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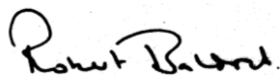
Please ask for:
Graham Seal

4 July 2016

Dear Councillor

You are requested to attend a meeting of the WELWYN HATFIELD BOROUGH COUNCIL CABINET to be held on Tuesday 12 July 2016 at 7.30pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts AL8 6AE.

Yours faithfully



Director (Governance)

AGENDA
PART 1

1. APOLOGIES:

2. PUBLIC QUESTION TIME AND PETITIONS:

Up to fifteen minutes will be made available for questions from members of the public on issues relating to the work of the Cabinet and to receive any petitions.

3. MINUTES

To confirm as correct records the Minutes of the meetings held on 13 and 14 June 2016 (circulated separately).

4. ACTIONS STATUS REPORT: (Pages 1 - 2)

Report of the Director (Governance) on the status of actions agreed at the last Cabinet meeting.

5. NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 14:

6. DECLARATIONS OF INTEREST BY MEMBERS:

To note declarations of Members' disclosable pecuniary interests, non-disclosable pecuniary interests and non-pecuniary interests in respect of items on the Agenda.

7. ITEMS RELATING TO THE BUDGET AND POLICY FRAMEWORK FOR RECOMMENDATION TO COUNCIL:

There are no items to be considered.

8. ITEMS REQUIRING KEY DECISION:

To consider the following items for decision in the current Forward Plan:-

(a) Revenue Budget Outturn Report for the Financial Year 2015/16 (Forward Plan Reference FP757) (Pages 3 - 46)

Report of the Director (Finance and Operations) presenting the revenue outturn for the financial year 2015/16.

(b) 2015/16 Capital Outturn and Funding Position (Forward Plan Reference FP757) (Pages 47 - 54)

Report of the Director (Finance and Operations) providing information on the capital expenditure outturn for the financial year 2015/16.

(c) Treasury Management Annual Report 2015/16 (Forward Plan Reference FP759) (Pages 55 - 64)

Report of the Director (Finance and Operations) reviewing treasury management activity for the 2015/16 financial year.

9. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY COMMITTEES:

There are no recommendations to be considered.

10. RECOMMENDATIONS FROM CABINET PANELS:

There are no recommendations from Cabinet Panels to be considered.

11. RECOMMENDATIONS FROM SCRUTINY SUB-COMMITTEES:

There are no recommendations from Scrutiny Sub-Committees to be considered.

12. AUTHORISATION OF OFFICERS TO REPRESENT THE COUNCIL IN PROCEEDING AT THE MAGISTRATES' AND COUNTY COURTS: (Pages 65 - 66)

Report of the Director (Governance) on the authorisation of Officers to represent the Council in these courts.

13. CAMPUS WEST CABINET PANEL:

To appoint the Campus West Cabinet Panel (Constitution: 4 Members) (ratio 3:1).

14. SUCH OTHER BUSINESS AS, IN THE OPINION OF THE CHAIRMAN, IS OF SUFFICIENT URGENCY TO WARRANT IMMEDIATE CONSIDERATION:

15. EXCLUSION OF PRESS AND PUBLIC:

The Cabinet is asked to resolve:

That under Section 100(A)(2) and (4) of the Local Government Act 1972, the press and public be now excluded from the meeting for items 16 and 17 (if any) on the grounds that they involve the likely disclosure of confidential or exempt information as defined in Section 100A(3) and Paragraph 3 (private financial or business information) and 5 (legal and professional privilege) of Part 1 of Schedule 12A of the said Act (as amended).

In resolving to exclude the public in respect of the exempt information, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PART II

16. ITEMS OF AN EXEMPT NATURE REQUIRING KEY DECISION:

To consider the following item of an exempt nature for decision in the current Forward Plan:-

(a) Award of Build Contract for Furzen Crescent as part of the Council's Affordable Housing Programme (Forward Plan Reference FP762) (Pages 67 - 76)

Exempt report of the Director (Finance and Operations) on the award of contract for the new build of houses on this site.

17. ANY OTHER BUSINESS OF A CONFIDENTIAL OR EXEMPT NATURE AT THE DISCRETION OF THE CHAIRMAN

Circulation: Councillors J Dean (Leader) M Perkins
D Bell B Sarson
H Bromley R Trigg
T Kingsbury

Executive Board
Press and Public (except Part II Items)

If you require any further information about this Agenda please contact Graham Seal, Governance Services Unit on 01707 357444, fax 01707 357257 or email – g.seal@welhat.gov.uk

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Agenda Item 4

Part I
Item No: 4
Main author: Graham Seal
Executive Member: Roger Trigg
Not Ward Specific

WELWYN HATFIELD BOROUGH COUNCIL
CABINET– 12 JULY 2016
REPORT OF THE DIRECTOR (GOVERNANCE)

ACTIONS STATUS REPORT

1 Executive Summary

1.1 In order to ensure that actions identified at meetings are completed, this report lists the actions from the last Cabinet meeting, those responsible for completing each action and its current status.

2 Recommendation(s)

2.1 That Members note the status of the following actions which were identified at the last Cabinet meetings on 13 and 14 June 2016.

Minute	Action	Responsible	Status/ Date Completed
7.1	Appointment of Representatives on Executive Outside Bodies 2016/17	Graham Seal	The appointments have been notified to outside bodies.
7.2	Food Safety Service Plan	Cheryll Brown	Recommended to the Council meeting on 11 July for adoption.
7.3	Health and Safety Service Plan	Cheryll Brown	Recommended to the Council meeting on 11 July for adoption.
7.4	Environment Service Third Quarter Performance 2015/16	Kirsten Roberts	Update to Recycling Collections Policy recommended to the Council meeting on 11 July for adoption.
10	Draft Annual Governance Statement	Michel Saminaden	Referred to the Standards Committee on 4 July and the Audit Committee on 25 July.

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Part I

Item No: 8(a)

Main author: Daniel Williams

Executive Member: Duncan Bell

All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 12 JULY 2016
REPORT OF THE DIRECTOR (FINANCE & OPERATIONS)

REVENUE BUDGET OUTTURN REPORT FOR THE FINANCIAL YEAR 2015-16

1 Executive Summary

- 1.1 This report presents the revenue outturn for the financial year 2015-16 and outlines the main variances from the approved budget at period 9 (31st December 2015) for both the General Fund and Housing Revenue Account Services.
- 1.2 Overall the General Fund outturn position is favourable with £1.649m being added to reserves (Refer to section 3 for details). This is an improvement of £292k on the Current Budget position of £1.357m.
- 1.3 The Housing Revenue Account is also favourable and at the yearend £1.626m is being added to balances. This is a significant change compared to the forecast reported in December, and is primarily attributable to the timing of spend on the affordable housing programme. The HRA balance at the end of the year stands at £13.9m compared to £9.9m reported in December.
- 1.4 The final position on growth & savings included in the General Fund budget for 2015/16 is, 60.9% of our growth and 89.0% of our savings have been achieved. (Refer to section 6 and appendix C of the report)
- 1.5 At the yearend outstanding debts, including rechargeable works, total £1.327m, with rolling debtor days at 36.52. (Refer to paragraphs 7 & 8 for detail).

2 Recommendation(s)

- 2.1 Cabinet are asked to note the outturn for the General Fund and the Housing Revenue Account as at 31 March 2016.
- 2.2 The Cabinet are asked to note the position on debts and rechargeable works set out in paragraphs 7 & 8 of this report.
- 2.3 Cabinet are asked to note movements on all reserves including ring-fenced & strategic reserves as highlighted in paragraph 3.13

3 General Fund Services

- 3.1 At the end of the year £1.649m will be added to its General Fund balances with a further £1.055m positive movements on ring-fenced and strategic reserves , Appendix A to this report sets out the overall financial position for the General Fund services for the year.
- 3.2 The net operating expenditure for the year is £13.527m. This is £683k less than the current budget and £1.988m less than the original budget. Throughout the

year members have received quarterly reports outlining variations and agreeing updated current budgets these figures represent the costs of running the services after reversing out all technical accounting items for capital and pensions (IAS19).

- 3.3 At period 9 the agreed current budget assumed a contribution to general balances of £1.357m (£1.261m at period nine plus £96k in other changes). This position improved at year end by £292k. The following table lists the main reasons for this and the paragraphs that follow provide further detail. (A full list of variances against the current budget is shown in appendices B (1-15)).

	£'000
Increased net income – see paragraph 3.4 for commentary and app B2-B4, B6, B8 & B11-B13 for detail	798
Employee budgets- see paragraph 3.5 for commentary and app B1-B15 for detail	379
Supplies and Services - see paragraph 3.6 for commentary and app B1-B15 for detail	297
Council tax & NNDR, recovered benefit payments - see paragraph 3.7 for commentary and app B6 for detail	285
Premises related savings - see paragraph 3.8 for commentary and app B3, B6-B8, B11 & B13 for detail	224
Payment to contractors - see paragraph 3.9 for commentary and app B4, B7-B8 & B11-B13 for detail	218
Corporate Projects - see paragraph 3.10 for commentary and app A, B13 & B15 for detail	174
Grants - see paragraph 3.11 for commentary and app B2 & B6 for detail	133
Movement in provisions - see paragraph 3.12 for commentary and app B2, B6 & B12 for detail	(1,093)
Movements in ringfenced reserves and one-offs - see paragraph 3.13 for commentary and app A for detail	(545)
Campus West - see paragraph 3.14 for commentary and app B13 for detail	(381)
Building Control income - see paragraph 3.15 for commentary and app B12 for detail	(221)
Spend on existing ringfenced reserves - see paragraph 3.16 for commentary and app B4, B6, B11 & B12 for detail	(83)
Business rates retention scheme - see paragraph 3.17 for commentary and app A	131
Other movements - see paragraph 3.18 for commentary and app A	(24)
TOTAL	292

3.4 **Increased net income**

- 3.4.1 The estates management property portfolio income increased by £242k. This was due to a combination of the purchase and rental of several Hatfield Town Centre properties, lower than expected vacant properties and the disposal of some freehold reversions to existing tenants during the final quarter of the year. In addition rental income for garages has surpassed its target due to lower than anticipated vacancy levels in the last quarter contributing £72k to the overall improved income position.

- 3.4.2 Reductions in the recycling waste subsidy from HCC (Hertfordshire County Council), assumed in the budget, did not materialise resulting in a saving of £147k. There will be reductions in future years that will be built into the budget strategy.
- 3.4.3 Car parking income has performed well with no snow affecting operations during the Christmas period. The current budget income target was exceeded by £144k. The Campus West car park stands out as performing very well since the redevelopment works with the number of transactions increasing from 122 to 143 thousand compared to 2014/15.
- 3.4.4 Due to improved market conditions the Planning team's income has exceeded the target set in the current budget by £129k. When comparing the 2014/15 and 2015/16 outturns income levels have increased by £196k from £659k to £855k.

3.5 **Employee budgets**

- 3.5.1 Employee budgets, including car allowances, contributed £188k towards the overall under spend. Over half of this saving falls within the Strategy & Development Director. Other services with under spends included Public Health and Protection (£36k), Legal (£21k) & Museums (£19k).
- 3.5.2 The corporate budget for redundancies of £100k was not spent during the year.
- 3.5.3 A review of officer time spent working on capital schemes has identified that a further £91k can be legitimately charged to those projects

3.6 **Supplies and Services**

- 3.6.1 Work is ongoing on the council's Local Plan. The complexities of the strategy and the public response during the consultation period has resulted in a re-profiling of the budget and an under spend of £85k in this year. This money will be needed during 2016-17 as the completion of the Local Plan moves forward. In addition, the amount of external consultancy assistance required on planning appeals was £41k less than budgeted due to a reduction in public enquiries.
- 3.6.2 There has been a reduction in IT costs of £66k mainly due to less additional work outside the scope of our contract with Sopra-Steria, together with stringent budget management controls on hardware and software purchases.
- 3.6.3 Corporate Property under spent by £43k on supplies and services. This is made up of £15k on IT/telephone costs at Weltech, £15k of IT costs in the Premises team and £13k on the reduced need of contractors' assistance within the Estates team.
- 3.6.4 The new Economic Development officer was not appointed until January 2016 and the entire project expenditure budget was not spent generating a saving of £26k.
- 3.6.5 Other supplies and services under spends across the council include; District Council Elections (£22k) and Members Administration (£14k).

3.7 Recovered benefit payments

3.7.1 The Council paid out in excess of £40m in benefit payments during 2015-16 and receives the majority of this sum back in subsidy from the DWP. However, it is the responsibility of the authority to collect the overpayments (benefits fraudulently claimed or paid incorrectly) it has made to benefit recipients; the DWP only pays a partial subsidy towards unrecovered amounts. The Authority exceeded its budgeted level of recovered overpaid benefits and as a result benefit payments cost the Authority £285k less than expected.

3.8 Premises related savings

3.8.1 Net savings of £82k have been realised in responsive and planned maintenance, this is mainly due reduced demand of responsive maintenance during the last quarter. The Executive Board were made aware of this under spend in the period ten monitoring report.

3.8.2 As part of the Council's risk management processes the utility budgets are continually assessed. At the end of the financial year an exercise is carried out to review the utility bills that we have paid on behalf of Finesse to calculate if any money is owed to either party. This exercise has resulted in a budgetary saving of £51k plus further utility savings across the council have been identified of £25k

3.8.3 Across the Council's commercially let and own properties cleaning, general maintenance and refuse collection charges have reduced. Resulting in a total saving of £66k.

3.9 Payment to contractors

3.9.1 Environmental services produced savings of £85k with the majority relating to contract negotiations and lower payments due to lower tonnages collected from our various recycling partners.

3.9.2 Homelessness and Housing Advice are services that the Council has asked the Housing Trust to carry out on our behalf. Savings within the Trust have been passed onto the Council creating a reduction in the expected recharge of £51k.

3.9.3 Proposed increases in payments to East Herts (our Civil Parking Enforcement partner) were not as high as first anticipated resulting in a saving of £37k.

3.10 Corporate Projects

3.10.1 As part of the 2015/16 budget setting process a new corporate projects budget was setup for £700k. At period 9 members agreed that this was reduced to £350k and that sum was rolled into the 2016/17 budget. Of the remainder £174k has been spent with £176k falling into the Strategic reserves.

3.10.2 The projects that this money funded include the mausoleum (£86k), Housing Trust business appraisal (£30k), IT equipment for members (£23k) and legal advice for setting up the arrangement with Broxbourne Borough council also using Steria (£18k).

3.11 Grants

3.11.1 During the year Cabinet agreed a budget and an approach to support private business in those properties the council acquired from St Modwen in Hatfield

Town Centre who were subject to significant rent increases. Only £4k of this support has been requested by businesses resulting in a saving of £77k.

3.11.2 The Council received a grant of £56k from the Electoral Commission to facilitate the implementation of Individual Electoral Registration. Some has been used to fund additional staffing costs with the remainder falling into earmarked reserves..

3.12 **Movement in provisions**

3.12.1 As part of reviewing benefits overpayments it was considered prudent to make a bad debt provision for £891k to recognise the uncertain nature of collecting benefit overpayments. The total outstanding debt is currently £1.948m with a provision of 35% used for debts one year old rising to 90% for debts 10-14 years old. This approach is consistent with other local authorities.

3.12.2 The MMI Scheme of Arrangement was established in January 1994 to offer financial provision for insurance claim settlements under policies incepted with MMI. In previous years this liability has been viewed as a contingent liability (a possible obligation arising from past events), but more recently has changed status to a provision. Several levy payments have been made into the scheme and the likelihood of further payments is more certain. To reflect this, the overall provision within the accounts is now for £316k.

