

# FINANCE DIGEST

2021/22

## BUDGET MONITORING



**Period 8 (as at 30 November)**

## **Executive Summary**

The Budget monitoring report is a key tool in scrutinising the Council's financial performance and is designed to provide an overview to all relevant stakeholders. It is essential that the council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives within its resource limits and, where necessary, corrective action is taken. A key principle of budgetary control is to align the budget holders' financial and management responsibilities.

The Council continues to make strong progress in recovery of the financial effect from COVID-19. However, due to the uncertainty that remains around the immediate and longer term impact of the pandemic, forecasting continues to be challenging. The total forecast variance is **£0.792 million**.

The main pressure on the budget has arisen from the loss of income from the leisure management fee totalling £1.065 million. This is partially offset by expected grant income of £0.250 million which has been claimed from the government's Sales Fees and Charges Income Guarantee Scheme creating a net pressure of £0.815 million. The total income forecast for the Income Guarantee Scheme is £0.753 and also includes the balance of the claim from 2020/21.

This Finance Digest shows the expected financial position (forecast outturn) for the current financial year based on the Council's actual financial performance at the end of Period 8 (November) 2021 set against the latest budget. A glossary of financial terms is shown at **Appendix 9**.

### **Revenue summary**

The original budget of **£13.683 million** for 2021/22 was approved by Council on 26 January 2021. The latest budget is **£13.957 million**, which includes approved budget carry forwards of £0.274 million from 2020/21.

The 2021/22 forecast outturn is estimated to be **£14.749 million**. This gives an unfavourable variance of **£0.792 million**, when compared to the latest budget.

<b>Variances - Major Items</b>	<b>£000</b>	<b>£000</b>
<b><u>Met from Specific Reserves</u></b>		
<b><u>Renewal Budget Funding</u></b>		
Watford Outdoor Theatre & Market	30	
Christmas lights funding	35	
<b><u>PMB Funding</u></b>		
Employee Costs	25	
CCTV Review	20	
<b><u>Carry Forward Reserve</u></b>		
Sustainable Transport Programme	(313)	
Qlik development project 2022	(29)	
<b><u>CPZ Reserve</u></b>		
Project work at Callowland	56	(176)
<b><u>Met from Economic Impact Reserve</u></b>		
Additional support to Leisure operator	350	
Loss of annual management fee from leisure operator	1,065	
Colosseum - net additional income	(70)	
Professional fees for monitoring Council's property portfolio	188	
Additional agency fees to cover workload in Valuations & Estates	95	
Increase in kerbside recycling costs due to market variations	100	
Community, operational property & garage maintenance	56	
Additional resources required on the maintenance of parks	90	
Net Change in commercial rental income	33	
Net increase in rental income from Town Hall letting	(120)	
Increase in cemetery income	(235)	
Contract cost increase on environmental maintenance	334	
Expected savings on employee costs - vacant posts	(135)	
Allocation of project manager's costs to capital projects	(157)	
Recovery of lost income from Governments C19 compensation scheme	(753)	
Other	127	968
<b>Total Variance</b>		<b>792</b>

Of the total unfavourable variance, £0.176 million will be funded from earmarked reserves, and the balance taken to the Economic Impact reserve. The table below shows a summary of the position on the Council's funding and reserves for 2021/22.

<b><u>Medium Term Financial Strategy</u></b>	<b><u>2021/22</u></b>
	<b><u>£ 000</u></b>
Latest Budget	13,957
Variiances this period (Appendix 2)	792
<b>Forecast Outturn</b>	<b>14,749</b>
Funding (income from business rates, grants and council tax)	12,914
Budgeted use of reserves	1,043
Planned use of earmarked reserves included in total variance	(176)
Additional contribution (to) / from reserves	968
<b>Total funding and use of reserves</b>	<b>14,749</b>

### **Capital summary**

The original budget of £87.710 million for 2021/22 was approved by Council on 26 January 2021. The latest capital budget is **£117.515 million**, which includes rephasing from 2020/21. Services are now

forecasting an outturn position of **£68.984 million** resulting in a variance of **£48.530 million**. The programme is funded as per the table below:

<b>Medium Term Financial Strategy</b>	<b>2021/22 £ 000</b>
Latest Budget (including rephased schemes from 2020/21)	117,515
Variances this period (Appendix 3)	(48,350)
<b>Forecast Outturn</b>	<b>68,984</b>
<b>Funding the capital programme</b>	
Grants & contributions, S106 & CIL	7,563
Reserves	244
Capital Receipts	7,875
Borrowing – Internal/External	53,302
<b>Total Funding</b>	<b>68,984</b>

It is expected that there may be further rephasings between 2021/22 and future years which at this stage has not yet been identified by services in part due to the complexity and timing uncertainty of the schemes currently in progress.

### **Reserves summary**

The effect of the revenue variances upon the reserve is shown in the table below. A list of reserve balances is shown at **Appendix 8**.

<b>Description</b>	<b>Balance at 1 April 2021</b>	<b>Movement in Year</b>	<b>Balance at 31 March 2022</b>
	<b>£000</b>		<b>£000</b>
Earmarked Reserves	(37,511)	1,619	(35,892)
General Fund	(2,000)	0	(2,000)
<b>Total</b>	<b>(39,511)</b>	<b>1,619</b>	<b>(37,892)</b>

Within the Earmarked Reserves total of £37.672 million is a balance of £19.863 million relating to the Collection Fund. The majority of this will be allocated at the end of the current financial year (2021/22).

## **1.0 Revenue Budget**

- 1.1 The latest budget is **£13.957 million**, which includes approved budget carry forwards from 2020/21 totalling £0.274M. The services' prediction of forecast outturn is now estimated to be **£14.750 million** which results in an unfavourable service variance of **£0.792 million**.

The table below compares the latest budget to the forecast outturn and shows the variance against each service.

Revenue Account 2021/22			
Service Area	Latest Budget £'000	Forecast Outturn £'000	Variance £'000
Service Transformation	3,101	3,689	589
Community & Environmental	9,505	11,062	1,557
Democracy & Governance	2,085	1,994	(92)
Place Shaping	(6,195)	(6,155)	40
Corporate Strategy & Comms	778	(44)	(822)
Human Resources	626	618	(8)
Strategic Finance	4,058	3,586	(473)
<b>Net Expenditure</b>	<b>13,957</b>	<b>14,750</b>	<b>792</b>

1.2 Details of the latest budget, spend to date, forecast outturn and an explanation for the variance by service is shown at **Appendix 1**. Services with significant forecast outturn variances have provided the narratives below:

- **Community & Environmental**

Loss of income of £1,065k and additional support due to COVID-19 of £350k has been agreed for SLM. This is partially offset by income from the Government's Income Guarantee Scheme which is reported below.

The Colosseum is expected to generate an additional income of £70k.

Increase in recycling costs, £100k, due to variations in market conditions

Additional resources to manage the workload on parks - £90k

Increase in environmental maintenance costs across parks - £334k

Net increase in cost at Cassiobury Park Hub - £81k

Additional income from cemeteries of £235k

Budget of £313k has been carried into 2022/23 for the Sustainable Transport Programme, the budget was front loaded but is to cover the 4 year programme.

