5.3. The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and reviewed within the Performance Management framework.

6. REVIEWING FEES AND CHARGES

- 6.1. Service Heads must consider charging policies and current levels of charge each year as part of the service and financial planning process. The presumption is that the value of fees and charges will be maintained in real terms over time and increased annually in line with inflation as set within the service and financial planning process.
- 6.2. If there are any significant changes in the course of a year, such as in cost, market forces or service levels, which materially affect current charges and revenues, then that charge should be reviewed and any change approved by Cabinet or through delegated authority as an in-year change.

Annual review of fees and charges

- 6.3. Service Heads should review the charge and anticipated yield from fees and charges in sufficient time to be able to influence the annual budget process.

- 6.4. As part of this process, the Head of Financial Services will determine the percentage rate for “typical” fees and charges increases. Additionally, Cabinet may decide to set income targets for specific service areas as part of an effort to identify efficiencies and/or generate additional income.
- 6.5. Service Heads will review existing fees and charges in line with this policy and the financial planning process. Any proposal to significantly amend an existing fee or charge will require a full justification and explanation to be provided.

7. COLLECTION OF FEES AND CHARGES

- 7.1. In line with the Debt Management Policy, wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and as necessary appropriate recovery procedures followed.

8. RECORDING OF FEES AND CHARGES

- 8.1. Each service should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national / external procedures or other specific procedures for determining and reviewing rates of charge.
- 8.2. The council’s fees and charges are set prior to each financial year. They are widely published including the council’s website, and consist of a schedule of charges across each service area.
- 8.3. Reasonable notice should be given to service users before any decisions to amend or introduce new fees and charges are implemented, together with clear advice on VAT, together with any discounts or concessions available. Reasonable notice is defined as one calendar month.

GUIDANCE FOR NEW FEES AND CHARGES

Charging Policy

The charging policy objectives must be stated here, together with why this policy (Full Commercial or Fair Charging etc.) has been adopted. The intended aims of the charges should also be clearly thought out and explained. Any legal issues should be identified.

Comparative Information

Include here details of comparative information collected from other authorities or competitors etc.

Financial

Information Required	Description
Level of charge	Recommended or proposed new level of charge.
Start date	Proposed implementation date for new level of charge, although it could be related to a future event.
Budgeted income	Level of income to be generated from the new charge.
Surplus / deficit as a percentage of cost	The total cost of supplying the service (including recharges and other overheads) should be calculated and deducted from the income generated. This surplus or deficit should then be compared to the total cost as a percentage. Calculating total cost may require the use of judgement and reasonable assumptions. This is acceptable, so long as a clear audit trail of those assumptions is maintained.
Surplus / deficit per usage	The difference between income generated and the total cost of providing that service, divided by the expected number of users of that service.

Impact Assessment

Any proposals must identify likely impact on the service's users including; who currently benefits from the service, the effects on them of any changes and who will benefit from new exemptions and discounts together with how demand and usage is expected to change. Equality issues must specifically be considered and reported.

Impact on Other Areas

The likely consequences in terms of reduced or increased demand for other council services must be identified here as well as any extra costs to other services. Equality issues must specifically be considered and reported.

Method of Collection

Proposals for new charges must identify what collection methods will be used. If this is a change in current arrangements it will need to identify the following:

- What the likely impact is on the rate and costs of collection;
- What account has been taken of how long low income users can pay; and
- How cost effective will the new methods be?

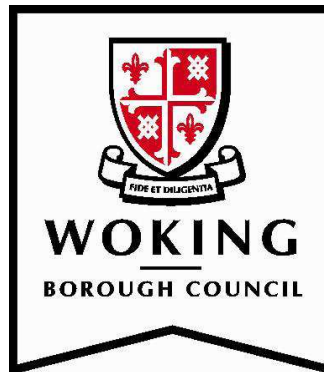
Alternatives

Explain here the other measures that have been considered instead of, or as well as, the proposed charge (cost cutting, reducing charges, sponsorship etc.).

Consultation

Include here the extent of consultation conducted, which will be dependent upon the impact of fee and/or charge, and the results of that consultation.

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STRATEGY FOR APPLYING AND SETTING FEES & CHARGES FOR SERVICES

Woking Borough Council
Civic Offices
Gloucester Square
Woking
Surrey
GU21 6YL

Created by: David Johnson – Corporate Strategy Manager - August 2009
Approved by: Council date: 10 December 2009
Reviewed September 2011
Contact for more information: Corporate Strategy

1. INTRODUCTION

- 1.1. Local Authority charging is a complex area, with charges for some services set at a national level and charges for other services prohibited altogether. The Local Government Act of 2003 gave councils the general power to charge for discretionary services that are not covered by other legislation. The purpose of this Strategy is to ensure that where Woking Borough Council has the discretion to set service fees and charges, there is a transparent, fair and consistent approach.
- 1.2. The recent Audit Commission Report 'Positively Charged' in 2008 suggests that nationally councils are currently not employing fees and charges to their maximum potential. Woking Borough Council wishes to optimise fair income opportunities that are directly linked to service planning and delivery. This Strategy outlines the guiding principles to be employed when setting and reviewing fees and charges. A decision tree (reference guide) setting out the process of applying the key guiding principles is at the end of the Strategy.

2. CHARGES SHOULD SEEK TO OPTIMISE POTENTIAL INCOME

- 2.1. First and foremost, the Council shall establish for all services whether legislation or statute permits it to apply a fee or charge for that service to the 'customer' or end user or whether any legislation exists expressly prohibiting a fee or charge. Where permitted, the Council needs to decide whether it wishes to apply a charge and, if not, how the service will be funded.
- 2.2. Where charges are employed they should be used to their optimum potential as an essential tool in generating income, to develop capacity, service improvements and efficiencies.
- 2.3. All fees and charges should aim to cover at least the *full cost* of the service, whereby the *full cost* includes overheads, capital costs, indirect costs such as support services and costs of collection.
- 2.4. Due regard should be given to statutory and regulatory limitations set at a national level. The Local Government Act 2003 outlines that income from discretionary charges must not exceed the costs of their provision. However, there is flexibility on how to calculate the costs of provisions, the period over which recovery is assessed and how far services can be grouped to assess cost recovery. The provisions of the CIPFA Best Value Code of Accounting Practice should be followed.
- 2.5. If there is a general legal power to charge within a service area, it will often be possible to set a charge for a particular initiative which exceeds costs, on the basis that the income generated from that initiative will contribute towards reducing the costs of providing the service as a whole, to the benefit of the Council and the taxpayer. An example of this can be seen in car parking, whereby resulting surpluses from car parking charges may be reinvested in transport related provisions and services.
- 2.6. Once a fee/charge has been agreed and set for a service, those charges should only be altered or subsidised where there is a clear, conscious and agreed decision to do so, within the context of this Strategy, and the financial consequences have been thoroughly considered, including how any shortfall will be funded – see Paragraph 5. Charges for commercial operations or those services provided by commercial operators on behalf of the Council should aim to achieve/recover full cost of provision. Finance managers should ensure that the income from charges and the level of

subsidy that this provides for service areas is transparent for councillors and informs the decision making process.

3. CHARGES SHOULD CONTRIBUTE TOWARDS THE ACHIEVEMENT OF CORPORATE AND SERVICE OBJECTIVES

3.1. The purpose for charging should be clear and transparent. Councillors and managers should fully understand the non-financial contribution of charging to service and strategic objectives, plus place shaping in general.

3.2. Woking Borough Council's current key priorities are:

- a) Decent and affordable housing (We are working to create access to decent and affordable housing for local people and key workers)
- b) Economic Development (We are working to support existing and encourage new businesses to the Borough to encourage a balanced and varied economy and grow employment opportunities)
- c) The Environment (We are working to maintain a clean, healthy and safe environment. We are keen to minimise waste, increase recycling and reduce the environmental impact of landfill. We are also working on reducing greenhouse gases and adapting to climate change)
- d) Health and Wellbeing (We are working towards integrated and accessible local facilities and services to encourage the health and well-being of all members of the community).

3.3. The priorities and focus of the Executive during 2011/12 are:

- a) Waste and Recycling
- b) Affordable Housing
- c) Economic Vitality
- d) Facilities for children and young people
- e) Community buildings
- f) Pride of Place and Community Safety
- g) Finance
- h) Health & well-being
- i) Environment.

3.4. Under these key headings, there will be a number of service objectives that a well priced charging structure may contribute towards, such as those outlined below.

Fees and charges may be used as a tool to:

- a. Further the achievement of key priority objectives, for example encourage healthy living through the charging policy for leisure services. Another example might be to operate a facilities hire charging policy that offers lower rates to organised groups who are more aligned with the Council's strategic priorities.
- b. Modify behaviour in line with environmental policies, for example offer lower season ticket fees based on lower carbon emission rates and set higher car

parking rates at peak times to decrease congestion and encourage the use of greener transport.

- c. Contribute towards the equalities agenda by encouraging the use of a service where take up is under represented, for example by subsidising users who have low incomes or are minority groups. An example of this might involve offering facility hire discounts to ethnic minority groups to encourage their participation.
- d. Support local economic prosperity through differential charging between residents and non residents (for example libraries may charge commercial internet access rates for non-library members) or by operating special events schemes (for example by offering free car parking on certain days to encourage visits to shops).
- e. Further the Community Strategy agenda through discounts for local or frequent users, encouraging community participation and loyalty/take up of service.

3.5. Where subsidies are provided, there should be a rationale behind them in line with corporate priorities and financial realities. Long term investment strategies should focus on high cash earners, in order to subsidise other areas as desired.

4. BENCHMARKING – CHARGES SHOULD TAKE INTO ACCOUNT MARKET CONDITIONS AND COMMERCIAL VIABILITY

- 4.1. Wherever possible, charges should be benchmarked with the public, private and voluntary sectors. Benchmarking should take into account not only the level of charges made for services, but the full costs of service delivery.
- 4.2. Variable market factors such as demographics, policy priorities and quality/quantity of service provision will cause some differences between charges, but these reasons should be understood and validated.
- 4.3. The availability of alternatives and perceptions of value for money will affect income received from charging. Charges should take into account their effect on behaviour, for example an inappropriately low charge may result in overuse or abuse of the service whereas an increased charge may not increase income if usage drops. A careful analysis of supply and demand should be undertaken to ensure optimum income in line with price sensitivity associated with a service. The quality matrix below may be considered when developing competitive pricing:

<p>ECONOMY (Low quality, low price)</p>	<p>PENETRATION (High quality, artificially low price to encourage market development)</p>
<p>SKIMMING (Low quality, high price initially but becomes lower over time to match market)</p>	<p>PREMIUM (High quality, high price – unique product/service)</p>

4.4. Flexibility is essential. During the course of the year between the annual review of fees and charges by Council, Business Managers are empowered to review and, if appropriate, change their pricing structure in accordance with changing circumstances, in consultation with Financial Services, the relevant Portfolio holder and the Leader of the Executive. Where new services are offered and there is no market comparison or benchmark, flexibility to quickly revise and amend fees & charges in the light of

experience needs to be explicit. In no circumstances may fees and charges be set above the level agreed by the Council, without reference back to and the express consent of the Council.

5. ACCESSIBILITY – CHARGES SHOULD TAKE INTO ACCOUNT THE ABILITY OF DIFFERENT USERS TO PAY

- 5.1. Before considering subsidised charges, the financial implications should be carefully reviewed with due regard given towards how proposed discounts/concessions will be funded, for example whether other users from the same service will pay for it, or council taxpayers generally.
- 5.2. There should be a direct link between the concession and the policy objective that it is designed to contribute towards.
- 5.3. Concessions for services should follow a logical and consistent pattern with an overarching rationale on which groups/individuals qualify for concessions across service areas. Audit Commission guidance for the public sector highlights the need to target subsidies more robustly on the ability to pay, rather than wider status concessions groups.
- 5.4. The eligibility criteria will need to be carefully considered and reviewed over time, for example a means tested concession will need to keep up to date with new benefits that the government has introduced. Proof of eligibility should be obtained in an efficient manner and duplication should be avoided, for example service users should not have to provide identical information to separate council service areas. The use of Contact Manager should avoid this.
- 5.5. See Appendix 1 for potential groupings which may be considered for different rates/concessions.

6. DIFFERENTIATION – CHARGES SHOULD TAKE INTO ACCOUNT DIFFERENT LEVELS OF SERVICE

- 6.1. Charges should be based on added and perceived value, as well as cost. Tiered charges should be implemented in line with the level of service provided and the demand on Council resources.
- 6.2. For example, in Elections Services a charge can be issued for residents requesting a letter as proof of residence – if information is held electronically and can be easily retrieved, it may be appropriate to charge at a flat level, but if information requires manual checking of several different registers, it may be appropriate to charge at a higher rate to reflect the greater demand placed on Council resources. Another example might be reflected in local land searches, whereby different charges could be levied for a basic search fee or for a quicker, expedited search.
- 6.3. Different charging levels may also be applied related to the condition of facilities and quality of service experience expected.

