



# **FINANCE DIGEST**

**General Fund**

**Financial Monitoring**

**Period 9**

**(December 2011)**

## **Foreword**

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

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

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

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

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

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

This section provides the latest performance information.

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## 1 - General Fund Revenue

1.1 This report provides an update, in summary form, of the latest position as at 31st December 2011 on the Council's budget for the current financial year.

1.2 The forecast out-turn net expenditure for 2011/12 at the end of period 9 is predicted to be £15,652k and needs to be reconciled back to the net budget requirement agreed at the start of the year of £14,718k. The difference of (£934k) comprises the following :-

	£k
* Use of 2010/11 Carry Forward Reserve	(349)
* Use of Invest To Save Reserve (Resilience Officer & V4 Consultancy)	(59)
* Anticipated use of Invest To Save Reserve (Licensing Review)	(18)
* Contribution to Vehicle Replacement Reserve	150
* Use of LABGI Reserve (funding for 'Watford for You', 'Imagine Watford')	(45)
* Anticipated use of LABGI Reserve (Unmet Demand Survey Re : Taxis)	(9)
* Anticipated use of Recycling Reserve (Purchase of 2 x Bartec Cab Devices)	(6)
* Use of Economic Impact Reserve (funding 'Watford Learning Partnership')	(23)
* Anticipated use of Economic Impact Reserve up to period 9	(575)
<b>Sum of reserve movements up to period 9 affecting General Fund Revenue</b>	<b>(934)</b>
* Use of LABGI Reserve (funding <u>capital</u> for 'Indoor Guest Market')	(10)
Sum of total reserve movements up to period 9	<u>(944)</u>

### 1.3 Carry Forward Reserve (£349k)

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

### Invest to Save Reserve (£77k)

The Mayor has approved the funding of a two year appointment of a Resilience Officer (£38k), 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. In addition to this, the Council is currently utilising the services of V4 Consultancy (£21k as at period 8) to prepare an outline business case for Parks, Street Cleansing & Waste Services as well as Value Adding.com Ltd (£18k) to carry out a review of licensing.

#### Vehicle Replacement Reserve £150k

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

#### Local Authority Business Growth Incentive (LABGI) Reserve (£64k)

This reserve is being utilised to develop opportunities that exist through programmes connected with 'Imagine Watford' (£20k) and 'Watford for You' (£25k). It is also funding capital costs associated with the Indoor Guest Market at Charter Place (£10k) and the 'Unmet Demand Survey' of circa (£9k) approved at Licensing Committee.

#### Recycling Reserve (£6k)

This reserve is being utilised to purchase 2 additional Bartec in cab devices used to monitor waste collection data and freighter movements within the Waste & Recycling service.

#### Economic Impact Reserve (£23k)

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

#### Anticipated Use of Economic Impact Reserve (£575k)

The major cause of the use of this reserve is the forecast shortfall in commercial rent income (and this was comprehensively reported within the Period 8 Digest). Since that date, Peacocks has fallen into administration which could further affect the Council's income from commercial rents. In this case however, Peacock's has been trading profitably and it is its current indebtedness (circa £750m) that has caused its insolvency. It is anticipated that a buyer will emerge to keep Peacocks in operation after a Pre-Pack administration has been agreed. This rather dubious practice enables all debt to be 'dumped' with the company starting with a clean bill of health. Should this occur then the Council is unlikely to suffer any loss of commercial rent income.

The anticipated drawing of £575k from the reserve has fallen from the previous forecast of £706k at Period 8 and it is anticipated that this will further reduce before the year end as Leadership Team seek to manage budgets down.

**Table 1 - General Fund summary**

**General Fund Variance Summary for 2011/12 Period 9**

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 8	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺
Corporate Services	473	636	(48)	(3)	(51)	585	(8.0)	☺
Community Services	8,701	8,752	9	0	9	8,761	0.1	☹
Environmental Services	6,199	6,213	10	13	23	6,236	0.4	☹
Planning	2,305	2,335	20	0	20	2,355	0.9	☹
Corporate Management	1,360	1,360	0	0	0	1,360	0.0	☺
Legal and Property Services	(3,576)	(3,420)	706	(120)	586	(2,834)	17.1	🔔
Shared Services Implementation	30	30	0	0	0	30	0.0	☺
Shared Services	3,881	3,889	58	0	58	3,947	1.5	☹
Strategic Finance	(4,792)	(4,739)	(34)	(15)	(49)	(4,788)	(1.0)	☺
<b>NET GENERAL FUND</b>	<b>14,581</b>	<b>15,056</b>	<b>721</b>	<b>(125)</b>	<b>596</b>	<b>15,652</b>	<b>4.0</b>	<b>☹</b>
Transfer To/(From) Reserves	150	(339)	(720)	125	(595)	(934)		
Transfer To/(From) Working Balance	(13)	0	0	0	0	0		
<i>Rounding Adjustment</i>		1	(1)		(1)			
<b>NET BUDGET REQUIREMENT</b>	<b>14,718</b>	<b>14,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,718</b>		
General Fund working Balance								
Opening Balance	1,350	1,350	0	0	0	1,350		
Transfer To/(From) Working Balance	(13)	0	0	0	0	0		
<b>CLOSING WORKING BALANCE</b>	<b>1,337</b>	<b>1,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,350</b>		