- **Corporate Strategy & Communications**

Funding from the Government's Income Guarantee Scheme for 2021/22 is calculated at £753k.

- **Service Transformation and Strategic Finance**

There is a £550k alignment of budgets between the two to manage and control the costs with no additional pressures to the overall budgets.

1.3 **Spend to Date**

The table below shows the net spend to date and the percentage for each service area when compared to the latest budget at Period 8. The total overall percentage spend is 71%.

Revenue Account 2021/22			
Service Area	Latest Budget £'000	Spend to Date £'000	Percentage spend to date %
Service Transformation	3,101	2,589	83
Community & Environmental	9,505	6,194	65
Democracy & Governance	2,085	1,183	57
Place Shaping	(6,195)	(3,949)	64
Corporate Strategy & Comms	778	503	65
Human Resources	626	406	65
Strategic Finance	4,058	2,966	73
<b>Net Expenditure</b>	<b>13,957</b>	<b>9,891</b>	<b>71</b>

1.3.1 The council would expect to have spent approximately 67% (£9,351million) of net expenditure by the end of period 8. The reasons for the significant variance of each service is explained below;

- **Service Transformation**  
ICT costs for software licences have been paid in advance and covers the whole year. Staff cost allocation for capital projects is done at year end. Shared service costs are recovered at the end of every quarter.
- **Place shaping & Performance**  
Flexible homelessness grant received early in the year will be used as we progress through the year.
- **Corporate Strategy & Communications**  
Spend on project resource will increase as projects progress through the year and spend on communications set to increase in line with projects.
- **Strategic Finance**  
The annual £2.5m pension deficit will be paid towards the end of the year. Timing difference on the receipt of Housing Benefits Grant.

#### 1.4 Staff Vacancies

1.4.1 A major risk of non-delivery of service is where key staff leave the Council's employ and there is a delay or difficulty in recruiting suitable candidates to fill the vacant post. The table below summarises the level of vacancies at Period 8 with a detailed analysis provided by HR at **Appendix 2**.

Service	Number of Vacant Posts (FTE's)
Community & Environmental	7.61
Democracy & Governance	0.61
Place Shaping	8.0
Corporate Strategy & Communications	2.0
<b>Total</b>	<b>18.22</b>

1.4.2 The percentage of vacancies at the end of Period 8 is 6.3% when compared against the total number of 291 Council FTE's. In some cases, vacant posts will be covered by agency staff to ensure service delivery.

## 1.5 **Government Funding**

1.5.1 The Council has received £471k from the Government's COVID-19 emergency funding. This income has been accounted for in the current budgets.

1.5.2 A further £5.1 million in restart grants to enable local authorities to support their communities to re-open safely following the lifting of restrictions. Other Government COVID-19 grants given to the council include Business Rates relief, Council Tax Support and Additional restrictions grant. The Council acts as a conduit for these grants which do not form part of the Council's budget figures.

1.5.3 The Government announced that their income loss guarantee scheme will continue into 2021/22 and the Council will be submitting a claim to recover 70% of income lost through sales, fees and charges. As restrictions were lifted in July, it is difficult to ascertain what level of support the Central Government is likely to provide to Local Government after this. There is also further impact that the Council may face due to a rise in infections, however this will be quantified as it becomes known.

## 2.0 **Capital Programme**

2.1 The Council has an approved capital investment programme that is designed to support its core services. The latest budget following re-phasing from 2020/21 is **£117.515 million**.

2.2 The forecast outturn is estimated to be **£68.984 million** which is a decrease of **£48.530 million**. Significant budget re-phasing from the current financial year to 2022/23 include loans to Hart Homes (£19.6m), Watford Business Park (£10.5m), Watford Riverwell (£8.5m), Pyramid Site (£4.98m) and Croxley View Phase 3 (£3.1m). There is an in year increase of £3.7m in the Town Hall Quarter programme budget due to the decarbonisation project which is being met from additional government funding.

2.3 The Council's medium term capital investment programme for 2021-2024 is shown at summary level in **Appendix 3** and by each scheme at **Appendix 4**. At the end of period 8 services have spent £16.973 million against the latest forecast which represented by ratio is 25%.

### ***Funding the Approved Capital Programme***

2.4 The capital programme is mainly supported by three income streams; capital receipts (derived from the sales of assets), grants and contributions, and the use of reserves. Services can also make a contribution to capital from surplus revenue funds if needed. In addition the Council may borrow to fund its capital programme. Details of each funding stream are shown at **Appendix 5**. Any decision on borrowing will be taken if and when it is required which depends on the progression of all current and future schemes.

## 3.0 **Key Risk Areas**

3.1 Resources are allocated in the revenue and capital budgets to support the achievement of The Council’s corporate plan. The Council’s budget is exposed to risks that can potentially impact on service level provision. The key risks highlighted as part of this monitoring are;

- **COVID-19**

The Pandemic has had a widespread impact on local authority spending throughout the country and has been particularly significant for district councils. Although the restrictions were lifted in July, the current rising infection rates means that there may be further lockdowns imposed. The Council is in the process of implementing its recovery strategy.

- **Temporary Accommodation**

The Council is exposed to its statutory obligation to provide temporary accommodation for those families who present themselves as homeless. The Council has a capital sum £2.4 million to provide temporary accommodation which will support the demand and reduce the cost of expensive alternatives such as private Bed & Breakfast.

- **Commercial Income**

The Council has a robust commercial investment portfolio, the current MTFS took into account of the ongoing impacts of C19 on rents when it set its budget in January 2021. However, any further restrictions or national/local lockdowns would place a significant pressure on the council finances. Rental losses are not eligible for recovery from central government.

- **Leisure Management Contract**

A financial agreement has been made with the operator, and although this is a capped sum which is estimated to be recovered through an enhanced profit share arrangement over the remaining life of the contract, it cannot be guaranteed and does not take account of a further wave of the pandemic and potential national/local lockdowns.

- **Business Rates & Council Tax**

The Government has made funding available both for the additional Retail, Hospitality and Leisure reliefs given to business rate payers and the additional support for those of working age who are entitled to Council Tax Relief Support(CTRS). However these reliefs are not expected to completely mitigate the impacts of COVID-19 on Council Tax and NDR. Any impact on collection rates will feed through the Collection Fund to impact on council spending power in 2021-22

Fund	Period 8 2021/22 Target	Period 8 2021/22 Actual	Difference
Council Tax	73.90%	72.20%	-1.70%
Business Rates (NDR)	73.29%	68.28%	-5.01%

The council has experienced an increased number of working age people applying for CTRS as a result of increasing unemployment. The deficits on the collection fund can be recovered over 3 years.

- **Income from Hart Homes**

The Council is currently in joint venture with Watford Community Housing to develop a mixture of affordable, social and open market housing. The Council will receive interest on its investment loans to the companies and this will amount to £5 million gross over the MTFS four year period.



- **Croxley Park**

The Council completed its acquisition of Croxley Park in July 2019. As a result the Council is committed to paying the head lease rental of £9.2m per annum, increasing by RPI annually capped at 5%. The Council will receive rent from tenants which is modelled to provide over the 40 year term an additional £1.6 million per annum income within the revenue budget. It is anticipated that the loss due to COVID-19 will be met from the set aside sinking fund. As part of the deal the Council received £24 million in respect of rental top ups and £68 million towards the planned maintenance programme.