7. CONSULTATION – FEES & CHARGES SHOULD TAKE INTO ACCOUNT THE VIEWS OF SERVICE USERS (AND SEEK TO MINIMISE THE IMPACT OF NEW OR SIGNIFICANTLY INCREASED CHARGES ON THEM) AND NON-USERS AT COUNCIL LEVEL

- 7.1. Service managers should engage more with service users and tax payers (non-users) to involve them in decisions about whether to charge for services and at what level to do it. Charges and the reasons for them should be clearly communicated to the public.
- 7.2. Fees and charges should be sensitive to service users, to ensure that they do not switch to other services or stop using a service altogether. Consultations should be undertaken, in conjunction with research into historic trends and reactions to charges.
- 7.3. At a Council level (rather than service or Business Area) consultation on applying and setting fees & charges should be undertaken with non-users and Council Tax payers more widely. This can be used to understand why people don't use a particular service and assess Council Tax payers' views on subsidising others. This will become more relevant/necessary when the requirement for 'participatory budgeting' is introduced by 2012.
- 7.4. The impact of charging should be analysed from both a corporate and an individual perspective. When analysing the financial impact of charging on users, service managers should consider the cumulative effect of different service charges on individuals and households (for example, by using the Audit Commission's Household Charges Calculator).
- 7.5. The economic impact of charging should also be considered, in order to best support local business and industry. To ensure stability and predictability, if the impact of charging is high, solutions such as phased pricing policies should be employed.

8. SERVICES SHOULD SEEK TO MINIMISE THE COSTS OF COLLECTION

- 8.1. Service fees & charges and the ways in which they can be paid/collected should be transparent to users. The costs of collection should be minimised wherever possible and should be proportionate to the level of income raised.
- 8.2. Alternative payment methods should be offered to users with incentives to use the most efficient method, for example electronic payment.
- 8.3. Early payment should be encouraged. Advance payment should be presented as either the only option or should be incentivised through discounts, for example where applicable, casual prices should be relatively high whilst annual prices should be reduced.
- 8.4. A tough stance should be taken on fee dodging. Other service users and council tax payers should not be expected to subsidise users who are evading charges for a service they receive. Service managers should ensure that the Council's debt recovery procedures are properly followed and enforced. Information about which users are accumulating debt/arrears should be shared between service managers.
- 8.5. Even where charges are restricted or have a set statutory level, service managers can influence performance by ensuring that all service users are assessed properly, pay promptly and that this is backed up by high quality and transparent accountancy and administration.

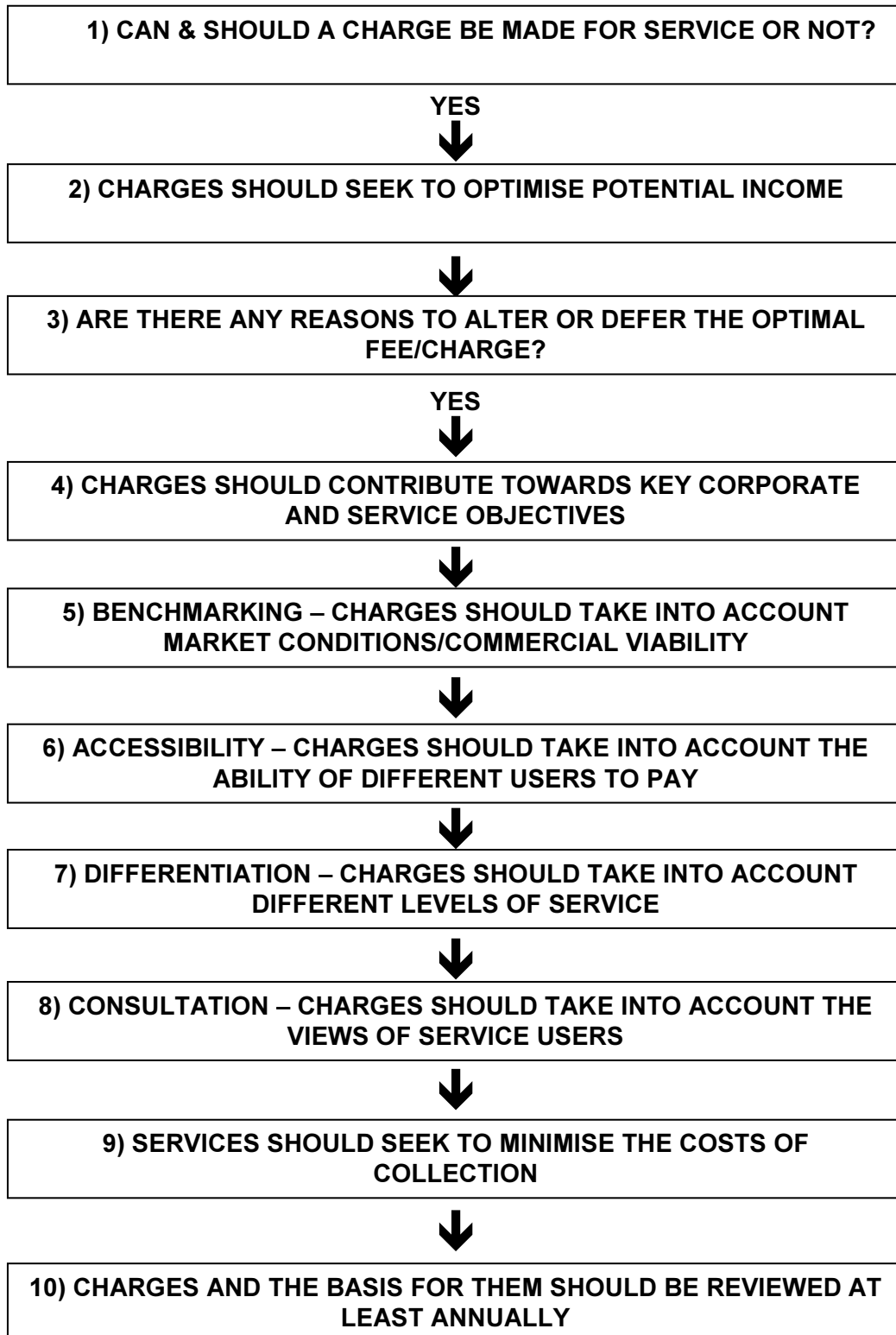
- 8.6. Block booking of facilities/services, where appropriate, is encouraged and full payment should be made in advance (up front). Refunds should not be made where the facility/service is not used unless, cancellation/termination is made in advance and a sliding scale of cancellation/termination charges would apply depending on the notice given.

9. CHARGES SHOULD BE REGULARLY REVIEWED, ON AT LEAST AN ANNUAL BASIS

- 9.1. As corporate, service and financial objectives change, the fees & charges and criteria associated should also be reviewed on at least an annual basis. Reviews should take into account changing market conditions, legislation changes, patterns of service use, benchmarking and other variable costs.
- 9.2. Evaluation of whether the objectives of specific charges have been met should take place. Service managers should where possible collect and use information on who is and is not using services and how service users and non-service users respond to changes in service charges.
- 9.3. Where charges are not made for a service, or are reduced from full cost recovery level, the reasons should be reconsidered as part of an annual review to ensure that they remain valid and that significant income is not being foregone.
- 9.4. When new charges are proposed, the purpose of the charge should be set out and the proposal should be assessed against this policy. A risk analysis and equalities impact assessment should be accompanied by a financial appraisal, which should show the full cost of the service, the proposed charge and the income which it is estimated the charge will generate. This should include recommendations for any exemptions and concessions. Where appropriate, the proposal should also show the results of any consultation with service users and the possible impact of the proposed charge on the council and taxpayers.
- 9.5. An Action Plan and key policy concepts will be incorporated into this Strategy. These are currently outlined in the background papers and subject to further discussion.

SUMMARY FLOW CHART / DECISION TREE OF GUIDING PRINCIPLES FOR APPLYING AND SETTING FEES & CHARGES FOR SERVICES

For 'new' charges (new charge or new chargeable service) the decision tree will be used in full. For the annual or other review of existing charges a 'light touch' can be used to ensure the level and basis for the charge is still relevant and appropriate.



Appendix 1

Potential groupings which may be considered for different rates/concessions.

The objectives is to establish a common criteria/eligibility for when individuals are entitled to discounts when using / accessing the Council's Services. The intention is to use the Key Card framework as the initial starting point:-

The Key Card structure for Fees and Charges is as follows:-

Standard (full rate) - applicable to adults (aged 16 yrs and above) who do not qualify in any other groups below.

Status (discounted rate) - applicable to pre-school, anyone in full time education, aged 60 and over, in receipt of Disability Living Allowance or on government training scheme.

Concession (further discounted rate) - for residents ONLY in receipt of a means-tested benefit - i.e.: Income Support, Working Tax Credit (NHS exemption certificate), Job Seekers Allowance (income based), or Pension Credit (guaranteed or savings).

Further work will be done to identify individuals or groups as the Strategy develops. This is likely to change with circumstances over time.

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APPENDIX 4

NEWARK AND SHERWOOD DISTRICT COUNCIL

CORPORATE CHARGING POLICY

Revised: July 2012

Date of next revision: January 2013

CONTENTS

- 1. Introduction**
- 2. Purpose of the Policy**
- 3. Processes and Frequencies for Reviewing Charges**
- 4. Factors relevant to the Annual review of Charges**
- 5. Processes for setting charges for new sources of income**
- 6. Calculation of Charges**
- 7. Concessionary Charges**
- 8. Discounts**
- 9. Use of Market Intelligence**
- 10. Further Guidance**

1. Introduction

This Policy applies to external fees and charges other than those prescribed by the government. It provides a guide to internal charging arrangements but is subject to CIPFA's 'Best Value Accounting Code of Practice' and has regard to the Audit Commission's publication "*Positively Charged*".

It is not intended to apply to the disposal of Council assets, rents, internal charges or rechargeable works, nor will it apply where charges are governed by statutory regulation or guidance.

The Policy does apply if we have discretion, but not if there is a prescribed fixed charge.

Over the period of the Medium Term Financial Plan 2012/13 to 2016/17 services will align their charges and processes with this policy.

This policy must be read in conjunction with the other related Council policies and strategies, including Financial Regulations, Equalities Policy, VFM Strategy, Community Strategy, Corporate Plan.

If after reading this Code you require further guidance or clarification, or you are not sure how best to comply with the Policy then please contact your Business Manager or the Director of Resources.

2. Purpose of the Policy

To establish a policy within which fee and charge levels will support the Medium Term Financial Strategy and Corporate Plan, and,

To encourage a consistent approach to the setting and reviewing of charges for services provided by Newark and Sherwood District Council by:

- specifying the processes and frequencies for reviewing existing charging levels or introducing new charges for areas of the council's work for which charges could in principle be set;
- providing guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis;
- establishing parameters for calculating different levels of charges;
- recommending the criteria for applying concessions or discounted charges on a consistent council wide basis;
- requiring more active use of market intelligence relating to different services.

3. Processes and Frequencies for Reviewing Charges

The following arrangements for reviewing charges will be applied throughout all areas of the Council where charges for services already exist or could in principle be set:

- all discretionary charges will be considered and approved by Council as part of the Budget and Council Tax setting process in March of each year.

- a major review of each business unit's charging strategy will take place at least once every three years to ensure consistency with the council's priorities, policy framework, service aims, market sensitivity, customer preferences, and income generation needs, and the justification for any subsidy that the council as a whole makes to the service.
- annual reviews will be carried out for all of these services as part of the budget process, and shall have regard for the budget strategy approved in September each year.
- where fees are not to be increased or are proposed to be increased below inflation, this must be reported to CMT by the budget officer clearly stating the financial implications and budget shortfall before the deadline for completion of the revenue budget.
- these formal reviews will be overseen by the appropriate Director.
- where decisions on fees and charges, including any concessions or discounts are taken outside the budget process approved by CMT and Cabinet is required and any proposals must have due regard to the Medium Term Financial Plan.

4. Factors relevant to the Annual review of Charges

Annual reviews of charges will consider the following factors:

- a. inflationary pressures generally and input costs specific to the service;
- b. the actual or potential impact of any competition in terms of price or quality;
- c. trends in user demand and the forecast effect of price changes;
- d. equality and access to services;
- e. customer survey results;
- f. benchmarking results;
- g. council wide and service budget targets;
- h. cost structure implications arising from developments such as investments made in the service;
- i. consistency with other charges;
- j. alternative charging structures that could be more effective;
- k. validity of continuing any concessions;
- l. proposals for targeted promotions during the year, and evaluation of any that took place in the previous year;

- m. where less than the full cost is being recovered (including nil charges), the justification for the decision is reviewed and documented to ensure that this decision remains valid and that significant income is not being lost.

5. Processes for setting charges for new sources of income

All Business Managers should explore new business opportunities with a view to generating additional income.

All guidance in this Policy must be considered when setting new fees and charges.

A business plan must be prepared.

Any potential new income streams will need to be approved by CMT and Cabinet.

The proposed billing and recovery administrative process must be agreed with the S151 officer prior to the charges being implemented.

The setting of the fee and charges must be made in accordance with the current VAT regulations.