**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 8	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	
<b>Corporate Services</b>								
Partnerships & Performance	473	98	571	14	(3)	11	582	Income from 'filming' within the Borough anticipated to produce a (£3k) favourable variance.
Customer Services	0	10	10	(81)	0	(81)	(71)	
Corporate Projects	0	56	56	18	0	18	74	
<i>Rounding Adjustment</i>			(1)	1	0	1		
<b>Total for Corporate Services</b>	473	164	636	(48)	(3)	(51)	585	

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

Notes to Agreed Budget Changes

**Agreed Budget Changes reported  
in Finance Digest Period 8**

Reason for Agreed Budget Change

**164**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Community Services</b>								
Parks and Open Spaces	2,075	7	2,082	52	0	52	2,134	
Sports and Arts	4,297	44	4,341	(163)	0	(163)	4,178	
Housing	2,329	0	2,329	122	0	122	2,451	
<i>Rounding Adjustment</i>							(2)	
<b>Total for Community Services</b>	<b>8,701</b>	<b>51</b>	<b>8,752</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>8,761</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported in Finance Digest Period 8**

**51**



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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Environmental Services</b>								
Environmental Health & Licensing	1,604	2	1,606	10	0	10	1,616	
Street Cleansing	2,068	5	2,073	0	0	0	2,073	
Waste & Recycling	2,527	7	2,534	0	13	13	2,547	Funding of £6k from Recycling Reserve to fund 2 x additional Bartec devices as well as other net adverse variances totalling £7k relating to various operational matters including income generation and direct costs.
<b>Total for Environmental Services</b>	<b>6,199</b>	<b>14</b>	<b>6,213</b>	<b>10</b>	<b>13</b>	<b>23</b>	<b>6,236</b>	

Notes to Agreed Budget Changes

**Agreed Budget Changes reported in Finance Digest Period 8**

Reason for Agreed Budget Change

**14**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Planning Services</b>								
Development Section	1,070	2	1,072	(37)	0	(37)	1,035	
Transport and Infrastructure	667	8	675	56	0	56	731	
Policy Team	568	20	588	0	0	0	588	
Economic Development	0	(0)	0	0	0	0	0	
<i>Rounding Adjustment</i>				1	0	1	1	
<b>Total for Planning Services</b>	<b>2,305</b>	<b>30</b>	<b>2,335</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>2,355</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 8**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Corporate Management</b>								
Corporate Management	1,360	0	1,360	0	0	0	1,360	
<b>Total for Corporate Management</b>	1,360	0	1,360	0	0	0	1,360	

Notes to Agreed Budget Changes

**Agreed Budget Changes reported in Finance Digest Period 8**

Reason for Agreed Budget Change

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Legal and Property Services</b>								
Legal and Democratic	1,810	12	1,822	18	0	18	1,840	
Property	(5,816)	0	(5,816)	657	0	657	(5,159)	
Buildings and Projects	430	144	574	31	(120)	(89)	485	Favourable variance of (£120k) expected within the corporate component failure budget managed and co-ordinated by Buildings & Projects.
<b>Total for Legal and Property Services</b>	<b>(3,576)</b>	<b>156</b>	<b>(3,420)</b>	<b>706</b>	<b>(120)</b>	<b>586</b>	<b>(2,834)</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported in Finance Digest Period 8**

**156**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Shared Services Implementation</b>								
Shared Services Implementation	30	0	30	0	0	0	30	
<b>Total for Shared Services Implementation</b>	30	0	30	0	0	0	30	

Notes to Agreed Budget Changes

**Agreed Budget Changes reported in Finance Digest Period 8**

Reason for Agreed Budget Change

0

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Shared Services</b>								
Revenues and Benefits	1,538	0	1,538	26	0	26	1,564	
ICT	875	(0)	875	91	0	91	966	
Human Resources	493	9	502	(11)	0	(11)	491	
Finance	975	0	975	(49)	0	(49)	926	
<i>Rounding Adjustment</i>			(1)					
<b>Total for Shared Services</b>	<b>3,881</b>	<b>9</b>	<b>3,889</b>	<b>57</b>	<b>0</b>	<b>57</b>	<b>3,947</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 8**