- **Town Hall Development**

Since the initial development of the Watford High Street (North) Cultural Hub draft Masterplan in 2019, a number of critical factors have impacted and influenced the original programme. The Town Hall Quarter (THQ) programme will transform the area, securing a thriving new quarter with new homes, employment and public space, which will be underpinned by a revitalised creative, cultural and heritage offer. Cabinet on 6 December 2021 approved the proposals to progress with the revised development plan.

- **Colosseum**

The Colosseum has been brought back in house. The saving on the management fee previously payable to the operator should be sufficient to fund all the running costs, including staffing. This will be closely monitored throughout the year.

- **Pay Award**

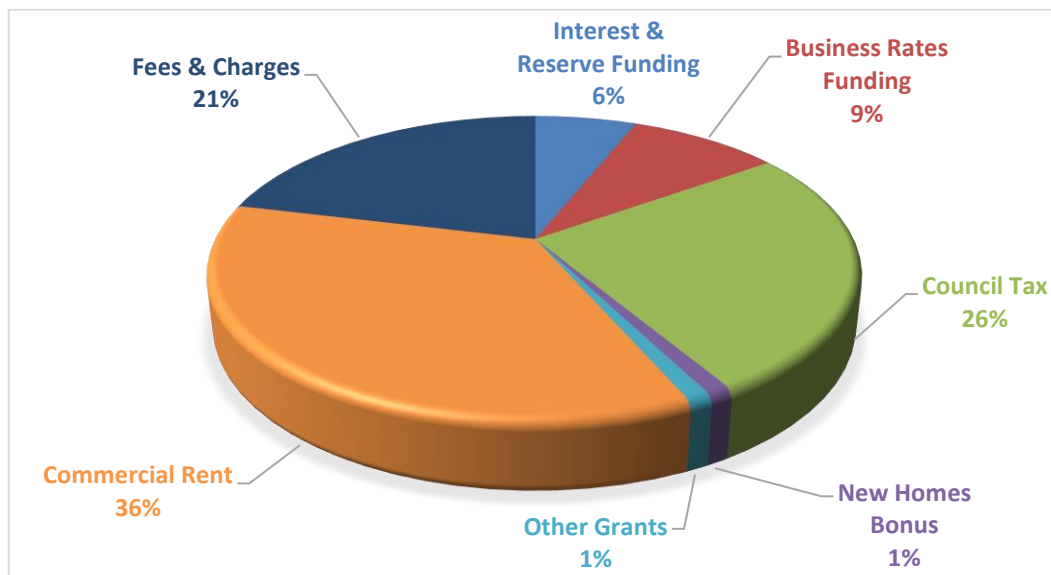
The employers suggested pay award for 2021/22 has not been agreed. The proposed increase of 1.75% will cost the Council £205k. The final award will have a knock-on effect on the MTFS.

3.2 The Council's overall key financial risk matrix is shown at **Appendix 6**. These are reported and monitored and reviewed by the Council's Audit Committee on a quarterly basis.

#### **4.0 Council Income**

4.1 In providing its services to the public, the Council receives income from the Government, its local tax payers, customers who pay for using chargeable Council services and income from commercial rents and investments.

4.2 The total of all these sources of income for 2021/22 is **£35.5 million**. The three biggest sources of income are council tax, commercial property rents and service fees and charges. It should be noted that the Council no longer receives any Revenue Support Grant. The chart below shows the percentage of the total amount of income for each source of income.



#### 4.3 **Service Income Risk Area**

4.3.1 Particular income generating items can fluctuate depending on the economic climate, popularity and affordability. The main risks that are considered the most critical and their financial position are shown in the table below.

Service Area	Income Stream	Latest Budget 2021/22	Forecast 2021/22	Variance	Comments
		£000	£000	£000	
Place Shaping	Commercial Rent - Outsourced	(9,519)	(9,612)	(93)	Minor Increase
	Development Control Fees	(780)	(820)	(40)	Minor Increase
	Building Control Fees	(278)	(275)	3	Minor decrease
Community & Environmental	Car Parking Charges	(1,540)	(1,540)	0	No change
	Licensing	(269)	(276)	(7)	Minor increase

#### **Debtors (invoicing)**

4.4 The Council charges its customers for various services by raising a debtor invoice. The customer is given 21 days to pay and unless there is a dispute, a reminder is issued. If the debt remains outstanding, then a variety of recovery methods are employed including: rearranging the payment terms; stopping the provision of the service or pursuing the debt through legal recovery processes.

4.5 As at Period 8 the total outstanding value of debt (excluding council tax, business rates and government grants) was **£0.472 million** which has reduced from £1.229 million at the end of period 6. Of this, £0.385 million (82%) is less than one month old and therefore it is anticipated that this will be recovered. Outstanding debt over a year old is £0.079 million and equates to 17% of the total. The Council's debt recovery team will continue to chase these debts and initiate payment plans (instalments) wherever possible.

The table below shows a summary of the outstanding debt by the three main aged categories and further detail can be found at **Appendix 7**.

<b>Aged Debtors At the end of Period 8</b>	<b>Under 1 Month</b>	<b>Over 1 month to Year</b>	<b>Over a Year</b>	<b>Total</b>
<b>Service</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Community & Environmental	329	56	37	421
Service Transformation	15	21	0	36
Place Shaping	40	60	45	144
Human Resources	1	0	0	1
Strategic Finance	0	-129	-3	-131
<b>Total</b>	<b>385</b>	<b>8</b>	<b>79</b>	<b>472</b>

## 5.0 Treasury Management

5.1 The Council has managed its cash flows and adhered to its Treasury Management policy during the pandemic. The interest earned on the investments made by the Council supports the funding of the services it provides. The Council set a budget of £150,000 on short-investment interest for 2021/22. It is anticipated that this target is too high in the current climate and as part of budget re-alignment has been revised to £75,000.

5.2 The Council works with its Treasury Management advisers to invest in the sinking fund received in relation to Croxley Park taking into account the need to balance the inherent risks and the planned drawdown profile required in relation to voids and maintenance and refurbishment.

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Report reviewed by: Alison Scott – Director of Finance