A central record will be maintained by the relevant Business Manager of any decisions made not to charge for a service where a charge could be made.

6. Calculation of Charges

Charges will apply to all users, and will be set at a level to maximise take-up and income targets and wherever possible covering or exceeding the full cost of providing the service in question. Any subsidy arising from standard charges being set at a level below full cost should be fully justified in terms of achieving the Council's priorities.

It is the responsibility of the Business Manager to ensure that the proposals comply with the appropriate legal framework and any legal restrictions. Advice should be taken from the Council's Legal section before any proposal is finalised.

This calculation of full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs. Overheads and capital asset depreciation charges should be included but consideration may be given to a less than full cost recovery of these elements where inclusion would distort competition.

Where less than the full cost is being recovered, the justification for the decision must be documented and retained by the appropriate Head of Service and clearly state the financial implications and budget shortfall.

All fees and charges must be calculated in accordance with the current V.A.T. regulations.

7. Concessionary Charges

In some circumstances the Council will offer subsidies to all users or concessions to specific user groups where this is consistent with achieving its priorities.

Entitlement to Concessionary Charges must have regard to equalities legislation and is designed to reduce barriers to participation arising from:

- Age;
- Level of income;
- Family circumstances;
- Health
- Educational circumstances.

Concessions will not apply to retail sales from shops or cafes.

Concessionary Charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the Council has a leading role.

Concessionary Charges should not normally apply to peak times or in situations that would result in the loss of income from customers paying Standard Charges. Neither would they normally be available to organisations that are based outside of the Council's area other than on a reciprocal basis.

Only one concession can be applied to the Standard Charge at any given time.

Services wishing to adopt a concessionary charging scheme must demonstrate the scheme is practicable in terms of assessment, collection and evidencing for audit purposes.

8. Discounts

For certain services it will be normal practice to set Promotional Discounts, Frequent User Discounts or Group Discounts.

Promotional Discounts are defined as short-term charges that are targeted to increase take-up or awareness of the services that are available.

Frequent User Discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

Group Discounts are to be used to encourage take up by organisations able to block book and Family Discounts to encourage parents and children's take up.

Discounts can be applied to both the Standard Charge and the Concessionary Charge.

Discounts can only be applied where the Service has received prior approval of the principle to apply a discount to the charge for this service.

9. The Use of Market Intelligence

All managers of discretionary services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging strategy;
- the range of services provided;
- the quality of services provided;
- their cost structure.

All managers of services for which a charge is made should consult with customers, relevant partners and stakeholders on the range, quality and cost of services provided prior to the triennial review.

Consultation should also take place with potential customers and target groups to determine improvements needed to encourage participation at least every five years.

Comprehensive and accurate usage statistics will be maintained for all services and at all facilities where charges are made, to enable analysis of usage, justification of any subsidy given by the Council, and accurate forecasting of the effect of price changes on usage.

Benchmarking should be undertaken at least annually regularly with other Councils in the local area and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.

10. Further Guidance

Charges should be payable in advance wherever possible or collected by direct debit or through the corporate income system.

All fees/charges must be reported annually to the Financial Services Business Unit as part of the budget process for publishing in the annual budget book.

All fees/charges must be published on the Councils website.

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Agenda Item 7

Report to: Budget Panel
Date of meeting: 11th September 2012
Report of: Head of Strategic Finance
Title: Summary of the Financial Outturn 2011/ 2012

1.0 SUMMARY

1.1 This report informs the Budget Panel of the revenue and capital outturns for 2011/2012 and will subsequently be reported to Cabinet on 17th September.

2.0 RECOMMENDATIONS

2.1 To consider the revenue outturn as summarised at Appendix 1, and supplementary notes at Appendices 1A to 1G and to note that an over spend of £251k has occurred before end of year final account adjustments.

2.2 To note that specific unspent budgets have been carried forward into 2012/2013 in the sum of £301,337 and as detailed at Appendix 1E.

2.3 To consider the Reserves statements at Appendices 1F & 1G and note that, due to end of year adjustments the overall level of reserves has increased by £1,230,408 (Appendix 1F). It is also recommended that the Capital Fund Reserve should be increased by £287k with a compensating reduction to the Economic Impact Reserve. This recommendation will require formal Cabinet approval and the Panel has the opportunity to comment if it so wishes.

2.4 To consider the capital outturn as detailed at Appendix 2 and note that the Council's present and future holding of capital receipts is virtually fully committed.

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 A key feature of the reporting of the Final Outturn for any financial year is to compare the actual position with the original estimate and forecast budget monitoring statements produced throughout the year. This comparison is essential as it provides an indication of the accuracy and robustness of financial control within the Council.

3.2 It is important as part of that process that guidance is provided, as a simple comparison will not necessarily present a fair reflection of a constantly evolving situation. This report will hopefully provide a meaningful analysis of the revenue and capital outturns for 2011/2012. The more technical detail of the Final Outturn is reflected within the audited Statement of Accounts that will be reported to the Audit Committee on 25th September 2012.

4.0 ORIGINAL ESTIMATES 2011/2012

4.1 The original revenue estimates were approved by Council on 26th January 2011 and have been summarised at **Appendix 1** and indicated net General Fund expenditure of £14,581k.

5.0 BUDGET MONITORING: THE FINANCE DIGEST

5.1 Watford Council has a well developed budget monitoring system which compares original estimates with a forecast end of year financial outturn. The first report for 2011/2012 covered the first four months expenditure and income and was considered by the Budget Panel at its meeting on 20th September 2011 and comprised an explanatory report with a detailed Finance Digest.

5.2 During 2011/2012 monthly budget forecasts were considered by the Leadership Team, Budget Panel, quarterly reports were produced for Cabinet and copies of the Finance Digest were circulated to all members of the Council.

5.3 The last budget monitoring report / Finance Digest for 2011/ 2012 covered the 11 month period up to the end of February 2012. The position for the end of year (Month 12) is always delayed somewhat because it needs to be the final outturn and should include accountancy issues such as accruals; requests for carry forwards; review of bad debts provisions etc.

5.4 The key features of the Month 11 budget monitor included:

- a forecast outturn of £15,575k, reduced by :
- the use of £475k from earmarked reserves
- the use/ overspend of £519k from the Economic Impact Reserve

5.5 A summary of the Month 11 forecast is attached at **Appendix 1**.

6.0 SUMMARISED REVENUE OUTTURN 2011/2012

6.1 **Appendix 1** summarises the actual variances and actual outturn for 2011/2012 when compared to the Original Estimate and Budget Monitor/ Finance Digest and indicates a General Fund Outturn of £14,832k (an overspend of £251k).

6.2 **Appendix 1A** provides a simple overview of the major variances that actually occurred and also informs the Budget Panel of the end of year position for Reserves and finally the Capital Outturn.

6.3 The underlying £251k overspend is actually an extremely good situation as the Budget panel had previously received reports highlighting adverse pressures that included:

	£k
* Commercial rents/ market Income shortfall	597
* Homelessness additional costs	150
* Service prioritisation- shortfall in savings	239
* Shared Services additional operating costs	190

Credit must be attributed to Heads of Service and Portfolio holders in managing to mitigate to a great extent these adverse pressures.

7.0 ANALYSIS OF DETAILED VARIATIONS, RESERVES & BALANCES

7.1 **Appendices 1B/ 1C/ & 1D** analyses the salaries and agency outturn and other service major variations.

Appendix 1E details those unspent balances that Leadership Team recommend should be carried forward to 2012/2013 and is typically due to a delay in carrying out an initiative, Should Cabinet not approve this recommendation then the over spend of £251k would actually translate into an under spend of £50k but would put subsequent pressure upon the 2012/2013 revenue budget.

7.2 **Appendices 1F & 1G** detail the end of year position regarding the Council's holding of reserves and balances and indicate an increase of £1,230k and is further discussed at Appendices 1A and 1G.

Appendix 1G also includes a recommendation that the Capital Fund Reserve be increased by £287k with the Economic Impact Reserve reducing by a compensating amount.

7.3 The appropriate level of reserves to be held by the Council will be considered within the Medium Term Financial Strategy to be reported to the Budget Panel at its next meeting on 23rd October 2012.

8.0 CAPITAL OUTTURN 2011/2012

8.1 A detailed analysis of the council's capital programme has been attached at **Appendix 2**. The main features (as summarised on the final page) include:

- an outturn spend (including Section 106) of £10,066k
- an anticipated total spend in 2012/ 2013 of £12,293k
- further programmed expenditure in 2013/2015 of £12,451k
- that uncommitted capital receipts will have reduced to £ 922k

8.2 The headline figures at paragraph 8.1 do not make provision for any new projects to be included within the capital programme. The holding of capital receipts has also assumed new receipts of £5.5m (General) and £0.775m (Section 106) will be realised within the three year period 2012/2015.

9.0 CONCLUSION

9.1 The 2011/2012 revenue outturn represents a good result against a national background of an economy at best 'flat' and potentially slightly recessionary. This has affected Watford Council both through its commercial rent income and through pressures upon its homelessness budget. The underlying trend of expenditure indicates a £251k overspend but this was more than compensated by favourable variances identified as part of Final Accounts closure.

9.2 The net effect has been an increase in the level of the Council's reserves by £1,280k (for the general Fund) and £1,230k when non general fund reserves are included. This will provide a much needed 'buffer' in the years to come and will be discussed in far more detail within the Medium Term Financial Strategy to be considered at the next meeting of the Budget Panel.

9.3 With regard to the capital outturn, the Council continues to have an ambitious programme which includes ensuring its infrastructure/ assets are well maintained as well as seeking to move forward through investment in key projects. It needs to be appreciated however that completion of the current programme will effectively utilise all capital receipts and this situation will need to be reviewed in due course.

10.0 FINANCIAL IMPLICATIONS

10.1 These have been included within the report.

11.0 LEGAL IMPLICATIONS

11.1 There are no legal implications in the report.

12.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the External Auditor finds material errors within the Final Accounts process	2	4	8

13.0 EQUALITIES

13.1 There are no equality implications in formally reporting the final outturn for 2011/2012.

Section 1: Revenue Outturn

The revenue outturn is analysed on two bases:

- How the Outturn compares to the Original Estimate
- How the Outturn compares to the Finance Digest Forecast at Period 11

Outturn to Original Estimate/ Forecast (before Final Account adjustments)

The Original estimate was £14,581k

The Outturn is £14,832k

An over spend of £251k (Forecast at Period 11 £519k overspend)

There are three big numbers that account for this position

- **Redundancy/ Pensions Strain:** it was originally intended to fund the majority of restructuring costs from the Pensions Fund Reserve (there being a limited annual provision of £75k for minor staff changes). The actual additional cost in 2011/2012 was £479k and, in closing the accounts, it was resolved to fund all redundancy costs from within the revenue estimates without recourse to the Pension Fund Reserve or the minor contingency provision. This was because of the opportunity afforded through capitalising building maintenance (see next note) and also because it would be prudent to keep the Pensions Reserve at as high a level as possible to meet possible future actuarial valuation issues.
- **Capitalisation of Building Maintenance:** at the end of each year we are able to ascertain the nature of the Building Maintenance Programme and it is often the case that the nature of the work means that it should be capitalised (as an improvement). In 2011/12 circa £500k of work has been transferred to the capital account and resulted in a £500k saving on the revenue account which could then be utilised to meet the restructuring costs referred to above.
- The revenue accounts across all services (excluding the 2 variations above) show a circa £272k overspend, and this is analysed at **Appendix 1D** (and compares with the period 11 Forecast of £519k).

The net effect of these three variations is as follows:

Redundancy/ Pension Strain	plus £479k
Capitalisation of Building Maintenance	minus £500k
Overspends on Revenue Accounts	plus £272k

Net Effect of major variations: plus £251k over spend for the year

Salaries and Agency Costs:

The largest budget of the Council (excluding Housing Benefits) is the salaries and agency account and attached at **Appendix 1B** is the subjective analysis of this cost centre. It shows an Original Estimate of £17,260k and an outturn excluding redundancies and pension strain of £17,320k (an overspend of £60k, 0.3%).

Appendix 1A continued

This summary includes those staff engaged in the direct provision of Shared Services activities but actually on Watford's payroll (and terms and conditions).

This is analysed by activity at **Appendix 1C** and indicates an excellent set of figures for all directly run Council services (again redundancy needs to be excluded for a true comparison). The one problematic area relates to those staff/ agency employed directly on Shared Services activities (but paid through Watford's payroll) where an £472k overspend occurred and will be largely related to revenues and benefits activities. This overspend will be transferred into the Shared Services activity cost centres to be combined with the staff employed by Three Rivers. The combined total will then be recharged back to Watford/ TRDC (broadly 60%/ 40% split) and will be shown under Watford's Strategic Finance estimates.

All Major Variations Original Estimate/ Forecast/ Outturn:

Appendix 1D provides an overview of the major variations that actually occurred during 2011/2012.