3.12.3 In early 2011 claims were made by a number of Property Search Companies against central government and local authorities that fees for certain Local Land Charge searches from 1 January 2005 were unlawful. Based on the amount claimed the council set aside a provision. Part of the claim has now been paid however an unexpected grant was received by DCLG to help fund payment. This has meant the provision has been reduced by £85k.

3.12.4 Due to the lower level of insurance claims received and the subsequent lower settlements negotiated it has been possible to refund the General Fund £29k from the Insurance Provision Account for contributions made in respect of general and tree root claims.

3.13 Movements in ringfenced reserves and one-offs

3.13.1 There has been a net contribution to ring fenced reserves and the Strategic Initiatives reserve of £1.055m. To mitigate the volatile nature of the Business Retention Scheme a separate reserve has been set up

	2015/16 Year End Balance to / (from) £'000	2015/16 adverse / (favourable) movement £'000	Notes
Building Control	0	(10)	There has been a change in accounting policy for Building Control income meaning this reserve will not be used in 2015/16
Hackney Carriages	(7)	(12)	This has been used to fund a trading loss
Funds for one-offs	126	(278)	For use on one-off specific general fund projects across the range of services
Growth Fund Determination Grant	(18)	18	This has been used to fund elements of planning policy work
Performance Reward Grant	0	0	This has been used to fund elements of Local Strategic Partnership work
Resources earmarked reserves	842	(132)	This will be used to mitigate the impact of the Business Rates Retention scheme
Planning earmarked reserves	165	(165)	This will be used to fund future planning projects
Policy and Culture earmarked reserves	(13)	13	This has been used to fund the Herts Disability Sports Hub
Housing and Community earmarked reserves	1	(1)	This will be used to fund future housing projects
Law and Admin earmarked reserves	24	(42)	This will be used to fund future Individual Electoral Registration expenditure
Public Health and Protection earmarked reserves	(65)	65	This has been used to fund a number of public health projects.
TOTAL	1,055	(544)	

3.14 **Campus West**

3.14.1 This was the first full financial year that the new facilities and services have been in operation at Campus West. Overall the service shows a net adverse variance of £381k at the end of the year. This reflects a shortfall in income of £133k, of which £100k was highlighted at period six. The remainder relates to additional expenditure of £248k. Due to the seasonal nature of the income profile at Campus West this variance could not be highlighted at the period nine report.

Overall in its first full financial year the net cost is £881k. However experiences of this will be fed into a review with a focus on changes in procedures, pricing, staffing and offerings to help maximise income and reduce expenditure in 2016/17 and ongoing.

3.15 **Building Control Income**

3.15.1 As part of the year end process a review of the Building Control income has been carried out. This has identified income received in 2015/16 that relates to work in future years. After accounting for this a shortfall in income of £221k has occurred on the service.

3.16 **Spend on existing earmarked reserves**

3.16.1 There has been a net spend on existing earmarked reserves of £83k. These include expenditure on the Public Health projects and Growth Fund Determination Grant all of which have been funded from reserves (see 3.13)

3.17 **Business Rates Retention Scheme**

3.17.1 During the Autumn Statement 2013, the Chancellor announced a number of additional reliefs and exemptions to business rate payers designed to support business growth. The council received grants from Central Government to compensate for the share of lost income as a result of granting these additional reliefs. The total amount received was £32k less than expected.

As part of the changes to Business Rate Retention introduced in 2013/14, the Council now has to pay over a levy to Central Government equal to half its expected growth in Business Rate income. In 2015/16 the Council is paying £163k less than forecast. This is because the council benefitted from being part of a business rates pool.

3.18 **Other movements**

3.18.1 Other movements include a net £24k adverse variance.

4 **General Fund - Budget Monitoring Process and Risk Management**

4.1 Appendix D highlights the budgets identified as risk budgets where the outturn can vary due to demand. Variances to the forecast outturn in these areas can contribute significantly to outturn variances which can be both adverse and favourable.

4.2 The detailed statements in the appendix provide information on the budgets and spending to date to highlight any potential budgets that may need review. Some of the data is service specific, but some information is given at a corporate level

including spending on, external printing, car allowances, utilities and employee costs for the General Fund.

5 Ring Fenced Housing Accounts

5.1 The provisional outturn for the HRA is £4.3m better than the current budget that was last adjusted in the December reporting cycle. Income was marginally worse than the budget, but overall expenditure was significantly lower than anticipated by £4.3m. This has left balances on the ring fenced account of £13.9m and the major variances are listed below.

- Rental income was slightly below budget by £60k and this was due to the mix of properties sold and the types of voids during the last quarter of the year. However, this was compensated by increased income from services of £21k, mainly from hostel service charges and costs recovered from tenants. In addition to this there was an increase in de-minimis receipts of £36k. Leaseholder's service charges were lower by £145k, but this relates directly to the work carried out, so there are matching savings in expenditure and there were some timing issues on the planned schemes.
- There was a further reduction in the trust management fee to the HRA of £691k and this was spread across supervision and management (£299k), special services (£97k) and repairs and maintenance (£295k). The savings in the fee comprised of employee costs and supplies and services. In repairs and maintenance, of the £295k saving from the fee, £337k was derived from the various repairs and maintenance budgets, with an adverse variance on support service costs of £42k, linked to the technical planning of works and the asset management programme.
- In supervision and management there was an overall positive variance of £771k. Apart from the £299k trust fee saving, the most significant under spend of £374k was on the office move budget, as originally an estimate had been included for possible dilapidation costs on the Bridge Road office building. These did not materialise and the only expenditure was on the move itself. There were savings of £29k on external legal and professional costs and £25k on contributions to the pension fund.
- Special services were also under the current budget by £171k, with the main variances relating to the trust fee of £97k and aids and adaptations of £82k, which are demand led.
- Repairs and Maintenance was also under the current budget by £643k. A large proportion of the saving came from the Mears contract, arising from under spends and efficiency gains amounting to £366k. Other non-Mears budgets had savings amounting to £11k in addition to savings on the trust fee of £295k.
- There was also a £24k saving on Rents, Rates, Taxes and other Charges. This related to both lower premiums than originally estimated and less excess payments than originally projected.
- In 2015/16 a provisional sum of £50k was put in the budget to supplement the government's discretionary housing payments. This could only be used when the original grant was exhausted. Last year the majority of claims were covered by the initial grant and only £8k was required from the HRA to cover awards to council tenants.

- The original budget for the provision for bad debts at £800k was high in preparation for potential benefit changes and the roll out of universal credit. This was then reduced significantly during the year to £250k. Subsequently, in quarter 4, write offs of about £180k were made on former tenant arrears which were deemed uncollectible through a debt recovery agency. Also at year end, the bad debt provision calculation was recalculated, based on the age of debt and this resulted in a further provision of £380k. This provision relates to former tenant arrears and could be reversed if the council is successful in recovering the debt. However, this increase should be viewed in the context of excellent rent collection performance last year that has seen a collection of more than 100% of the rent raised and a reduction in the outstanding arrears of current tenants to just 1.45%.
- Interest on HRA balances came out higher than anticipated due to building up of reserves from the sale of properties. There has also been an improvement in interest rates.
- The most significant variance on the account from the report in December is in the Revenue Contribution to Capital. This mainly relates to the affordable housing programme and the variance is due to the timing of property purchases and development schemes. Although there was a saving of £3m on this heading, this will need to be re-adjusted in the 2016/17 budget in order for the Council to meet its obligations under the right to buy sales retention agreement. There was also an item for £150k relating to the purchase of a document management system that was not spent in 2015/16 and this will also be rolled forward to next year's budget.

5.2 Items that do not impact HRA balances:

- Many of the large variances on the account do not impact on HRA balances. These include the £614k variance on depreciation, which can only be confirmed when the stock valuation is completed at the year end. There is also a £6.6m variance on the Revaluation Loss/Gain and this relates to the final capital accounting entries on fixed assets. The underlying valuation was a gain of £154m, but this was reduced by prior year losses in the revaluation reserve. Loss/Gains on the Disposal of assets are also dependant on the gain from properties sold, combined with capital expenditure on new components on the remaining assets and the effect of de-recognition of the replaced components. The variance is high on this as the gain on the sale of properties is almost as high as the loss on de-recognising the components disposed. Due to the unknown mix of sales from right to buys this is difficult to predict, but is also reversed from the account and does not impact on balances.

5.3 Appendix J details the provisional closing position for the HRA including an itemised list of changes that were made to the current budget.

6 Growth and Savings 2015/16

6.1 Appendix C provides a final position statement in terms of implementing the growth and savings approved as part of the 2015/16 budget process.

6.2 Ongoing growth items agreed as part of the original budget totalled £662,610. Of this £621,240 was spent by the end of the financial year, this equates to 93.8%.

- 6.3 The areas of under spend included the Housing Benefit administration grant reduction (£15k) discussed at period six and the timing of recruitment to the new Economic Development Officer post (£14k).
- 6.4 One-off growth items were originally budgeted at £1,052,000 by the end of the year £423,418 had been spent.
- 6.5 Budgeted efficiencies of £1.654m were included in the original budget. Of these £1.471m (or 89%) were achieved by the end of the financial year. Of those not achieved the most significant is the Campus West income (£133k) as discussed in period six.

7 Outstanding Debts on Debtors System

- 7.1 The debtors system currently shows debts outstanding of £1,110,914. This is an increase on the December position of £754,774; mainly due to the cyclical nature of large quarterly rental invoices.
- 7.2 The debtors system does not include debts for housing rents, council tax and business rates.
- 7.3 Appendix E analyses the outstanding debt by age and across services.
- 7.4 The Authority currently has debts of £78,977 in the category over 365 days old. This is an increase of £13,665 on the figure outstanding at the end of December.
- 7.5 Detailed information on outstanding debts is sent to Directors and Heads of Services for action where appropriate and discussed at the regular budget monitoring meetings with the service accountants. A pro-active approach is taken in managing debts by finance, legal and services.
- 7.6 The average cost of recovering debt is estimated as follows:
- a) Loss of interest – for every £100,000 debt outstanding for a full year, costs the council £500 in interest based upon the current base rate of 0.5%. It should be noted that the position on the total and age of debt moves continuously as proactive action is taken on recovery.
 - b) Staffing costs – it is estimated that £22,000 per annum is spent on debt recovery action. This is based on elements of time spent by staff from finance, legal and corporate property. This excludes fixed charges for accommodation and IT and other support service costs.
 - c) Legal Costs – these will vary year on year and depend upon the action taken.
- 7.7 Currently, performance is being measured in debtor days; the current debtor days target is 33. At the end of March 2016 the rolling debtor days totalled 36.52 days. The formula for calculating debtor days is based on the previous 12 months and although the target is not being met this is a reduction on the 40.67 days taken for the same period last financial year.
- 7.8 Within the debtors system there is a wide range of different income streams:
- Non Housing rents for leasehold garages, shops and ground rents. These accounts are raised quarterly, the total value raised over the last year being in excess of £2.2m.

- Weltech rents and service charges in excess of £382k
- Building Control fees invoices were raised for over £113k.
- Environmental Services invoices raised in excess of £1.24m
- General Fund Garage accounts are raised in excess of £2.1m
- Campus West invoices were raised in excess of £102k.

8 Rechargeable Works

- 8.1 Rechargeable accounts arise where the authority has provided a service and incurred a cost on behalf of a third party and the cost will be reimbursed to the Authority. Directors and Heads of Service are reminded that it is in the council's interest to ensure that rechargeable accounts are recovered efficiently and they are therefore asked to action these appropriately.
- 8.2 A debit of £120k was carried forward into this financial year, which has now increased to £216k at the end of March 2016.

Implications

9 Legal Implication(s)

- 9.1 There are no legal implications arising as a result of this report.

10 Financial Implication(s)

- 10.1 The financial implications are set out within this report.

11 Risk Management Implications

- 11.1 The risks related to this proposal are:
- 11.2 These are set out within the report.

12 Security & Terrorism Implication(s)

- 12.1 There are no security & terrorism implications arising as a result of this report.

13 Procurement Implication(s)

- 13.1 There are no procurement implications arising as a result of this report.

14 Climate Change Implication(s)

- 14.1 There are no climate change implications arising as a result of this report.

15 Link to Corporate Priorities

- 15.1 The subject of this report is linked to the Council's Corporate Priority "Engage with our communities and provide value for money", and specifically to the achievement of "Demonstrate Value for Money".

16 Equality and Diversity

16.1 As this report is for information purposes only, a formal Equality Impact Assessment on its proposals has not been necessary.

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Title *Financial & Technical Accountant*
Date *8th June 2016*

Background papers to be listed (if applicable)

N/A

Appendices to be listed

A	General Fund revenue budget overview by Director and Head of Service
B1-15	Variance analysis by Head of Service for direct and support services
<i>B1</i>	<i>Governance Directorate – Support Service - fully recharged</i>
<i>B2</i>	<i>Head of Governance – Direct Service</i>
<i>B3</i>	<i>Head of Governance – Support Service – fully recharged</i>
<i>B4</i>	<i>Head of Public Health & Protection - Direct Services</i>
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<i>B7</i>	<i>Head of Resources – Support Service – fully recharged</i>
<i>B8</i>	<i>Head of Environment – Direct Services</i>
<i>B9</i>	<i>Head of Environment – Support Service – fully recharged</i>
<i>B10</i>	<i>Strategy & Development Directorate – Support Service – fully recharged</i>
<i>B11</i>	<i>Head of Housing & Community – Direct Services</i>
<i>B12</i>	<i>Head of Planning – Direct Services</i>
<i>B13</i>	<i>Head of Policy & Culture – Direct Service</i>
<i>B14</i>	<i>Head of Policy & Culture – Support Services – fully recharged</i>
<i>B15</i>	<i>Chief Executive – Direct and Support Services</i>
C	Position statement on budget growth and savings for 2015/16
D	Activity and Risk Budgets
E	Age debt profile for debts outstanding at the end of March 2016
F	HRA budgetary position at the end of March 2016