### Background Papers

2020/21 Outturn report

Budget returns from Heads of Service

Budget Setting (MTFS 2020/21- 2023/24) - Council 26 January 2021

Finance Digest Q1 – 2021/22

Finance Digest Q2 – 2021/22

### APPENDICES

Appendix 1 Revenue Summary – By Service and explanation of Variances

Appendix 2 Staff Vacancies

Appendix 3 Capital Programme (2021/22) Summary

Appendix 4 Capital Programme (2021/22) Detail

Appendix 5 Capital Funding

Appendix 6 Key Financial Risks

Appendix 7 Aged Debtor Analysis

Appendix 8 Reserves

Appendix 9 Glossary of terms

**REVENUE SERVICES – FINANCIAL POSITION AT PERIOD 8**

Service Area	Budget, Forecast & Actual at P8			
	Latest Budget £	Forecast Outturn £	Variance £	Actual £
<b>Service Transformation</b>				
Customer Services	1,136,541	1,519,956	383,415	843,734
ICT Services	1,050,773	1,078,719	27,946	1,050,341
Corporate Asset Management	895,336	788,786	(106,550)	528,101
Service Transformation	17,972	301,756	283,784	166,411
<b>Totals - Service Transformation</b>	<b>3,100,622</b>	<b>3,689,217</b>	<b>588,595</b>	<b>2,588,587</b>
<b>Community &amp; Environmental</b>				
Contract Monitoring	934,595	1,035,165	100,570	546,829
Parks And Open Spaces	1,580,942	1,752,680	171,738	1,276,633
Leisure	(307,147)	1,053,553	1,360,700	398,776
Grants	776,272	771,032	(5,240)	521,500
Environmental Hlth & Licensing	1,429,155	1,395,673	(33,482)	360,195
Culture & Play	731,276	734,486	3,210	604,219
Street Cleansing	2,035,280	2,033,780	(1,500)	1,071,399
Waste And Recycling	1,764,560	1,864,560	100,000	400,628
Sustainable Transport	990,717	692,770	(297,947)	464,084
Parking Service	(430,642)	(271,285)	159,357	549,526
<b>Totals - Community &amp; Environmental</b>	<b>9,505,008</b>	<b>11,062,414</b>	<b>1,557,406</b>	<b>6,193,789</b>
<b>Democracy &amp; Governance</b>				
Legal And Democratic	2,085,121	1,993,510	(91,611)	1,183,018
<b>Totals - Democracy &amp; Governance</b>	<b>2,085,121</b>	<b>1,993,510</b>	<b>(91,611)</b>	<b>1,183,018</b>
<b>Place Shaping</b>				
Housing	1,411,258	1,393,728	(17,530)	(120,060)
Property Management	(27,798)	227,282	255,080	266,134
Investment Assets Outsourced	(9,148,948)	(9,114,325)	34,623	(5,560,117)
Investment Assets Retained	(81,430)	(81,750)	(320)	(94,831)
Operational Assets - Owner Occupied	(13,635)	(13,635)	0	0
Community Assets	(8,780)	(8,780)	0	(5,438)
Planning & Development	1,088,167	950,757	(137,410)	630,340
Transport And Infrastructure	586,014	491,327	(94,687)	935,397
<b>Totals - Place Shaping</b>	<b>(6,195,152)</b>	<b>(6,155,396)</b>	<b>39,756</b>	<b>(3,948,575)</b>
<b>Corporate Strategy &amp; Comms</b>				
Corporate Management	800,784	477,096	(323,688)	627,230
Partnerships & Performance	447,965	702,351	254,386	346,487
COVID19 Related	(471,000)	(1,223,500)	(752,500)	(471,060)
<b>Totals - Corporate Strategy &amp; Comms</b>	<b>777,749</b>	<b>(44,053)</b>	<b>(821,802)</b>	<b>502,657</b>
<b>Human Resources</b>				
Human Resources Client	116,360	67,080	(49,280)	(26,916)
HR Shared Service	509,324	551,074	41,750	432,953
<b>Totals - Human Resources</b>	<b>625,684</b>	<b>618,154</b>	<b>(7,530)</b>	<b>406,037</b>
<b>Strategic Finance</b>				
Finance & Resources	226,315	223,475	(2,840)	56,101
Finance Services Client	840,042	1,020,842	180,800	662,663
Revenues And Benefits Client	1,095,267	995,257	(100,010)	1,880,967
Corporate Costs	1,896,649	1,346,101	(550,548)	366,242
<b>Totals - Strategic Finance</b>	<b>4,058,273</b>	<b>3,585,675</b>	<b>(472,598)</b>	<b>2,965,973</b>
<b>GRAND TOTALS</b>	<b>13,957,305</b>	<b>14,749,521</b>	<b>792,216</b>	<b>9,891,486</b>

**VARIANCE ANALYSIS**

Service Area	Description	Details of Variances	£
<b>Service Transformation</b>	Facilities	Budget transfer for Atrium from Place shaping*	20,000
	Community Asset Management	Pressure has arisen from combination of factors, including leases coming to an end, rent reviews which have reduced the level of rental income and increased repairs & maintenance costs.	56,254
	Town Hall Offices	Additional rental income from the letting of the terrapin section	(120,000)
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	148,570
	Projects	Budget carry forward into 2022/23 to fund the Qlik development project	(29,000)
		Budget alignment with Strategic Finance to manage in year changes to services without any additional pressures*****	550,548
		Other Variances	(36,927)
		<b>TOTAL</b>	<b>589,445</b>
<b>Community &amp; Environmental</b>	Climate Change	Budget transfer from Corporate Strategy & Comms**	50,000
	Town Centre Special Events	Renewal budget funding for Watford outdoor theatre & Market Late evets	29,500
	Recycling - Kerbside	Increase in gate fees due to variations in market conditions	100,000
	Commissioning Parks & Services	Additional resources required to manage unprecedented workload on parks	90,000
	SLM	Loss from management income fee of £1,065K and additional support costs for the year 21/22 of £350K	1,415,000
	Colosseum	Net position after taking costs of £120k and income from occupation of £190k	(70,000)
	Watford Market	New lighting and market lates costs funded from the renewal budget	40,000
	Cassiobury Park Hub	Net increase in costs, includes loss of £25k form car parking income, £36k increase in cleaning and refuse collection and £37k additional property maintenance costs. Savings of 16k on staff and electricity costs.	81,727
	Cemeteries	Additional income from the sale of grave spaces, burial fees and memorial fees	(235,000)
	Parking	Budget alignment with Place shaping (part of CPZ) to manage in year changes to services without any additional pressures*****	163,177
	Sustainable Transport Programme	Budget C/F to 2022/23 to align with the transport programme	(312,947)
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	(100,120)
	Various	Increase in environmental maintenance costs across parks and open spaces	334,201
	Other Variances	(28,332)	
		<b>TOTAL</b>	<b>1,557,206</b>
<b>Democracy &amp; Governance</b>	Legal Services	Document sign off licences for remote working and room setup costs for hybrid meetings	46,370
		Net change in legal services, which includes £13k of additional income expected from S106 work	(14,950)
	Democratic Services	Members remuneration variations as agreed by committee	11,504
	Committee Services	Transfer of three posts to Corporate Strategy & Comms****	(88,683)
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	(23,870)
		Other Variances	(22,632)
		<b>TOTAL</b>	<b>(92,261)</b>