It shows a very encouraging situation where Heads of Service have been extremely proactive in identifying variations during the year. The one weakness has been the forecasting of income where the negatives have been identified but not necessarily the positives. Listed below are the significant areas of income where this has occurred:

	Forecast period 11 £k	Outturn £k
Housing Managed Properties	(50)	(151)
Waste re-cycling grant	(30)	(87)
Land Charge Search Fees	(0)	(66)
Investment Interest	0	(48)

Housing managed properties is a volatile area to forecast; the waste re-cycling grant is dependent upon achieving re-cycling targets and is not known until year end; the land charge income was potentially affected by the need to make refunds as a consequence of legislative clarification; the investment interest is difficult to predict due to the need make end of year final adjustments to ensure interest is accounted for in the correct year of account. Nevertheless these areas will be given specific attention during 2012/2013.

Section 2: Reserves

Section 1 discussed the 'true' underlying variances within the annual revenue estimates and indicated a £272k over spend. There has however been a number of movements (one offs) to the Council's level of reserves. By reference to **Appendix 1**, it indicates that £137k was anticipated to be transferred into reserves (£150k minus £13k), whereas at outturn £1,280k was transferred into General Fund reserves.

Appendix 1A Continued

This increase broadly comprises:

	£k
Use of Earmarked reserves during the year	-475
Over provision for bad debts (see note below)	794
Adjustment for housing benefit subsidy (see note at Appendix 1G)	629
Use of Economic Impact Reserve (to fund overspend)	-272
Additional Contribution to Vehicle Replacement Reserve	125
Additional Contribution to Pensions Funding Reserve	75
Budget Carry Forwards for 2011/2012	301
New Homes Bonus (Pre-payment relating to 2012/2013)	122
Sub Total	1,299

Over provision for Bad Debts

As part of Final Accounts closure a comprehensive review of the Provision for Bad Debts relating to the over payment of Housing Benefit was carried out and where there has been no reliable data in the past. This review established that the revenue account for the Housing Benefit Client has been showing an apparent overspend when in fact there was a probability that the overpayments would be recovered. This would not necessarily show up because the HB Client Account (and benefits generally) is a £38m cost centre where variations compared to estimates are not unexpected. As a consequence of this review £794k can be brought back into the revenue account that had effectively been written off. It is not possible to chart this back through past years but certainly covers at least the last three years. There is still a very adequate provision for bad debts for HB Overpayments (93% on housing benefit overpayment arrears of £2.894m).

Section 3: Capital Outturn

The capital outturn is detailed at **Appendix 2** and, by reference to the final page second table down, indicates an original (January 2011) programmed spend for 2011/2012 of £14,709k. Since that date there have been reported increases to the capital programme (notably the Colosseum due to variation orders, and additional Section 106 projects). There has also been forecast rephrasing to projects such as the Health Campus and the Cultural Quarter.

The 'current budget' on the final page therefore indicates an anticipated spend of £9,967k against an outturn of £10,066k (a £99k variation).

The other significant issue to draw to Budget Panel's attention is the Council's holding of capital receipts (last page bottom two tables). For the General Capital Programme it shows the current capital programme (due to be completed in 2014/2015) will use up all capital receipts except for a small balance of £854k. Any additional projects included from now on will further reduce this balance.

For Section 106 funded expenditure (last table), the current programme will only leave unapplied contributions of £68k.

Appendix 1A Continued

In both instances assumptions have already been made about the generation of new receipts (£5.5m for the General Fund; and £775k for Section 106 projects). It is essential that new receipts are generated unless the Council is content to actually borrow/ take on debt on a permanent basis.

APPENDIX 1B

Account Summary	Data		
	Sum of Original 2011/12	Sum of Actual	Sum of Actual-Original
1 - Basic Salary + Weighting	12,862,950	11,831,385	-1,031,565
2 - NI and Super	4,343,560	3,932,557	-411,003
3 - Other Pay	269,460	338,652	69,192
3 - Overtime	217,670	283,137	65,467
4 - IAS 19 adjustment	-539,270	-684,050	-144,780
5 - Accumulated leave	0	-15,334	-15,334
6 - Agency staff	290,180	1,633,912	1,343,732
7 - Vacancy savings	-184,880	0	184,880
9 - Redundancy	0	479,378	479,378
Grand Total	17,259,670	17,799,639	539,969

Less Redundancy

-479,378

Comparable Outturn

17,320,261

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APPENDIX 1C

		Data		
CCL5NAME	Account Summary	Sum of Original 2011/12	Sum of Actual	Sum of Actual-Original
Community Services	1 - Basic Salary + Weighting	2,381,150	2,029,927	-351,223
	2 - NI and Super	798,210	633,590	-164,620
	3 - Other Pay	54,780	82,016	27,236
	3 - Overtime	68,900	86,669	17,769
	4 - IAS 19 adjustment	-97,560	-129,430	-31,870
	5 - Accumulated leave	0	-3,388	-3,388
	6 - Agency staff	520	235,940	235,420
	7 - Vacancy savings	-34,800	0	34,800
	9 - Redundancy	0	118,293	118,293
Community Services Total		3,171,200	3,053,617	-117,583
Corporate Services	1 - Basic Salary + Weighting	1,063,470	1,077,521	14,051
	2 - NI and Super	347,500	377,677	30,177
	3 - Other Pay	6,800	7,888	1,088
	3 - Overtime	0	136	136
	4 - IAS 19 adjustment	-50,570	-80,620	-30,050
	5 - Accumulated leave	0	-6,125	-6,125
	6 - Agency staff	37,440	20,129	-17,311
	7 - Vacancy savings	-21,230	0	21,230
	9 - Redundancy	0	89,327	89,327
Corporate Services Total		1,383,410	1,485,933	102,523
Environmental Services	1 - Basic Salary + Weighting	3,322,080	3,120,972	-201,108
	2 - NI and Super	1,081,730	1,000,579	-81,151
	3 - Other Pay	79,830	94,946	15,116
	3 - Overtime	81,600	69,367	-12,233
	4 - IAS 19 adjustment	-139,610	-207,250	-67,640
	5 - Accumulated leave	0	5,441	5,441
	6 - Agency staff	182,220	352,672	170,452
	7 - Vacancy savings	-23,400	0	23,400
	9 - Redundancy	0	45,680	45,680
Environmental Services Total		4,584,450	4,482,406	-102,044
Legal And Property Services	1 - Basic Salary + Weighting	1,676,160	1,601,216	-74,944
	2 - NI and Super	611,240	585,709	-25,531
	3 - Other Pay	74,540	97,919	23,379
	3 - Overtime	65,670	36,364	-29,306
	4 - IAS 19 adjustment	-73,960	-110,750	-36,790
	5 - Accumulated leave	0	-2,380	-2,380
	6 - Agency staff	17,000	246,257	229,257
	7 - Vacancy savings	-33,700	0	33,700
	9 - Redundancy	0	33,892	33,892
Legal And Property Services Total		2,336,950	2,488,226	151,276
Managing Director	1 - Basic Salary + Weighting	392,150	394,670	2,520
	2 - NI and Super	146,300	140,517	-5,783
	4 - IAS 19 adjustment	-18,100	-26,600	-8,500
	5 - Accumulated leave	0	1,150	1,150
	6 - Agency staff	0	433	433
	7 - Vacancy savings	-7,950	0	7,950
	9 - Redundancy	0	127,710	127,710
Managing Director Total		512,400	637,880	125,480
Planning	1 - Basic Salary + Weighting	1,558,150	1,361,539	-196,611
	2 - NI and Super	509,700	441,603	-68,097
	3 - Other Pay	28,000	25,535	-2,465
	3 - Overtime	1,500	2,615	1,115
	4 - IAS 19 adjustment	-65,400	-90,690	-25,290
	5 - Accumulated leave	0	-2,053	-2,053
	6 - Agency staff	10,000	58,021	48,021
	7 - Vacancy savings	-29,800	0	29,800
	9 - Redundancy	0	64,477	64,477
Planning Total		2,012,150	1,861,047	-151,103
Shared Services	1 - Basic Salary + Weighting	2,354,340	2,147,758	-206,582
	2 - NI and Super	745,960	665,078	-80,882
	3 - Other Pay	6,210	22,549	16,339
	3 - Overtime	0	87,987	87,987
	4 - IAS 19 adjustment	0	-23,340	-23,340
	5 - Accumulated leave	0	-8,149	-8,149
6 - Agency staff	0	686,974	686,974	
Shared Services Total		3,106,510	3,578,857	472,347
Shared Services Implementation	6 - Agency staff	43,000	33,486	-9,514
Shared Services Implementation Total		43,000	33,486	-9,514
Strategic Finance	1 - Basic Salary + Weighting	115,450	97,782	-17,668
	2 - NI and Super	102,920	87,805	-15,115
	3 - Other Pay	19,300	7,800	-11,500
	4 - IAS 19 adjustment	-94,070	-15,370	-78,700
	5 - Accumulated leave	0	170	170
	7 - Vacancy savings	-34,000	0	34,000
Strategic Finance Total		109,600	178,186	68,586
Grand Total		17,259,670	17,799,639	539,969

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Final Accounts 2011/2012

Appendix 1D

All Major Variations

	Period 11 Forecast £K	Outturn - Actual £K
Community Services		
Salaries and Agency Costs	-163	-235
Parks		
Increased costs parks equipment	16	25
Parks South-Water/ sewerage	0	28
Highway Agency Income	-15	-18
Grants to Voluntary Organisations		
Women's Centre	0	-38
Other grants	0	-24
Colosseum-Payment to HQ Theatres	16	26
- Purchase of hoist	8	8
Xmas Lights	-13	-11
Fireworks	-2	-11
SLM-Income Share	0	27
Youth Work: commissioning	-55	-60
Housing		
Income managed properties	-50	-151
Payments to private landlords (B&B)	150	150
Community Services-net variations	-108	-284
Environment Services		
Salaries and Agency costs	-17	-148
Fly Tipping Income	0	-20
Taxi Licence Income	-20	-37
Licensing Act Income	-6	-11
Street Trading Income	-6	-10
Street Cleansing		
Action on the Streets	-6	-13
Trade Waste		
Waste Disposal	-31	-33
Sales	-9	-13
Fee Income	79	79
Refuse-Special Collections-Income	12	16
Re-cycling Income	2	-26
Re-cycling Grants	-30	-87
Plant and Vehicles-Fuel	60	79
Environment Services-net variations	28	-224

Planning and Transport		
Salaries and Agency Costs	-152	-215
Land Charges-Search fees	0	-66
Development Control Income	46	45
Building Regulation fees	43	36
Work for TRDC	-26	-30
Transport Subsidies	-20	-36
The Avenue income	78	79
Local Plan (Core Strategy)	0	21
Planning & Transport-net variations	<u>-31</u>	<u>-166</u>
Corporate Services		
Salaries and Agency costs	-130	14
Community Safety-distribution of grants and contributions	7	-81
Print Division –trading position	4	45
Corporate Services-net variations	<u>-119</u>	<u>-22</u>
Legal & Property Services		
Salaries and Agency costs	57	117
Elections-grant	0	-58
Legal-professional fees	25	26
-income fees	0	-12
Commercial Rents/Service charges/market	643	720
Legal & Property-net variations	<u>725</u>	<u>793</u>
Strategic Finance		
Shared Service recharge-Internal Audit	-36	-39
-Benefits	134	189
-Revenues	26	85
NNDR discretionary rate relief	0	68
Revenues- Income Court Costs	-6	26
- Software & Giro charges	0	34
Benefits-net cost of CT/ Rent Allowances	-28	21
Provision for Redundancy/ Pension Strain	0	-75
Provision for job appeals/ pay inflation	-60	-60
Contingency Provision	0	-23
Investment Interest/ Interest payments (net)	0	-48
Strategic Finance – net variations	<u>30</u>	<u>178</u>
Overall Major Service Variations	<u>525</u>	<u>275</u>
Miscellaneous variations	<u>-6</u>	<u>-3</u>

Budget Carry Forward Requests (2011/12 into 2012/13)

APPENDIX 1E

Ref	Dept	Section	Account	Job	Amount	Narrative
1	Community Services	Play	DNC000	D1139	9,530	New play service launch delayed.
2.1	Environmental Services	Community Safety	ABE000	WJ0002 4	14,000	Under-spend in 11/12 to be used to continue projects into 12/13
2.2	Environmental Services	Domestic Violence	ABE000	WJ0002 8	1,000	Under-spend in 11/12 to be used to continue projects into 12/13
3	Legal & Democratic	Elections	AGB000	D0101	25,000	Under-spend in 11/12 to be used to replace equipment and fund temp. election staff in May 2012.
4.1	Legal & Property	Learning Partnership	BLL001	D0902	22,770	Grant which "belongs" to One Watford
4.2	Legal & Property	Partnerships & Perf.	ADP000	D0902	5,000	One Watford budget to be used in 2012/13
4.3	Legal & Property	Watford Health Inequalities	ADP002	D0902	15,110	PCT money which must be carried forward.
4.4	Legal & Property	Buildings & Projects	FKE000	B0104	57,000	On-going work - mainly on guttering contract.
5	Community Services	Prevent (Women's empowerment)	ACA000	D0902	8,800	Final expenditure on old Prevent activity
6.1	Planning	Implementation Team	BEA000	D1112	1,860	Undertake a range of parking surveys including a parking review of the CPZ areas in Watford
6.2	Planning	Implementation Team	BEA000	D0556	6,890	Funds to use for the Dancing Lady Statue Repair
7	Legal & Property	Buildings & Projects - Component failure	FKE000	B0105	100,000	Emergency repairs
8	Legal & Property	Partnerships & Perf.	ADP000	J0203	1,577	Income recd. in Mar-12 re. 2012/13
9	Legal & Property	Valuation & Estates (E Hill)	FKC000	A0101	32,800	Salary E Hill - re work on capital projects
TOTAL REQUESTED					301,337	