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

Service Area	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	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	
<b>Strategic Finance</b>								
Finance and Resources	216	0	216	0	0	0	216	
Finance Services Client	(895)	40	(855)	0	0	0	(855)	
Revenues and Benefits Client	198	0	198	(44)	0	(44)	154	
ICT Services Client	(875)	0	(875)	0	0	0	(875)	
Human Resources Client	(493)	53	(440)	(30)	0	(30)	(470)	
Procurement	0	0	0	0	0	0	0	
Corporate costs	3,151	(40)	3,111	40	(15)	25	3,136	Favourable variance of (£15k) relating to interest receivable due to higher than anticipated cash balances available for investment.
Capital & FRS17 Adjustments	(6,094)	0	(6,094)	0	0	0	(6,094)	
<b>Total for Strategic Finance</b>	<b>(4,792)</b>	<b>53</b>	<b>(4,739)</b>	<b>(34)</b>	<b>(15)</b>	<b>(49)</b>	<b>(4,788)</b>	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

**Agreed Budget Changes reported  
in Finance Digest Period 8**

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**Table 3 - Salary Breakdown**

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

Service Area	Previous Year Final	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance @ Period 8	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Comments regarding This Month's Forecast Variances
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	☺	
Corporate Services	1,754	1,434	146	1,580	(66)	0	(66)	1,514	(4.2)	☺	
Community Services	3,507	3,269	95	3,364	(163)	0	(163)	3,201	(4.8)	☺	
Environmental Services	4,821	4,724	0	4,724	0	(5)	(5)	4,719	(0.1)	☺	Favourable net variance of (£5k) due to reduced overtime, review of agency budgets and vacant posts within Waste & Recycling.
Planning Services	2,043	2,078	0	2,078	(126)	0	(126)	1,952	(6.1)	☺	
Corporate Management	564	531	0	531	0	0	0	531	0.0	☺	
Legal and Property Services	2,606	2,450	(5)	2,445	57	0	57	2,502	2.3	☹	
Shared Services Implementation	298	43	0	43	0	0	0	43	0.0	☺	
Strategic Finance	145	204	(75)	129	0	0	0	129	0.0	☺	
Consultancy	437	274	(54)	220	10	0	10	230	4.5	☹	
<b>Total</b>	<b>16,175</b>	<b>15,007</b>	<b>107</b>	<b>15,114</b>	<b>(288)</b>	<b>(5)</b>	<b>(293)</b>	<b>14,821</b>	<b>(1.9)</b>	<b>☺</b>	

Notes to Agreed Budget Changes

**Agreed Budget Changes reported in Finance Digest Period 8**

Reason for Agreed Budget Change

**107**



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

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 8	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺		
Investment Interest	(346)	(346)	15	(15)	0	(346)	0.0	☺	Forecast higher cash balances available for investment and volatility in financial markets resulting in a 'flight to safety' with the maturity profile being shorter.	Dependent upon Eurozone countries resolving the issues around sovereign debt.
Commercial Property Income	(6,870)	(6,870)	640	0	640	(6,230)	9.3	☹	Reviewed by the Interim Property Manager as the economic situation continues to be challenging.	Routine monitoring due to exposure to the wider economic environment.
Charter Place Market	(485)	(485)	79	0	79	(406)	16.3	🔔	Vacancy levels are higher than budgeted resulting in a downward revision to income.	Marketing of vacancies is being actively pursued.
Bed and Breakfast homelessness cost increase	6	0	150	0	150	150	100.0	🔔	The Council is unable to accommodate all families deemed to be homeless without recourse to using bed and breakfast accommodation.	Options for commissioning additional temporary accommodation and more effective demand management being explored.
Development and Building Control Income	(635)	(635)	64	0	64	(571)	10.1	🔔	Economic downturn has affected the level of fee income.	Staffing levels savings more than compensate for loss of income to date.

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

Service Area	Original Budget	Current Budget	Forecast Variance @ Period 8	Forecast Variance This Month	Total Forecast Variance	Forecast Outturn	Variance		Current Assessment of Outturn Position	Mitigating Action Taken
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺		
Land Charges Income	(40)	(40)	0	0	0	(40)	0.0	☺	The income budget has been reduced significantly due to a change in legislation. There could be the need to reimburse charges relating to previous years.	
Trade Refuse Income	(710)	(710)	0	57	57	(653)	8.0	☹	A fall off in demand for this competitive service is being endured resulting in a sizeable adverse variance (customers invoiced bi-annually each April and October).	A review of the trade refuse service may need to be carried out.
Kerbside Recycling Income	(607)	(607)	0	(8)	(8)	(615)	(1.3)	☺	Income forecast(s) reviewed reflecting tonnage changes and increased recycling credits.	
Council Tax and Rent Allowance Net Expenditure <i>(Client cost that includes relevant shared service operating costs detailed below)</i>	1,716	1,716	(7)	0	(7)	1,709	(0.4)	☺	This is potentially the greatest risk area facing the Council. Increased demand for this service and increased risks of overpayment could significantly affect this budget.	There needs to be a very rigorous quality control process in place to ensure all benefit claims are properly validated.
Shared Service Operating Costs :-										
Finance	975	975	(49)	0	(49)	926	(5.0)	☺	Reviewed and monitored monthly by the appropriate Head of Service and updated via approved forecast changes agreed at Shared Services Board.	The harmonisation of processes should result in efficiencies.
Human Resources	493	502	(11)	0	(11)	491	(2.2)	☺		
ICT	875	875	91	0	91	966	10.4	🔔		
Revenues & Benefits	1,538	1,538	26	0	26	1,564	1.7	☹		

