

FINANCE DIGEST

Capital & Revenue Financial Monitoring at

Period 6

(September 2013)

Prepared By : Finance Shared Services

Date : 17th October 2013

Foreword

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

The Finance Digest shows the key indicators that describe Watford's financial health. It provides an update on the Council's budget including effect on reserve balances as well as performance within a discrete number of service areas. Variances to budgets are reflected in the forecast outturn for 2013/14 which are loaded on to the Council's financial management system that continue to be monitored throughout the financial year.

Part 1 - Budget Monitoring

The digest reflects the Council's latest forecast of its financial position for the year, assessing expected spend against the agreed budget and split into service area. It also includes information on key risks and volatile budgets (I.E. income streams subject to economic conditions) including any action taken to mitigate their impact. Revenue spend is forecast monthly whereas capital updates are provided on a quarterly basis.

Part 2 - Performance Indicators

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

If you have any comments, please contact the following Finance staff for assistance :-

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Part 1 - Budget Monitoring

1 - General Fund Revenue

- 1.1 This report which reflects the new structure that was implemented on 1st July provides an update, in summary form, of the latest position of the Council's revenue budget as at 30th September 2013 (period 6).
- 1.2 The 2013/14 original net general fund budget requirement was £15,021k prior to movements in reserves (the current budget which includes approved virements is £15,311k). However, the forecast outturn for net expenditure at the end of period 6 is predicted to be £15,033k (see page 5).

A reconciliation between all these balances can be detailed as follows :-

2013/14 Original Budget requirement prior to movements in reserve	<u>Total</u> £15,021k
Add	
Approved virements from usable reserves (see table below) :-	
Local Authority Business Growth Incentive Reserve	£20k
Housing & Planning Delivery Grant Reserve	£35k
Budget Carry Forward Reserve	£235k
2013/14 Current Budget requirement including approved virements	<u>£15,311k</u>
Add	
Anticipated usable movements from reserve (see below table) :-	
Invest to Save Reserve	£317k
Less	
In year forecast variances affecting Economic Impact Reserve (see table on page 4)	(£595k)
2013/14 Forecast Outturn for net expenditure	<u>£15,033k</u>

1.3 Usable Reserves

2013/14 Table of Reserve Movements						
Reserve	Original Budget	In year movement only				Comments
		Reserve Mov'ment as @ Period 4	Period 6 movement		Reserve Mov'ment as @ Period 6	
			Virement	Anticipated Movement		
Local Authority Business Growth Incentive (LABGI)	£0k	(£20k)	£0k	£0k	(£20k)	Utilised to part fund the 'Imagine Watford' festival that took place in June 2013.
Housing & Planning Delivery Grant	£0k	(£35k)	£0k	£0k	(£35k)	As per Cabinet (Sept 2012), funding for investment in United Sustainable Energy Agency.
Budget Carry Forward	£0k	(£235k)	£0k	£0k	(£235k)	Established to carry over unused 2012/13 revenue budget required for 2013/14.
Sub total	£0k	(£290k)	£0k	£0k	(£290k)	
Invest to Save	£0k	(£317k)	£0k	£0k	(£317k)	Utilised to fund Yr 1 ICT contract costs. Savings expected in future years.
Vehicle Replacement	£150k	£0k	£0k	£0k	£0k	Reserve created to fund future vehicle acquisitions.
Economic Impact (see table below)	(£735k)	£412k	£0k	£183k	£595k	Utilised in part to fund current expenditure as well as absorb any unplanned forecast variances reported by services during the current financial year.
Total	(£585k)	(£195k)	£0k	£183k	(£12k)	

Note () illustrates a decrease in reserve balances

Anticipated Net Movement on Economic Impact Reserve

The in year movement of £595k is the current unplanned forecast underspend for 2013/14 and can be summarised as follows :-

Original Budget	In year forecast variations affecting Economic Impact Reserve	Overspend / Underspend	Page Nos	@ Period 4 £k	This Period £k	Total £k
(735)	As per Original Budget 2013/14					
	As outlined in Period 4 Finance Digest	Underspend	N/A	412	0	412
	Corporate Strategy & Client Services	Overspend	6	0	(5)	(5)
	Community & Customer Services	Underspend	7	0	23	23
	Democracy & Governance	Underspend	8	0	19	19
	Regeneration & Development	Underspend	9	0	99	99
	Strategic Finance	Underspend	12	0	47	47
(735)	Total			412	183	595

Note : the above table indicates a reduction in the balance due from the Economic Impact Reserve at year end ((£140k) as opposed to (£735k)) as a result of current underspends reported by services up to Period 6.

Reserve activity in 2013/14 has been illustrated graphically to reflect the year end carried forward balance on these reserves as at 31st March 2013 including the table of reserve movements as shown on page 3.