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Cost Centre	Description	Bal B/F 1-Apr-11	Net Reserve Move	Bal C/F 31-Mar-12
VHF000	General Fund	-1,350,000.27	0.27	-1,350,000.00
<u>Earmarked Reserves</u>				
VFD000	Car Parking Zones Reserve	-404,978.77	-170,256.87	-575,235.64
VGH000	Charter Place Tenants Reserve	-673,634.46	197,394.36	-476,240.10
VGU000	Le Marie Centre Repair Reserve	-13,687.78	820.00	-12,867.78
VGW000	Multi-Storey Car Pk Rep Reserv	-182,783.87	0.00	-182,783.87
VHL000	Rent Deposit Guarantee Scheme	-100,000.00	0.00	-100,000.00
VHM000	Homeless Prevention Reserve	-112,237.85	0.00	-112,237.85
VHN000	Housing Benefit Subsidy	-367,221.00	-629,395.00	-996,616.00
VLS000	Performance Reward Grant Resrv	-48,064.20	-71,843.50	-119,907.70
VNL000	Climate Change Reserve	-67,805.67	19,336.01	-48,469.66
VNN000	Recycling Reserve	-17,700.48	6,000.00	-11,700.48
VLU000	Budget Carry Forwards Reserve	-348,950.00	47,613.00	-301,337.00
<u>General Reserves</u>				
VLL000	Reserve - Invest To Save	-1,493,079.75	73,500.00	-1,419,579.75
VLM000	Reserve Capital Fund Reserve	-1,895,682.07	0.00	-1,895,682.07
VLP000	LA Business Growth Incentive	-697,025.77	55,880.91	-641,144.86
VLR000	Area Based Grant Reserve	-86,049.95	0.00	-86,049.95
VLTO00	Housing & PDG Reserve	-300,933.95	0.00	-300,933.95
VLV000	Economic Impact Reserve	-1,250,276.22	-286,959.96	-1,537,236.18
VLQ000	New Homes Bonus	-420,000.00	-122,497.00	-542,497.00
<u>Other Reserves</u>				
VHG000	Leisure Structured Maintenance Res	-422,513.56	0.00	-422,513.56
VHK000	Exam In Public - LDF Reserve	-312,722.32	0.00	-312,722.32
VLN002	Future Pension Funding Reserve	-1,300,000.00	-75,000.00	-1,375,000.00
VLN003	Insurance Fund Reserve	-100,000.00	0.00	-100,000.00
VLN004	Vehicle Replacement Reserve	-150,000.00	-275,000.00	-425,000.00
<u>Ex. HRA Reserve</u>				
VLW000	Development Sites - Decontamination Reserve	-1,310,324.44	0.00	-1,310,324.44
Total Reserves		-12,075,672.11	-1,230,408.05	-13,306,080.16

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Supplementary Notes to the Reserves Position**Car Park Zones Reserve**

Closing balance £575k

The Budget panel received a report on 11 Jan 2012 in which a balance of £486k was forecast. The reasons for the difference are because a number of projects have been carried forward into 2012/2013 combined with the fact that the spend on pay and display machines was not as high as anticipated.

Charter Place Tenants Reserve

Closing balance £476k. This reserve was circa £892k at April 2010 so it has been significantly reduced. It is likely that this will need to be returned to tenants or transferred to CSC (to subsidise future service charges) in the near future. It is not Watford's money.

Multi Storey Car Park Reserve

Unchanged closing balance of £183k. Watford is responsible for structural repair to the MSCPs so this balance is totally insufficient to enable anything meaningful to be carried out. A stock condition survey is to be carried out in the near future and that will be an important background paper as part of a review into future management of our car parks.

Housing Benefit Subsidy Reserve

This reserve had originally been set up in case external audit find any issues with our Benefit Subsidy Grant Claims. Should they do so then the Department of Works and Pensions (DWP) operate a 'claw back' of subsidy payments. This claw back is based upon an 'extrapolation' process—so that if, for instance, 5 individual benefit claims were found to be incorrect (out of a sample of 20 claims) then a 25% overall error rate would be assumed. As Watford's subsidy claim is circa £38m, then the amount of withheld grant subsidy can be significant. This Reserve has increased by £629k in 2011/2012 as a consequence of External Audit discovering incorrect accounting treatment as part of its audit. As a consequence sundry debtors has been amended and this reserve has increased (it relates to a payment of subsidy from the DWP that was recorded in the wrong place).

Performance Reward Grant Reserve

Closing position of £120k (and has actually increased by £72k in the year due to an accountancy adjustment relating to 2010/2011). It is the intention to utilise a number of former earmarked reserves during the next two years.

Invest to Save Reserve

Closing position of £1,420k and reduced by £74k due to funding a Resilience Officer/ V4 Consultancy/ Licensing Review. Will continue to be used in 2012/2013 for projects with an anticipated future years pay back.

Capital Fund Reserve

Balance unchanged at £1,896k. Due to the likely future shortage of capital receipts, consideration should be given to increasing the balance by transferring the surplus on the Economic Impact Reserve of £287k.

LAGBI Reserve

Closing balance of £641k and reduced by £56k during the year in order to fund Watford for You/ Imagine Watford/ Taxi survey.

Area Based Grant Reserve/ Housing and Planning Development Grant Reserve

Both balances unchanged throughout 2011/2012 with a combined balance of £387k. Will be used to fund one off expenditure in 2012/2013 and future years. For example, the Council has signed up to a green deal initiative in 2012/2013 which required a £35k one off contribution. The Housing Planning Development Grant Reserve has been used.

Economic Impact Reserve

Has increased by £287k to £1,537k and is the primary reserve for meeting any general over spends on the revenue account. It has effectively increased due to an under spend on revenue accounts in 2011/2012 (after earmarked reserves had been used) and it is recommended that this should be transferred to the Capital Fund reserve.

New Homes Bonus

Closing balance of £542k and comprising £420k in respect of 2011/2012 and £122k being the first months payment for 2012/2013 (a 'pre-payment').

Leisure Structural Maintenance Reserve

Unchanged at £423k although our assets are getting older and at some point consideration may need to be given to top this up.

Future Pensions Funding Reserve

Balance at year end of £1,375k.

This needs to be preserved as it is likely to be drawn down in future years.

The original intention was to use £400k of this reserve in 2011/2012 to meet redundancy and pension strain costs. In the event, we have accommodated all these costs within revenue budgets.

Insurance Fund Reserve

Unchanged at £100k. We still have a contingent liability in the Balance Sheet of £347k which is the outstanding potential insurance liabilities relating to the former MMI. The Creditors Committee does not believe there will be enough money left in the defunct company's accounts to meet all outstanding liabilities. So the £100k is just an insurance policy!

Vehicle Replacement Reserve

Has now increased to £425k and is being built up so that we have available resources to replace our vehicle fleet should we need to do so. The proposed potential outsourcing of waste, recycling, street cleansing, parks and open spaces might result in vehicle replacements falling to an external contractor. An evaluation will need to be carried out in due course to establish the most financially efficient way of funding plant and vehicles.

Decontamination Reserve

Unchanged at £1.3m and earmarked to clean up any of our developments sites (also have a potential clean up liability attaching to 5/6 sites transferred to WCHT).

General Fund Balance

This is to be maintained for the foreseeable future at £1,350k and is our 'last resort' fund. External Audit would not permit this to be reduced.

As at 31st March 2012.

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Capital Schemes		2009-15		2010/11		2011/12		2012/13			2013/14		2014/15	
CC	General Fund Capital Schemes	Offi- cers	6-Year Cost £	Capital Expenditure £	Capital Expenditure £	Original Budget £	Rephasing to 2012/13 £	Incr/Decr & Virements £	Current Budget £	Spend Pd12 £	Original Budget £	Incr/Decr & Virements £	Current Budget £	Original Budget £
	Key Projects													
WAA6920	Cardiff Road Health Campus	TD	4,981,961	281,961	525,624	2,724,376	(837,932)	0	1,886,444	1,886,444	1,450,000	837,932	0	2,287,932
WAA974	Colossium Refurbishment	CH	6,008,939	232,351	3,190,794	2,375,855	0	0	2,375,855	2,585,794	0	0	0	0
WAA998	Colossium Roof	IB	190,783	0	2,375	188,905	0	0	188,905	188,408	0	0	0	0
WAA983	Cultural Quarter Phase 1	CH	4,355,728	0	67,920	1,895,000	(1,767,158)	0	127,842	124,620	2,600,000	1,767,158	(4,146,745)	2,553,279
WAA954	Green Spaces Strategy	PR	1,248,080	336,648	123,932	366,500	(8,133)	0	358,367	358,367	210,500	8,133	0	210,500
WAA167	Contribution to Croxley Rail Link	JC	2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000
	Environmental Services													
WAA921	Refuse Collection Freighters	BB	1,495,100	0	1,495,100	0	0	0	0	0	0	0	0	0
WAA966	Recycling Boxes (75% Grant Funded 2010/11)	BB	107,465	20,125	27,340	20,000	0	0	20,000	0	20,000	0	0	20,000
WAA978	Street Recycling Bins (100% Grant Funded)	BB	32,800	16,800	16,000	0	0	0	0	0	0	0	0	0
WAA981	Trade Waste Recycling Bins (75% Grant Funded 2010/11)	BB	105,856	0	44,306	20,000	0	0	20,000	1,550	20,000	0	0	20,000
WAA982	Green Waste Bins	BB	48,015	0	18,060	18,000	0	0	18,000	11,955	18,000	0	0	18,000
WAA988	Bins in communal properties (75% Grant Funded 2010/11)	BB	40,828	0	40,828	0	0	0	0	0	0	0	0	0
WAA1602	Carbon Management / Climate Change	AG	319,523	11,524	0	154,000	(139,816)	0	14,184	14,184	77,000	139,816	0	216,816
WAA989	Handhelds for Street Cleansing	MR	28,000	0	0	28,000	(28,000)	0	0	0	0	28,000	0	28,000
WAA702	Vehicle weight sensors	MR	7,800	0	7,800	0	0	0	0	0	0	0	0	0
WAA150	Snow / Emergency preparations	MR	20,800	0	20,800	0	0	0	0	0	0	0	0	0
WAA151	Kebside Recycling Vehicles	BB	360,000	0	0	0	0	0	0	0	360,000	0	0	0
WBD000	Empty Properties (CPO, EDMO)	JH	723,316	565,399	157,883	0	35	35	35	35	0	0	360,000	0
WAA1300	Decent Homes Assistance	JH	780,247	56,390	138,208	268,300	(19,000)	(72,638)	176,662	166,649	200,000	19,000	0	219,000
WAA1600	Environmental Services Scheme (Handyman Assistance)	JH	53,669	26,041	0	0	0	27,628	27,628	44,975	0	0	0	0
WAA1600	Environmental Services Scheme (Handyman Assistance)	JH	71,520	26,545	0	0	0	44,975	44,975	0	0	0	0	0
WAA161	Replacement Domestic Bins	BB	60,000	0	0	0	0	0	0	0	0	0	20,000	20,000
WAA162	Kebside Vehicles x2	BB	240,000	0	0	0	0	0	0	0	0	0	0	240,000
	Community & Leisure Services													
WAA6922	Woodside pole vault beds replacement	LP	21,643	43,287	(21,643)	44,643	(44,643)	0	0	0	0	0	0	0
WAB210	Resurfaces Woodside Stadium Track/Long Jump relocation	LP	157,439	142,439	15,000	0	0	0	0	(0)	0	0	0	0
WAA990	Holywell Community Centre	IB	500,982	10,780	480,016	0	0	0	0	10,186	0	0	0	0
WAA968	Woodside Fence	PR	7,210	7,210	0	42,790	(42,790)	0	0	0	0	0	0	0
WAA996	Woodside Access Improvements Phase 1	TW	229,221	0	2,100	223,900	0	0	223,900	227,121	0	0	0	0
WAA987	Woodside Stadium Toilet Refurbishment	LP	42,495	0	2,000	38,000	0	2,495	40,495	40,495	0	0	0	0
WAB921	Waterfield Recreation Ground Car Park Improvements*	JC	11,068	0	0	15,000	(10,000)	0	5,000	1,068	0	10,000	0	10,000
WNC033	Cassiobury Park Depot (not s.106)	PR	160,000	0	0	160,000	(160,000)	0	0	0	0	160,000	0	160,000
WAA924	Leisure Centres Retention Monies	IB	238,092	197,227	40,865	0	0	0	0	0	0	0	0	0
WAA1202	Callowland Demolition	IB	49,850	49,453	397	0	0	0	0	0	0	0	0	0
	Housing Services													
WAA1100	Disabled Facility Grants	RD	3,502,079	719,010	552,700	560,300	(1,664)	0	558,636	558,636	500,000	1,664	70,068	550,000
WAA1000	Furniture And Equipment	RD	0	0	0	0	0	0	0	0	0	0	0	0
WAA1203	Affordable Housing	RD	1,250,000	0	15,260	484,740	(356,872)	0	127,868	127,868	250,000	356,872	0	606,872
WAA989	Bringing standalone properties to Decent Homes standard	LP	156,500	0	0	156,500	(148,804)	0	7,696	7,696	0	148,804	0	148,804
WAA989	Bringing York House to Decent Homes standard	LP	85,000	0	0	85,000	0	0	85,000	85,000	0	0	0	0
WAA1301	Private Sector Stock Survey (carry forward)	LP	100,270	76,270	3,125	20,875	(20,875)	0	0	0	0	20,875	0	20,875
	Parking Services													
WAA960	Replacement Pay and Display Machines	JC	230,650	56,549	4,101	65,000	(17,140)	0	47,860	47,860	0	17,140	35,000	52,140
WAA984	Replacement Matchday Parking Signs in CPZ	JC	138,324	0	138,324	0	0	0	0	0	0	0	0	0
WAA985	Cassiobury & Nasoot CPZ	JC	53,785	0	53,785	0	0	0	0	0	0	0	0	0