## Capital Programme

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

Capital Programme Financing	6 Year £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Spend</b>								
General Fund Spend	45,081,374	8,547,566	9,587,500	9,763,155	6,572,567	6,181,320	7,407,709	3,594,124
Section 106 Schemes	7,757,218	116,443	724,303	1,676,037	721,390	4,303,435	604,500	332,500
<b>Total Spend</b>	<b>52,838,592</b>	<b>8,664,009</b>	<b>10,311,803</b>	<b>11,439,192</b>	<b>7,293,957</b>	<b>10,484,755</b>	<b>8,012,209</b>	<b>3,926,624</b>
<b>Funding</b>								
Grants and Contributions	2,040,443	576,096	564,347	300,000	348,009	200,000	200,000	200,000
Reserves	926,609	250,150	276,459	100,000	29,566	100,000	100,000	100,000
Capital Receipts	42,114,322	7,721,320	8,746,694	9,363,155	6,194,993	5,881,320	7,107,709	3,294,124
Section 106 Schemes	7,757,218	116,443	724,303	1,676,037	721,389	4,303,435	604,500	332,500
<b>New Resources</b>								
Reserves (CPZ)	0	0	0	0	0	0	0	0
Section 106 Schemes	0	0	0	0	0	0	0	0
<b>Total Funding</b>	<b>52,838,592</b>	<b>8,664,009</b>	<b>10,311,803</b>	<b>11,439,192</b>	<b>7,293,957</b>	<b>10,484,755</b>	<b>8,012,209</b>	<b>3,926,624</b>

Available Funding - Capital Receipts	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
Balance Bought Forward	19,413,307	19,413,307	11,550,152	8,668,832	3,061,123
Used for Financing	(9,363,155)	(6,194,993)	(5,881,320)	(7,107,709)	(3,294,124)
New Receipts	1,500,000	668,121	3,000,000	1,500,000	1,500,000
<b>Balance Carried Forward</b>	<b>11,550,152</b>	<b>13,886,435</b>	<b>8,668,832</b>	<b>3,061,123</b>	<b>1,266,999</b>

Available Funding - S106	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
Balance Bought Forward	5,898,141	5,898,141	4,767,945	905,725	568,094
Used for Financing	(1,676,037)	(721,389)	(4,303,435)	(604,500)	(332,500)
New Receipts	500,000	493,852	375,000	250,000	125,000
Interest @ 1.2%	45,841	45,841	66,215	16,869	9,817
<b>Balance Carried Forward</b>	<b>4,767,945</b>	<b>5,716,445</b>	<b>905,725</b>	<b>568,094</b>	<b>370,411</b>