Service Area	Description	Details of Variances	£
Place Shaping	Valuations & Estates	Profession fees - consultancy - charges for outsourced services on Rental Investment properties	188,000
		Increase in Agency costs to cover additional workload	95,000
		Budget transfer for Atrium to Service Transformation*	(20,000)
	Infrastructure Team	Budget alignment with community & Environmental (part of CPZ) to manage in year changes to services without any additional pressures*****	(163,177)
		Works at Callowland funded from the CPZ reserve	55,500
	Building Control	Net loss of income, £23k of which relates to inspection fees	27,800
	Development Control	Increase in pre-application advice income	(30,000)
	Town Hall Car park	Loss of income from parking charges	10,000
	Investment Assets Outsourced	Net change in income from investment properties due to new rent free lettings	33,106
	CCTV	CCTV review across the town, funded from the PMB reserve	20,000
	Employee Costs	Project saving on employee costs across the service, mainly due to vacant posts	(137,270)
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	(72,920)
Other Variances		33,517	
		<b>TOTAL</b>	<b>39,556</b>
Corporate Strategy & Comms	Commercial	Budget transfer to Community & Environmental**	(50,000)
	Special Emergency - Covid19	Income recovery from Governments Income Guarantee Scheme	(752,500)
	Project Resource	Project managers costs to be recharged to various capital projects	(157,334)
	Elected Mayors Team	Transfer of three posts from Committee services****	88,683
	Partnership & Performance	Christmas lighting across the town, funded from the renewal budget	35,306
		Funding of Executive support officer role from PMB budget	29,720
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	(15,677)
		<b>TOTAL</b>	<b>(821,802)</b>
Human Resources	Shared Services	Increase in agency fees	5,250
	Various	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	(12,780)
		<b>TOTAL</b>	<b>(7,530)</b>
Strategic Finance	Insurance Services	Centralisation of stationery, print and insurance budgets for improved control and reporting. These changes have no overall effect on the overall budget***	77,950
		Budget alignment with Service transformation to manage in year changes to services without any additional pressures*****	(550,548)
		<b>TOTAL</b>	<b>(472,598)</b>
		<b>GRAND TOTAL</b>	<b>792,016</b>

## STAFF VACANCIES

Service Area	Post	Date Vacant	FTE	Comments
Community & Environmental	Business Compliance Officer	01/11/2021	0.61	Not currently advertised
	Covid Response Officer	20/09/2021	1	Not currently advertised
	Environmental Health Compliance Officer	01/01/1900	1	Not currently advertised
	Environmental Health Manager	28/09/2021	1	Not currently advertised
	Environmental Health Officer	04/09/2021	1	Not currently advertised
	Environmental Health Officer	22/11/2021	1	Not currently advertised
	Environmental Health Officer	11/09/2021	1	vacant due to acting up
	Partnerships and Funding Manager	07/06/2021	1	vacant due to acting up
Democracy & Governance	Democratic Services Officer	02/08/2021	0.61	Post holder on secondment
Place Shaping	Head of Transport and Infrastructure	27/04/2021	1	Not current advertised
	Housing Caseworker	26/10/2021	1	Not current advertised
	Housing Caseworker	14/08/2021	1	Not current advertised
	Housing Caseworker	22/06/2021	1	Currently advertising
	Principal Planning Officer (Development	21/05/2021	1	Not current advertised
	Rough Sleepers Co-ordinator	28/09/2021	1	Currently advertising
	Senior Surveyor 02	08/10/2021	1	To be filled 4-10-21
	Traffic Engineer	02/11/2021	1	Currently advertising
Corporate Strategy & Comms	Communication and Engagement Officer	24/07/2021	1.00	Being filled 15 December 2021
	Communication and Engagement Officer	08/11/2021	1.00	Newly vacant
		<b>Total</b>	<b>18.22</b>	

**CAPITAL INVESTMENT PROGRAMME – SUMMARY**

Service Area	Service Provision	Latest Budget 2021/22	Forecast Outturn	Actual to date	Latest Budget 2022/23	Latest Budget 2023/24
		£	£	£	£	£
Service Transformation	Customer Services	0	0	0	0	0
	ICT Shared Services	328,367	407,367	290,671	45,000	0
	ICT Client Services	1,201,382	36,382	265	485,000	0
	Corporate Asset Management	1,320,252	700,000	92,107	975,000	0
	Town Hall Quarter	4,168,717	7,983,881	705,396	0	0
Community & Environmental	Waste & Recycling (inc Veolia)	2,363,037	2,334,377	978,622	100,230	0
	Parks & Open Spaces	1,138,379	1,183,624	295,964	830,000	400,000
	Cemeteries	859,490	859,490	312,903	0	0
	Leisure & Play	8,882,433	8,817,433	483,332	100,000	0
	Culture & Heritage	1,242,769	1,242,769	126,966	0	0
	Environmental Health	582,886	1,862,886	689,601	300,000	0
	Community Projects	1,366,526	1,366,526	99,178	0	0
	Commissioning	780,764	780,764	5,680	300,000	0
	Town Hall Quarter	38,435	100,404	66,561	0	0
Place Shaping	Watford Business Park	11,422,828	920,494	482,706	3,000,000	0
	Watford Riverwell	16,763,678	5,016,178	26,330	8,878,000	0
	Housing	245,833	245,833	30,296	50,000	0
	Transport & Infrastructure	3,501,542	3,351,542	2,252,388	2,150,000	1,050,000
	Development Control	17,235	17,235	12,496	0	0
	Property Investment Board	132,931	132,931	0	0	0
	Property Management	11,755,247	4,920,247	3,502,247	2,400,000	4,230,000
	Town Hall Quarter	436,268	602,088	298,130	0	0
	Hart Homes JV	47,625,000	24,895,000	5,500,000	0	0
Corporate Strategy & Communications	Town Hall Quarter	634,942	501,073	286,195	0	0
	Corporate Communications	25,000	25,000	0	0	0
Strategic Finance	Capital Support Services	680,740	680,740	28,079	682,020	0
<b>TOTAL CURRENT CAPITAL PROGRAMME</b>		<b>117,514,681</b>	<b>68,984,264</b>	<b>16,973,211</b>	<b>20,295,250</b>	<b>5,680,000</b>



**CAPITAL INVESTMENT PROGRAMME – DETAIL**

Capital Scheme	Latest Budget 2021/22 £	Forecast Outturn £	Forecast Variance £	Actual 2021/22 £	Scheme Update
<b>SERVICE TRANSFORMATION</b>					
<b>ICT Shared Services</b>					
ShS-Migration To The Cloud	156,000	0	(156,000)	0	Service request for budget rephasing to 2022/23 to review business applications in the cloud.
ShS-Hardware Replacement Programme	172,367	407,367	235,000	290,311	Budget transfer from another ICT cost centre.
<b>ICT Client Services</b>					
ICT-Hardware Replacement Programme	595,112	15,112	(580,000)	265	Service request for budget rephasing to 2022/23 (£400k) for core network replacement and 2023/24 (£180k).
ICT-Business Application Upgrade	371,270	21,270	(350,000)	0	Service request for budget rephasing to 2022/23 (£200k) for server upgrades and 2023/24 (£150k).
ICT-Project Management Provision	235,000	0	(235,000)	0	Budget transfer to another ICT cost centre.
<b>Corporate Asset Management</b>					
Community Asset Review	850,000	500,000	(350,000)	31,226	Service request for budget rephasing to 2022/23.
Building Investment Programme	470,252	200,000	(270,252)	60,881	Service request for budget rephasing to 2022/23.
<b>Town Hall Quarter</b>					
Colosseum Refurbishment	2,215,405	2,215,405	0	0	
Town Hall & Colosseum Projects	653,312	707,992	54,680	368,489	Additional project management costs due to programme extension mitigated within overall Town Hall Quarter cost centre budgets.
Decarbonisation Project Salix	1,300,000	5,060,484	3,760,484	336,906	Variance met from additional government funding from Department for Business, Energy and Industrial Strategy.
<b>COMMUNITY &amp; ENVIRONMENTAL</b>					
<b>Waste &amp; Recycling (inc Veolia)</b>					
Veolia Contract Fleet Requirements	2,264,777	2,264,777	0	943,839	
Veolia Capital Improvements	98,260	69,600	(28,660)	34,783	Lower capitalisation costs post contract re-award in July 2020.
<b>Parks &amp; Open Spaces</b>					
Callowland Allotment Enhancement	8,156	23,696	15,540	23,696	Project overspend.
Whippendell Woods SSSI Enhancement	39,647	39,647	0	8,475	
Green Spaces Strategy	124,406	154,406	30,000	109,960	Service request for budget rephasing from 2022/23.
Oxhey Park North	341,530	341,530	0	11,046	
Tree Planting Programme	30,000	30,000	0	0	
River Colne Restoration	247,382	247,382	0	18,000	
Cassiobury Park Car Park Improvements	0	0	0	(2,950)	
Garston Park Improvements	0	14,705	14,705	14,705	Project overspend due to vandalism.
Oxhey Park North Project Management	43,105	43,105	0	0	
Cassiobury Park Performance Space	40,000	0	(40,000)	0	Service request for budget rephasing to 2022/23.
Parks Litter Bin Replacements	10,000	7,780	(2,220)	0	Budget underspend to mitigate other related projects (see below).
Meriden Park Improvements	100,000	100,000	0	3	
Oxhey Activity Park - Car Park Extension	54,153	54,153	0	59,899	
Cassiobury Park Wetlands	75,000	75,000	0	511	
Cassiobury Park Ad Hoc Works	25,000	25,000	0	25,381	
Parks Litter Bins	0	27,220	27,220	27,220	Scheme funded via additional £25k funding from WRAP and budget mitigation (see above).