CC	Capital Schemes	2009-15		2010/11		2011/12			2012/13			2013/14		2014/15	
		6-Year Cost	Capital Expenditure	Capital Expenditure	Original Budget	Rephasing to 2012/13	Incr/Decr Virements	Current Budget	Spend Ptd12	Original Budget	Rephased from 2011/12	Incr/Decr Virements	Current Budget	Original Budget	Original Budget
WAB925	Asset Management														
WAA994	Depot Refurbishment	1,199,250	0	113,870	1,085,380	(200,389)	0	884,991	884,991	200,389	0	200,389	0	0	0
WAA995	Backlog repairs to Council properties	2,004,714	0	15,139	500,000	(156,495)	(10,424)	333,081	333,081	156,495	0	656,495	500,000	500,000	0
WAA982	Other Projects	246,612	216,746	29,867	0	0	0	0	0	0	0	0	0	0	0
WAA987	Improve Orbital CC	19,749	7,557	9,325	0	0	10,424	10,424	10,424	0	0	0	0	0	0
WAB923	Capitalised Refurbishment Work	55,656	0	48,099	0	0	0	0	0	0	0	0	0	0	0
WAA923	High Street Building Refurbishment (Woolwroths)	1,005,193	20,111	931,588	0	0	0	52,800	52,800	0	0	0	0	0	0
WAA110	Town Hall Drainage	35,327	0	35,327	0	0	0	0	0	0	0	0	0	0	0
WAA925	Charter Place	718,744	165,960	252,784	0	52,169	100,000	152,169	152,169	(52,169)	200,000	147,831	200,000	0	0
WAA963	Charter Place CCTV	111,660	134,134	2,527	0	0	0	0	0	0	0	0	0	0	0
WAA965	Planning And D-Property & Serv	3,109	0	0	100,000	(100,000)	0	0	0	0	0	0	0	0	0
WAA960	Feasibility and Disposal Uplift costs	400,000	0	0	80,000	0	0	80,000	80,000	0	0	200,000	200,000	0	0
WAB922	Council Chamber Sound System	63,176	0	700	0	0	0	0	0	0	0	0	0	0	0
WAA984	Town Centre CCTV	5,626	4,426	1,200	0	0	0	62,476	62,476	0	0	0	0	0	0
WAA993	Events Market	160,004	0	13,333	146,671	(67,551)	0	79,120	79,120	67,551	0	67,551	0	0	0
WAB963	Guest Market (Indoor)	1,881	0	0	8,000	(8,000)	10,000	10,000	1,881	8,000	0	8,000	0	0	0
WNC031	Stripling Way Cycle Path	8,000	0	0	0	0	0	0	0	0	0	0	0	0	0
WAA152	Watford Business Incubator (LSP funded)	102,896	0	102,896	0	0	0	0	0	0	0	0	0	0	0
WAA200	Planning And Development-Prope	1,313	0	1,313	0	0	0	0	0	0	0	0	0	0	0
WAD911	Civic Core Regeneration	187,902	187,902	0	0	0	0	0	0	0	0	0	0	0	0
WAD201	64a Rickmansworth Road	2,163	0	2,163	0	0	0	0	0	0	0	0	0	0	0
WAA163	Property Asset Management System	14,000	0	0	0	0	0	0	0	0	0	14,000	0	0	0
WAA166	Voice Automated Telephony	30,000	0	0	0	0	0	0	0	0	0	30,000	0	0	0
WAA172	Ascot Road Regearing Valuation Support	35,000	0	0	0	0	0	0	0	0	0	35,000	0	0	0
WAB926	ICT														
WAA109	ICT - PCs, Printers & Servers	298,000	45,137	40,116	72,747	(15,081)	0	57,666	57,666	15,081	0	85,081	70,000	70,000	0
WAA126	e-Democracy	46,176	100	18,052	6,000	0	10,024	16,024	16,024	6,000	0	6,000	6,000	6,000	0
WAA117	Customer Relationship Management System	40,110	110	0	40,000	(10,176)	0	29,824	29,824	10,176	0	10,176	0	0	0
WAA134	Environmental Health System	194,421	3,105	56,315	45,000	(57,939)	0	(12,939)	(12,939)	57,939	0	102,939	45,000	45,000	0
WAA132	ICT - DMP	15,000	0	0	15,000	(15,000)	0	0	0	15,000	0	15,000	0	0	0
WNC036	Thin Client Refresh	70,000	0	0	70,000	(70,000)	0	0	0	70,000	0	70,000	0	0	0
WAA980	Property Asset Management System	92,915	27,639	34,275	3,000	(5,683)	14,000	11,317	11,317	5,683	14,000	19,683	0	0	0
WAB927	ICT - Shared Services Joint Committee														
WNC035	SHS - Govt Connect Sec XtraNet	56,003	0	7,563	40,000	(40,590)	8,000	7,410	7,850	40,590	0	40,590	0	0	0
WNC034	SHS - Server Replacement	121,342	0	0	100,000	(33,230)	20,000	86,770	88,112	33,230	(20,000)	33,230	0	0	0
WAA982	SHS - Hardware Replacement Programme	26,807	0	2,352	18,348	(380)	(348)	17,620	24,075	380	0	380	0	0	0
WAB924	SHS - Implementation of new SAN	256,620	0	256,620	0	0	0	0	0	0	0	0	0	0	0
WAB925	SHS - HR CPD Module	5,973	0	5,973	3,316	(3,316)	0	0	0	0	0	0	0	0	0
WAA135	SHS - 0910 C/fwd Finance System	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WAA143	SHS - 0910 C/fwd HR & Payroll System	80,146	80,146	0	0	0	0	0	0	0	0	0	0	0	0
WAA144	SHS - Revs/Bens System	1,985	0	1,985	0	0	0	0	0	0	0	0	0	0	0
WAA145	SHS - Connectivity	123,753	82,436	41,317	0	0	0	0	0	0	0	0	0	0	0
WAA136	SHS - E-Academy	42,694	0	0	0	0	18,820	18,820	42,694	0	0	0	0	0	0
WAA137	SHS - Income Management	33,297	0	0	0	(310)	33,300	32,990	32,997	310	0	310	0	0	0
WAA601	Corporate / Service Project Management	2,507,706	0	400,000	408,070	(5,156)	5,156	413,226	413,226	144,400	144,400	552,470	561,460	580,550	580,550
WAB999	Old Capital Schemes	4,696,049	4,696,049	0	0	0	0	0	0	0	0	0	0	0	0
WAB990	New Schemes Requiring Approval	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	None														
	Total General Fund Capital Schemes	45,335,612	8,547,566	9,587,500	12,697,216	(4,144,049)	83,498	8,636,665	8,783,119	4,144,049	(3,504,275)	7,494,344	7,318,239	3,605,044	3,605,044

CC	Section 106 Funded Schemes	2009-15			2010/11			2011/12			2012/13			2013/14		2014/15	
		6-Year Cost	Capital Expenditure	Capital Expenditure	Original Budget	Rephasing to 2012/13	Incr/Decr Virements	Current Budget	Spend Ptd12	Original Budget	Rephased from 2011/12	Incr/Decr Virements	Current Budget	Original Budget	Original Budget		
WNC001	Town Scheme Enhancements	20,777	20,777	0	0	0	0	0	0	0	0	0	0	0	0		
WNC019	Victoria Passage Phase 2 & 3	1,224	1,224	0	0	0	0	0	0	0	0	0	0	0	0		
WNC002	Allotments - Green Toilets	23,156	3,156	10,000	10,000	0	10,000	10,000	0	0	0	0	0	0	0		
WNC004	Colne Valley Improvements	108,137	1,224	39,129	20,000	1,146	7,784	28,930	28,930	0	0	18,854	20,000	20,000	0		
WNC018	Cow Lane Improvements	23,000	3,156	0	23,000	(23,000)	0	0	0	0	0	23,000	0	0	0		
WNC022	Multi-use Games at Meriden	123,156	38,414	210,293	120,000	(120,000)	0	0	0	0	0	120,000	0	0	0		
WNC014	Oxhey Park Bridge	347,776	38,414	0	0	(68,114)	102,000	0	0	0	0	88,114	0	0	0		
WNC021	Woodside Playing Field - Green Flag	203,752	11,572	156,541	34,000	(68,114)	0	0	0	0	0	0	0	0	0		
WNC017	King George V Nature Reserve	45,615	3,156	37,453	5,000	0	6	5,006	35,639	0	0	0	0	0	0		
WNC023	Cassiopark Phase 2 Consultation	7,967	0	0	8,000	0	(6)	7,994	0	0	0	0	0	0	0		
WNC024	Cassiopark Signage	9,016	3,156	0	5,860	0	0	5,860	0	0	0	0	0	0	0		
WNC027	Town Centre Cycle Park	15,457	2,056	13,404	0	0	0	0	0	0	0	0	0	0	0		
WNC028	Town Scheme Enhancements Phase 2	31,010	5,714	13,168	27,950	0	0	27,950	0	0	0	0	0	0	0		
WNC030	Knutsford Playing Fields - changing facilities	464,040	9,356	54,412	430,588	0	0	430,588	400,272	0	0	0	0	0	0		
WNC020	Hempstead Road Toucan	1,224	1,224	0	18,982	0	0	0	0	0	0	0	0	0	0		
WNC025	Cassiobury Park Study Ancillary Facilities	29,986	3,156	7,878	18,982	(555,700)	0	18,982	18,953	0	0	535,700	0	0	590,000		
WAB300	Croxtley Rail Link	1,125,846	0	0	536,000	(153,961)	0	300	146	0	0	153,961	0	0	0		
WNF010	Waterfield Rec & Knutsford PG	160,000	0	0	160,000	0	0	6,039	6,039	0	0	0	0	0	0		
WNC011	Oxhey Park	138,917	9,102	61,836	67,979	0	0	67,979	0	0	0	0	0	0	0		
WNF012	St Johns Road Playground	25,000	0	25,000	0	0	0	0	0	0	0	0	0	0	0		
WNF013	Chater School Playground	25,000	0	25,000	0	0	0	0	0	0	0	0	0	0	0		
WNF017	Oxhey Village Green	25,000	0	25,000	0	0	0	0	0	0	0	0	0	0	0		
WNF018	Lea Farm Playground	25,000	0	25,000	0	0	0	25,000	0	0	0	0	0	0	0		
WNF019	Stamford Road Playground	25,000	0	25,000	0	0	0	25,000	0	0	0	0	0	0	0		
WNF020	Aspen Park Drive Playground	24,869	0	24,869	0	0	0	0	0	0	0	0	0	0	0		
WNF021	Norbury Avenue Playground	25,000	0	6,632	18,368	0	0	18,368	18,368	0	0	0	0	0	0		
WNF022	Jellicoe Road Playground	25,000	0	13,690	11,310	0	0	11,310	11,310	0	0	0	0	0	0		
WAA153	Cassiobury Park - Shepherds Road entrance	85,000	0	85,000	85,000	(85,000)	0	0	0	0	0	85,000	0	0	0		
WAA154	Cassiobury Park - improvements to tea pavilion	140,000	0	140,000	140,000	(140,000)	0	0	0	0	0	140,000	0	0	0		
WAA155	Cassiobury Park - toilet improvements	240,000	0	240,000	240,000	(240,000)	0	0	0	0	0	240,000	0	0	0		
WAB926	Stamford Road Rec Play Area	17,000	0	0	16,896	(104)	17,000	16,896	16,896	0	0	104	0	0	0		
WAB927	Hanwoods Rec Play Area	145,000	0	0	0	0	0	0	0	0	0	145,000	0	0	0		
WAB928	Central Primary School Play Area	40,000	0	0	0	0	0	0	0	0	0	40,000	0	0	0		
WAB929	North Watford Playing Fields Play Area	51,000	0	0	42	42	0	42	42	0	0	0	0	0	0		
WAB930	St. Johns Road Play Area	31,000	0	0	25,324	(5,676)	31,000	25,324	25,324	0	0	5,676	0	0	0		
WAB931	Himalayan Way Play Area	100,000	0	0	0	0	0	0	0	0	0	100,000	0	0	0		
WAB932	Jellicoe Road Play Area improvements	11,000	0	0	0	0	0	0	0	0	0	11,000	0	0	0		
WAB933	Stripling Road Play Area improvements	10,000	0	0	10,000	(10,000)	10,000	0	0	0	0	10,000	0	0	0		
WAB934	Courlands Close Play Area	40,000	0	0	38,992	(1,008)	40,000	38,992	38,992	0	0	1,008	0	0	0		
WAB935	Skate Park improvements	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0		
WAB936	Estcourt Road Improvements	15,000	0	0	0	0	0	0	0	0	0	15,000	0	0	0		
WAB937	Oxhey Green Play Area	10,200	0	0	10,000	0	10,000	10,000	10,200	0	0	0	0	0	0		
WAB938	Goodwood Rec Play Area improvements	29,274	0	0	22,840	(7,160)	30,000	22,840	22,840	0	0	7,160	0	0	0		
WAB939	Watford Fields Play Area	20,000	0	0	20,000	20,000	0	20,000	20,000	0	0	0	0	0	0		
WAB940	East Drive Play Area	120,000	0	0	0	0	0	0	0	0	0	120,000	0	0	0		
WAB941	Harebreaks Rec Ground Play Area	121,000	0	0	0	0	0	0	0	0	0	121,000	0	0	0		
WAB942	Waterfields Rec Play Area	100,000	0	0	0	0	0	0	0	0	0	100,000	0	0	0		
WAB943	Meriden Park Play Area	250,000	0	0	222,000	(28,000)	150,000	222,000	222,000	0	0	28,000	0	0	0		
WAB944	Berry Avenue Play Area	60,000	0	0	0	0	0	0	0	0	0	60,000	0	0	0		
WAB945	Southold Road Play Area	50,000	0	0	0	0	0	0	0	0	0	50,000	0	0	0		
WAB946	Ridgehurst Avenue Play Area	50,000	0	0	0	0	0	0	0	0	0	50,000	0	0	0		
WAB947	Callowland Recreation Ground	460,000	0	0	12,914	(300,000)	330,000	12,914	12,914	0	0	447,086	0	0	0		
WAB948	Riverside Recreation Ground	330,000	0	0	21,000	21,000	0	21,000	21,000	0	0	330,000	0	0	0		
WAB949	Oxhey Park	550,000	0	0	12,723	(12,723)	0	12,723	12,723	0	0	550,000	0	0	0		
WAB950	King George V Playing Field	992,216	0	0	242,216	(202,397)	242,216	39,819	39,819	0	0	250,000	0	0	0		
WAB951	Colne River Project	15,000	0	0	15,000	(15,000)	0	0	0	0	0	15,000	0	0	0		
WAB952	Fern Way Play area landscaping	30,000	0	0	0	0	0	0	0	0	0	30,000	0	0	0		
WAB953	Radlet Road MUGA	100,000	0	0	0	0	0	0	0	0	0	99,021	0	0	0		
WAB954	Knutsford Road	100,000	0	0	0	(99,021)	100,000	979	979	0	0	99,021	0	0	0		