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes</b>								
<b>Key Projects</b>								
Cardiff Rd Campus	4,981,961	281,961	525,624	2,724,376	1,168,427	1,450,000	0	0
Green Spaces Strategy	1,248,080	336,648	123,932	366,500	256,357	210,500	210,500	0
Colosseum Refurbishment	5,799,000	232,351	3,190,794	2,375,855	2,375,303	0	0	0
Cultural Quarter Ph 1	4,358,950	0	67,920	145,295	86,244	202,962	2,553,279	1,389,494
Colosseum Roof	191,280	0	2,375	188,905	188,408	0	0	0
Contribution to Croxley Rail Link	2,000,000	0	0	0	0	0	2,000,000	0
<b>Environmental Services</b>								
Refuse Collection Freighters	1,495,100	0	1,495,100	0	0	0	0	0
Recycling Boxes	127,465	20,125	27,340	20,000	0	20,000	20,000	20,000
Street Recycling Bins	32,800	16,800	16,000	0	0	0	0	0
Trade Waste Recycling Bins	124,306	0	44,306	20,000	1,550	20,000	20,000	20,000
Change Bins in Communal Props.	40,828	0	40,828	0	0	0	0	0
Additional Green Waste Bins	54,060	0	18,060	18,000	0	18,000	0	0
Vehicle Weight Sensors	7,800	0	7,800	0	0	0	0	0
Snow / Emergency Preparations	20,800	0	20,800	0	0	0	0	0
Kerbside Recycling Vehicles	360,000	0	0	0	0	360,000	0	0
Handhelds for Street Cleansing	28,000	0	0	0	0	28,000	0	0
Renovation Grants - General	832,894	56,390	138,208	238,296	72,064	200,000	200,000	0
Environmental Services Schemes	43,070	26,041	0	17,029	16,946	0	0	0
Energy Grants (Carbon Management)	319,524	11,524	0	24,000	9,834	207,000	77,000	0
Environmental Services Schemes	39,520	26,545	0	12,975	12,975	0	0	0
Empty Properties (CPOS)	723,282	565,399	157,883	0	(19,358)	0	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes</b>								
<b>Community &amp; Leisure Services</b>								
Woodside Fence	7,210	7,210	0	0	0	0	0	0
Woodside Pole Vault Beds	21,644	43,287	(21,643)	0	0	0	0	0
Woodside Access Improve. Ph1	226,000	0	2,100	223,900	203,380	0	0	0
Woodside Stadium Toilet Refurb	42,495	0	2,000	40,495	40,495	0	0	0
Resurface Woodside Stad Track	157,439	142,439	15,000	0	0	0	0	0
Holywell Community Centre	490,796	10,780	480,016	0	0	0	0	0
Waterfield Rec Ground Car Park	15,000	0	0	15,000	1,068	0	0	0
Leisure Centres Retention Monies	238,092	197,227	40,865	0	0	0	0	0
Callowland Demolition	49,850	49,453	397	0	0	0	0	0
Cassiobury Park Depot	160,000	0	0	0	0	160,000	0	0
Property & Services	0			0	(33)	0	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes (contd.)</b>								
<b>Housing Services</b>								
Stand Alone Prop to Decent Std	156,500	0	0	2,683	2,683	153,817	0	0
York House to Decent Std	85,000	0	0	85,000	0	0	0	0
Mand Disabled Facilities Grant	3,432,010	719,010	552,700	510,300	294,913	550,000	550,000	550,000
Emergency Disabled Fac'y Grant	50,000	0	0	50,000	0	0	0	0
Affordable Housing	1,250,000	0	15,260	99,740	38,331	635,000	250,000	250,000
Private Sect Stock Cond Survey	100,270	76,270	3,125	0	0	20,875	0	0
<b>Parking Service</b>								
Replace Pay And Display Machines	125,650	56,549	4,101	65,000	0	0	0	0
Replace Matchday CPZ Signage	243,324	0	138,324	0	0	35,000	35,000	35,000
CPZ in Nascot and Cassiobury	53,785	0	53,785	0	0	0	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Asset Management</b>								
Watford Business Incubator	102,696	0	102,696	0	0	0	0	0
Charter Place Consultancy	718,744	165,960	252,784	100,000	72,885	100,000	100,000	0
Feasibility Studies	400,000	0	0	0	0	200,000	200,000	0
Improve Orbital Community Centre	19,749	0	9,325	10,424	10,424	0	0	0
Events Market	160,004	0	13,333	146,671	59,133	0	0	0
Depot Refurbishment	1,199,250	0	113,870	1,085,380	884,716	0	0	0
Backlog Repairs To Council Buildings	2,004,715	0	15,139	489,576	267,520	500,000	500,000	500,000
Council Chamber Sound System	80,700	0	700	80,000	59,677	0	0	0
High St Building Refurbishment	1,004,499	20,111	931,588	52,800	52,768	0	0	0
Indoor Guest Market	10,000	0	0	10,000	7,141	0	0	0
Stripling Way Cycle Path	8,000	0	0	8,000	0	0	0	0
Charter Place CCTV	136,661	134,134	2,527	0	(25,001)	0	0	0
Planning and Development	1,313	0	1,313	0	0	0	0	0
Planning and D-Property & Services	0	0	0	0	3,109	0	0	0
Other Projects	246,613	216,746	29,867	0	0	0	0	0
Capitalised Refurbishment Work	55,656	7,557	48,099	0	0	0	0	0
Town Hall Drainage	35,327	0	35,327	0	0	0	0	0
Town Centre CCTV	5,626	4,426	1,200	0	0	0	0	0
Civic Core Regeneration	187,902	187,902	0	0	0	0	0	0
64a Rickmansworth Road	2,163	0	2,163	0	0	0	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>General Fund Schemes (contd.)</b>								
<b>ICT</b>								
ICT-Hardware Replacement Prog	298,000	45,137	40,116	43,487	35,450	99,260	70,000	0
ICT-Customer Relationship	40,110	110	0	25,924	25,924	14,076	0	0
ICT-eDemocracy	46,176	100	18,052	16,024	16,024	6,000	6,000	0
ICT - DMP	15,000	0	0	0	0	15,000	0	0
ICT-Env Health	194,420	3,105	56,315	(19,372)	(19,372)	109,372	45,000	0
Asset Management System	92,914	27,639	34,275	25,177	9,577	5,823	0	0
ShS Thin Client Refresh	70,000	0	0	0	0	70,000	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Shared Services Joint Cttee</b>								
HR & Payroll System	80,146	80,146	0	(475)	(475)	475	0	0
ShS - Server Replacement	120,000	0	0	21,231	36,661	98,769	0	0
ShS Govt Connect Sec XtraNet	55,563	0	7,563	0	0	48,000	0	0
Shared Services Hardware Replace Prog	20,352	0	2,352	16,889	16,665	1,111	0	0
Shared Services Imp New San	256,620	0	256,620	0	0	0	0	0
Shared Services HR CPD Module	5,973	0	5,973	0	0	0	0	0
Shared Services E-Academy	0	0	0	0	0	0	0	0
Shared Services Income Management	0	0	0	0	0	0	0	0
Revs & Bens System	1,985	0	1,985	0	0	0	0	0
Connectivity	123,753	82,436	41,317	0	0	0	0	0
<b>Corp Serv / Project Mgt</b>								
Support Services-General Fund	2,471,910	0	400,000	408,070	310,154	543,280	550,930	569,630
<b>Old Capital Schemes</b>	4,696,049	4,696,049	0	0	0	0	0	0
<b>New Schemes Requiring Approval</b>								
Replacement Domestic Bins	60,000	0	0	0	0	20,000	20,000	20,000
Kerbsider Vehicles x 2	240,000	0	0	0	0	0	0	240,000
Property Asset Management System	14,000	0	0	0	0	14,000	0	0
Voice Automated Telephony	30,000	0	0	0	0	30,000	0	0
Ascot Road Regearing Valuation Support	35,000	0	0	0	0	35,000	0	0
<b>Total General Fund Schemes</b>	45,081,374	8,547,567	9,587,499	9,763,155	6,572,567	6,181,320	7,407,709	3,594,124