WELWYN HATFIELD BOROUGH COUNCIL

Report as at : March 2016

BUDGET MONITORING SUMMARY BY DIRECTOR 2015/16

Original Budget 2015/16 £	Current Budget 2015/16 £	Description	Forecast Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
1,185,410	1,172,710	Head of Law and Administration	1,172,710	12,700	900,716	271,994
1,049,530	1,047,780	Head of Public Health & Protection	1,047,780	1,750	1,039,612	8,168
351,150	353,210	Governance Directorate	353,210	(2,060)	356,038	(2,828)
2,586,090	2,573,700	Director (Governance)	2,573,700	12,390	2,296,366	277,334
190,390	(260,670)	Head Of Resources	(467,260)	657,650	(127,509)	(133,161)
4,538,690	4,326,850	Head of Environment	4,306,850	231,840	3,889,202	437,648
330,960	333,000	Finance & Operations Directorate	333,000	(2,040)	326,375	6,625
5,060,040	4,399,180	Director (Finance and Operations)	4,172,590	887,450	4,088,068	311,112
1,796,330	1,816,430	Head of Planning	1,816,430	(20,100)	1,749,864	66,566
2,659,580	2,627,490	Head of Policy & Culture	2,714,320	(54,740)	2,885,954	(258,464)
1,766,820	1,717,270	Head of Housing & Community	1,717,270	49,550	1,660,857	56,413
440,990	431,400	Strategy & Development Directorate	431,400	9,590	325,488	105,912
6,663,720	6,592,590	Director (Strategy and Development)	6,679,420	(15,700)	6,622,164	(29,574)
1,053,620	629,890	Chief Executive	629,890	423,730	373,525	256,365
(213,710)	(350,000)	Less Interest & Investment Income	(350,000)	136,290	(367,879)	17,879
364,490	364,490	Plus interest payable on finance leases	499,640	(135,150)	428,493	(64,003)
0	0	Revenue Contribution to Capital	0	0	85,833	(85,833)
15,514,250	14,209,850	Net General Fund Expenditure	14,205,240	1,309,010	13,526,570	683,280
Taxation and non-specific grant income and expenditure						
(9,163,866)	(9,163,866)	Income from Council Tax	(9,163,866)	0	(9,163,866)	0
(4,808,970)	(4,983,210)	Government income Funding Assessment	(4,983,210)	174,240	(5,491,297)	508,087
(1,726,410)	(1,726,410)	New Homes Bonus	(1,726,410)	0	(1,735,004)	8,594
(1,363,080)	(1,363,080)	Plus/Less collection fund deficit/(surplus)	(1,363,080)	0	(854,996)	(508,084)
(117,990)	(117,850)	Council Tax Reduction Administration Grant	(117,850)	(140)	(117,846)	(4)
(85,220)	(85,220)	Council Tax freeze Grant	(85,220)	0	(85,225)	5
(23,700)	(23,700)	Council Tax Support New Burdens Grant	(23,700)	0	(23,703)	3
(9,173)	(544,790)	Business Rates Related Grants	(544,790)	535,617	(512,739)	(32,051)
0	(51,070)	Individual Electoral Registration Grant	(51,070)	51,070	(51,067)	(3)
0	0	Transparency Code New Burdens Grant	(8,100)	8,100	(8,103)	8,103
0	0	Family annexes grant	0	0	(5,588)	5,588
369,000	369,000	NNDR Levy payment	369,000	0	206,160	162,840
Other Operating Expenditure						
1,501,522	1,501,522	Parish Precepts	1,501,522	0	1,501,522	(0)
109,960	109,960	Payment to Parishes for Council Tax Support	109,960	0	109,958	2
Other Movements in reserves						
8,640	(10,150)	Contribution (from) / to Building Control	(10,150)	18,790	0	(10,150)
(24,130)	(18,780)	Contribution (from) / to Hackney Carriages	(18,780)	(5,350)	(6,951)	(11,829)
(152,000)	(152,000)	Contribution (from) / to Strategic reserves for one-offs	(152,000)	0	126,582	(278,582)
0	0	Contribution (from) / to Planning Determination Grant	0	0	(17,800)	17,800
0	0	Contribution (from) / to Performance Related Grants	0	0	139	(139)
0	709,860	Contribution (from) / to Resources earmarked reserves	717,960	(717,960)	841,905	(132,045)
0	0	Contribution (from) / to Planning earmarked reserves	0	0	164,814	(164,814)
0	0	Contribution (from) / to Policy and Culture earmarked reserves	0	0	(12,850)	12,850
0	0	Contribution (from) / to Housing and Community earmarked reserves	0	0	835	(835)
(17,700)	(17,700)	Contribution (from) / to Law and Administration earmarked reserves	(17,700)	0	24,389	(42,089)
0	0	Contribution (from) / to Public Health and Protection earmarked reserves	0	0	(65,213)	65,213
11,133	(1,357,634)	Contribution from / (to) GF balances	(1,362,244)	1,373,377	(1,649,375)	291,741
6,319,174	6,319,174	General Fund balance at 1st April	6,319,174	0	6,319,174	0
(11,133)	1,357,634	Movement in year	1,362,244	(1,373,377)	1,649,375	(291,741)
6,308,041	7,676,808	Balance at 31st March	7,681,418	(1,373,377)	7,968,548	(291,741)
Ringfenced and Strategic reserves						
1,137,590	1,137,590	balance at 1st April	1,137,590	0	1,137,590	0
(185,190)	511,230	Movement in year	519,330	(704,520)	1,055,850	(544,620)
952,400	1,648,820	Balance at 31st March	1,656,920	(696,420)	2,193,440	(8,100)
7,456,763	7,456,763	Total reserve balance at 1st April	7,456,763	0	7,456,763	0
(196,323)	1,868,864	Movement in year	1,881,574	(2,077,897)	2,705,224	(836,360)
7,260,440	9,325,627	Balance at 31st March	9,338,337	(2,077,897)	10,161,988	(836,360)

Director (Governance) - 2015-16 Period 12 variances

Governance Directorate

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	342,700	345,250	345,250	(2,550)	349,768	(4,518)
Transport Related	2,590	2,590	2,590	0	1,464	1,126
Supplies and Services	5,860	5,370	5,370	490	4,806	564
	351,150	353,210	353,210	(2,060)	356,038	(2,828)

Virements (officer agreed budget transfers)

Telephones costs - Transferred to Public Health & Protection 130

Approved Changes - Cabinet 3rd November

Net insurance premium savings 360

Approved Changes - Cabinet 3rd February

Salaries - transfer from Strategy & Development Directorate (2,550)

Forecasted Outturn Changes

None

Variances savings / under spends

Net savings on supplies & services 564

Variances overspends / income shortfalls

Employee net costs (savings of £7k less £11k vacancy factor) (3,392)

(2,060)

(2,828)

Director (Governance) - 2015-16 Period 12 variances

Head of Law and Administration

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	282,440	326,940	326,940	(44,500)	308,740	18,200
Premises Related	13,270	13,270	13,270	0	3,281	9,989
Transport Related	21,190	21,190	21,190	0	13,708	7,482
Supplies and Services	479,140	564,480	564,480	(85,340)	490,072	74,408
Third Party Payments	14,000	19,870	19,870	(5,870)	19,864	6
Income	(558,550)	(648,840)	(648,840)	90,290	(751,575)	102,735
	251,490	296,910	296,910	(45,420)	84,090	212,821

Virements (officer agreed budget transfers)

IT equipment for Members - from Corporate Initiatives (23,290)

Approved Changes - Cabinet 4th August

Housing Trust indexation 10,450
Individual Electoral Registration grant (51,070)

Approved Changes - Cabinet 3rd November

Net insurance premium savings 220

Approved Changes - Cabinet 3rd February

Land Charges - search fees 18,270

Forecasted Outturn Changes

None

Variances savings / under spends

Land Charges - one off grant to help fund outstanding legal case	84,896
Electoral Registration - Individual Electoral Registration Grant not used	56,326
District Council Elections - net under spend	22,035
Members Allowances - payments	20,661
Members Admin - net savings on supplies and services	14,150
Land Charges - search fees	11,384
Members Allowances - car allowances & vehicle hire	7,175
Employee net savings (savings of £6k less £2k vacancy factor)	3,239

Variances overspends / income shortfalls

Local Land Charges - net overspend on supplies and services (7,046)

(45,420)

212,821

Director (Governance) - 2015-16 Period 12 variances

Head of Law and Administration

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	1,064,520	1,026,790	1,026,790	37,730	997,932	28,858
Premises Related	14,920	14,920	14,920	0	17,484	(2,564)
Transport Related	15,440	15,120	15,120	320	12,105	3,015
Supplies and Services	251,740	230,790	230,790	20,950	217,816	12,974
Third Party Payments	126,070	113,250	113,250	12,820	111,545	1,705
Income	(528,330)	(514,900)	(514,900)	(13,430)	(527,147)	12,247
Procurement costs charged to capital	(10,440)	(10,170)	(10,170)	(270)	(13,108)	2,938
	933,920	875,800	875,800	58,120	816,626	59,174

Virements (officer agreed budget transfers)

Legal costs - from Corporate Initiatives (4,250)

Approved Changes - Cabinet 4th August

Housing Trust indexation 9,070

Approved Changes - Cabinet 3rd November

Net insurance premium savings 3,020

Approved Changes - Cabinet 3rd February

Salary savings - Democratic Services 22,730

Salary savings - Litigation 15,000

Internal audit - reduction in costs 12,820

Non- Controllable costs

Procurement costs charged to capital (270) 2,938

Forecasted Outturn Changes

None

Variances savings / under spends

Legal - Employee net costs (vacancy factor less under spend) 21,360

Legal - net savings on supplies and services 11,219

Litigation/Conveyancing - additional 3rd party income 9,363

Corporate Training 5,497

HR - net savings on supplies and services 4,916

Procurement - net savings on supplies and services 4,548

Employee net savings (savings of £21k less £18k vacancy factor) 2,593

Other - net savings on supplies and services 2,422

Variances overspends / income shortfalls

Central Postage - increased postage costs (3,018)

Offsite room hire for meetings (2,664)

58,120

59,174

Director (Governance) - 2015-16 Period 12 variances

Head of Public Health & Protection

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	1,191,870	1,191,870	1,191,870	0	1,158,848	33,022
Premises Related	1,650	1,650	1,650	0	1,620	30
Transport Related	24,160	24,160	24,160	0	21,232	2,928
Supplies and Services	107,080	115,330	115,330	(8,250)	191,726	(76,396)
Third Party Payments	35,340	35,340	35,340	0	27,678	7,662
Income	(310,570)	(320,570)	(320,570)	10,000	(361,492)	40,922
	1,049,530	1,047,780	1,047,780	1,750	1,039,612	8,168

Virements (officer agreed budget transfers)

Telephones costs - Transferred from Governance Director	(130)
Transferred to Responsive and Planned maintenance	(20)

Approved Changes - Cabinet 3rd November

Net insurance premium savings	1,900
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Forecasted Outturn Changes

None

Variances savings / under spends

Employee net savings (savings of £67k less £31k vacancy factor)	35,950
Licensing - fee income	13,727
Other - net savings on supplies and services	7,883
Payments to contractors net savings	7,662
Hackney Carriages - net savings on supplies and services	6,830
Environmental Health - net savings on supplies and services	4,479
Hackney Carriages - fee income	2,784

Variances overspends / income shortfalls

Drawdown from earmarked reserve	(65,213)
Environmental Health - fee income	(5,934)

1,750	8,168
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Director (Finance & Operations) - 2015-16 Period 12 variances

Finance & Operations Directorate

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	324,330	326,680	326,680	(2,350)	320,849	5,831
Transport Related	2,250	2,250	2,250	0	2,290	(40)
Supplies and Services	4,380	4,070	4,070	310	3,236	834
	330,960	333,000	333,000	(2,040)	326,375	6,625

Virements (officer agreed budget transfers)

None

Approved Changes - Cabinet 3rd November

Net insurance premium savings

310

Approved Changes - Cabinet 3rd February

Salaries - transfer from Strategy & Development Directorate

(2,350)

Forecasted Outturn Changes

None

Variances savings / under spends

Employee net savings (savings of £16k less £10k vacancy factor)

5,791

Net savings on supplies & services

834

(2,040)

6,625

Director (Finance & Operations) - 2015-16 Period 12 variances

Head of Resources

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	388,810	401,170	401,170	(12,360)	299,495	101,675
Premises Related	812,430	832,150	817,150	(4,720)	743,345	88,805
Transport Related	2,030	2,030	2,030	0	1,597	433
Supplies and Services	625,450	583,280	552,600	72,850	868,213	(284,933)
Third Party Payments	1,925,720	2,017,620	2,017,620	(91,900)	2,367,525	(349,905)
Transfer Payments	44,532,700	39,942,860	39,942,860	4,589,840	40,811,887	(869,027)
Income	(50,597,050)	(46,453,950)	(46,535,450)	(4,061,600)	(47,432,679)	978,729
	(2,309,910)	(2,674,840)	(2,802,020)	492,110	(2,340,618)	(334,222)

Virements (officer agreed budget transfers)

Localised Council Tax support - transfer to IT	23,000
Responsive and Planned maintenance	(1,520)
Salaries - transfer from Accounting Services	(9,870)
Broxbourne contract - from Corporate Initiatives	(17,780)
Legal costs - from Corporate Initiatives	(5,680)

Approved Changes - Cabinet 9th June

Additional grants	(81,400)
Financial Assistance to Ludwick Family club	(10,500)

Approved Changes - Cabinet 4th August

Estates - increased rental income	165,320
Garages - increased rental income	30,000
Increase in Housing Benefit Administration Subsidy	23,240
Fraud and Error Reduction Incentive Scheme funding	14,200
Net utility savings	7,160
Housing Trust indexation	2,140
Reduction in NNDR Collection administration grant	(7,320)

Approved Changes - Cabinet 3rd November

Estates - increased income	89,320
Reduction in External Audit Costs	15,000
Net insurance premium savings	5,410

Approved Changes - Cabinet 3rd February

Estates - increased rental income	60,000
Garages - increased rental income	40,000
Weltech - Increased rental income	20,000
Net Finance supplies and services savings	2,500
Salary savings - Finance	1,710

Forecasted Outturn Changes

Estates - increased income	66,500
Housing Benefit grants	30,000
Garages - increased rental income	15,000
Responsive and Planned maintenance saving	15,000
Treasury Management software savings	680

Variances savings / under spends

Council Tax/NNDR - Recovered benefit payments	285,225
Estates - increased rental income	241,609
Corporate redundancy budget - not required	100,089
Additional grants not required	76,734
Garages - increased rental income	72,190
Cleaning and general maintenance	37,833
Corporate Property - Net savings on supplies & services	26,407
Responsive and Planned maintenance	27,689
Weltech - Increased rental income	19,760
Broxbourne BC Agreement - increased income	18,753
Utility savings	17,364
Employee net savings (savings of £11k less £9k vacancy factor)	2,020
Reduced grant expenditure	1,260

Variances overspends / income shortfalls

Benefit Overpayments - Bad debt provision	(890,538)
MMI Scheme - Provision	(315,890)
Increase in bank charges	(41,269)
Insurance excess	(5,729)
Estates - NNDR and Council tax increase in Hatfield TC	(4,637)
Finance - Net overspend on supplies & services	(3,091)

492,110

(334,222)

Director (Finance & Operations) - 2015-16 Period 12 variances

Head of Resources

Support Services

	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	1,664,150	1,561,400	1,561,400	102,750	1,569,121	(7,721)
Premises Related	1,120,550	900,130	840,760	279,790	800,716	99,414
Transport Related	13,640	13,640	13,640	0	8,191	5,449
Supplies and Services	876,870	889,870	884,830	(7,960)	879,139	10,731
Third Party Payments	765,000	755,130	755,130	9,870	728,806	26,324
Income	(1,576,820)	(1,499,320)	(1,514,320)	(62,500)	(1,467,608)	(31,712)
Estates costs charged to capital	(61,010)	(60,830)	(60,830)	(180)	(47,864)	(12,966)
Insurance charged to services	(302,080)	(145,070)	(145,070)	(157,010)	(155,355)	10,285
Corporate Property costs charged to capital	0	(780)	(780)	780	(102,039)	101,259
	2,500,300	2,414,170	2,334,760	165,540	2,213,109	201,061

Virements (officer agreed budget transfers)

Salaries - transfer to Garages	9,870
Adjustment to Steria costs	(5,000)
IT - transfer from Localised Council Tax support	(23,000)
Responsive and Planned maintenance	22,030

Approved Changes - Cabinet 4th August

Housing Trust indexation	17,720
Net utility savings	2,400

Approved Changes - Cabinet 3rd November

Net insurance premium savings	13,130
Reduced consultancy fees	2,360

Approved Changes - Cabinet 3rd February

Salary savings - Finance	40,960
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Forecasted Outturn Changes