Capital Schemes		2009-15		2009/10		2010/11		2011/12			2012/13			2013/14		2014/15	
		6-Year Cost	Capital Expenditure	Capital Expenditure	Capital Expenditure	Original Budget	Rephasing to 2012/13	Incr/Decr & Virements	Current Budget	Spend Pd12	Original Budget	Rephased from 2011/12	Incr/Decr & Virements	Current Budget	Original Budget	Original Budget	
Summary of Schemes		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
WAB955	Leavesden Green Rec MUCA	50,000															
WAB956	North Watford Cemetery	75,000															
WAB957	Vicarage Road Cemetery	75,000															
WAB958	Local Park Improvements	250,000															
WAB959	Garston Park	62,000															
WAB960	Wiggenhall Allotments	75,000															
WAB961	Cherry Tree Allotments	33,000															
WAB962	Local Nature Reserves	80,000															
WAB211	Watford Museum	76,435															
WAB964	Centennial House Landscaping & Maintenance	1,050															
WAB628	Total Section 106 Funded Schemes	8,450,100	116,443	724,303	2,012,037	(1,926,210)	1,245,000	1,330,827	1,282,659	1,926,210	2,852,885	4,799,095	604,890	922,710			

Capital Schemes		2009-15		2009/10		2010/11		2011/12				2012/13				2013/14		2014/15	
		6-Year Cost	Capital Expenditure	Capital Expenditure	Capital Expenditure	Original Budget	Rephasing to 2012/13	Incr/Decr Virements	Current Budget	Spend Ptd12	Original Budget	Rephased from 2011/12	Incr/Decr Virements	Current Budget	Original Budget	Original Budget			
WA6920	Key Projects	18,785,491	850,959	3,910,645	7,550,636	(2,613,223)	0	4,937,413	5,143,633	4,260,500	2,613,223	(4,146,743)	2,726,980	4,763,779	1,389,494				
WA6921	Environmental Services	4,494,339	722,824	1,966,325	508,300	(186,816)	0	321,484	266,975	695,000	186,816	20,000	901,816	337,000	300,000				
WA6922	Community & Leisure Services	1,418,001	450,396	518,735	524,333	(170,000)	(84,938)	269,395	278,871	0	170,000	0	170,000	0	0				
WA6923	Housing Services	5,093,848	795,280	571,085	1,307,445	(528,215)	0	779,200	779,200	750,000	528,215	70,068	1,348,283	800,000	800,000				
WA6924	Parking Services	422,759	56,549	196,210	65,000	(17,140)	0	47,860	47,860	600,000	17,140	35,000	52,140	35,000	35,000				
WA6925	Asset Management	6,411,776	736,835	1,559,932	1,920,051	(380,266)	62,800	1,602,585	1,555,744	600,000	380,266	379,000	1,359,266	700,000	500,000				
WA6926	ICT	756,621	76,092	148,759	251,747	(173,879)	24,024	101,892	101,892	121,000	173,879	14,000	308,879	121,000	0				
WA6927	ICT - Shared Services Joint Committee	748,620	162,582	315,810	161,664	(74,510)	76,456	163,610	195,718	20,000	74,510	(20,000)	74,510	0	0				
WA6929	Corporate / Service Project Management	2,507,706	0	400,000	408,070	0	5,156	413,226	413,226	408,070	0	144,400	552,470	561,460	580,550				
WA6928	Section 106 Funded Schemes	8,450,100	116,443	724,303	2,012,037	(1,926,210)	1,245,000	1,330,827	1,282,659	20,000	1,926,210	2,852,885	4,799,095	604,890	922,710				
WA6989	Old capital schemes	4,696,049	4,696,049	0	0	0	3	0	0	0	0	0	0	0	0				
WA6990	New Schemes Requiring Approval	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
WA4900	Total All Schemes	53,785,912	8,664,009	10,311,803	14,709,253	(6,070,259)	1,328,501	9,967,492	10,065,778	6,874,570	6,070,259	(651,390)	12,293,439	7,923,129	4,527,754				

Capital Schemes		2009-15		2009/10		2010/11		2011/12				2012/13				2013/14		2014/15	
		6-Year Cost	Capital Expenditure	Capital Expenditure	Capital Expenditure	Original Budget	Rephasing to 2012/13	Incr/Decr Virements	Current Budget	Spend Ptd12	Original Budget	Rephased from 2011/12	Incr/Decr Virements	Current Budget	Original Budget	Original Budget			
CAPITAL PROGRAMME FINANCING																			
	General Fund Programme	45,335,812	8,547,566	9,587,500	12,697,216	(4,144,049)	83,498	8,636,665	8,783,119	6,854,570	4,144,049	(3,504,275)	7,494,344	7,318,239	3,605,044				
	S106 Programme	8,450,100	116,443	724,303	2,012,037	(1,926,210)	1,245,000	1,330,827	1,282,659	20,000	1,926,210	2,852,885	4,799,095	604,890	922,710				
	Total Capital Programme	53,785,912	8,664,009	10,311,803	14,709,253	(6,070,259)	1,328,498	9,967,492	10,065,778	6,874,570	6,070,259	(651,390)	12,293,439	7,923,129	4,527,754				
	Grants & Contributions							300,000	603,705				200,000	200,000	200,000				
	Reserves							100,000	49,741				100,000	100,000	100,000				
	Capital Receipts							8,236,665	8,381,673				7,194,344	7,018,239	3,305,044				
	S106 Contributions							1,330,827	1,030,659				4,799,095	604,890	922,710				
	Total Capital Financing							9,967,492	10,065,778				12,293,439	7,923,129	4,527,754				

AVAILABLE FUNDING - CAPITAL RECEIPTS		2011/12		2011/12		2012/13		2013/14		2014/15	
		Current Budget	Spend Ptd12	Current Budget	Spend Ptd12	Current Budget	Original Budget	Current Budget	Original Budget	Current Budget	Original Budget
	Balance Brought Forward	19,412,685	19,412,685			12,872,093	8,677,749			3,159,510	3,159,510
	Used for Financing	(8,236,665)	(8,381,673)			(7,194,344)	(7,018,239)			(3,305,044)	(3,305,044)
	New Receipts	1,500,000	1,841,081			3,000,000	1,500,000			1,000,000	1,000,000
	Balance Carried Forward	12,676,020	12,872,093			8,677,749	3,159,510			854,466	854,466

AVAILABLE FUNDING - S106		2011/12		2011/12		2012/13		2013/14		2014/15	
		Current Budget	Spend Ptd12	Current Budget	Spend Ptd12	Current Budget	Original Budget	Current Budget	Original Budget	Current Budget	Original Budget
	Balance Brought Forward	5,898,141	5,898,141			5,511,562	1,162,606			827,667	827,667
	Used for Financing	(1,330,827)	(1,030,659)			(4,799,095)	(604,890)			(922,710)	(922,710)
	New Receipts	500,000	575,179			375,000	250,000			150,000	150,000
	Interest @ 1.2151%	68,901	68,901			75,139	19,951			13,532	13,532
	Balance Carried Forward	5,136,215	5,511,562			1,162,606	827,667			68,489	68,489

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Agenda Item 8

Report to: Budget Panel
Date of meeting: 11th September 2012
Report of: Head of Strategic Finance
Title: Finance Digest 2012/2013: Period 4 (end of July)

1.0 SUMMARY

1.1 This report informs the Budget Panel of the reported budgetary variances as at end of July 2012.

2.0 RECOMMENDATIONS

2.1 To consider the Finance Digest as at the end of period 4.

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. Where variances are adverse then Heads of Service are required to identify compensating savings wherever possible. For example, during 2011/2012 an overspend of circa £800k was forecast at one point but this was finally managed down to an underlying overspend of £322k.

3.2 The Period 4 (end of July) monitor has identified few variances and this is largely due to key staff being fully engaged on one or all of the following:

- Health Campus tender evaluations
- Charter Place negotiations with Capital Shopping Centres
- ICT tender evaluations
- Waste, Recycling, Street Cleansing, Parks and Open Spaces tender preparation
- Local Council Tax Benefit Scheme

This is not a comprehensive list of pressures currently being experienced but does indicate some of the issues being dealt with.

3.3 To provide the Budget Panel with some reassurance, the salaries budgets are well under control and the majority of other heads of expenditure and income have been regularly monitored by Heads of Service. The two key risk areas are rent income related to commercial property and the Housing Benefit cost centre (due to the size of the budgets and potential volatility). I would anticipate providing a full review of these cost centres as part of the period 5 Finance Digest report.

4.0 FINANCIAL IMPLICATIONS

4.1 These have been included within the report.

5.0 LEGAL IMPLICATIONS

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

6.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the Council's Budget overspends and the use of unplanned reserves is the consequence	3	3	9

7.0 EQUALITIES

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

Appendices

Finance Digest Period 4 (end of July)

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FINANCE DIGEST

Revenue Financial Monitoring at

Period 4

(July 2012)

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 (Finance Manager) on ext 7198 or Gilbert Mills (Senior Accountant) on ext 7437.

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 Council budgets including performance within a number of discrete areas. Variances to budgets are reported and shown in the forecast outturn for 2012/13. These variances are loaded on to the Council's financial management system.

Part 1 - Budget Monitoring

The digest 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. It also includes information on key risks and volatile budgets (I.E. income streams subject to economic conditions) including any action taken to mitigate their impact. Revenue spend is forecast monthly whereas capital updates are provided on a quarterly basis.

Part 2 - Performance Indicators

This section provides up to date performance data regarding various service areas of the Council including both front line services and support services.