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Section 106 Schemes</b>								
Cassio Pk Shepherds Rd Entranc	85,000	0	0	0	0	85,000	0	0
Cassio Park Imp Tea Pavillion	140,000	0	0	0	0	140,000	0	0
Cassio Park Toilet Improvement	240,000	0	0	0	0	240,000	0	0
Croxley Rail Link	536,000	0	0	0	0	536,000	0	0
Stamford Road Rec Play Area	17,000	0	0	17,000	16,896	0	0	0
St Johns Road Play Area	31,000	0	0	31,000	0	0	0	0
Stripling Road Play Area Improvements	10,000	0	0	10,000	0	0	0	0
Courtlands Close Play Area	40,000	0	0	40,000	0	0	0	0
Oxhey Green Play Area	10,000	0	0	10,000	0	0	0	0
Goodwood Rec Play Area Improvements	30,000	0	0	30,000	0	0	0	0
Riverside Recreation Ground	330,000	0	0	0	0	330,000	0	0
Colne River Project	991,432	0	0	241,432	0	250,000	250,000	250,000
Fern Way Play Area Landscaping	15,000	0	0	15,000	0	0	0	0
Knutsford Road	100,000	0	0	100,000	0	0	0	0
Local Park Improvements	250,000	0	0	62,500	0	62,500	62,500	62,500
Wiggenhall Allotments	75,000	0	0	75,000	46,874	0	0	0
Local Nature Reserves	80,000	0	0	20,000	0	20,000	20,000	20,000
Watford Museum	76,435	0	0	2,500	2,659	73,935	0	0
Allotments Green Toilets	23,156	3,156	10,000	10,000	0	0	0	0
Colne Valley Improvments	108,921	1,224	39,129	28,568	21,993	20,000	20,000	0
Oxhey Park	138,917	9,102	61,836	67,979	67,979	0	0	0
King George V Nature Reserve	45,609	3,156	37,453	5,000	5,006	0	0	0
Cow Lane Improvements	23,000	0	0	23,000	0	0	0	0
Woodside Playing Fd Green Flag	202,113	11,572	156,541	34,000	24,935	0	0	0
Multi Use Games At Meriden	123,156	3,156	0	0	0	120,000	0	0
Cassio Park Ph 2 Consultation	8,000	0	0	8,000	0	0	0	0
Cassiobury Park Signage	9,016	3,156	0	5,860	0	0	0	0
Cassiobury Pk Study Facilities	30,016	3,156	7,878	18,982	17,427	0	0	0
Town Centre Cycle Way	15,460	2,056	13,404	0	(3)	0	0	0
Townscheme Enhancements Ph2	46,832	5,714	13,168	27,950	29,116	0	0	0
Changing Facs Knutsfd Play Fds	494,356	9,356	54,412	430,588	400,091	0	0	0
Westfield & Rec Knutsford PG	160,000	0	0	160,000	6,039	0	0	0
Oxhey Village Green	25,000	0	0	25,000	25,000	0	0	0