Reduced rent at BRE	54,370
Increased IT work recharged to capital or external clients	15,000
Responsive and Planned maintenance saving	5,000
Finance Systems & Controls cash collection savings	2,620
Resources Client Section software savings	2,420

Variances savings / under spends

IT - Net savings on supplies & services	66,472
IT - Net savings on payment to contractors	26,324
Property - Net under spend on supplies & services	16,687
Responsive and Planned maintenance saving	15,713
Cleaning and general maintenance	11,700
Utility savings	7,913
Financial Management - Net savings on supplies & services	7,069
NNDR saving	6,265

Variances overspends / income shortfalls

Telephone network - Net overspend on supplies & services	(25,224)
Photocopying - Net overspend on supplies & services	(17,871)
Insurance excess	(10,289)
Employee net costs (savings of £44k less £46k vacancy factor)	(2,276)

Non- Controllable costs

Estates costs charged to capital	(180)	(12,966)
Insurance charged to supplies and services	(2,480)	10,285
Housing Trust recharge adjustment	7,540	
Corporate Property costs charged to capital	780	101,259

165,540

201,061

Director (Finance & Operations) - 2015-16 Period 12 variances

Head of Environment

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	351,870	349,950	349,950	1,920	355,641	(5,691)
Premises Related	368,510	411,660	391,660	(23,150)	373,573	38,087
Transport Related	13,340	12,830	12,830	510	14,312	(1,482)
Supplies and Services	284,050	380,840	380,840	(96,790)	380,764	76
Third Party Payments	6,804,580	6,723,290	6,723,290	81,290	6,611,094	112,196
Income	(3,633,250)	(3,903,850)	(3,903,850)	270,600	(4,185,217)	281,367
	4,189,100	3,974,720	3,954,720	234,380	3,550,168	424,552

Virements (officer agreed budget transfers)

Environment salary adjustment	5,320
Responsive and Planned maintenance	7,960
Street Wardens - transfer from Contract Monitoring	(1,190)
Cemeteries - from Corporate Initiatives	(6,540)

Approved Changes - Cabinet 4th August

Increased parking income	107,220
Serco indexation saving	61,780
Housing Trust indexation	1,210
Reduced recycling income - falling prices/tonnage	(73,000)
Concreting works at Cemetery	(44,500)
Net utility savings	(200)

Approved Changes - Cabinet 3rd November

Net insurance premium savings	6,380
Contract savings	1,030

Approved Changes - Cabinet 3rd February

Street Cleaning - reduction in payments to contractors	54,500
On and off street parking - Increased income	48,000
Domestic Refuse - additional subsidy from HCC	41,910
Civil Parking Enforcement - reduction in payments to contractors	30,000
Backdated rent at Tewin road depot	29,530
Salary savings - Street Wardens	15,860
Dog Control - reduction in payments to contractors	10,000
Net Environment supplies and services savings	2,570
Reduced recycling income - falling prices/tonnage	(69,460)
Cost of enforcement training	(14,000)

Forecasted Outturn Changes

Responsive and Planned maintenance saving	20,000
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Variances savings / under spends

Car parks - Income and season tickets	144,170
Domestic Refuse - additional subsidy from HCC	146,549
Net savings on payment to contractors	84,963
Responsive and Planned maintenance	33,067
Car parks - payments to contractors	36,535
Street Furniture - increased income	6,405
General maintenance	3,656
Net savings on supplies & services and premises	1,440

Variances overspends / income shortfalls

Reduced recycling income - falling prices/tonnage	(18,498)
Employee net costs (savings of £4k less £11k vacancy factor)	(7,173)
Cemeteries - reduced income	(6,561)

234,380

424,552

Director (Finance & Operations) - 2015-16 Period 12 variances

Head of Environment

Support Services

	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	346,550	350,680	350,680	(4,130)	343,877	6,803
Premises Related	1,750	1,750	1,750	0	1,620	130
Transport Related	15,390	15,390	15,390	0	11,243	4,147
Supplies and Services	21,830	21,030	21,030	800	16,827	4,203
Third Party Payments	0	0	0	0	2,047	(2,047)
Income	(35,930)	(36,720)	(36,720)	790	(36,580)	(140)
	349,590	352,130	352,130	(2,540)	339,035	13,095

Virements (officer agreed budget transfers)

Environment salary adjustment	(5,320)
Contract Monitoring - transfer to Street Wardens	1,190

Approved Changes - Cabinet 4th August

Housing Trust indexation	790
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Approved Changes - Cabinet 3rd November

Net insurance premium savings	800
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Forecasted Outturn Changes

None

Non- Controllable costs

Support Cost adjustment

Variances savings / under spends

Employee net savings (savings of £17k less £11k vacancy factor)	6,803
Transportation - Net savings on supplies & services	3,630
Contract Monitoring - Net savings on supplies & services	2,662

Variances overspends / income shortfalls

None

(2,540)

13,095

Director (Strategy & Development) - 2015-16 Period 12 variances

Strategy & Development Directorate

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	426,000	416,860	416,860	9,140	321,663	95,197
Transport Related	3,030	3,030	3,030	0	717	2,313
Supplies and Services	11,960	11,510	11,510	450	3,108	8,402
	440,990	431,400	431,400	9,590	325,488	105,912

Virements (officer agreed budget transfers)

None

Approved Changes - Cabinet 3rd November

Net insurance premium savings 450

Approved Changes - Cabinet 3rd February

Salaries - transfer to other Directorate codes 9,140

Forecasted Outturn Changes

None

Variances savings / under spends

Employee net savings (savings of £111k less £13k vacancy factor) 97,511

Net savings on supplies & services 8,402

9,590

105,912

Director (Strategy & Development) - 2015-16 Period 12 variances

Head of Housing & Community

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	875,010	873,440	873,440	1,570	874,642	(1,202)
Premises Related	18,280	27,950	27,950	(9,670)	15,129	12,821
Transport Related	13,540	13,380	13,380	160	12,018	1,362
Supplies and Services	1,035,430	1,009,900	1,009,900	25,530	979,217	30,683
Third Party Payments	17,000	17,000	17,000	0	16,455	545
Income	(192,440)	(224,400)	(224,400)	31,960	(236,604)	12,204
	1,766,820	1,717,270	1,717,270	49,550	1,660,857	56,413

Virements (officer agreed budget transfers)

Responsive and Planned maintenance	(100)
Economic Development - to Planning	49,000

Approved Changes - Cabinet 4th August

Housing Trust indexation	7,130
Net utility savings	50
Housing Strategy - Private Sector stock condition survey	(9,500)

Approved Changes - Cabinet 3rd November

Net insurance premium savings	3,020
Shop mobility rent and NNDR costs	(10,000)

Approved Changes - Cabinet 3rd February

Salary savings - Housing Strategy	9,950
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Forecasted Outturn Changes

None

Variations savings / under spends

Homelessness/Advice - Management Fee savings	51,186
Housing Strategy - University funding	19,256
Community Safety - Net savings on supplies & services	8,754
General maintenance savings	8,175
CCTV - reduced maintenance costs	5,294
Sports & Youth Partnership - Net savings on supplies & services	3,682
Net savings on supplies & services	1,195

Variations overspends / income shortfalls

Homelessness/Housing Strategy - External legal fees	(19,159)
Drawdown from earmarked reserve	(12,015)
The Hub - Increased IT/Telephone costs	(8,995)
Employee net costs (savings of £27k less £28k vacancy factor)	(962)

49,550**56,413**

Director (Strategy & Development) - 2015-16 Period 12 variances

Head of Planning

DIRECT SERVICES

	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	1,903,890	1,960,340	1,960,340	(56,450)	1,983,536	(23,196)
Premises Related	81,570	82,970	82,970	(1,400)	80,988	1,982
Transport Related	32,860	32,860	32,860	0	28,200	4,660
Supplies and Services	508,760	567,380	567,380	(58,620)	410,300	157,080
Third Party Payments	347,800	433,270	433,270	(85,470)	439,540	(6,270)
Income	(1,068,550)	(1,258,390)	(1,258,390)	189,840	(1,190,936)	(67,454)
Planning Policy costs charged to capital	(10,000)	(2,000)	(2,000)	(8,000)	(1,763)	(237)
	1,796,330	1,816,430	1,816,430	(20,100)	1,749,864	66,566

Virements (officer agreed budget transfers)

Economic Development - from Housing & Community (49,000)

Approved Changes - Cabinet 4th August

Increased income streams detailed below 161,580
 Increased payments to Herts County Council for highways tree maintenance contract offset by additional income (80,910)
 Increased agency staff costs in Development control offset by additional Pre Planning Advice income (50,000)
 Increased Planning Policy project expenditure offset by grant income (30,000)
 Net utility savings (1,400)

Approved Changes - Cabinet 3rd November

Net insurance premium savings 4,930

Approved Changes - Cabinet 3rd February

Development Management - increased planning fees 45,000
 Salary savings - Development Control 10,000
 Landscape & Ecology - increased income 2,700
 Building Control - reduction in fee income (25,000)
 Planning Policy costs charged to capital (8,000) (237)

Forecasted Outturn Changes

None

Variances savings / under spends

Development Management - increased planning fees 129,286
 Planning Policy - Local Plan 85,016
 Development Management - Net savings on supplies & services 40,703
 Tree Maintenance - Insurance Provision refund 28,675
 Economic Development - Net savings on supplies & services 25,769
 Addition to earmarked reserve 10,395
 Building Control - Net savings on supplies & services 10,027
 Tree Maintenance - Payment to contractors & Consultancy fees 6,525

Variances overspends / income shortfalls

Building Control - fee income (221,378)
 Employee net costs (savings of £20k less £50k vacancy factor) (30,416)
 Growth Fund Determination Grant - funded from earmarked reserve (17,800)

(20,100)

66,566

Director (Strategy & Development) - 2015-16 Period 12 variances

Head of Policy and Culture

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	1,474,560	1,378,820	1,378,820	95,740	1,448,191	(69,371)
Premises Related	873,950	825,090	815,090	58,860	832,145	(7,055)
Transport Related	2,500	2,500	2,500	0	2,787	(287)
Supplies and Services	1,655,480	1,811,360	1,811,360	(155,880)	1,947,768	(136,408)
Third Party Payments	33,230	76,870	76,870	(43,640)	119,837	(42,967)
Income	(2,410,930)	(2,445,260)	(2,345,260)	(65,670)	(2,429,264)	(15,996)
	1,628,790	1,649,380	1,739,380	(110,590)	1,921,464	(272,084)

Virements (officer agreed budget transfers)

Responsive and Planned maintenance	(29,600)
High Rope costs - transfer from Corporate Projects	(20,000)

Approved Changes - Cabinet 4th August

Campus West employee costs lower than originally anticipated	95,740
Increased spend on film fees and payments to contractors at Campus West	(69,260)
Savings on utilities at Finesse sites and Campus West	23,450
Utility savings (or increased costs) are shared with Finesse	(23,450)
Additional cinema income, soft play income currently below target	(23,280)

Approved Changes - Cabinet 3rd November

Net insurance premium savings	15,490
Contract savings	10,320

Forecasted Outturn Changes

Reduction in Campus West income	(100,000)
Responsive and Planned maintenance saving	10,000

Variations savings / under spends

Finesse - increased payment, offset by utility savings	51,435
Campus West - Equipment Maintenance	21,160
High Rope costs	18,940
Museums - Employee net costs (vacancy factor less under spend)	18,935
Museums - supplies & services	13,330
Community Centres - increased income	6,636
Campus West - Software costs	6,459
Responsive and Planned maintenance	5,554
Campus West - Marketing	5,164
Museums - general maintenance savings	4,616

Variations overspends / income shortfalls

Campus West - reduced income	(132,773)
Campus West - Employee net costs (overspend of £52k less £34k vacancy factor)	(85,908)
Campus West - Film hire	(72,532)
Campus West - Payment to contractors	(39,117)
Campus West - Equipment Purchase	(29,508)
Campus West - Catering expenditure	(23,290)
Museums - reduced income	(12,831)
Campus West - Other supplies & services	(9,227)
Campus West - NNDR & utility savings	(7,785)
Campus West - Licences & levies	(5,997)
Campus West - Contract Cleaning	(5,342)

(110,590)**(272,084)**

Director (Strategy & Development) - 2015-16 Period 12 variances

Head of Policy and Culture

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	435,900	393,990	390,670	45,230	395,987	(1,997)
Premises Related	890	0	0	890	0	0
Transport Related	980	980	980	0	262	718
Supplies and Services	120,910	118,980	119,130	1,780	99,857	19,123
Third Party Payments	581,500	576,500	576,500	5,000	581,001	(4,501)
Income	(109,390)	(112,340)	(112,340)	2,950	(112,616)	276
	1,030,790	978,110	974,940	55,850	964,491	13,619
Virements (officer agreed budget transfers)						
Adjustment to Steria costs				5,000		
Approved Changes - Cabinet 4th August						
Housing Trust indexation				2,290		
Approved Changes - Cabinet 3rd November						
Net insurance premium savings				990		
Approved Changes - Cabinet 3rd February						
Salary savings - Performance & Strategy Unit				27,940		
Salary savings - Communications				12,180		
Net Policy and Culture other savings				4,280		
Forecasted Outturn Changes						
Salary savings - Communications				3,320		
Increase in subscriptions - Communications				(150)		
Non- Controllable costs						
Support Cost adjustment						
Variances savings / under spends						
Communications - net saving on supplies and services						11,811
Customer Services - net saving on supplies and services						2,377
Performance & Strategy Unit - net saving on supplies and services						711
Variances overspends / income shortfalls						
Employee net costs (overspend of £10k less £11k vacancy factor)						(1,279)
				55,850		13,619

Chief Executive - 2015-16 Period 12 variances

Chief Executive's Unit

DIRECT SERVICES	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Supplies and Services	825,800	398,260	398,260	427,540	152,440	245,820
	825,800	398,260	398,260	427,540	152,440	245,820

Virements (officer agreed budget transfers)

Corporate Projects - transfer to High Rope	20,000
Corporate Projects - transfer to IT costs	23,290
Corporate Projects - transfer to Legal costs	4,250
Corporate Projects - transfer to Broxbourne contract	17,780
Corporate Projects - transfer to Legal costs	5,680
Corporate Projects - transfer to Cemeteries	6,540

Approved Changes - Cabinet 3rd February

Corporate Project Expenditure Expected to be incurred in 2016/17	350,000
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Forecasted Outturn Changes

None

Variances overspends / income shortfalls

Corporate Projects - unspent	240,783
Corporate subscriptions	5,038
	427,540
	245,820

Chief Executive's Unit

Support Services	Original Budget 2015/16 £	Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Variance to Original £	Actual 2015/16 £	Variance to Current £
Controllable Costs						
Employees	217,720	221,960	221,960	(4,240)	217,769	4,191
Transport Related	1,370	1,370	1,370	0	81	1,289
Supplies and Services	20,650	20,480	20,480	170	15,387	5,094
Income	(11,920)	(12,180)	(12,180)	260	(12,152)	(28)
	227,820	231,630	231,630	(3,810)	221,085	10,545

Virements (officer agreed budget transfers)

None

Approved Changes - Cabinet 4th August

Housing Trust indexation	260
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Approved Changes - Cabinet 3rd November

Net insurance premium savings	170
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Approved Changes - Cabinet 3rd February

Salaries - transfer from Strategy & Development Directorate	(4,240)
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Forecasted Outturn Changes