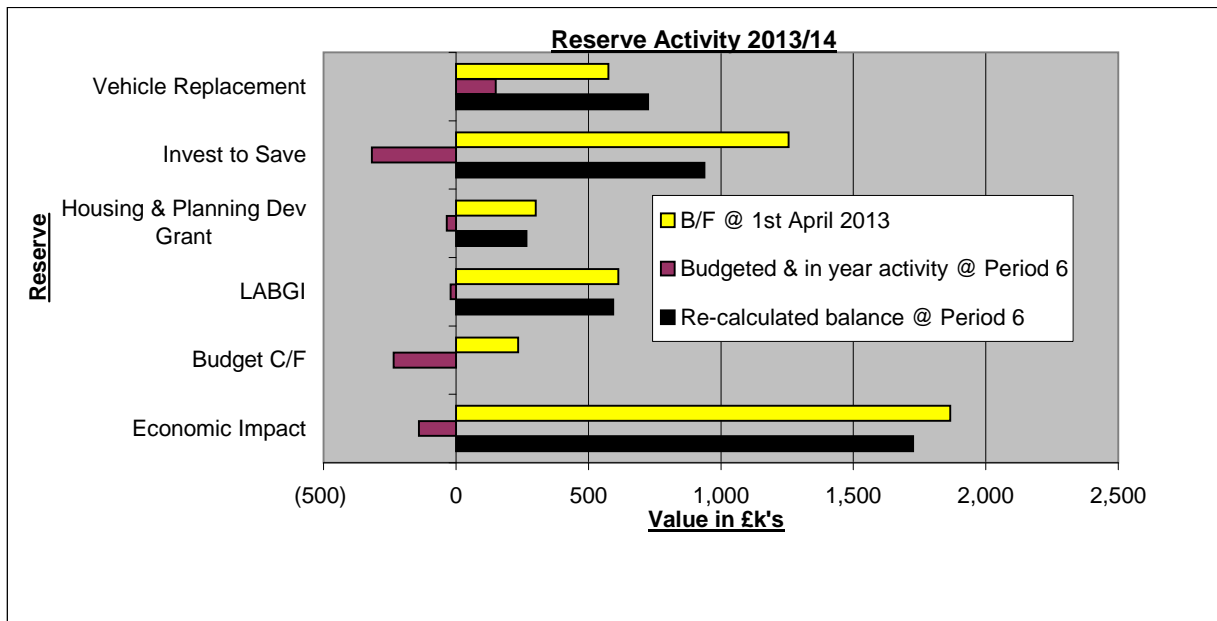


Table 1 - General Fund Summary

General Fund Variance Summary for 2013/14 as @ Period 6 (September 2013)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Variance	
	£000's	£000's	£000's	£000's	£000's	£000's	%	Icon
Corporate Strategy & Client Services	9,513	9,437	317	5	322	9,759	3.4	⊗
Community & Customer Services	4,861	5,167	(32)	(23)	(55)	5,112	(1.1)	☺
Democracy & Governance	1,762	1,431	0	(19)	(19)	1,412	(1.3)	☺
Regeneration & Development	(558)	(381)	(560)	(99)	(659)	(1,040)	(173.0)	☺
Managing Director	1,377	1,385	0	0	0	1,385	0.0	☺
Human Resources	0	(22)	0	0	0	(22)	0.0	☺
Strategic Finance	(1,934)	(1,706)	180	(47)	133	(1,573)	7.8	⊗
NET GENERAL FUND	15,021	15,311	(95)	(183)	(278)	15,033	(1.8)	☺
Budgeted Transfer To/(From) Reserves	(585)	(585)	0	0	0	(585)		
In Year Transfer To/(From) Reserves	0	(290)	95	183	278	(12)		
NET BUDGET REQUIREMENT	14,436	14,436	0	0	0	14,436		
<u>Financed By :-</u>								
Revenue Support Grant (including re-distributed NNDR)	(4,765)	(4,765)	0	0	0	(4,765)		
Council Tax receipts	(7,350)	(7,350)	0	0	0	(7,350)		
Other central government funding	(2,321)	(2,321)	0	0	0	(2,321)		
TOTAL FINANCING	(14,436)	(14,436)	0	0	0	(14,436)		
<u>General Fund Working Balance</u>								
Opening Balance	1,350	1,350	0	0	0	1,350		
CLOSING WORKING BALANCE	1,350	1,350	0	0	0	1,350		

Icons

Icons have been used to indicate the severity of the variation against budget.

The key is as follows:

☺ Forecast net expenditure is within budget

☹ Forecast net expenditure is as per budget

⊗ Forecast net expenditure is over budget but there is no cause for concern at this stage.

🔔 Forecast net expenditure is more than 10% and £50k over budget which is a cause for concern.

Table 2 - Variance Analysis by Service and Cost Centre

Service : Budget Owner :	Corporate Strategy & Client Services		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	Lesley Palumbo									
Management Support	0	(158)	(158)	0	0	0	0	(158)	No monthly forecast variances reported.	
Contract Monitoring	0	4,428	4,428	0	0	0	0	4,428	No monthly forecast variances reported.	
Parks and Open Spaces	2,122	(1,093)	1,029	0	4	4	4	1,033	Net upward revision to NNDR budgets totalling £4k.	
Leisure	1,464	(67)	1,397	0	(24)	(24)	(24)	1,373	Variations due to the following :- i) Management fee savings totalling (£11k) with regard WCHT and Watford YMCA. ii) Underspend on risk managed contingency budgets of (£13k). Savings proposed for 2014/15.	
Grants	993	41	1,034	0	(25)	(25)	(25)	1,009	Variations due to the following :- i) Budget underspend of (£8k) on W3RT infrastructure contract. ii) Underspend on supplies and services budgets within Grants totalling (£17k).	
Street Cleansing	2,075	(1,324)	751	0	1	1	1	752	Revision to NNDR budgets totalling £1k.	
Waste and Recycling	2,629	(1,955)	674	0	0	0	0	674	No monthly forecast variances reported.	
Partnerships and Performance	229	61	290	0	50	50	50	340	£50k project expenditure supporting the Watford 2031 agenda.	
ICT Service	0	(8)	(8)	317	0	317	317	309	No monthly forecast variances reported.	
<i>Rounding Adjustment</i>	1	(1)	0	0	(1)	(1)	(1)	(1)		
Total : Corporate Strategy & Client Services	9,513	(76)	9,437	317	5	322	322	9,759		