Capital Scheme	Latest Budget 2021/22	Forecast Outturn	Forecast Variance	Actual 2021/22	Scheme Update
	£	£	£	£	
<b>Cemeteries</b>					
Cemetery Reprovision	141,000	141,000	0	0	
North Watford Cemetery Improvements	103,624	103,624	0	53,495	
New Cemetery Provision	607,794	607,794	0	252,328	
Vicarage Road Cemetery Feasibility Study	7,072	7,072	0	7,080	
<b>Leisure &amp; Play</b>					
Gaelic Football Relocation	38,558	38,558	0	32,463	
Leisure & Cultural Venues	60,521	60,521	0	0	
Watford Tennis Partnership	25,000	25,000	0	0	
Harwoods APG Toilets	65,000	0	(65,000)	0	Scheme transferred to Corporate Asset Management and funded from their existing budgets.
Woodside Sports Village	8,418,696	8,418,696	0	279,326	
Cassiobury Park Croquet Club	0	0	0	(4,083)	
Play Area Improvements	214,058	214,058	0	127,164	
Lea Farm Recreation Improvements	60,600	60,600	0	48,462	
<b>Culture &amp; Heritage</b>					
Watford Museum HLF Matchfunding	156,224	156,224	0	(4,261)	
Improvements Community Centres	13,980	13,980	0	0	
Cultural Quarter Phase 1	10,000	10,000	0	0	
Heritage Trail	110,000	110,000	0	0	
Watford Market	252,565	252,565	0	131,228	
Delivery of Cultural Plan	700,000	700,000	0	0	
<b>Environmental Health</b>					
Decent Homes Assistance	133,223	1,713,223	1,580,000	650,205	Variance largely attributable to new funding secured from BEIS for £1.7m (green homes grant).
Private Sector Housing Renewal	291,111	91,111	(200,000)	38,588	Service request for budget rephasing to 2022/23 (£100k). Other £100k no longer required.
Street Improvement Programme	158,552	58,552	(100,000)	808	Service request for budget rephasing to 2022/23.
<b>Community Projects</b>					
Cycle Hub	122,216	122,216	0	11,118	
All Saints Churchyard Improvements	1,129	1,129	0	0	
Paddock Road Depot Enhancements	1,218,181	1,218,181	0	88,060	
Derby Rd Skate Park Blockade	25,000	25,000	0	0	
<b>Commissioning</b>					
Transport App	25,550	25,550	0	0	
Departmental Vehicle Renewal	11,600	11,600	0	0	
Watford Cycle Hire Study	4,460	4,460	0	0	
Cycle Hire Scheme	10,511	10,511	0	2,594	
Cycle & Road Infrastructure Improvements	728,643	728,643	0	3,086	
<b>Town Hall Quarter</b>					
Heritage Project	38,435	100,404	61,969	66,561	Additional project management costs due to programme extension mitigated within overall Town Hall Quarter cost centre budgets.
<b>DEMOCRACY &amp; GOVERNANCE</b>					
<b>PLACE SHAPING</b>					
<b>Watford Business Park</b>					
Watford Business Park Phase 2	11,422,828	920,494	(10,502,334)	470,566	Service request for budget rephasing to 2022/23 post pandemic implications, Brexit and issues effecting the construction industry.

Capital Scheme	Latest Budget 2021/22	Forecast Outturn	Forecast Variance	Actual 2021/22	Scheme Update
	£	£	£	£	
<b>Watford Riverwell</b>					
Watford Riverwell Project	16,763,678	5,016,178	(11,747,500)	26,330	Budget underspends of circa £3.2m as well as service requests for budget rephasing(s) totalling £8.5m to 2022/23 and future financial years.
<b>Housing</b>					
Private Sector Stock Condition	36,850	36,850	0	0	
Retained Housing Stock	133,983	133,983	0	30,296	
York House Boiler Replacement	75,000	75,000	0	0	
<b>Transport &amp; Infrastructure</b>					
Public Realm (High Street)	4,479	4,479	0	3,245	
Public Realm (Clarendon Rd Phase III)	1,702,820	1,702,820	0	2,188,712	
St Albans Rd Improvement Works	12,707	12,707	0	360	
CCTV Site Equipment	16,230	16,230	0	1,548	
Public Realm - Market St South	450,000	450,000	0	0	
Camera Enforcement - High St	200,000	200,000	0	6,650	
Sustainable Transport Programme	250,000	250,000	0	0	
St Albans Rd Imp Works (Ph 2)	150,000	0	(150,000)	0	Service request for budget rephasing to 2022/23 due to project delays with Herts CC and developer.
Wayfinding & Public Realm Strategy	80,000	80,000	0	0	
Watford Junction Masterplan	13,548	13,548	0	0	
Watford 3D Planning Model	18,409	18,409	0	0	
Public Realm (Watford Junction)	3,761	3,761	0	9,415	
High St Phase 2 (St Mary's)	592,478	592,478	0	45,670	
Match Funding Capital Projects	0	0	0	(3,863)	
Watford Junction Cycle Park Hub	7,110	7,110	0	0	
<b>Development Control</b>					
CIL Review	17,235	17,235	0	12,496	