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Part 1 - Budget Monitoring	
Revenue :-	
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Part 1 - Budget Monitoring

1 - General Fund Revenue

- 1.1 This report provides an update, in summary form, of the latest position as at 31st July 2012 (period 4) on the Council's budget for the current financial year.
- 1.2 The 2012/13 original net general fund budget requirement was £14,897k.

The 2012/13 forecast outturn for net expenditure at the end of period 4 is predicted to be £14,925k. The difference of (£28k) is funded as follows :-

	@ Period 3 £k	This Month £k	Total £k
* Use of Invest To Save Reserve (Yr 2 funding for the post of 'Resilience Officer')	(38)	0	(38)
* Use of LABGI Reserve (funding contribution towards 'Imagine Watford')	(20)	0	(20)
* Anticipated movement on Economic Impact Reserve (see table below)	(25)	55	30
Sum of in year total reserve movements up to period 4	(83)	55	(28)

Invest to Save Reserve (£38k)

The Mayor approved the funding of a two year appointment for a Resilience Officer post (circa £38k per annum), employed by the CVS, who will have responsibility for supporting voluntary sector organisations to become sustainable in the future and less reliant on the council as a source of funding. 2012/13 is the second year of this appointment.

Local Authority Business Growth Incentive (LABGI) Reserve (£20k)

This reserve was utilised to develop opportunities and promote Watford by working with partners including the private sector and Watford Palace Theatre on the 'Imagine Watford' festival that took place in June 2012.

Anticipated Movement on Economic Impact Reserve £30k

This balance of £30k is the unplanned forecast underspend for 2012/13 and comprises the following variations :-

Forecast variations affecting Economic Impact Reserve	@ Period 3 £k	This Month £k	Total £k
As reported in previous Finance Digest	(25)	0	(25)
Reduced income anticipated from parking @ the Avenue	0	(20)	(20)
Reduced spend relating to grant funded anti-social behaviour	0	70	70
Other minor net variations reported in this month's digest	0	5	5
Total	(25)	55	30

Table 1 - General Fund summary

General Fund Variance Summary for 2012/13 @ Period 4 (July 2012)

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 3	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺
Community Services	8,200	8,258	(36)	(7)	(43)	8,215	(0.5)	☺
Environmental Services	6,346	6,346	0	(70)	(70)	6,276	(1.1)	☺
Planning	2,162	2,162	0	20	20	2,182	0.9	⊗
Corporate Management	1,492	1,492	0	0	0	1,492	0.0	☺
Legal and Property Services	(2,721)	(2,729)	0	2	2	(2,727)	0.1	⊗
Shared Services Implementation	30	30	0	0	0	30	0.0	☺
Shared Services	3,815	3,815	0	0	0	3,815	0.0	☺
Strategic Finance	(4,427)	(4,419)	61	0	61	(4,358)	1.4	⊗
NET GENERAL FUND	14,897	14,955	25	(55)	(30)	14,925	(0.2)	☺
Budgeted Transfer To/(From) Reserves	503	503	0	0	0	503		
In Year Transfer To/(From) Reserves		(58)	(25)	55	30	(28)		
<i>Rounding Adjustment</i>								
NET BUDGET REQUIREMENT	15,400	15,400	0	0	0	15,400		
General Fund Working Balance								
Opening Balance	1,350	1,350	0	0	0	1,350		
CLOSING WORKING BALANCE	1,350	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 3	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	2,186	0	2,186	(5)	0	(5)	2,181	No monthly forecast variances reported.
Sports and Arts	3,775	58	3,833	(32)	(7)	(39)	3,794	Variations due to the following :- i) (£8k) savings attributable to reduced commissioning costs relating to free swim and gym sessions. ii) Other £1k minor variations.
Housing	2,239	0	2,239	1	0	1	2,240	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Community Services	8,200	58	8,258	(36)	(7)	(43)	8,215	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 3**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	
Environmental Services								
Customer Services	0	0	0	0	0	0	0	
Environmental Health & Licensing	1,781	0	1,781	0	(70)	(70)	1,711	£70k reduced spend for grant funded anti-social behaviour due to scheme closure.
Street Cleansing	2,017	0	2,017	0	0	0	2,017	No monthly forecast variances reported.
Waste & Recycling	2,548	0	2,548	0	0	0	2,548	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Environmental Services	6,346	0	6,346	0	(70)	(70)	6,276	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 3

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	985	0	985	0	0	0	985	
Transport and Infrastructure	585	0	585	0	20	20	605	Decrease of £20k in income expected at the Avenue car park due to lower parking charges at competing sites.
Policy Team	580	0	580	0	0	0	580	No monthly forecast variances reported.
Economic Development	12	0	12	0	0	0	12	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Planning Services	2,162	0	2,162	0	20	20	2,182	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 3

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	1,492	0	1,492	0	0	0	1,492	No monthly forecast variances reported.
Total for Corporate Management	1,492	0	1,492	0	0	0	1,492	

Notes to Agreed Budget Changes.

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 3

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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								
Partnerships & Performance	272	(8)	264	0	0	0	264	No monthly forecast variances reported.
Legal and Democratic	1,591	0	1,591	0	2	2	1,593	Additional £2k of IT maintenance spend incurred on committee software including web hosting.
Property	(5,154)	0	(5,154)	0	0	0	(5,154)	No monthly forecast variances reported.
Buildings and Projects	570	0	570	0	0	0	570	No monthly forecast variances reported.
Total for Legal and Property Services	(2,721)	(8)	(2,729)	0	2	2	(2,727)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Agreed Budget Changes reported in Finance Digest Period 3

(8)

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	No monthly forecast variances reported.
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 3**

0

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

Service Area	Original Budget £000's	Agreed Budget Change £000's	Current Budget £000's	Forecast Variance @ Period 3 £000's	Forecast Variance This Month £000's	Total Forecast Variance £000's	Forecast Outturn £000's	Comments regarding This Month's Forecast Variances
Revenues and Benefits	1,559	0	1,559	0	0	0	1,559	No monthly forecast variances reported.
ICT	835	0	835	0	0	0	835	No monthly forecast variances reported.
Human Resources	471	0	471	0	0	0	471	No monthly forecast variances reported.
Finance	950	0	950	0	0	0	950	No monthly forecast variances reported.
<i>Rounding Adjustment</i>								
Total for Shared Services	3,815	0	3,815	0	0	0	3,815	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 3**

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	
Strategic Finance								
Finance and Resources	221	10	231	0	0	0	231	No monthly forecast variances reported.
Finance Services Client	(823)	0	(823)	0	0	0	(823)	No monthly forecast variances reported.
Revenues and Benefits Client	(165)	0	(165)	61	0	61	(104)	No monthly forecast variances reported.
ICT Services Client	(835)	0	(835)	0	0	0	(835)	No monthly forecast variances reported.
Human Resources Client	(471)	8	(463)	0	0	0	(463)	No monthly forecast variances reported.
Procurement	0	0	0	0	0	0	0	No monthly forecast variances reported.
Corporate Costs	1,610	(10)	1,600	0	0	0	1,600	No monthly forecast variances reported.
Capital & FRS17 Adjustments	(3,964)	0	(3,964)	0	0	0	(3,964)	No monthly forecast variances reported.
Total for Strategic Finance	(4,427)	8	(4,419)	61	0	61	(4,358)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 3**

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Table 3 - Salaries Analysis

Salaries Variance Analysis (Excl. IAS19)

Service Area	Previous Year Final Restated	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 3	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	%	☺	
Community Services	3,065	2,840	39	2,879	(14)	0	(14)	2,865	(0.5)	☺	No monthly forecast variances reported.
Environmental Services	5,648	5,876	0	5,876	0	0	0	5,876	0.0	☺	No monthly forecast variances reported.
Planning Services	1,887	1,983	0	1,983	0	0	0	1,983	0.0	☺	No monthly forecast variances reported.
Corporate Management	537	403	0	403	0	0	0	403	0.0	☺	No monthly forecast variances reported.
Legal and Property Services	3,110	3,058	0	3,058	0	0	0	3,058	0.0	☺	No monthly forecast variances reported.
Shared Services Implementation	33	0	0	0	0	0	0	0	0.0	☺	No monthly forecast variances reported.
Strategic Finance	194	232	0	232	0	0	0	232	0.0	☺	No monthly forecast variances reported.
Consultancy	231	130	(5)	125	0	0	0	125	0.0	☺	No monthly forecast variances reported.
Total	14,705	14,522	34	14,556	(14)	0	(14)	14,542	(0.1)	☺	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported
in Finance Digest Period 3**

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Part 2 - Performance Indicators

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 strategy for the period ending 31st July 2012 shows an average annualised return on investments of 1.4% (compared to an estimate of 1.3%). Interest received as at 31st July 2012 (after allowing for previous year accruals) equates to £90k.

The current estimate of interest returns for 2012/13 is:

	<u>2012/13</u>
Best case	1.4 %
Central case	1.3 %
Worst case	1.2 %

Interest base rates (0.5%) are not now expected to rise until January 2014.

2.2 Council Tax and NNDR

The Council Tax and NNDR collection rates @ period 4 are as follows :-

Council Tax Collection rates	2010/11 %	2011/12 %	2012/13 %	Target %
April	10.8	10.7	11.1	10.8
May	17.8	19.7	19.6	19.8
June	27.2	28.5	28.1	28.6
July	35.8	37.6	36.8	37.7
August	45.0	46.5		46.6
September	54.1	55.0		55.1
October	62.8	64.0		64.1
November	71.9	73.2		73.3
December	80.4	82.1		82.2
January	88.9	90.3		90.4
February	92.8	93.6		93.7
March	95.3	95.5		96.0

NNDR Collection rates	2010/11 %	2011/12 %	2012/13 %	Target %
April	9.6	13.7	13.5	13.8
May	17.2	23.5	23.0	23.6
June	27.2	33.4	32.6	33.5
July	37.2	41.6	41.8	41.8
August	51.7	50.5		50.7
September	57.9	60.2		60.4
October	68.9	68.9		69.1
November	80.2	77.8		78.0
December	87.2	88.6		88.8
January	93.5	92.8		93.1
February	95.7	95.0		95.3
March	96.3	96.7		97.0

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

2.3 Creditor Payment Monitoring @ period 4 (July 2012)

The Council paid 88.82% of undisputed invoices within 30 days (against an Audit Commission target of 100%)

The number of payments made by BACS for the month was 85.83% (cumulative figure is 86.40%) 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)
Community Services	104	13	91	87.50	93.94
Environmental Services	334	7	327	97.90	98.38
Planning	35	10	25	71.43	84.00
Managing Director	29	1	28	96.55	84.42
Legal and Property	182	44	138	75.82	80.91
Shared Services	85	11	74	87.06	85.64
Total	769	86	683	88.82	90.91

Cumulative Percentages of Payments Made On Time

	2010/11	2011/12	2012/13
April	N/A	98.45	94.67
May	63.77	95.11	92.09
June	69.79	93.27	91.69
July	71.77	93.23	90.91
August	74.62	92.63	
September	81.59	92.49	
October	84.61	92.65	
November	86.45	93.22	
December	87.59	93.37	
January	87.91	93.04	
February	87.94	93.29	
March	89.16	93.51	

The April figure was not reported separately in 2010/11 so a historic comparison for this month is not possible.

2.4 Debtors Monitoring @ period 4 (July 2012)

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

General Debtor Invoices Raised to the end of July 2012

Invoices Raised from 1st April 2012 to 31st July 2012					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Community Services	98	884,401	801,600	82,800	9.36
Environmental Services	1,420	629,301	530,337	98,964	15.73
Planning	97	437,439	355,075	82,364	18.83
Corporate Management	7	7,740	1,440	6,300	81.40
Legal and Property	2,405	5,398,783	4,768,357	630,426	11.68
Human Resources	0	0	0	0	N/A
Housing	3	683	649	34	4.98
Finance	114	538,590	524,584	14,007	2.60
ICT	0	0	0	0	N/A
Revenues & Benefits	289	14,983	8,014	6,969	46.51
Total	4,433	7,911,920	6,990,056	921,864	11.65

Of the outstanding debt of £921,864, the amount between 0 to 3 months old is £570,270 (61.9%)

2.5

Key Business Indicators

Monthly indicators at the end of July 2012 (Period 4) are :-

Performance Indicator	Target for Year	Actual
Occupancy rates - Market	75%	58%
Occupancy rates - Commercial Property	99%	98%
Repair & Maintenance Programme (incl Yr 5 capitalised budget)	£1,502k	£148k
Capital Programme General	£7,516k	£784k
Capital Programme Section 106	£4,799k	£674k
Average time to process housing benefits claims (from date of claim)	25 days	36.83 days
Average time to process change of circumstances	15 days	35.47 days
Sickness Levels	2.17 days (profiled target)	2.90 days @ end of July 2012
Staff Appraisals completed on time	100%	80.29%
CSC - all calls answered	95%	99.70%
Complaints resolved at Stage 1	90%	59%
% of valid bins missed	<0.05%	0.05%
ICT service availability to users during core working hours	99.5%	99.88% during month

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