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Corporate Strategy & Client Services

total as @ Period 4

Waste and Recycling

Sub Total

Pension budgets re-aligned

Corporate Strategy & Client Services

total as @ Period 6

115

(274) DCLG revenue funding moved to service accounts

(159)

83 Consolidation of pension implications (based on annual lump sum and contribution %)

(76)

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

Service : Budget Owner :	Community & Customer Services Alan Gough	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	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	
	Customer Services	0	36	36	0	0	0	36	No monthly forecast variances reported.
	Housing	1,907	23	1,930	(32)	0	(32)	1,898	No monthly forecast variances reported.
	Environmental Health and Licensing	1,772	109	1,881	0	(23)	(23)	1,858	Variations due to the following :- i) Favourable net salaries variance of (£12k) due to vacant posts. ii) Favourable income variances (in part due to successful prosecutions and partner working) totalling (£13k). iii) Other minor variations totalling £2k.
	Culture and Play	1,182	138	1,320	0	0	0	1,320	No monthly forecast variances reported.
	Total : Community & Customer Services	4,861	306	5,167	(32)	(23)	(55)	5,112	

Notes to Agreed Budget Changes

Community & Customer Services

total as @ Period 4

Pension budgets re-aligned

Community & Customer Services

total as @ Period 6

Reason for Agreed Budget Change

191

115 Consolidation of pension implications (based on annual lump sum and contribution %)

306

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

Service : Budget Owner :	Democracy & Governance Carol Chen	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	
	Legal and Democratic	1,525	67	1,592	0	0	0	1,592	No monthly forecast variances reported.
	Buildings and Projects	237	(400)	(163)	0	(19)	(19)	(182)	Downward revision to NNDR budgets totalling
	Procurement	0	2	2	0	0	0	2	No monthly forecast variances reported.
	Total : Democracy & Governance	1,762	(331)	1,431	0	(19)	(19)	1,412	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Democracy & Governance

total as @ Period 4

Buildings and Projects

Sub Total

Pension budgets re-aligned

Democracy & Governance

total as @ Period 6

(47)

(80) Two Buildings & Projects posts transferred to Regeneration & Development

(127)

(204) Consolidation of pension implications (based on annual lump sum and contribution %)

(331)

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

Service : Regeneration & Development	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
Budget Owner : Jane Custance	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Commercial Projects (property portfolio)	(4,943)	34	(4,909)	(560)	(35)	(595)	(5,504)	Variations due to the following :- i) Salaries underspend of (£7k) due to operational changes. ii) Downward revision to NNDR budgets totalling (£26k). iii) Supplies and service savings of (£2k).
Development Section	1,080	37	1,117	0	(52)	(52)	1,065	Variations due to the following :- i) Salaries underspend of (£16k) due to operational changes. ii) Upward revisions to income totalling (£34k) across all service areas. iii) Consultancy fee forecast spend reduced by (£2k).
Transport and Infrastructure	2,676	100	2,776	0	(11)	(11)	2,765	Variations due to the following :- i) Salaries underspend of (£9k) due to operational changes. ii) Downward revision to NNDR budgets totalling (£2k).
Policy Team	617	6	623	0	0	0	623	No monthly forecast variances reported.
Economic Development	12	0	12	0	0	0	12	No monthly forecast variances reported.
<i>Rounding Adjustment</i>	0	0	0	0	(1)	(1)	(1)	
Total : Regeneration & Development	(558)	177	(381)	(560)	(99)	(659)	(1,040)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Regeneration & Development

total as @ Period 4

Transport and Infrastructure

Sub Total

Pension budgets re-aligned

Regeneration & Development

total as @ Period 6

(29)

80

51

126

177

Two posts transferred to Regeneration & Development from Buildings & Projects (Democracy & Governance)

Consolidation of pension implications (based on annual lump sum and contribution %)

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

Service : Managing Director	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
Budget Owner : Manny Lewis	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Corporate Management	1,377	8	1,385	0	0	0	1,385	No monthly forecast variances reported.
Total : Managing Director	1,377	8	1,385	0	0	0	1,385	

Notes to Agreed Budget Changes

Managing Director

total as @ Period 4

Pension budgets re-aligned

Managing Director

total as @ Period 6

Reason for Agreed Budget Change

0

8 Consolidation of pension implications (based on annual lump sum and contribution %)

8

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

Service : Human Resources Budget Owner : Cathy Watson	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	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	
Human Resources Client	0	(22)	(22)	0	0	0	(22)	No monthly forecast variances reported.
HR Shared Service	0	0	0	0	0	0	0	No monthly forecast variances reported.
Total : Human Resources	0	(22)	(22)	0	0	0	(22)	

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Human Resources

total as @ Period 4

Pension budgets re-aligned

Human Resources

total as @ Period 6

(39)

17 Consolidation of pension implications (based on annual lump sum and contribution %)

(22)