Capital Scheme	Latest Budget 2021/22	Forecast Outturn	Forecast Variance	Actual 2021/22	Scheme Update
	£	£	£	£	
<b>Property Investment Board</b>					
PIB Investment Strategy	132,931	132,931	0	0	
<b>Property Management</b>					
Redevelopment Town Hall	461,773	461,773	0	19,781	
Temp Housing Accommodation	1,367,989	1,367,989	0	915,251	
Social Rented Housing	1,000,000	1,000,000	0	1,334,550	
Surplus Sites	584,810	234,810	(350,000)	162,164	Service request for budget rephasing to 2022/23.
Croxley Park Asset	0	0	0	1,060,959	Funded by PPM contribution that formed part of the original Croxley Business Park transaction.
Places For People Scheme	1,000,000	1,000,000	0	0	
Pyramid Site	5,000,000	15,000	(4,985,000)	9,542	Service request for budget rephasing to 2022/23 due to ongoing lease negotiations.
Scenery Store Redevelopment	1,500,000	0	(1,500,000)	0	Service request for budget rephasing to 2022/23 due to development delays.
Infill Sites (LEP funded)	840,675	840,675	0	0	
<b>Town Hall Quarter</b>					
Regeneration Project	436,268	602,088	165,820	298,130	Variance met from additional funding from Herts CC and Department for Business, Energy and Industrial Strategy.
<b>Hart Homes JV</b>					
Land Transfer - Croxley View Phase 2	3,000,000	3,000,000	0	0	
Land Transfer - Croxley View Phase 3	3,130,000	0	(3,130,000)	0	Service request for budget rephasing to 2022/23.
Land Transfer - Rear Of High St	760,000	760,000	0	0	
Land Transfer - Scheme A	605,000	605,000	0	0	
Land Transfer - Scheme B	530,000	530,000	0	0	
Loan to Hart Homes WDLTP	24,700,000	20,000,000	(4,700,000)	5,500,000	Service request for budget rephasing to 2022/23.
Loan to Hart Homes WDLTD	14,900,000	0	(14,900,000)	0	Service request for budget rephasing to 2022/23.
<b>CORPORATE STRATEGY &amp; COMMUNICATIONS</b>					
<b>Town Hall Quarter</b>					
Town Hall Quarter Cultural Programme	491,080	372,499	(118,581)	202,184	Additional project management costs due to programme extension mitigated within overall Town Hall Quarter cost centre budgets.
Transformational Change	78,862	42,978	(35,884)	26,482	
Innovation & Incubation Hub	65,000	85,596	20,596	57,529	
<b>Corporate Communications</b>					
Town Boundary Signage	25,000	25,000	0	0	
<b>STRATEGIC FINANCE</b>					
<b>Capital Support Services</b>					
Support Services	552,470	552,470	0	0	
Major Projects - FBP and QS	128,270	128,270	0	28,079	
<b>West Herts Crem</b>					
West Herts Crem Bedmond Road	0	0	0	407,100	Periodic recharge to West Herts Crematorium.
<b>TOTAL CURRENT CAPITAL PROGRAMME</b>	<b>117,514,681</b>	<b>68,984,264</b>	<b>(48,530,417)</b>	<b>16,973,211</b>	

**CAPITAL INVESTMENT PROGRAMME – FUNDING**

<b>FUNDING TYPE</b>	<b>Forecast Outturn 2021/22 £</b>	<b>Budget 2022/23 £</b>	<b>Budget 2023/24 £</b>
Grants & Contributions	7,540,519	55,000	0
Reserves	243,656	0	0
Capital Receipts (PIB & non PIB)	7,875,125	6,643,000	0
Section 106 & CIL Contributions	22,170	0	0
Local Enterprise Partnership Loan	0	1,250,000	0
Borrowing (Internal & External)	53,302,794	12,347,250	5,680,000
<b>TOTAL CAPITAL FUNDING APPLIED</b>	<b>68,984,264</b>	<b>20,295,250</b>	<b>5,680,000</b>

**KEY BUDGETARY RISKS**

No.	Type of Consequence	Comment	Likelihood	Impact	Overall Score
1	The Medium term financial position worsens.	In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.8 in the Council's strategic risk register. <b>The continuing financial impact of COVID 19 places a burden on the Councils Revenue account through loss of income and additional expenditure.</b>	3	2	6
2	Revenue balances insufficient to meet estimate pay award increases	The medium term planning period takes into account the pay increases for the period - The Council's 3 year Medium term Financial Strategy includes forecast pay awards for the next three years.	2	2	4
3	Revenue balances insufficient to meet other inflationary increases	Other than contractual agreements, budgets have been cash limited where possible.	2	2	4
4	Interest rates resulting in significant variations in estimated interest income	The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy following the EU referendum continues to place uncertainty on the investment strategy. <b>Interest rates are extremely low a the bank base rate is currently 0.1.The MTFS reflects the decrease in interest earned</b>	3	2	6
5	Inaccurate estimates of fees and charges income	See Key Income Streams are shown in the latest Finance Digest. The financial impact of COVID 19 will place a burden on the Councils Revenue account through loss of income . Govt guarantee income scheme will cover 70% of losses on Fees & Charges	3	3	9
6	Revenue balances insufficient to meet loss of partial exemption for VAT	If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vat able expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs.	1	4	4
7	Major emergency	Major Emergency requires funds beyond Bellwin scheme and causes serious drain on balances. <b>The financial impact of COVID 19 will place a burden on the Councils Revenue account through loss of income and additional expenditure. The Govt. have paid over £471k for emergency funding</b>	3	3	9
8	The estimated cost reductions and additional income gains are not achieved	Savings identified are monitored as part of the monthly budget monitoring process. <b>Some of these may not materialise as resources are diverted away to concentrate on the Councils Covid 19 recovery plan</b>	3	2	6
9	The income received from Commercial rents decreases	The rental income received from the Councils property portfolio is a significant proportion of the total income the Council receives. <b>The financial impact of COVID 19 places a burden on the Councils property income. The Government's proposed Income guarantee grant scheme does not cover property rents therefore losses in rent places pressure on reserves</b>	4	3	12
10	The amount of government grant is adversely affected	The provisional grant settlement has been factored into the MTFS. The fair funding review on hold at the current time	2	3	6
11	Fluctuations in Business Rates Retention	The Council is legally obliged to cover the first 7.5% loss on its pre determined baseline level. The Council is currently in a safety net position. <b>The system was due to be subject to reset and increase to 75% retention. This has been postponed until 2022/23 at the earliest.</b>	2	2	4
1= VERY LOW RISK 4 = VERY HIGH RISK					
			Likelihood	Impact	Overall Score
			very low risk	1	1
			low risk	2	4
			high risk	3	9
			very high risk	4	16

**AGED DEBT ANALYSIS**

Invoices outstanding from 1st December 2020 to 30th November 2021								
Service Area	Description	Invoices outstanding by age of debt						Grand Total
		0 - 1	2 - 3	4 - 6	7 - 9	10 - 12	Over 12	
Community & Environmental	Community and Customer Service	298,536	480	10,696	0	0	19,084	328,796
	Env Services-Premises Licence	29,055	2,977	7,943	910	3,506	17,560	61,951
	Environmental Health	1,200	20,888	0	8,448	0	0	30,535
Service Transformation	Community Asset Management	14,588	5,198	15,252	504	504	0	36,046
Place, Shaping	Housing	6,325	621	771	386	2,244	35,783	46,131
	Property (exc. Commercial rent)	49	2,900	221	19	6	232	3,426
	Property - Commercial Rents	14,745	2,417	4,581	3,375	7,010	9,000	41,127
	Regeneration & Development	12,228	0	7,912	0	0	0	20,140
	Planning - Standard	0	18,000	0	0	7,800	0	25,800
	Planning - Inspection Fees	6,320	1,316	0	0	1	1	7,637
Human Resources	Third party work	1,174	0	0	0	0	74	1,247
Strategic Finance	Finance	489	3,447	(35,654)	(92,376)	(4,263)	(2,658)	-131,016
<b>Grand Total</b>		<b>384,708</b>	<b>58,242</b>	<b>11,723</b>	<b>-78,734</b>	<b>16,808</b>	<b>79,075</b>	<b>471,821</b>
<b>Percentage of Amount Outstanding</b>		<b>81.54%</b>	<b>12.34%</b>	<b>2.48%</b>	<b>-16.69%</b>	<b>3.56%</b>	<b>16.76%</b>	<b>100.00%</b>