None

Variances savings / under spends

Employee net savings (savings of £12k less £7k vacancy factor)	5,480
Net savings on supplies & services	5,065
	(3,810)
	10,545

Summary of Growth and Savings	2015/16	Position At		
	General Fund £	31 Jan 16	29 Feb 16	31 Mar 16
Ongoing items				
Total Growth	662,610	511,323	563,675	621,240
Total Savings	(1,653,730)	(1,377,750)	(1,383,060)	(1,471,150)
Total Ongoing items	(991,120)	(866,427)	(819,385)	(849,910)
One-offs				
Total Growth - one-offs	1,052,000	266,290	272,290	423,418
Total	60,880	(600,137)	(547,095)	(426,493)

Growth allocated to priorities (as per Budget Book pg152)	General Fund £	31 Jan 16	29 Feb 16	31 Mar 16
	Priority 1			
Our Community	425,360	348,265	382,795	417,415
Priority 2				
Our Environment	128,900	106,650	116,820	126,660
Priority 3				
Our Places	49,000	21,338	25,570	35,245
Priority 4				
Our Council	59,350	35,070	38,490	41,920
	662,610	511,323	563,675	621,240

Savings/Reductions allocated to priorities	General Fund £	31 Jan 16	29 Feb 16	31 Mar 16
	Priority 1			
Our Community	(885,370)	(697,290)	(672,690)	(729,200)
Priority 2				
Our Environment	(228,310)	(200,710)	(213,060)	(226,090)
Priority 3				
Our Places	(295,000)	(280,100)	(283,010)	(286,760)
Priority 4				
Our Council	(245,050)	(199,650)	(214,300)	(229,100)
	(1,653,730)	(1,377,750)	(1,383,060)	(1,471,150)

One-off Growth allocated to priorities	General Fund £	31 Jan 16	29 Feb 16	31 Mar 16
	Priority 1			
Our Community	0	0	0	0
Priority 2				
Our Environment	62,000	51,670	56,830	62,000
Priority 3				
Our Places	90,000	48,170	49,010	87,199
Priority 4				
Our Council	900,000	166,450	166,450	274,219
	1,052,000	266,290	272,290	423,418

Strategy & Development - Ongoing GROWTH items

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
SD_PC_1516_G1 Hatfield Skate Park	1	5,000	45	45	45	24035/6422	Only a small amount of maintenance required in 2015/16
SD_PC_1516_G2 Additional Lagan Licence required	4	5,000	4,170	4,580	5,000	42004/7600	
SD_PC_1415_G1 Campus West Development	1	375,260	312,720	343,990	375,260	Various	
Head of Policy & Culture		385,260	316,935	348,615	380,305		
SD_HC_1516_EFF2 Landlord Accreditation Scheme funding support	1	15,100	12,580	15,100	15,100	10001/5/6 6025	Income performed slightly better than anticipated
SD_HC_1415_EFF1 HMO mandatory licensing scheme	1	15,000	10,420	9,910	12,010	82002/6025	
Head of Housing & Community		30,100	23,000	25,010	27,110		
SD_HC_1516_EFF1 Economic Development Officer	3	49,000	21,338	25,570	35,245	46097/6019	Post has been recruited to
Head of Planning		49,000	21,338	25,570	35,245		
TOTAL Ongoing GROWTH		464,360	361,273	399,195	442,660		

Strategy & Development - One-off GROWTH items

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
WGC Estate Management Scheme	2	62,000	51,670	56,830	62,000	46080/6013	
Local Development Framework	3	80,000	39,840	39,840	77,199	46100/6012	
Neighbourhood Plan (Northaw and Cuffley)	3	10,000	8,330	9,170	10,000	11000/46097 cc6012	
Head of Planning		152,000	99,840	105,840	149,199		
TOTAL One-Off GROWTH		152,000	99,840	105,840	149,199		

Strategy & Development - SAVINGS & Efficiencies

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
SD_PLA_1516_EFF2 - Increased Planning Application Income	4	(30,000)	(25,000)	(27,500)	(30,000)	82038/6013	
SD_PLA_1516_EFF3 - Reduce allotments post to P/T permanently	2	(17,220)	(14,350)	(15,790)	(17,220)	10001/5/6/ 6080	
SD_PLA_1516_EFF4 - Landscape & Ecology - Reduce Landscaping budget	2	(12,500)	(10,420)	(11,460)	(12,500)	50002/6081	
SD_PLA_1516_EFF5 - Additional honesty parking income	2	(5,000)	(3,610)	(3,610)	(4,320)	82002/6082	
SD_PLA_1516_EFF7 - Capitalisation of part of Project Officer's salary	3	(10,000)	(930)	(930)	(1,760)	85001/6012	Reduction highlighted at period nine
Head of Planning		(74,720)	(54,310)	(59,290)	(65,800)		
SD_PC_1516_E1 - Reduce the budget for community consultation and special projects by 40 per cent	4	(12,000)	(10,000)	(11,000)	(12,000)	46093/46095/ 46097 cc 7602/7601	Not fully achieved - savings made from elsewhere within team
SD_PC_1516_E2 - Review of structures	1	(15,000)	(1,330)	(1,470)	(1,600)	10001/5/6 6422	
SD_PC_1415_E1 - Campus West Development	1	(675,260)	(541,710)	(501,530)	(542,490)	82027, 82079, 82602 & 82620 cc 6402/3/4	Income targets not achieved by £130k, £30k more than highlighted at period six.
SD_PC_1415_E3 - Finesse Efficiency Savings	4	(16,000)	(13,330)	(14,670)	(16,000)	46068/6416	
SD_PC_1415_E7 - Netcall Telephonetics Project	4	(12,500)	(10,420)	(11,460)	(12,500)	50002/7600	
Head of Policy & Culture		(730,760)	(576,790)	(540,130)	(584,590)		
SD_HC_1516_EFF1 - Housing Needs	1	(130,000)	(108,330)	(119,170)	(130,000)	various cc6200 & 6204	Was not achieved as highlighted at period six.
SD_HC_1516_EFF2 - CCTV	1	(28,000)	(23,330)	(25,670)	(28,000)	46057/6608	
SD_HC_1516_EFF3 - Out of Hours call out service	1	(10,000)	(8,330)	(9,170)	(10,000)	48000/6437	
SD_HC_1516_EFF4 - Review of Strategic Housing	4	(31,000)	(25,830)	(28,420)	(31,000)	10001/5/6 6025	
SD_HC_1516_EFF5 - Shop mobility	1	(10,000)	0	0	0	13005/26000/26005 cc6436	
SD_HC_1516_EFF6 - Partnership projects	3	(5,000)	(4,170)	(4,580)	(5,000)	46097 cc6601, 6604, 6017	Not fully achieved - savings made from elsewhere within team
SD_HC_1516_EFF7 - Review of structures	4	(15,000)	(1,330)	(1,470)	(1,600)	10001/5/6 6601	
Head of Housing & Community		(229,000)	(171,320)	(188,480)	(205,600)		
TOTAL EFFICIENCIES		(1,034,480)	(802,420)	(787,900)	(855,990)		

Finance & Operations Department - Ongoing **GROWTH** items

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
FO_ENV_1516_G1 Cemetery enquiries migrate into Contact Centre	2	3,900	3,250	3,580	3,900	46097/6486	Income generation not as high as budgeted
FO_ENV_1516_G2 National Burials	2	5,000	4,360	4,360	4,360	46084/6486	
FO_ENV_1516_G3 Cleansing fines - budget adjustment	2	4,000	2,380	2,540	2,400	82003/6483	
FO_ENV_1516_G4 Reduced textile income	2	34,000	28,330	31,170	34,000	82619/6481	
FO_ENV_1516_G5 Reduced paper income	2	75,000	62,500	68,750	75,000	82613/6481	
FO_ENV_1516_G6 Car park fines	2	7,000	5,830	6,420	7,000	82003 cc6050/2/4	
Head of Environment		128,900	106,650	116,820	126,660		
FO_RES_1415_G2 Housing Benefit administration grant reduction	4	15,210	0	0	0	80004/6740	Grant has been confirmed and growth is not required
FO_RES_1516_G1 Storage Area Network (SAN) Maintenance Support	4	23,000	19,170	21,080	23,000	46097/6734	
Head of Resources		38,210	19,170	21,080	23,000		
TOTAL Ongoing GROWTH		167,110	125,820	137,900	149,660		

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Finance & Operations- **One-off GROWTH** items

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
Early Retirement Costs	4	100,000	0	0	0	14017/6775	Budget unused Funds have been put aside for this project £350k savings highlighted at period nine. Remainder of unerspend put into Strategic reserve.
HTC Master plan - Contribution to LEP bid	4	100,000	100,000	100,000	100,000	46097/6100	
Corporate Projects	4	700,000	66,450	66,450	174,219	46097/6100	
Corporate		900,000	166,450	166,450	274,219		
TOTAL One-Off GROWTH		900,000	166,450	166,450	274,219		

Finance & Operations - SAVINGS & Efficiencies

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
FO_ENV_1516_EFF1 - Street Wardens review	3	(30,000)	(25,000)	(27,500)	(30,000)	10001/2/5/6/6493	
FO_ENV_1516_EFF2 - Environment Services Review	2	(15,240)	(12,700)	(13,970)	(15,240)	10001/5/6 ccVarious	
FO_ENV_1516_EFF3 - Grounds maintenance Agency work for HCC	2	(15,000)	(12,500)	(13,750)	(15,000)	81130/6420	
FO_ENV_1516_EFF4 - Dog charges/fees	2	(3,000)	(1,280)	(1,380)	(1,460)	82060/82063 6484	
FO_ENV_1516_EFF5 - Recycling bank emptying service	2	(30,000)	(25,000)	(27,500)	(30,000)	50002/6481	
FO_ENV_1516_EFF6 - Car park income	2	(10,000)	(8,330)	(9,170)	(10,000)	82041/6050	
FO_ENV_1516_EFF7 - Street Naming	2	(3,000)	(2,500)	(2,750)	(3,000)	82063/6488	
FO_ENV_1516_EFF9 - Residential Parking permits	2	(5,000)	(4,170)	(4,580)	(5,000)	82002/6071	
FO_ENV_1516_EFF10 - Grounds work contract with Northaw and Cuffley	2	(6,000)	(5,000)	(5,500)	(6,000)	50006/6486	
FO_ENV_1516_EFF11 - Cemetery fees	2	(5,000)	(4,170)	(4,580)	(5,000)	82063/6486	
FO_ENV_1516_EFF12 - Hatfield Hyde Remembrance Garden	2	(10,000)	(8,330)	(9,170)	(10,000)	82063/6486	
FO_ENV_1516_EFF14 - Grounds Maintenance ad-hoc budget	2	(10,000)	(8,330)	(9,170)	(10,000)	50002/6420	
FO_ENV_1516_EFF15 - Flower beds (planting costs)	2	(4,000)	(3,330)	(3,670)	(4,000)	50002/6420	
FO_ENV_1516_EFF16 - Fencing and hedge budget	2	(2,000)	(1,670)	(1,830)	(2,000)	24035/6495	
FO_ENV_1516_EFF17 - Street benches	2	(2,000)	(1,670)	(1,830)	(2,000)	43009/6488	
Head of Environment		(150,240)	(123,980)	(136,350)	(148,700)		
FO_RES_1516_E1 - Hatfield Town Centre rental income	3	(120,000)	(120,000)	(120,000)	(120,000)	82402/6770	Income on target - bills charged quarterly
FO_RES_1516_E2 - Rent reviews for overdue property	4	(50,000)	(50,000)	(50,000)	(50,000)	82402/6763	Income on target - bills charged quarterly
FO_RES_1516_E3 - Reduction in Planned and responsive maintenance budget	4	(15,000)	(12,500)	(13,750)	(15,000)	24006 ccVarious	
FO_RES_1516_E4 - Estates income	3	(130,000)	(130,000)	(130,000)	(130,000)	Various	Income on target - bills charged quarterly
FO_RES_1516_E5 - Review of bank charges	4	(10,000)	(6,600)	(6,960)	(7,450)	82004/6720	Income generation not as high as budgeted
FO_RES_1415_E1 - Savings associated with office accommodation moves	2	(73,350)	(73,350)	(73,350)	(73,350)	Various 7720/3	Income on target - bills charged quarterly
Head of Resources		(398,350)	(392,450)	(394,060)	(395,800)		
TOTAL EFFICIENCIES		(548,590)	(516,430)	(530,410)	(544,500)		

Governance Department - Ongoing **GROWTH** items

Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
GOV_GOV_1516_G2 PSN Requirements - implications for membe	4	3,000	780	780	780	42004 & 42015/6311	
GOV_GOV_1516_G3 Review of Governance Services	4	13,140	10,950	12,050	13,140	Various	
Head of Law & Administration		16,140	11,730	12,830	13,920		
GOV_PHP_1516_G1 Operation Reprise	1	15,000	12,500	13,750	15,000	10002/6030	
Head of Public Health & Protection		15,000	12,500	13,750	15,000		
TOTAL Ongoing GROWTH		31,140	24,230	26,580	28,920		

Governance Department - **SAVINGS & Efficiencies**

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Description	Corporate Priority	2015/16 £	Position At			Code	Comments
			31 Jan 16	29 Feb 16	31 Mar 16		
GOV_LA_1516_EFF1 Employee recognition scheme	4	(5,000)	(4,170)	(4,580)	(5,000)	14037/7302	
GOV_LA_1516_EFF2 Catering	4	(3,500)	(2,920)	(3,210)	(3,500)	40001/7303	
GOV_LA_1516_EFF3 Reduction in Internal Audit Contingency	4	(12,320)	(10,270)	(11,290)	(12,320)	50006/7313	
GOV_LA_1516_EFF4 Land charges equipment budget	4	(1,060)	(880)	(970)	(1,060)	43009/6340	
GOV_LA_1516_EFF5 Litigation books & periodicals	4	(2,000)	(1,670)	(1,830)	(2,000)	47004/7311	
GOV_LA_1516_EFF6 Conveyancing books & periodicals	4	(2,500)	(2,080)	(2,290)	(2,500)	47004/7312	
GOV_LA_1516_EFF7 Permanently reduce Procurement post to P	4	(12,740)	(10,620)	(11,680)	(12,740)	10001 & 10006/7708	
GOV_LA_1516_EFF8 Member Development	4	(2,000)	(1,670)	(1,830)	(2,000)	14019/6311	
Head of Law & Administration		(41,120)	(34,280)	(37,680)	(41,120)		
GOV_PHP_1516_EFF1 - Miscellaneous operational savings	4	(9,930)	(8,280)	(9,100)	(9,930)	Various/6030	
GOV_PHP_1516_EFF2 - Training support to business	4	(2,500)	(2,080)	(2,290)	(2,500)	46044/6030	
GOV_PHP_1516_EFF3 - Changes in health promotion arrangements	1	(17,110)	(14,260)	(15,680)	(17,110)	10001/5/6 6030	
Head of Public Health & Protection		(29,540)	(8,280)	(9,100)	(9,930)		
TOTAL EFFICIENCIES		(70,660)	(58,900)	(64,750)	(70,660)		