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

Service : Budget Owner :	Strategic Finance		Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Comments regarding This Month's Forecast Variances
	Jo Wagstaffe									
Finance and Resources	202	3	205	(20)	0	(20)	185	No monthly forecast variances reported.		
Finance Services Client	123	(3)	120	0	3	3	123	WBC's share of costs connected to the appointment of a new insurance broker.		
Revenues and Benefits Client	1,818	57	1,875	400	0	400	2,275	No monthly forecast variances reported.		
Corporate Costs (including adjustments under statute)	(4,077)	171	(3,906)	(200)	(50)	(250)	(4,156)	Dividend of (£50k) receivable from West Herts Crematorium to constituent members.		
Finance Shared Service	0	0	0	0	0	0	0	No monthly forecast variances reported.		
Revs and Bens Shared Service	0	0	0	0	0	0	0	No monthly forecast variances reported.		
Total : Strategic Finance	(1,934)	228	(1,706)	180	(47)	133	(1,573)			

Notes to Agreed Budget Changes

Reason for Agreed Budget Change

Strategic Finance

total as @ Period 4

Pension budgets re-aligned

Strategic Finance

total as @ Period 6

373

(145) Consolidation of pension implications (based on annual lump sum and contribution %)

228

Table 3 - Direct Salaries Analysis

Direct Salary Costs Variance Analysis (Incl Consultancy Costs but excluding Shared Services & IAS19)

Service Area	Previous Year Final Restated	Original Budget	Agreed Budget Change	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	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 Strategy & Client Services	5,546	5,578	(3,641)	1,937	0	0	0	1,937	0.0	☺	No monthly forecast variances reported.
Community & Customer Services	3,523	3,580	(172)	3,408	0	(12)	(12)	3,396	(0.4)	☺	See Table 2 - Variance Analysis by Service and Cost Centre (page 7).
Democracy & Governance	1,907	1,840	(254)	1,586	0	0	0	1,586	0.0	☺	No monthly forecast variances reported.
Regeneration & Development	2,745	2,952	(551)	2,401	0	(32)	(32)	2,369	(1.3)	☺	See Table 2 - Variance Analysis by Service and Cost Centre (page 9).
Managing Director	369	240	(19)	221	0	0	0	221	0.0	☺	No monthly forecast variances reported.
Human Resources	9	17	(2)	15	0	0	0	15	0.0	☺	No monthly forecast variances reported.
Strategic Finance	1,089	169	(7)	162	0	0	0	162	0.0	☺	No monthly forecast variances reported.
Consultancy	225	134	(13)	121	0	32	32	153	26.4	☹	£50k spend on Watford 2031 agenda offset in part by (£18k) of consultancy savings identified in other service budgets.
Total	15,413	14,510	(4,659)	9,851	0	(12)	(12)	9,839	(0.1)	☺	

Notes to Agreed Budget Changes

Total as @ Period 4	(3,411)	
Pension budgets re-aligned	(1,248)	Consolidation of pension implications (based on annual lump sum and contribution %)
Total as @ Period 6	<u>(4,659)</u>	

Table 4 - Key Financial Risk Areas (as at end of September 2013)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Variance		Comments
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺	
Commercial Rental Income (incl Parks & Leisure properties and Multi Storey Car Parks)	(3,283)	(3,283)	(240)	0	(240)	(3,523)	(7.3)	☺	A detailed review of the Council's commercial property portfolio is routinely carried out by Property in consultation with Finance.
Housing Benefit Client :-									
Grant Income	(34,348)	(34,348)	400	(15)	385	(33,963)	1.1	☹	Extremely high risk area due to demands on the service including claimant volumes and central government changes to entitlements. Regular reviews are carried out within the service to ensure all claims are properly processed and validated. Variances in Period 6 relate to DWP funding concerning the removal of spare room subsidy.
Rent Allowance Payments	33,884	33,921	0	15	15	33,936	0.0	☹	
Shared Services (Operating Costs) :-									
Finance	821	901	0	3	3	904	0.3	☹	Reviewed and monitored by the appropriate Head of Service and agreed via the Shared Services Joint Committee. The adverse variance of £3k relates to WBC's share of costs connected to the appointment of a new insurance broker.
Human Resources	506	506	0	0	0	506	0.0	☺	
ICT	847	847	317	0	317	1,164	37.4	🔔	
Revenues & Benefits	1,733	1,733	0	0	0	1,733	0.0	☺	
Parks, Street & Waste Services (Net costs Re: Veolia outsourcing)	0	4,275	0	0	0	4,275	0.0	☺	These services comprise one third of Council net expenditure and need to be regularly monitored. The newly appointed client team meet monthly with the appointed contractor, Veolia Environmental Services to ensure the contract specification is being met.

Table 4 - Key Financial Risk Areas (as at end of September 2013) (continued)

Service Area	Original Budget	Current Budget	Forecast Variance to Period 4	Forecast Variance Period 6	Total Forecast Variance	Forecast Outturn	Variance		Comments
	£000's	£000's	£000's	£000's	£000's	£000's	%	☺	
Business Rates Retention	Circa 62,000	Circa 62,000	0	0	0	Circa 62,000	0.0	☺	Changes introduced by central government has meant that any shortfall in collection is split 50% to government, 40% by WBC and 10% by HCC. The Council now has a financial incentive to maximise income from this source.
Development Control / Building Control and Land Charges Income	(554)	(554)	0	(34)	(34)	(588)	(6.1)	☺	The fragile recovery in economic conditions continue to affect these income generators which have recently been revised upwards by the Head of Service (see Page 9). Legislation has also affected the ability to charge for Land Charge services. The Council also continues to look at operational cost savings via outsourcing which can be evidenced by the ongoing review of Building Control.
Homelessness Spend (net)	120	120	(30)	0	(30)	90	(25.0)	☺	B&B costs are regularly reviewed by the Housing Section Head and reported through the Head of Service. The service is also looking to streamline the number of temporary accommodation suppliers it uses to drive down cost.
Investment Interest	(270)	(270)	0	0	0	(270)	0.0	☺	Forecast higher cash balances available for investment offset by very low rates of interest. Other investment opportunities are also being considered E.G. investing with local authorities.
Kerbside Recycling Income	(464)	(464)	0	0	0	(464)	0.0	☺	The council retains significant interest and risk in recycling income post outsourcing to Veolia. The change in service to co-mingling in Nov 2013 is also an area under review by the client team.