**REVENUE RESERVE BALANCES**

Description	Balance at 1 April £000	Movement 2021/22 £000	Balance at 31 March £000	Purpose
<b>Revenue Reserves</b>				
Budget Carry Forward	(826)	484	(342)	Budgets carried forward from prior years
Car Parking Zones	(46)	(460)	(506)	Ring fenced for parking projects
Collection Fund	(19,863)	0	(19,863)	Equalisation fund to smooth impact of surplus / deficit, allocation end of 2021/22
Crematorium	(150)	0	(150)	Funding repairs and maintenance
Economic Impact Reserve	(3,004)	1,440	(1,564)	Provide resources to offset economic downturn
Housing Benefit Subsidy	(1,693)	0	(1,693)	Provision if Dept for Work & Pensions claw back funds
Housing Planning Delivery Grant	(266)	0	(266)	Improve planning outcomes and delivery of housing
Leisure Structured Maintenance	(57)	0	(57)	Funding unforeseen maintenance not covered in contract
Local Development Framework	(178)	0	(178)	Support local plan production and inspection
Multi-Storey Car Park Repair	(181)	0	(181)	Funding major structural works
Pension Funding	(2,248)	0	(2,248)	Reduction of pension deficit
Project and Programme Management	(65)	50	(15)	Support major project work
Rent Deposit Guarantee Scheme	(100)	0	(100)	Assist in providing homelessness accommodation
Riverwell Project	(7,768)	0	(7,768)	To cover any guarantees, repayments of outstanding loans and fund future investment.
Weekly Collection Support Grant	(30)	0	(30)	Supporting weekly collection of waste
Renewal Recovery Fund	(1,036)	105	(931)	To support the recovery process for additional costs due to COVID19. Business cases for new projects are currently being reviewed which will impact the balance once agreed.
	(37,511)	1,619	(35,892)	
<b>General Fund Working Balance</b>	(2,000)	0	(2,000)	Prudent balance
<b>Total Revenue Reserves</b>	(39,511)	1,619	(37,892)	



**GLOSSARY OF TERMS**

<i>Accounting period</i>	The timescale during which accounts are prepared or reported on.
<i>'Accounts Payable'</i>	The section and/or system within the Council that is responsible for paying the Council's creditors and invoices raised against the Council.
<i>'Accounts Receivable'</i>	The section and/or system within the Council that is responsible for invoicing and collection from the Council's debtors and for invoices raised by the Council.
<i>Accrual</i>	The recording within the accounts of the Council the cost of goods or services received and for which an invoice has been received but for which payment has not yet been made.
<i>Accrual accounting</i>	The practice of accounting for goods and services when they are received/provided rather than when they are paid for/payment received.
<i>Asset</i>	A present, economic resource of the Council to which it has a right or other type of access that other individuals or organisations do not have.
<i>Balances</i>	A figure representing the difference between credits and debits in an account; the amount of money held in an account. Also known as 'financial reserves'.
<i>Base budget</i>	Estimate of the amount required to provide services at current levels. Can also be referred to as 'rollover budget'.
<i>Budget Monitoring</i>	The process comparing of actual income and expenditure against budget; used to support budgetary control.
<i>Business Rates/NDR*</i>	Rates are payable on non-domestic property including libraries, offices, schools. The level of business rates is set by the Government and collected by the District Councils on their behalf. The money is then re-allocated to authorities in accordance with resident population as part of the annual financial settlement.
<i>Capital Asset</i>	Capital or Fixed assets are long-term resources, such as plant, equipment and buildings.
<i>Capital Charges</i>	A charge to services to reflect the cost of fixed assets used in the provision of those services
<i>Capital expenditure</i>	Expenditure on items that create an asset which has a long-term benefit of more than one year.
<i>Carry forward [of budget]</i>	Budgets unspent in a prior year that have (once approved) been added to the current year budget. Strict control on 'carried forwards' apply.

<i>Chart of accounts</i>	The hierarchy of recording income and expenditure within the Council's accounts. The main distinctions are between fund e.g. County fund, Pension Fund; objective e.g. service or cost centre; subjective e.g. the classification of expenditure between salaries, equipment, stationery, fuel costs etc.
<i>Commitment</i>	A commitment to spend occurs when an order is raised
<i>Cost centre</i>	A collection of subjective codes ( <i>qv</i> ) linked to a particular service or sub-service area.
<i>Creditor</i>	A person or company to whom the Council owes money.
<i>Debtor</i>	A person or company who owes money to the Council
<i>Depreciation</i>	The accounting method of amortising the value of an asset over its useful life
<i>Ear marking</i>	Setting aside for specific purposes
<i>Financial Regulations</i>	Rules of financial management that apply to all officers and members of the Council. These can be found on the intranet.
<i>Financial Year</i>	Period of twelve months commencing on 1 April and ending 31 March the following year.
<i>Forecast Outturn</i>	A projection of anticipated expenditure incurred and income received to provide an estimate of the service position at the end of the year compared to the planned budget.
<i>Funding</i>	Source of income to support service expenditure – can be capital or revenue
<i>General Fund</i>	The main revenue account of the Council through which day to day transactions are conducted.
<i>Journal</i>	The transfer of income or expenditure from one ledger code to another.
<i>Medium Term Financial [Plan] [Strategy]</i>	The Council's plan for the management of its resources during the next 3 years, which remains under a rolling review and links to the service planning process.
<i>Liability</i>	The Council's financial debt or obligations that arise during the course of its business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods or services.

<i>NDR</i>	Non-Domestic Rates – see business rates ( <i>qv</i> )
<i>Profile</i>	A term used to describe the pattern of expenditure or income that is expected to occur over a period of time
<i>[The] Prudential code</i>	The authority which enables the Council to set its own borrowing limits as part of the budget making processes.
<i>Reserves</i>	Amounts set aside for general contingencies and to provide for working balances, or can be earmarked for specific future expenditure.
<i>Resources</i>	Includes cash, staff, equipment, property, stocks, etc.
<i>Revenue expenditure</i>	Expenditure on ‘day-to-day’ items required to support the running of the Council services
<i>Subjective Code</i>	A code describing expenditure or income by type e.g. salaries costs, premises costs. Can also be called “accounting code”
<i>Ultra Vires</i>	A Latin term meaning ‘beyond the powers’.
<i>Variance</i>	Difference between budget and actual income or expenditure. May be favourable (more income or lower spend than budgeted) or unfavourable/adverse (less income or more spend than budgeted)
<i>Virement</i>	Formal transfer of funds from one budget to another. Does not change the Council’s overall budget.