RISK and OPPORTUNITIES SUMMARY - as at 31 March 2016

Type of Variance	Risks	Opportunities	Directorate	Comments
One Off		88,381	Strategy & Development	Planning Fee income - Higher total income as 15/16 actual includes £220k fees relating to prior year.
One Off		159,708	Finance & Operations	Estates Income - The forecast outturn has been amended in period 9 to reflect the sale of freehold reversions
One Off		53,419	Corporate	Salaries - Under spend year to date
One Off		23,226	Finance & Operations	Penalty Charge Notice Income - currently higher than budget and may continue to overachieve
One Off		19,257	Finance & Operations	Recycling contract - demand led but currently cost due to varying collection rates
Total One Off	0	343,991		
Potentially Ongoing		46,838	Finance & Operations	Parking income - demand higher than budgeted level
Potentially Ongoing		65,805	Finance & Operations	Garages & Weltech Income - Rental occupancy higher than budget year to date
Potentially Ongoing		5,514	Governance	Local Land Charges Income - Demand led and the current level of applications for first 9 months of the year is higher than anticipated in the budget.
Potentially Ongoing		27,879	Corporate	Investment Interest - above budget interest has been received in the first 9 months of the year and as balances continue to be high and the prospect on interest rates may rise in the latter months of the financial year, this level of favourable movement may continue in the remainder of the year.
Potentially Ongoing		(132,773)	Strategy & Development	Campus West - Total Income - Seasonal Profile of Income as more venue visitors in winter months
Current Total Ongoing	0	13,262		
Grossed Up Ongoing	0	13,262		
Grand Total		357,250		Net potential favourable movement to current forecast position
Profiling		85,587	Strategy & Development	Planning Policy - Spend on local plan will increase as the year goes on and consultations take place.
Profiling		25,715	Corporate	Utilities - This will likely be used through the winter months
Profiling		57,137	Corporate	Outside Printing - Over half of the year to date budget is not yet spent - printing at Campus West will increase as bills for the panto are paid.
Profiling		19,121	Finance & Operations	Planned Maintenance Programme - historically spent by year end
Profiling		(17,777)	Finance & Operations	Photocopier Costs - delay in quarterly bills
Profiling	(18,765)		Finance & Operations	Recycling income credits - delayed receipts due to verification of weights collected.
Profiling	(86,030)		Strategy & Development	Campus West - Expenditure - Film Higher and Marketing expenditure anticipated to be higher in the winter months as the is when the venue sees higher volumes
Profiling	74,892		Finance & Operations	Season ticket income - reduced demand levels
Total Profiling	(29,904)	169,782		
Projected Year End Impact	0	0		

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for CORPORATE BUDGETS

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	£	%	
Investment interest	This budget is affected by variations in interest rates and capital spending and receipts	Tim Neill	350,000	350,000	350,000	367,879	105.11%	17,879	5.11%	
Outside Printing	Concern expressed on unit costs, fifth year of new contract arrangements	Paul Underwood	191,040	191,040	191,040	133,903	70.09%	57,137	29.91%	
IT Consumables	Costs quickly spiral & can lead to budget pressures.	All	30,080	30,080	30,080	16,096	53.51%	13,984	46.49%	Saving used to fund increased photocopying costs
Car Allowances	Demand Led	All	119,290	119,290	119,290	94,582	79.29%	24,708	20.71%	See note 3.5
Salaries (General Fund) (excludes wages and other employee costs)	Members agree staffing structure, National Pay awards agreed after budget set. No control over costs like National Insurance Contributions	All	9,628,710	9,625,390	9,628,710	9,571,971	99.41%	56,739	0.59%	See note 3.5
Utilities - Electricity	Subjected to market influences although existing contract was renewed October 2012 through LASER group	All	334,100	334,100	334,100	333,674	99.87%	426	0.13%	
Utilities - Gas	Subjected to market influences although existing contract was renewed October 2012 through LASER group	All	223,200	223,200	223,200	197,911	88.67%	25,289	11.33%	

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for FINANCE & OPERATIONS

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	Brackets = adverse No brackets = favourable		
						£	%			
IT - Hardware & Software purchases & maintenance	Constant update of existing packages and increasing costs of maintenance.	Tim Neill	289,000	289,000	289,000	259,921	89.94%	29,079	10.06%	
Telephone Network Charges	New technology leading to increased costs. Usage control	Tim Neill	168,000	168,000	168,000	193,149	114.97%	(25,149)	(14.97%)	
Photocopier costs	Increased usage, additional copiers.	Tim Neill	58,650	58,650	58,650	76,427	130.31%	(17,777)	(30.31%)	Offset by savings in IT Consumables

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for FINANCE & OPERATIONS

Item	Risk Consideration	Head of Service	Full Year		Year to date Current Budget £	Year to date				Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £		Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	£	%	
Recycling Credits & Sales Income	Variable budget based upon collection rates & commodity selling prices. Impact of ARRC on public.	Durk Reyner	735,440	735,440	735,440	716,675	97.45%	(18,765)	(2.55%)	
Recycling Contract Payments excluding Serco.	Variable budget based on collection rates & commodity selling prices	Durk Reyner	84,300	84,300	84,300	65,043	77.16%	19,257	22.84%	See note 3.9.1
Penalty Charge Notices - Income	Demand Led - income relation to contractors fees	Durk Reyner	230,000	230,000	230,000	253,226	110.10%	23,226	10.10%	See note 3.4.3
Penalty Charge Notices Contractors Fees	Variable budget due to demand & numbers of PCN's issued, impact of new contract, (Jan 2012)	Durk Reyner	368,500	368,500	368,500	390,619	106.00%	(22,119)	(6.00%)	
Parking Fee Income	Demand led, impact of ANPR system & competition from other providers.	Durk Reyner	1,038,030	1,038,030	1,038,030	1,084,868	104.51%	46,838	4.51%	
Season Ticket Income	Demand led	Durk Reyner	232,520	232,520	232,520	307,412	132.21%	74,892	32.21%	See note 3.4.3
Cemeteries - Burial Income	Demand led budget, competition from local crematorium	Durk Reyner	173,020	173,020	173,020	171,405	99.07%	(1,615)	(0.93%)	

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for FINANCE & OPERATIONS

Item	Risk Consideration	Head of Service	Full Year		Year to date Current Budget £	Year to date Actual		Variance to year to date current budget		Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £		£	as % of Current budget 2015/16	Brackets = adverse No brackets = favourable		
								£	%	
Estates - Rental Income	Estimates based upon 95% occupancy. Impact on revenue budget if economy goes into recession.	Tim Neill	2,580,150	2,636,650	2,580,150	2,796,358	108.38%	216,208	8.38%	See note 3.4.1
General Fund Garages - Income	Demand led - budget includes 5% void rate.	Tim Neill	2,149,070	2,164,070	2,149,070	2,220,115	103.31%	71,045	3.31%	See note 3.4.1
Weltech - Income	Effect of economical downturn - budget includes 12.5% void rate.	Tim Neill	420,800	430,800	420,800	440,560	104.70%	19,760	4.70%	Occupancy in March 97.1% - target is 87.5%
Planned Maintenance Programme	Delivery of the programme as priorities change.	Tim Neill	198,220	198,220	198,220	179,099	90.35%	19,121	9.65%	See note 3.8.1

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for STRATEGY & DEVELOPMENT

Item	Risk Consideration	Head of Service	Full Year		Year to date				Action / comments	
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	Brackets = adverse		
								No brackets = favourable		
£	%	£	%							
Planning Fees Income	Demand Led	Colin Haigh	580,410	580,410	580,410	668,791	115.23%	88,381	15.23%	See note 3.4.4
Building Control Expenditure	Service is ring-fenced current balance is a deficit of £252k.	Colin Haigh	357,020	357,020	357,020	349,690	97.95%	7,330	2.05%	
Building Control Income	Demand Led	Colin Haigh	346,870	346,870	346,870	125,492	36.18%	(221,378)	(63.82%)	See note 3.15
Planning Policy - Project expenditure	Incinerator appeal - spiralling legal costs	Colin Haigh	75,000	75,000	75,000	37,014	49.35%	37,986	50.65%	See note 3.6.1
Planning Policy Local Development Framework	Unknown costs of enquiry consultation period extended Scheme costs extended to future years	Colin Haigh	124,800	124,800	124,800	77,199	61.86%	47,601	38.14%	See note 3.6.1

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for STRATEGY & DEVELOPMENT

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	Brackets = adverse No brackets = favourable		
								£	%	
Campus West - Catering Income	Demand led, affected by price weather & programme of events.	Paul Underwood	861,650	761,650	861,650	559,779	64.97%	(301,871)	(35.03%)	See note 3.14
Campus West - Cinema Income	Demand led, affected by price weather & programme of events.	Paul Underwood	545,000	545,000	545,000	653,922	119.99%	108,922	19.99%	See note 3.14
Campus West - Rollercity Income	Demand led, affected by price weather & programme of events.	Paul Underwood	340,000	340,000	340,000	384,467	113.08%	44,467	13.08%	See note 3.14
Campus West - Soft Play Income	Demand led, affected by price weather & programme of events.	Paul Underwood	137,500	137,500	137,500	160,002	116.37%	22,502	16.37%	See note 3.14
Campus West - Other Income	Demand led, affected by price weather & programme of events.	Paul Underwood	305,400	305,400	305,400	298,607	97.78%	(6,793)	(2.22%)	See note 3.14
Campus West - Casual Wages	If staff are not multi-functional very easy to overspend in peak usage times.	Paul Underwood	438,870	438,870	438,870	422,987	96.38%	15,883	3.62%	See note 3.14
Campus West - Artiste & Film Hire	Programme of events to fulfil community expectations not necessarily to maximise income	Paul Underwood	303,530	303,530	303,530	410,608	135.28%	(107,078)	(35.28%)	See note 3.14
Campus West advertising & printing expenditure	To avoid excessive spending in a recession period, should reflect turnover.	Paul Underwood	124,970	124,970	124,970	119,806	95.87%	5,164	4.13%	See note 3.14

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 31 March 2016 for GOVERNANCE

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2015/16 £	Forecasted Outturn 2015/16 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2015/16	Brackets = adverse		
								No brackets = favourable		
£	%									
Local Land Charges Income	Demand led - Currently housing market in recession.	Margaret Martinus	105,870	105,870	105,870	111,384	105.21%	5,514	5.21%	
Postal Charges	Prices governed by PO new pricing policies on size & weight impacted on the authority	Margaret Martinus	151,500	151,500	151,500	154,538	102.01%	(3,038)	(2.01%)	

Arrears by department at 31st March 2016

Department	1-30 Days Overdue	31-60 Days Overdue	61-90 Days Overdue	91-365 Days Overdue	365 Days Overdue	Total Outstanding
Community & Environmental Services	5,106.90	1,700.00	0.00	0.00	0.00	6,806.90
Environmental Health	0.00	454.87	0.00	-657.00	761.28	559.15
Planning Department	534.82	1,285.06	1,835.50	1,105.90	0.00	4,761.28
Cemetery Services	20,710.00	0.00	0.00	0.00	2,860.00	23,570.00
Parking Services	0.00	100.00	1,800.00	150.00	0.00	2,050.00
Landscape & Ecology	-33.33	0.00	0.00	0.00	0.00	-33.33
Recycling & Contract Services	109,562.83	360.00	1,253.37	4,152.32	-50.00	115,278.52
Housing & Community Services	155.75	0.00	0.00	290.00	-47.63	398.12
Rental Deposit Scheme	0.00	0.00	0.00	5,830.01	0.00	5,830.01
Campus West Entertainment	4,493.96	1,648.25	0.00	0.00	0.00	6,142.21
Mill Green Museum	2,070.13	315.00	0.00	0.00	0.00	2,385.13
Accounting Services	27,501.97	21.66	14,553.27	535.71	12,014.05	54,626.66
Benefits	217,115.38	280.00	0.00	0.00	0.00	217,395.38
Financial Management	34,014.04	200.00	0.00	0.00	0.00	34,214.04
Insurance	0.00	0.00	0.00	1,504.88	3,411.35	4,916.23
Piper Alarm	33,277.16	-13.37	0.00	2,025.55	0.00	35,289.34
Shops/Units/Leases	456,804.81	3,265.04	4,647.91	45,643.19	26,447.29	536,808.24
Weltech Business Centre	56.92	0.00	0.00	-46.26	0.00	10.66
General Fund Garages	26,870.34	-454.85	-448.44	356.97	33,581.16	59,905.18
	<u>938,241.68</u>	<u>9,161.66</u>	<u>23,641.61</u>	<u>60,891.27</u>	<u>78,977.50</u>	<u>1,110,913.72</u>

		Number of debts & status
Environmental Health	1,549.28	2 with legal
	-788.00	credits
	<u>761.28</u>	
Cemetery Services	1,300.00	1 with legal
	1,560.00	1 arrangement
	<u>2,860.00</u>	
Recycling & Contract Services	-50.00	credits
Housing & Community Services	-47.63	credits
Accounting Services	7,057.51	2 car loans
	2,550.44	3 M Rescue scheme
	3,083.33	1 with legal
	-677.23	credits
	<u>12,014.05</u>	
Insurance	143.17	1 with legal
	3,076.34	1 Pans FC
	234.19	1 Estates
	-42.35	credits
	<u>3,411.35</u>	
Shop/units/leases	16,502.32	5 legal
	1,061.00	1 HCC Dispute
	9,134.48	3 with estates
	-250.51	credits
	<u>26,447.29</u>	
General fund garages	33,581.16	181 various

Welwyn Hatfield Borough Council

Outturn 2015/16

Housing Revenue Account

Original Budget £	Description	Year to Date			
		Current Budget £	Actual to Date £	Variance to Original £	Variance to Current £
50,382,940	Dwelling Rents	50,207,940	50,148,189	(234,751)	(59,751)
399,650	Non Dwelling Rents	397,150	397,600	(2,050)	450
1,033,000	Charges for Services and Facilities	1,140,000	1,149,270	116,270	9,270
825,700	Leaseholders Charges for Services	825,700	680,670	(145,030)	(145,030)
37,190	Contributions towards Expenditure	37,190	37,190	(0)	(0)
194,390	Supporting People Contribution	194,390	195,124	734	734
7,000	De Minimis Receipts	7,000	42,745	35,745	35,745
5,000	Non Fixed Asset Capital Receipts	5,000	0	(5,000)	(5,000)
52,884,870	Total Income	52,814,370	52,650,790	(234,080)	(163,580)
4,288,520	Supervision and Management	4,087,050	3,315,869	972,651	771,181
5,224,140	Special Services	4,989,240	4,817,772	406,368	171,468
10,400,000	Depreciation (Tfr to Major Repairs & Reserve)	10,400,000	11,013,919	(613,919)	(613,919)
(24,000,000)	Revaluation Loss / (Gain)	(24,000,000)	(17,428,510)	(6,571,490)	(6,571,490)
46,110	Debt Management Costs	46,110	46,110	0	0
0	Sums directed by Secretary of State	50,000	7,897	(7,897)	42,103
11,156,560	Repairs and Maintenance	10,945,560	10,302,282	854,278	643,278
567,020	Rents, Rates, Taxes and Other Charges	467,020	442,987	124,033	24,033
2,500,000	(Gain) or Loss on Disposals	2,500,000	205,439	2,294,561	2,294,561
800,000	Increase in Provision for Bad Debts	250,000	562,962	237,038	(312,962)
10,982,350	Total Expenditure	9,734,980	13,286,727	(2,304,377)	(3,551,747)
485,570	HRA share of Corporate and Democratic Core	485,570	485,570	0	0
(41,416,950)	Net Cost of Services	(42,593,820)	(38,878,492)	(2,538,458)	(3,715,328)
	Less Interest and Non-Statutory Items:				
(5,000)	Non Fixed Asset Capital Receipts Reversal	(5,000)	0	(5,000)	(5,000)
2,500,000	Reversal of Gain or Loss on Disposal	2,500,000	205,439	2,294,561	2,294,561
(6,563,980)	Interest Payable and Similar Charges	(6,563,980)	(6,563,984)	4	4
100,100	Interest Receivable	150,100	244,922	(144,822)	(94,822)
(11,750,000)	Transfer to Reserves- Capital Adjustment Account	(11,750,000)	(11,750,000)	0	0
(3,130,000)	Revenue Contribution to Capital	(5,030,000)	(2,021,378)	(1,108,622)	(3,008,622)
(552,900)	Depreciation from MRA	(552,900)	61,019	(613,919)	(613,919)
(24,000,000)	Revaluation Loss	(24,000,000)	(17,428,510)	(6,571,490)	(6,571,490)
(43,401,780)		(45,251,780)	(37,252,492)	(6,149,288)	(7,999,288)
(1,984,830)	Surplus / (Deficit)	(2,657,960)	1,626,000	3,610,830.20	4,283,960
9,906,442	Opening HRA Operating Balance	12,275,087	12,275,087	2,368,645	0
(1,984,830)	In-year Surplus / (Deficit)	(2,657,960)	1,626,000	3,610,830	4,283,960
7,921,612	Closing HRA Operating Balance	9,617,127	13,901,087	5,979,475	4,283,960