Capital Programme

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

Capital Programme Financing	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Expenditure										
General Fund Spend	47,783,002	8,329,492	3,702,019	17,804,705	19,040,049	2,046,210	10,173,732	3,556,710	1,501,000	1,480,000
Section 106 Schemes	6,518,558	1,151,823	1,252,669	3,781,356	3,781,356	301,575	332,710	0	0	0
Total Expenditure	54,301,560	9,481,315	4,954,688	21,586,061	22,821,405	2,347,785	10,506,442	3,556,710	1,501,000	1,480,000
Funding										
External borrowing from PWLB	4,000,000	0	0	4,000,000	4,000,000	0	0	0	0	0
Grants and Contributions	3,107,658	603,705	631,678	1,850,000	916,275	608,111	239,000	239,000	239,000	239,000
Reserves	7,743,977	49,741	0	1,500,000	4,277,912	40,169	1,858,324	1,558,000	0	0
Capital Receipts	32,924,456	7,797,210	3,156,703	10,011,867	9,631,425	1,397,930	8,076,408	1,759,710	1,262,000	1,241,000
Section 106 Schemes	6,525,469	1,030,659	1,166,307	4,224,194	3,995,793	301,575	332,710	0	0	0
Total Funding	54,301,560	9,481,315	4,954,688	21,586,061	22,821,405	2,347,785	10,506,442	3,556,710	1,501,000	1,480,000

Available Funding - Capital Receipts	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Balance Bought Forward	12,616,330	12,616,330	12,616,330	10,264,218	5,187,810	5,428,100	5,466,100
Used for Financing	(10,011,867)	(9,631,425)	(1,397,930)	(8,076,408)	(1,759,710)	(1,262,000)	(1,241,000)
New Receipts	5,000,000	7,279,313	3,448,979	3,000,000	2,000,000	1,300,000	2,000,000
Balance Carried Forward	7,604,463	10,264,218	14,667,379	5,187,810	5,428,100	5,466,100	6,225,100

Available Funding - S106	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Latest Budget £
Balance Bought Forward	4,875,415	4,875,415	4,875,415	1,159,622	991,912	1,006,912	1,024,412
Used for Financing	(4,224,194)	(3,995,793)	(301,575)	(332,710)	0	0	0
New Receipts	250,000	250,000	983,974	150,000	0	0	0
Interest	37,317	30,000	17,522	15,000	15,000	17,500	20,000
Balance Carried Forward	938,538	1,159,622	5,575,336	991,912	1,006,912	1,024,412	1,044,412

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes										
Key Projects										
Capitalised Salaries	0	0	0	0	0	0	0	0	0	0
Cardiff Rd Campus	4,174,376	1,886,444	560,752	1,727,180	1,727,180	93,731	0	0	0	0
Cardiff Rd Health Campus - Cont to LABV	3,000,000	0	0	0	0	0	1,500,000	1,500,000	0	0
Cardiff Rd Health Campus - Loan to WHHT	2,000,000	0	0	0	0	0	2,000,000	0	0	0
Green Spaces Strategy	917,500	358,367	339,604	219,529	219,529	45,381	0	0	0	0
Colosseum Refurbishment	2,793,728	2,585,794	207,934	0	0	22,662	0	0	0	0
Cultural Quarter Phase 1	4,693,080	124,620	357,939	3,515,395	3,431,549	492,936	689,262	89,710	0	0
Contribution to Croxley Rail Link	2,532,014	0	0	2,532,014	2,532,014	0	0	0	0	0
New Market	2,600,000	0	12,580	1,387,420	2,487,420	40,169	100,000	0	0	0
Environmental Services										
Recycling Boxes	55,080	0	15,080	20,000	20,000	3,060	20,000	0	0	0
Trade Waste Recycling Bins	18,118	1,550	16,568	20,000	0	0	0	0	0	0
Additional Green Waste Bins	47,955	11,955	0	0	0	0	18,000	18,000	0	0
Kerbside Recycling Vehicles	693,165	0	0	650,000	693,165	102,312	0	0	0	0
Decent Homes Assistance	742,205	166,649	65,556	200,000	110,000	34,133	200,000	200,000	0	0
Env Services Schemes (Handyman Asst)	53,480	27,628	10,852	0	15,000	14,322	0	0	0	0
Env Services Schemes (Empty Homes Asst'ce)	195,326	44,975	75,351	0	75,000	2,410	0	0	0	0
Replacement Domestic Bins	60,000	0	0	20,000	20,000	5,766	20,000	20,000	0	0
Kerbside Vehicles x 2	548,620	0	0	600,000	548,620	0	0	0	0	0
1,300 Eurobins	173,485	0	0	320,000	173,485	0	0	0	0	0
Energy Grants (Carbon M'gmt/Clim Ch'ge)	111,903	14,184	20,719	77,000	77,000	46	0	0	0	0
JCB Excavator	60,500	0	0	0	60,500	0	0	0	0	0
Parks Equipment (6 mowers)	148,024	0	0	0	148,024	0	0	0	0	0
Johnson Sweepers (3)	205,845	0	0	0	205,845	0	0	0	0	0
Cages (5)	174,341	0	0	0	174,341	0	0	0	0	0
Litter Pick Up Trucks (2)	40,050	0	0	0	40,050	0	0	0	0	0
Large Van (Graffiti)	38,737	0	0	0	38,737	0	0	0	0	0
Street Furniture Van	29,953	0	0	0	29,953	0	0	0	0	0
Flail & Gator (2)	33,989	0	0	0	33,989	0	0	0	0	0
POV Electric Cart (1)	15,250	0	0	0	15,250	0	0	0	0	0