Capital Investment Programme Schemes	6 Year Cost £	2009/10 Actual £	2010/11 Actual £	2011/12 Budget £	2011/12 As At P9 £	2012/13 Budget £	2013/14 Budget £	2014/15 Budget £
<b>Section 106 Schemes (contd.)</b>								
Stamford Road Playground	25,000	0	0	25,000	25,000	0	0	0
Aspen Park Drive Playground	24,869	0	24,869	0	0	0	0	0
Norbury Avenue Playground	25,000	0	6,632	18,368	18,368	0	0	0
Jellicoe Road Playground	25,000	0	13,690	11,310	11,310	0	0	0
Oxhey Park Bridge	350,707	38,414	210,293	102,000	2,700	0	0	0
Harwoods Rec Play Area	145,000	0	0	0	0	145,000	0	0
Central Primary School Play Area	40,000	0	0	0	0	40,000	0	0
North Watford Playing Fields Area	51,000	0	0	0	0	51,000	0	0
Himalayan Way Play Area	100,000	0	0	0	0	100,000	0	0
Jellicoe Road Play Area Improvements	11,000	0	0	0	0	11,000	0	0
Estcourt Road Improvements	15,000	0	0	0	0	15,000	0	0
Watford Fields Play Area	20,000	0	0	20,000	0	0	0	0
East Drive Play Area	120,000	0	0	0	0	120,000	0	0
Harebreaks Rec Ground Play Area	121,000	0	0	0	0	121,000	0	0
Waterfields Rec Play Area	100,000	0	0	0	0	100,000	0	0
Meriden Park Play Area	100,000	0	0	0	0	100,000	0	0
Callowland Recreation Ground	460,000	0	0	0	0	460,000	0	0
Oxhey Park	550,000	0	0	0	0	550,000	0	0
King George V Playing Field	350,000	0	0	0	0	350,000	0	0
Radlett Road MUGA	30,000	0	0	0	0	30,000	0	0
Leavesden Green Rec MUGA	50,000	0	0	0	0	50,000	0	0
North Watford Cemetery	75,000	0	0	0	0	75,000	0	0
Vicarage Road Cemetery	75,000	0	0	0	0	75,000	0	0
Cherry Tree Allotments	33,000	0	0	0	0	33,000	0	0
Skate Park Improvements	30,000	0	0	0	0	0	30,000	0
Berry Avenue Play Area	60,000	0	0	0	0	0	60,000	0
Southwold Road Play Area	50,000	0	0	0	0	0	50,000	0
Ridgehurst Avenue Play Area	50,000	0	0	0	0	0	50,000	0
Garston Park	62,000	0	0	0	0	0	62,000	0
Town Scheme Enhancements	20,777	20,777	0	0	0	0	0	0
Victoria Passage Phase 2 & 3	1,224	1,224	0	0	0	0	0	0
Hempstead Road Toucan	1,224	1,224	0	0	0	0	0	0
St Johns Road Playground	25,000	0	25,000	0	0	0	0	0
Chater School Playground	25,000	0	25,000	0	0	0	0	0
Lea Farm Playground	25,000	0	25,000	0	0	0	0	0
<b>Total Section 106 Schemes</b>	<b>7,757,220</b>	<b>116,443</b>	<b>724,305</b>	<b>1,676,037</b>	<b>721,390</b>	<b>4,303,435</b>	<b>604,500</b>	<b>332,500</b>
<i>Rounding Adjustments</i>	(2)	(1)	(1)					
<b>Total Capital Investment Programme</b>	<b>52,838,592</b>	<b>8,664,009</b>	<b>10,311,803</b>	<b>11,439,192</b>	<b>7,293,957</b>	<b>10,484,755</b>	<b>8,012,209</b>	<b>3,926,624</b>

## 2 - Performance Indicators

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

### 2.1 Treasury Management Performance

The performance of the council's treasury management function for the period ending 31st December 2011 shows an average annualised return on investments of 1.17% (compared to an estimate of 1.3%). Interest received as at 31st December 2011 (after allowing for previous year accruals) equates to £255k.

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

	<b>2011/12</b>
Best case	1.2 %
Central case	1.15 %
Worst case	1.1 %

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

The revised forecast outturn for investment interest is £346k which is in line with the original estimate.