Variance to Current budget

Dwelling rents				
Loss of rents as higher levels of sale of properties				(59,751)
Charges for services and facilities				
Service charge income on hostels more due to higher occupancy			21,160	
Other small variances			(11,890)	9,270
Leaseholders charges- billings for completed works in early 2016/17				(145,030)
De Minimis Receipts: less than £10k receipts including 2 garages				35,745
Other net income variance				1,185
Supervision and management				
Savings on Trust fee			298,810	
Contribution to council's pension relating to employees TUPED to Trust			25,000	
Legal and consultancy fees lower than budget			28,630	
Office move budget underspent			373,560	
Internal recharge of RTB team costs to disposals of properties			18,000	
Other net variances			27,181	771,181
Special services				
Overspend on electricity budgets due to estimated accrual			(21,000)	
Aids and adaptations budget spend lower			81,824	
Trust fee underspend			97,024	
Other net variances			13,620	171,468
HRA contribution to DHP lower than budget set				42,103
Repairs and maintenance				
Savings on non-Mears maintenance budgets			10,998	
Excess insurance over budget			(28,876)	
Council share of Mears responsive repairs efficiency savings			366,281	
Savings on Trust fee (maintenance budgets and support services)			294,875	643,278
Rents, rates, taxes and other charges				
Insurance premium and excess lower than budgeted				24,033
Bad debts provision				
Higher due to writeoffs of former tenant debt not recoverable and higher charge on the over 52 week debt.				(312,962)
Interest on HRA balances higher due to higher capital receipts				94,822
Revenue Contribution to Capital				
Affordable housing project based on estimate to end of financial year				3,008,622
Other net variance				(4)

Total variance to current budget

4,283,960

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Part I
Item No: 8(b)
Main author: Tracy Fortune
Executive Member: Cllr Duncan Bell
All Wards

**WELWYN HATFIELD BOROUGH COUNCIL
 CABINET – 12 JULY 2016
 REPORT OF THE DIRECTOR (FINANCE AND OPERATIONS)**

2015/16 CAPITAL OUTTURN & FUNDING POSITION

1 Executive Summary

- 1.1 This report is to provide members with information on the capital expenditure outturn, the funding details for capital spending and the year-end capital funds position for the financial year 2015/16.
- 1.2 In summary the budget and outturn expenditure position is as follows:

Capital Expenditure	Original Budget 2015/16	Current Budget 2015/16	Outturn 2015/16
	£000	£000	£000
General Fund Schemes	20,172	12,562	12,323
Housing (MRA funded) *	12,167	11,177	11,178
TOTAL	32,339	23,739	23,501

*Housing (MRA funded) includes MEARS contract, Housing recharges, other MRA funded schemes and spend in connection with Queensway House.

The current budget includes all adjustments for re profiled budgets approved by Cabinet.

- 1.3 All schemes were funded as follows:

Applied capital receipts	£9.159M
Applied Grants and S106 funds	£0.743M
Major Repairs Reserve (housing schemes)	£11.178M
Borrowing	£2.421M
TOTAL	£23.501M

- 1.4 The following appendices attached to this report provide more detailed information:

Appendix A – Detail of Capital expenditure by scheme

Appendix B – Prudential Indicators

2 Recommendation(s)

- 2.1 Cabinet are asked to note the capital expenditure outturn for 2015/16 of £23.501M.
- 2.2 Cabinet are asked to approve the funding of capital expenditure for 2015/16 as set out in paragraph 3.4 of the report.

3 Explanation

- 3.1 This section of the report considers separately General Fund Schemes, Housing Schemes and funding. All schemes are set against the council's priorities and objectives reflected in the Business Plan and Medium Term Financial Strategy.

The General Fund outturn for 2015/16 was £12.323M and compares to a current budget of £12.562M. This is an under spend of £0.239M and primarily relates to Disabled Facility Grants. There is an under-spend of £0.212M on this budget which reflects a reduction in referrals from HCC.

3.2 Major Capital Schemes in year

- 3.2.1 Affordable Housing Programme: £6.043M was spent on the purchase of affordable housing properties in line with the Affordable Housing Scheme. Cabinet agreed on 7 August 2012 for the council to enter into agreement, as proposed by the Secretary of State for Communities and Local Government, to allow the council to retain receipts from the reinvigorated Right to Buy (RTB) sales and to reinvest the allowed receipts in delivery of new affordable homes.

These receipts need to be spent within three years of receipt.

- 3.2.2 Hatfield Town Centre Redevelopment: £1.707M has been spent on various projects within the town centre in 2015/16. These include unit refurbishments, the Common Car Park improvements, the new arcade canopy, White Lion flat refurbishments and ongoing associated fees. Hatfield Town Centre redevelopment schemes are continuing into 2016/17 with a budget of £3.018M to cover fees, acquisition, refurbishment, redevelopment of properties, and public realm works.

- 3.2.3 Campus East extension project: £1.564M plus central recharges of £0.076M spent in 15/16. This was for works to the new extension and reception area. The remaining budget of £0.213M has been rolled forward into 2016/17 for final payments. £0.362M was spent on building the council chamber with £0.248M r/fwd for completion works.

3.3 Housing (Major Repairs Account)

The current budget is £11.177M and the outturn is £11.178M.

Major repairs are fully funded from the Major Repairs Allowance.

3.4 Capital Funding and Reserves

This section shows the opening balances of capital funds available at 1 April 2015 to fund capital spend and also the funding applied to spending. Opening balances totalled £36.481M. Usable Capital Receipts balances include the S106 Developers Contributions of £0.380M.

	Usable Capital Receipts £000	Major Repairs Reserve £000	Affordable Housing Funds £000	Capital Grants Unapplied £000	Total Spend Funded by Receipts & Grants £000	Spend Funded by Internal Borrowing £000
Opening Balance 1st April 2015	10,562	3,694	21,380	845	36,481	(8,205)
RTB receipts	3,699	-	-	-	3,699	-
Payment to Government re Pooled Receipts	(3,215)	-	-	-	(3,215)	-
Other receipts	1,249	10,953	7,831	-	20,033	-
Grants	-	-	-	605	605	-
Capital expenditure *	(3,112)	(11,178)	(6,047)	(743)	(21,080)	(2,421)
Closing Balance 31st March 2016	9,183	3,469	23,164	707	36,523	(10,626)

*Capital Expenditure: Total Spend Funded by Receipts & Grants plus Spend Funded by Internal Borrowing = £23.501M.

3.4.1 During the year the council received £21.122M capital receipts (net of pooling). £7.8M were ring fenced housing receipts to support the Affordable Housing Scheme, and £0.6M was received from government grants. The Major Repairs Reserve is ring fenced to Housing Landlord Schemes only and in 2015/16 the major repairs allowance was £10.953M. Other receipts include General Fund Capital loan repayments/Contributions (Jubilee Care Trust, Serco, Gosling, HCA, Finesse, Goldings Trickle Transfer) and Disposals.

4 Legal Implication(s)

- 4.1 There are no direct legal implications arising from this report. However, virtually all projects will require legal input into procurement and contractual documentation.

5 Financial Implications

- 5.1 Financial risks associated with the capital budgets are contained in this report.

6 Risk Management

- 6.1 Financial risks associated with the capital programme are:

- 6.1.1 Receipts are not received in the expected year and at the expected amount. If this occurs the implications on reserve levels need to be assessed along with whether alternative funding needs to be sought, this may have a cost to the Council.

- 6.1.2 The capital programme does not fully spend the expected amount. This has an opportunity cost to the Council. If we have planned to finance from receipts and there has been slippage against the programme, the receipts could have financed other programmes. The implication of the funding not being utilised may mean unnecessary costs are incurred in the delay.
- 6.1.3 Long term investment plans are based on anticipated levels of core cash, not committed to revenue or capital expenditure. Delays in capital programme spending therefore represent a lost opportunity to invest additional funds at higher long term interest rates.
- 6.1.4 The capital programme spending is more than the expected amount. This will have implications on the cash and planning of the organisation. Additional sources of funding will have to be identified and there may be a cost to the Council.
- 6.2 Regular monitoring and reporting of the capital budget and funding are an important part of mitigating these risks.
- 6.3 A formal risk assessment has not been prepared in relation to the details in this report.

7 Security & Terrorism Implication(s)

- 7.1 None

8 Procurement Implication(s)

- 8.1 None

9 Climate Change Implication(s)

- 9.1 None

10 Link to Corporate Priorities

- 10.1 The subject of this report is linked to the Council's Corporate Priority "Engage with communities and provide value for money", and specifically to the achievement of "Demonstrate Value for Money".

11 Equality and Diversity

- 11.1 An Equality Impact Assessment (EIA) has/ has not been carried out in connection with the proposals that are set out in this report (please complete section 9.2 only if an EIA has been completed).

Name of author	Tracy Fortune
Title	Financial Accountant
Date	31st May 2016

Background papers

Capital Budget Roll Forward report 2016/17 - April 2016 Cabinet.

Adjustment to Capital Roll Forward Budgets 2015/16 into 2016/17 – June 2016 cabinet

CAPITAL OUTTURN by Director - 2015/16

Appendix A

Capital Project	Project description	Original Budget 2015/16 £	Approved Rolled Forwards from 2014/15 £	Current Budget 2015/16 £	Total Actual £	Final Variance to Current Budget £	Comments on major variances > £5k
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Director (Governance)

C0715	Air Quality Equip HCC funded 2014_15	0	20,650	20,650	19,050	1,600	
Total Public Health and Protection Manager		0	20,650	20,650	19,050	1,600	
C0711	Flood Repair and Renewal Scheme	0	10,000	0	0	0	
Total Risk and Resilience Manager		0	10,000	0	0	0	
Total Head of Public Health and Protection		0	30,650	20,650	19,050	1,600	
Total Director (Governance)		0	30,650	20,650	19,050	1,600	

Director (Finance and Operations)

C0719	Upgrade to Agresso verion 5.7	100,000	0	7,300	7,300	0	
Total Finance Manager		100,000	0	7,300	7,300	0	
C0580	Multi Functional Devices replacement 14/15	20,000	0	20,000	22,358	(2,358)	
C0581	Wireless Access Points	0	3,500	3,500	(470)	3,970	
C0718	McAfee Software	25,000	0	25,000	29,740	(4,740)	
Total Client Support Services Manager		45,000	3,500	48,500	51,628	(3,128)	
C0270	Highview Shops	200,000	89,500	93,150	93,153	(3)	
C0493	SP new building for safe public assembly and indoor activities	0	241,840	278,640	276,874	1,766	
C0497	HTC Unit Refurbishments (Sainsburys receipt funded)	0	22,940	22,940	26,716	(3,776)	
C0498	HTC Acquisitions (Growth Fund Detrm Fund)	0	158,600	50,000	47,554	2,446	
C0499	HTC Regeneration Phase 2 (sainsburys receipt funded)	2,300,000	0	617,430	617,435	(5)	
C0510	CE Offices	0	1,765,360	1,563,540	1,563,546	(6)	
C0511	Salisbury Square redevelopment	0	35,500	25,320	25,315	5	
C0512	Campus East (new building) new double glazed windows	0	129,640	145,090	150,070	(4,980)	
C0533	Chantry Lane Chalk Mines (Grant Funded HCA)	0	355,140	69,060	69,063	(3)	
C0583	Garage Renovations	100,000	0	100,000	99,765	236	
C0584	Refurbishment of Flat 2 WLH for sale (Sainsburys receipt funded)	0	35,000	0	0	0	
C0585	Hatfield Town Ctr Phase 2 Fees/Charges (Sainsburys receipt funded)	0	64,370	123,870	123,873	(3)	
C0590	Fiddlebridge Replacement of Unit frontages	0	0	0	910	(910)	
C0591	Hatfield Market Replacement of electrical wiring and distribution equipment	0	16,000	0	0	0	
C0595	Ground Remediation at Hatfield town Centre - Wellfield Road	0	106,250	12,880	12,884	(4)	
C0709	Hatfield Lesiure Centre Refurbishment of Changing Areas	0	0	0	653	(653)	
C0712	The Common Car Park Hatfield Improves (Sainsburys receipt funded)	0	55,000	43,000	43,081	(81)	
C0714	HTC Arcade canopy works (Sainsburys receipt funded)	0	217,100	282,390	282,392	(2)	
C0720	Moorswalk Flat Refurbishment	56,000	0	44,200	44,201	(1)	

CAPITAL OUTTURN by Director - 2015/16

Capital Project	Project description	Original Budget 2015/16 £	Approved Rolled Forwards from 2014/15 £	Current Budget 2015/16 £	Total Actual £	Final Variance to Current Budget £	Comments on major variances > £5k
C0721	Money Hole Lane Car Park resurfacing (Finesse)	60,000	0	60,000	64,541	(4,541)	
C0722	Hunters bridge car park lift refurbishment	40,000	0	12,270	12,275	(5)	
C0723	Campus East toilets refurbishment in new wing	40,000	0	45,000	45,000	0	
C0724	Car park resurfacing at Northaw Great Wood	120,000	0	0	0	0	
C0725	Replacing the railings of the Campus East Upper Car Park	30,000	0	0	0	0	
C0726	CEast Purchase of a Generator for business continuity purpose	60,000	0	0	0	0	
C0727	HLC New Calorifier	15,000	0	11,000	11,000	0	
C0728	Huntersbridge car park LED lighting	40,000	0	0	0	0	
C0729	Huntersbridge car park resurfacing	400,000	0	0	0	0	
C0737	HTC fees for redevelopment in 15_16	100,000	0	70,040	70,037	3	
C0740	Stanborough Park Changing Rooms	0	0	67,560	66,841	719	
C0741	Stanborough Park Slipway access	0	0	41,250	40,316	934	
C0743	HTC WLH Flat Refurbishments	0	0	495,590	495,595	(5)	
C0744	Campus East Council Chamber	0	0	361,470	361,809	(339)	
Total Corporate Property Manager		3,561,000	3,292,240	4,635,690	4,644,901	(9,211)	
Total Head of Resources		3,706,000	3,295,740	4,691,490	4,703,829	(12,339)	
C0259	PLAN Off Street Parking	200,000	90,490	230,960	230,960	(0)	
C0561	HTC Car Park Redevelopment Programme	0	46,350	46,350	49,100	(2,750)	
C0564	Recycling & Refuse Improvements (Bins)	15,000	43,460	58,460	35,235	23,225	Less funding available so less expenditure in year.
C0597	Dog bin and Litter bin replacement scheme	20,000	0	20,000	20,091	(91)	
C0717	Specialist Environmental Services Vehicle (75% HCC Grant funded)	0	150,000	150,000	146,583	3,417	
C0730	Play Area Replacement Scheme	50,000	0	50,000	50,000	(0)	
C0731	Alban Way Improvements Scheme	10,000	0	10,000	10,000	0	
C0746	Community Mausoleum Cyrpts	0	0	84,000	85,833	(1,833)	
Total Environment Manager		295,000	330,300	649,770	627,802	21,968	
Total Head of Environment		295,000	330,300	649,770	627,802	21,968	
Total Director (Finance and Operations)		4,001,000	3,626,040	5,341,260	5,331,631	9,629	