Capital Programme (continued)

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes										
Community & Leisure Services										
Allotments Upgrades	1,410,000	0	0	410,000	1,010,000	17,613	400,000	0	0	0
Cassiobury Park HLF Project	625,000	0	22,162	602,838	602,838	198,599	0	0	0	0
Farm Terrace Allotments relocation	750,000	0	0	400,000	400,000	32,858	350,000	0	0	0
Hurling Club relocation	950,000	0	0	550,000	950,000	4	0	0	0	0
Woodside Access Improvements Phase 1	232,288	227,121	5,167	0	0	2,727	0	0	0	0
Waterfield Recreation Gd Car Park Imp'ts	8,688	1,068	7,620	0	0	0	0	0	0	0
St Mary's Tombs	100,316	0	1,024	99,292	99,292	29,944	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes (contd.)										
Housing Services										
Stand Alone Properties (Decent Standards)	74,538	7,696	51,730	97,074	15,112	0	0	0	0	0
Mandatory Disabled Facilities Grant	2,854,249	558,636	295,613	826,119	400,000	136,816	400,000	400,000	400,000	400,000
Affordable Housing	189,555	127,868	58,380	527,995	3,307	1,448	0	0	0	0
Private Sector Stock Condition Survey	20,875	0	0	20,875	20,875	0	0	0	0	0
Parking Service										
Upgrading / Resurfacing Car Parks	241,235	47,860	7,786	75,589	75,589	35,674	35,000	35,000	20,000	20,000
Multi Storey Car Parks Refurbishment	0	0	0	0	0	0	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
General Fund Schemes (contd.)										
ICT										
ICT-Hardware Replacement Programme	478,140	57,666	30,474	70,000	70,000	8,041	80,000	80,000	80,000	80,000
ICT-Project Management Provision	600,000	0	0	120,000	120,000	8,700	120,000	120,000	120,000	120,000
ICT-Customer Relationship M'gmt System	25,924	29,824	(3,900)	0	0	0	0	0	0	0
ICT-eDemocracy	16,024	16,024	0	0	0	0	0	0	0	0
ICT - Document Management Processing	15,000	0	0	15,000	15,000	0	0	0	0	0
ICT-Environmental Health	221,067	(12,939)	(3,933)	147,939	147,939	0	45,000	45,000	0	0
Asset Management System	11,317	11,317	0	0	0	2,370	0	0	0	0

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
Asset Management										
Charter Place	685,626	152,169	533,457	0	0	(10,978)	0	0	0	0
Feasibility & Disposal Costs	0	0	0	300,000	0	0	0	0	0	0
Events Market	79,607	79,120	487	0	0	0	0	0	0	0
Imagine Watford Project	0	0	0	0	0	0	0	0	0	0
Depot Refurbishment	943,475	884,991	16,023	42,461	42,461	23,705	0	0	0	0
Building Investment Programme	2,935,243	333,081	238,193	743,969	683,969	149,430	440,000	440,000	400,000	400,000
Car Parks Structural Surveys	95,000	0	0	70,000	70,000	5,996	15,000	10,000	0	0
Guest Market (Indoor)	1,881	1,881	0	0	0	(1,745)	0	0	0	0
Town Centre CCTV Relocation	466,501	(25,001)	6,371	485,131	485,131	9,530	0	0	0	0
Property Asset Management System	10,861	0	7,046	3,815	3,815	0	0	0	0	0
Redevelopment Opportunities	3,000,000	0	0	0	0	0	3,000,000	0	0	0
Voice Automated Telephony	30,000	0	0	30,000	30,000	30,315	0	0	0	0
Ascot Road Regearing Valuation Support	50,000	0	0	0	50,000	36,054	0	0	0	0
Atrium Phase 5 (GIS & Cad Integration)	34,000	0	0	34,000	34,000	0	0	0	0	0
Veolia Capital Improvements	300,000	0	0	0	60,000	0	60,000	60,000	60,000	60,000
Watford Business Park Redevelopment	0	0	0	0	0	0	0	0	0	0

Capital Programme (continued)