## 2.2 Council Tax and NNDR

For the 9 months ending 31st December 2011, for Council Tax and NNDR collection rates are as follows:

<b>Council Tax Collection rates</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Target</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
End April	9.3	10.8	10.7	8.3
End May	18.3	17.8	19.7	16.6
End June	27.4	27.2	28.5	24.9
End July	36.5	35.8	37.6	37.0
End August	45.4	45.0	46.5	46.0
End September	54.7	54.1	55.0	55.0
End October	63.9	62.8	64.0	64.0
End November	73.0	71.9	73.2	73.0
End December	81.7	80.4	82.1	82.0
End January	90.6	88.9		91.0
End February	94.8	92.8		94.0
End March	96.7	95.3		96.0

<b>NNDR Collection rates</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Target</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
End April	10.3	9.6	13.7	10.9
End May	20.7	17.2	23.5	21.0
End June	30.2	27.2	33.4	30.5
End July	39.7	37.2	41.6	40.0
End August	48.3	51.7	50.5	50.0
End September	58.5	57.9	60.2	60.0
End October	67.7	68.9	68.9	70.0
End November	77.0	80.2	77.8	80.0
End December	87.2	87.2	88.6	89.5
End January	94.2	93.5		96.0
End February	94.5	95.7		97.0
End March	95.9	96.3		98.0

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

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



## 2.3 Creditor Payment Monitoring

For 2011/12, and in particular the month of December 2011, the Council paid 94.82% of undisputed invoices within 30 days (against an Audit Commission target of 100%)

The number of payments made by BACS for December 2011 is currently 85.84% (cumulative figure is 85%) against a target of 90%.

### Creditor Payment Monitoring Statistics By Service Area

	Total Undisputed Invoices	Late Payments	Payments On Time	% Payments On Time (This Month)	% Payments On Time (Yr to date)
Corporate Services	31	1	30	96.77	97.65
Community Services	97	1	96	98.97	97.39
Environmental Services	211	1	210	99.53	98.88
Planning	28	2	26	92.86	95.16
Corporate Management	6	1	5	83.33	96.84
Legal and Property	156	15	141	90.38	84.88
Shared Services	89	11	78	87.64	85.83
<b>Total</b>	<b>618</b>	<b>32</b>	<b>586</b>	<b>94.82</b>	<b>93.37</b>

### Cumulative Percentages of Payments Made On Time

	2009/10	2010/11	2011/12
April	N/A	N/A	98.45
May	98.15	63.77	95.11
June	96.59	69.79	93.27
July	96.07	71.77	93.23
August	95.35	74.62	92.63
September	94.06	81.59	92.49
October	93.58	84.61	92.65
November	93.60	86.45	93.22
December	93.23	87.59	93.37
January	92.40	87.91	
February	92.03	87.94	
March	92.22	89.16	

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

As can be seen above, the cumulative position at the end of December 2011 indicates 93.37% of invoices were paid within 30 days.

## 2.4 Debtors

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

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

Invoices Raised from 1st April 2011 to 31st December 2011					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Corporate Services	23	49,208	49,208	0	0.00
Community Services	1,354	430,374	408,338	22,036	5.12
Environmental Services	3,169	1,333,011	1,224,844	108,167	8.11
Planning	215	605,482	599,997	5,485	0.91
Corporate Management	24	18,014	5,482	12,532	69.57
Legal and Property	5,383	9,403,581	8,959,866	443,715	4.72
Human Resources	4	1,464	1,223	241	16.45
Housing	122	190,949	175,343	15,606	8.17
Finance	123	1,250,492	1,173,718	76,775	6.14
ICT	1	1,163	1,163	0	0.00
Revenues & Benefits	748	25,265	11,275	13,990	55.37
<b>Total</b>	<b>11,166</b>	<b>13,309,003</b>	<b>12,610,457</b>	<b>698,546</b>	<b>5.25</b>

Of the outstanding debt of £698,546, the amount between 0 to 3 months old is £401,664 (57.5%)

## 2.5 Key Business Indicators

### Monthly indicators at the end of December 2011 (Period 9):

Occupancy rates at Market	69% (target 75%)
Occupancy rates-Commercial	98% (target 99%)
Repair & Maintenance Programme (incl Yr 4 capitalised budget)	29.0% underspent
Procurement Efficiencies	On target (only £50k assumed for the year)

Capital Programme	Figures included on agenda
Capital Programme Section 106	Figures included on agenda
Internal Audit Plan – productive days	3.10% under achieved
Average time to process housing benefits	41.76 days (against a target of 30 days).
Average time for change of circumstances	56.78 days (against a target of 20 days)
Sickness Levels	6.30 days at end of December 2011 (5.70 days is profiled target)
Staff Appraisals completed on time	95.4% (against a target of 100%)
CSC - all calls answered	99% (against a target of 95%)
Complaints resolved at Stage 1	71% (against a target of 90%)
% of valid bins missed	0.047% (target <0.1%) - exceptionally good performance
ICT service availability	99.86% during month (target 99.5%)