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
ICT - Shared Services Joint Committee										
Shared Services Server Replacement	183,636	88,112	95,524	0	0	(2,174)	0	0	0	0
Shared Services-Capita Transition Costs	17,977	7,850	10,127	0	0	0	0	0	0	0
Shared Services ICT Development	200,000	0	0	270,000	200,000	382,273	0	0	0	0
Shared Services Hardware Replace Prog	90,918	24,075	12,843	18,000	18,000	0	18,000	18,000	0	0
Shared Services HR CPD Module	3,600	0	0	3,600	3,600	0	0	0	0	0
Shared Services E-Academy	117,114	42,694	74,420	0	0	0	0	0	0	0
Shared Services Income Management	32,987	32,987	0	0	0	0	0	0	0	0
Corp Services / Project Management										
Support Services	3,370,636	413,226	552,470	552,470	552,470	92,082	552,470	500,000	400,000	400,000
New Schemes Requiring Approval										
Telephony-Cost of Replacement server (Macfa	10,000	0	0	0	0	0	10,000	0	0	0
Pop Up Toilets automation and refurbishment	35,000	0	0	0	0	0	35,000	0	0	0
Museum CCTV and Intruder alarm system	45,000	0	0	0	0	0	45,000	0	0	0
Town Centre CCTV Camera Replacement	63,000	0	0	0	0	0	21,000	21,000	21,000	0
Total General Fund Schemes	47,783,002	8,329,492	3,702,019	17,804,705	19,040,049	2,046,210	10,173,732	3,556,710	1,501,000	1,480,000

Capital Investment Programme Schemes	2011-2017 7 Year Cost £	2011/12 Actual £	2012/13 Actual £	2013/14 Original Budget £	2013/14 Current Budget £	2013/14 Actual @ P6 £	2014/15 Latest Budget £	2015/16 Latest Budget £	2016/17 Latest Budget £	2017/18 Budget £
Section 106 Schemes										
Croxley Rail Link	593,832	146	6,056	587,630	587,630	0	0	0	0	0
East Drive Play Area	120,000	0	0	120,000	120,000	0	0	0	0	0
Estcourt Road Improvements	15,000	0	0	15,000	15,000	15,000	0	0	0	0
Stamford Road Rec Play Area	17,000	16,896	104	0	0	0	0	0	0	0
St Johns Road Play Area	31,000	25,324	1,540	4,136	4,136	0	0	0	0	0
Stripling Road Play Area Improvements	10,000	0	10,000	0	0	0	0	0	0	0
Courtlands Close Play Area	40,001	38,993	1,008	0	0	0	0	0	0	0
Goodwood Rec Play Area Improvements	29,077	22,114	1,515	5,448	5,448	131	0	0	0	0
Riverside Recreation Ground	330,000	0	6,501	323,499	323,499	0	0	0	0	0
Colne River Project	992,216	39,819	247,753	454,644	454,644	155,267	250,000	0	0	0
Fern Way Play Area Landscaping	15,000	0	0	15,000	15,000	0	0	0	0	0
Knutsford Road	99,994	979	49,515	49,500	49,500	0	0	0	0	0
Local Park Improvements	250,000	67,073	58,133	62,294	62,294	0	62,500	0	0	0
Wiggenhall Allotments	75,001	51,199	23,802	0	0	0	0	0	0	0
Local Nature Reserves	79,920	21,175	14,445	24,300	24,300	0	20,000	0	0	0
Watford Museum	15,159	2,659	0	12,500	12,500	5,185	0	0	0	0
Colne Valley Improvements	67,784	28,930	30,155	8,699	8,699	0	0	0	0	0
Oxhey Park	67,979	67,979	0	0	0	0	0	0	0	0
Cow Lane Improvements	23,000	0	0	23,000	23,000	0	0	0	0	0
Woodside Playing Field (Green Flag)	43,978	35,639	8,339	0	0	0	0	0	0	0
Multi Use Games At Meriden	120,000	0	0	120,000	120,000	0	0	0	0	0
Cassiobury Park Study Facilities	19,112	18,953	159	0	0	523	0	0	0	0
Changing Facilities Knutsford Play Fields	412,078	400,272	11,806	0	0	0	0	0	0	0
Waterfield Rec & Knutsford Play Fields	160,039	6,039	154,000	0	0	0	0	0	0	0
Oxhey Park Bridge	15,226	10,955	4,271	0	0	0	0	0	0	0
Harwoods Rec Play Area	144,799	0	144,799	0	0	0	0	0	0	0
Central Primary School Play Area	40,000	0	40,000	0	0	0	0	0	0	0
North Watford Playing Fields Area	111,489	42	111,447	0	0	0	0	0	0	0
Himalayan Way Play Area	100,000	0	1,058	98,942	98,942	0	0	0	0	0
Jellicoe Road Play Area Improvements	11,000	0	3,262	7,738	7,738	845	0	0	0	0
Watford Fields Play Area	20,000	20,000	0	0	0	0	0	0	0	0
Harebreaks Rec Ground Play Area	121,000	0	0	121,000	121,000	0	0	0	0	0
Waterfields Rec Play Area	100,000	0	26,540	73,460	73,460	1,288	0	0	0	0
Meriden Park Play Area	250,000	222,000	0	28,000	28,000	0	0	0	0	0
Callowland Recreation Ground	555,000	12,914	166,082	376,004	376,004	8,854	0	0	0	0
Oxhey Park	550,000	21,000	13,522	515,478	515,478	105,687	0	0	0	0
King George V Playing Field	350,000	12,723	38,583	298,694	298,694	8,795	0	0	0	0
Radlett Road MUGA	30,000	0	0	30,000	30,000	0	0	0	0	0
Leavesden Green Rec MUGA	53,487	0	53,487	0	0	0	0	0	0	0
North Watford Cemetery	75,000	4,000	0	71,000	71,000	0	0	0	0	0
Vicarage Road Cemetery	75,000	4,000	0	71,000	71,000	0	0	0	0	0
Cherry Tree Allotments	32,929	0	20,929	12,000	12,000	0	0	0	0	0
Farm Terrace Allotments	3,600	0	3,600	0	0	0	0	0	0	0
Skate Park Improvements	30,000	0	0	30,000	30,000	0	0	0	0	0
Berry Avenue Play Area	60,000	0	0	60,000	60,000	0	0	0	0	0
Southwold Road Play Area	50,000	0	0	50,000	50,000	0	0	0	0	0
Ridgehurst Avenue Play Area	50,000	0	0	50,000	50,000	0	0	0	0	0
Garston Park	62,000	0	0	62,000	62,000	0	0	0	0	0
Centennial House Landscaping & Maint'ce	858	0	258	390	390	0	210	0	0	0
Total Section 106 Schemes	6,518,558	1,151,823	1,252,669	3,781,356	3,781,356	301,575	332,710	0	0	0
<i>Rounding Adjustments</i>										
Total Capital Investment Programme	54,301,560	9,481,315	4,954,688	21,586,061	22,821,405	2,347,785	10,506,442	3,556,710	1,501,000	1,480,000

Part 2 - Performance Indicators

2 - Performance Indicators

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

2.1 Treasury Management Performance

The performance of the council's treasury management strategy for the period ending 30th September 2013 shows an average annualised return on investments of 0.70% which is below the original estimate of 1.0%. The size of the Council's investment portfolio is larger than anticipated so budgeted interest receivable for the year therefore remains unchanged at £240k.

The current estimate of interest returns for 2013/14 is:

	<u>2013/14</u>
Best case	1.00 %
Central case	0.70 %
Worst case	0.50 %

2.2 Creditor Payment Monitoring @ Period 6 (September 2013)

The Council paid 98.32% of undisputed invoices within 30 days (against an Audit Commission target of 100%). Under government legislation, invoices not paid within 30 days are subject to interest charges (excluding those invoices that are in dispute).

The number of payments made by BACS for the month was 90.34% (cumulative figure is 90.24%) against a target of 90%.

Creditor Payment Monitoring Statistics By Service Area

Service Area	Total Undisputed Invoices	Late Payments	Payments On Time	% Payments On Time (This Month)	% Payments On Time (Yr to date)
Corporate Strategy & Client Services	34	0	34	100.00	97.97
Community & Customer Services	112	0	112	100.00	96.89
Democracy & Governance	300	5	295	98.33	97.16
Regeneration & Development	106	0	106	100.00	98.04
Managing Director	6	0	6	100.00	94.67
Shared Services	97	6	91	93.81	92.58
Total	655	11	644	98.32	96.54

Cumulative Percentages of Payments Made On Time

Month	2012/13 Actual %	2013/14 Actual %
April	94.67	96.22
May	92.09	95.91
June	91.69	95.94
July	90.91	95.61
August	90.78	96.21
September	90.32	96.54
October	90.32	
November	91.18	
December	92.07	
January	92.26	
February	92.60	
March	92.93	

2.3 Debtors Monitoring @ Period 6 (September 2013)








Debtors monitoring statistics by service area is as follows :-







Invoices Raised from 1st April 2013 to 30th September 2013					
Service Area	No. Invoices	Total Raised £	Collected £	Outstanding	
				£	%
Corporate Strategy & Client Services	1,396	991,267	918,918	72,349	7.30
Community & Customer Services	340	688,617	660,401	28,216	4.10
Democracy & Governance	0	0	0	0	N/A
Regeneration & Development	3,033	9,870,913	9,046,442	824,471	8.35
Managing Director	12	6,046,701	6,028,761	17,940	0.30
Human Resources	2	783	498	285	36.40
Strategic Finance	430	683,665	676,671	6,994	1.02
Total	5,213	18,281,946	17,331,691	950,255	5.20

Of the outstanding debt of £950,255, the amount between 0 to 3 months old totals £711,741 (74.90%).

2.4

Council Tax and NNDR Collection Rates

Reference	Description														
RB 1	Council Tax Collection														
Indicator Definition	Percentage of current year council tax collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	96.0	10.8	19.8	28.6	37.8	46.7	55.2	64.3	73.5	82.4	90.6	94.0	96.0	
	2012/13 Actual	95.6	11.1	19.6	28.1	36.8	46.0	54.7	64.0	72.8	81.7	90.0	93.4	95.4	
	2013/14 Actual		11.0	19.9	28.5	37.4	46.2	55.0							
	Target Achieved?														
	Direction of Travel		↓	↑	↓	↓	↓	↓	↓						
Comment on Performance															
The average in-year collection rate for English Shire Districts in 2012/13 was 97.4%. Targets for 2013/14 have been adjusted in the light of 2012/13 recovery rates and April 2013 changes eg reductions in benefits.															

Reference	Description														
RB 2	NNDR Collection														
Indicator Definition	Percentage of current year national non-domestic rates collected in year														
		Annual	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
Watford	Target	97.0	13.7	23.5	33.4	41.6	50.5	60.1	68.8	77.7	88.4	92.7	94.8	96.5	
	2012/13 Actual	96.7	13.5	23.0	32.6	41.8	50.3	56.6	69.6	79.0	86.7	93.9	95.6	97.0	
	2013/14 Actual		13.3	23.9	32.4	42.3	51.4	Not available							
	Target Achieved?								Not available						
	Direction of Travel		↓	↑	↓	↑	↑	↑	Not available						
Comment on Performance															
The average in-year collection rate for English Shire Districts in 2012/13 was 97.7%. Targets for 2013/14 have been adjusted in the light of 2012/13 recovery rates. The 2012/13 collection and 2013/14 collection to date takes account of rates deferral (a manual calculation is currently done for it as the system cannot yet deal with it).															