Director (Strategy and Development)

C0516	Community Infrastructure Levy software - PDG funded	0	26,250	0	0	0	
C0599	Replacement of Fastplanning, Fastcontrol and Fastcharges	350,000	30,000	34,120	34,125	(5)	
C0599	Replacement of Fastplanning, Fastcontrol and Fastcharges	0	0	50,000	50,838	(838)	
Total Planning Manager		350,000	56,250	84,120	84,963	(843)	
Total Head of Planning		350,000	56,250	84,120	84,963	(843)	

Capital Project	Project description	Original Budget 2015/16 £	Approved Rolled Forwards from 2014/15 £	Current Budget 2015/16 £	Total Actual £	Final Variance to Current Budget £	Comments on major variances > £5k
C0542	Splashlands Development	1,585,340	0	0	0	0	
C0568	Development of Mobile Website and related systems integration	0	28,620	0	0	0	
C0570	Campus West Refurbishment	0	0	0	153	(153)	
C0734	Customer services Queue management system for CE reception	30,000	0	30,000	29,016	984	
C0735	Lagan upgrade	30,000	0	30,000	29,432	568	
Total Policy and Culture Manager		1,645,340	28,620	60,000	58,602	1,398	
C0732	Stanborough Park - Water sports craft replacement 2015_16	40,000	0	40,000	38,838	1,162	
C0733	KGV Football Pitches to be built in new location.	350,000	0	0	0	0	
C0739	Hatfield Swim Centre Hoists x 3	0	8,810	0	0	0	
C0742	HSC new Calorifier Unit 2015_16	0	0	12,200	12,192	8	
Total Finesse Services		390,000	8,810	52,200	51,031	1,169	
Total Head of Policy and Culture		2,035,340	37,430	112,200	109,632	2,568	
C0352	HSG External refurbishment of Queensway House	0	51,500	243,080	243,084	(4)	
	PRG small grants	0	63,910	7,420	7,420	0	
C0571	CCTV upgrades (WGC, Urban and Hatfield)	100,000	0	87,540	87,539	1	
C0573	Affordable Housing Programme	12,824,000	2,715,490	6,050,800	6,042,796	8,004	Unspent budget will be taken forward in to 2016/17.
C0615	Imp Grants Housing Assistance Grants and Loans 2014/15 Mandatory	0	151,570	151,570	119,123	32,447	The DFG is a demand led mandatory scheme. There was a reduction in referrals from HCC in year.
C0616	Imp Grants Housing Assistance Grants and Loans 2015_16	441,670	0	298,890	169,606	129,284	The DFG is a demand led mandatory scheme. There was a reduction in referrals from HCC in year.
C0616	Imp Grants Housing Assistance Grants and Loans 2015_16	50,000	0	50,000	0	50,000	The DFG is a demand led mandatory scheme. There was a reduction in referrals from HCC in year.
C0700	Decent Homes Private Sector GF	80,000	48,000	14,000	14,008	(8)	
C0745	Gosling Sports Park Improvements (LTA funded)	0	0	60,615	60,615	0	
C309C	Trickle Transfer	0	0	123,200	123,200	0	
Total Housing and Community Managers		13,495,670	3,030,470	7,087,115	6,867,391	219,724	
C0294	HSG MEARS Contract	7,807,700	234,280	7,288,400	7,288,398	2	
C0295	HSG Aids and Adaptations	822,300	200,320	577,690	577,688	2	
C0299	HSG Insulation Improvements	28,800	10,000	20,910	20,911	(1)	
C0300	HSG Carbon Monoxide (committed from 11/12)	64,700	0	87,620	87,617	3	
C0301	Gas Central Heating Replacement Program	1,990,800	200,000	1,956,630	1,956,632	(2)	
C0408	Other Contractors MRA Schemes	264,300	54,390	158,330	158,331	(1)	
C0704	Door entry systems	457,400	40,000	464,630	464,626	4	
C0705	Electricity mains	122,000	70,430	25,000	25,975	(975)	

CAPITAL OUTTURN by Director - 2015/16

Capital Project	Project description	Original Budget 2015/16 £	Approved Rolled Forwards from 2014/15 £	Current Budget 2015/16 £	Total Actual £	Final Variance to Current Budget £	Comments on major variances > £5k
C0706	Energy improvement works	198,300	60,000	10,230	10,226	4	
C0707	Lift replacement	71,200	8,000	5,000	4,950	50	
C0708	Electronic document management system (HRA funded)	0	150,000	0	0	0	
C0736	Orchard Mobile Working Solution (RCCO)	130,000	0	0	0	0	
Total Trust Managed Services		11,957,500	1,027,420	10,594,440	10,595,353	(913)	
Total Head of Housing and Community		25,453,170	4,057,890	17,681,555	17,462,744	218,811	
Total Director (Strategy and Development)		27,838,510	4,151,570	17,877,875	17,657,339	220,536	
TOTAL		31,839,510	7,808,260	23,239,785	23,008,020	231,765	
Central Recharges		160,000		160,000	152,935	7,065	
Housing Trust Professional fees		339,800		339,800	339,800	0	
TOTAL INCLUDING RECHARGES		32,339,310	7,808,260	23,739,585	23,500,755	238,830	

Part I

Item No: 8(c)

Main author: Andrea Plucknett

Executive Member: Duncan Bell

All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 12 JULY 2016
REPORT OF THE DIRECTOR (FINANCE AND OPERATIONS)

TREASURY MANAGEMENT ANNUAL REPORT 2015/16

1 Executive Summary

- 1.1 In February 2012 the Council adopted the 2011 edition of the *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a treasury management strategy before the start of each financial year, and also receive mid and end of year reports. This report therefore reviews the treasury management activity and prudential indicators for the 2015/16 financial year.

2 Recommendation

- 2.1 It is recommended that Cabinet note the report and actual treasury management prudential indicators for 2015/16.

3 Background

- 3.1 The Council approved the 2015/16 Treasury Management Strategy at its meeting on 1 February 2015.
- 3.2 Treasury management is defined as: “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” The main aim of the investment strategy then was to ensure the security of funds, maintain liquidity and within those parameters, achieve the best possible return.
- 3.3 The Director (Finance and Operations) is pleased to report that all treasury management activity undertaken during the financial year complied with the approved strategy, the CIPFA Code of Practice, and the relevant legislative provisions.

4 Economic review

- 4.1 The Council’s treasury consultants, Arlingclose Ltd have provided an economic review of the year, which is attached at Appendix A.
- 4.2 For Members’ information, following the results of the EU referendum, Arlingclose have not changed their current investment advice but will be monitoring economic and market activity closely, keeping clients fully informed. They have highlighted their clients already focus investment activity on low risk institutions, such as the highest quality banks and building societies. In addition, their credit advice has been positioned for some time with uncertainty in mind,

with current advised durations shorter than those outlined in their template Treasury Management Strategy.

- 4.3 They believe the Government and the Bank of England have both the tools and the willingness to use them to prevent any immediate market-wide problems leading to bank insolvencies. Their cautious approach to credit advice means that the banks currently on our counterparty list have sufficient equity buffers to deal with any localised problems in the short term. Mark Carney's statement on 24 June reaffirmed these points. There is therefore no immediate change to their credit advice on UK banks and building societies, nor for any other institutions. There is a risk that the vote to leave the EU, and the consequent uncertainty over UK future trading prospects, will bring forward the timing of the next UK recession. In the coming weeks and months they will therefore review all UK based institutions, and it is likely that, over time, they will shorten their advised durations on those they consider to be most affected.

5 Borrowing and investment portfolio

Borrowing

- 5.1 A summary of investments and borrowing as at 31 March 2016 is attached at Appendix B.
- 5.2 No new external borrowing was entered into during 2015/16 so the table below shows the movement in year relating to the HRA self funding debt. Total interest paid in the year amounted to £6.574m.

HRA loans	Balance on 01/04/2015 £'000	Matured in 2015/16 £'000	Balance on 31/03/2016 £'000	Average rate** on.31/03/16 %
Short term loans*	11,750	11,750	13,500	1.22
Long term loans	265,399	0	251,899	2.53
Total	277,149	11,750	265,399	2.45

*Loans with maturities within 1 year

**Not time weighted

Investments

- 5.3 The average investment balance during 2015/16 was £70.48m. The tables below summarise the investment activity, weighted average investment rates and total interest earned during 2015/16.

Investment Counterparty	Balance on 31/03/2015 £'000	Investments Made £'000	Maturities/ Investments Sold £'000	Balance on 31/03/2016 £'000
UK Central Government - Short term	0	20,966	20,966	0
UK Local Authorities - Short term	0	2,000	0	2,000
- Long term	4,000	0	0	4,000
Banks & Building Societies - ST deposits/accounts	30,408	78,681	88,356	20,733
- ST negotiable	3,000	16,073	10,068	9,005
- ST negotiable (secured)	0	7,052	7,052	0
- LT fixed deposits	0	1,000	0	1,000

- LT negotiable	2,060	0	2,060	0
- LT negotiable (secured)	1,000	3,170	92	4,078
AAA rated Money Market Funds	17,611	154,315	160,926	11,000
Pooled Property Fund	0	4,000	0	*4,000
Corporates				
- ST negotiable	2,006	11,957	13,892	71
Registered Providers				
- Long term	185	0	0	185
TOTAL INVESTMENTS	60,270	299,214	303,412	56,072

*Net Asset Value of shares at 31/03/16 = £3.799m

Short term & pooled investments	0.62%
Long term investments	2.19%
All investments	0.83%
Total interest earned	£569,000

5.4 The maturity profile of all investments at and from 31 March 2016 is shown below:

	£'000
Up to 1 month	20,644
1-3 months	9,093
3-6 months	12,000
6 months-1 year	4,149
1-3 years	3,001
3-5 years	*4,185
Total	56,072

*Property Fund investment period anticipated to be at least 3-5 years

5.5 In 2015, the transposition of two European Union directives into UK legislation placed the burden of rescuing failing EU banks disproportionately onto unsecured institutional investors, which include local authorities and pension funds. During the year, all three credit ratings agencies therefore reviewed their ratings to reflect the loss of government support for most financial institutions and the potential for loss given default as a result of these new 'bail-in' regimes in many countries. Despite reductions in government support many institutions saw upgrades due to an improvement in their underlying strength and an assessment that that the level of loss given default is low.

5.6 At the end of July 2015, Arlingclose advised an extension of recommended durations for unsecured investments in certain UK and European institutions following improvements in the global economic situation and the receding threat of another Eurozone crisis. A similar extension was advised for some non-European banks in September, and certain non-rated UK building societies also being extended. In January 2016, Arlingclose also supplemented its existing investment advice with a counterparty list of high quality bond issuers, including recommended cash and duration limits

5.7 This action allowed some slightly longer short term investments to be made and the continued use of negotiable instruments such as bonds and certificates of deposits. Opportunities to invest in secured short and long term bonds were also taken, due to their exemption from bail in.

5.8 A decision was also made to invest in a pooled property fund, currently yielding over 4% per annum, which allows diversification into an asset class other than cash without the need to own and manage the underlying investments. The fund is operated on a variable net asset value (VNAV) basis which offers diversification of investment risk coupled with the services of a professional fund manager. It offers enhanced returns over the longer term but is more volatile in the short term. Although money can be redeemed from the fund with notice, it is the intention to hold the shares for at least 3-5 years. Its performance and suitability in meeting investment objectives will therefore be monitored regularly and discussed with Arlingclose.

6 Treasury Management indicators

6.1 The actual treasury management indicators for the 2015/16 financial year were as follows:-

6.2 Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures, expressed as an amount of net principal borrowed were:

	Limit	Maximum in 14/15	Limit observed in year
Upper limit on fixed interest rate exposures	£300m	£259.2m	✓
Upper limit on variable interest rate exposures	£0m	-£29.1m	✓

6.3 Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	Upper Limit	Lower Limit	Actual at 31.3.16	Limit observed in year
Under 12 months	10%	0%	5.1%	✓
12 months and within 24 months	15%	0%	5.8%	✓
24 months and within 5 years	30%	0%	21.0%	✓
5 years and within 10 years	60%	0%	45.8%	✓
10 years and within 20 years	100%	0%	22.3%	✓

Time periods for this indicator start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.4 Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits were:

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Limit on principal invested beyond year end as at 31/03/16	20,000	17,000	15,000
Actual principal invested beyond year end As at 31/03/16	13,263	10,186	10,186
Limit observed in year	✓	✓	✓

7 Future treasury activity

7.1 It is to be noted that proposals relating to the authority's Affordable Housing Programme and the prospective establishment of a Property Company will have some effect on treasury management activity in forthcoming years. Members will therefore receive further details as and when appropriate on these matters.

Implications

8 Legal Implications

8.1 This report contains no legal implications.

9 Financial Implications

9.1 This report is for information only so has no direct financial implications.

10 Risk Management Implications

10.1 Management of risk associated with investment and borrowing is the main objective of the Council's treasury management strategy. This is achieved through robust counterparty monitoring and selection criteria, prudent cash flow forecasting, a range of exposure limits and indicators, and procedures designed to prevent fraud and error.

11 Security & Terrorism Implications

11.1 This report contains no security or terrorism implications.

12 Procurement Implications

12.1 This report contains no procurement implications.

13 Climate Change Implications

13.1 This report contains no climate change implications.

14 Link to Corporate Priorities

- 14.1 The subject of this report is linked to the Council's Corporate Priority 'Engage with our communities and provide value for money' and specifically to the achievement of 'Deliver value for money'.

15 Equality and Diversity

- 15.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report.

Name of author Andrea Plucknett 01707 357453
Title Treasury Management & Insurance Officer
Date 3 June 2016

Appendix A – Arlingclose Ltd – Economic Context
Appendix B – Investments and Loans at 31 March 2016

Growth, Inflation, Employment: The UK economy slowed in 2015 with GDP growth falling to 2.3% from a robust 3.0% the year before. CPI inflation hovered around 0.0% through 2015 with deflationary spells in April, September and October. The prolonged spell of low inflation was attributed to the continued collapse in the price of oil from \$67 a barrel in May 2015 to just under \$28 a barrel in January 2016, the appreciation of sterling since 2013 pushing down import prices and weaker than anticipated wage growth resulting in subdued unit labour costs. CPI picked up to 0.3% year/year in February, but this was still well below the Bank of England's 2% inflation target. The labour market continued to improve through 2015 and in Q1 2016, the latest figures (Jan 2016) showing the employment rate at 74.1% (the highest rate since comparable records began in 1971) and the unemployment rate at a 12 year low of 5.1%. Wage growth has however remained modest at around 2.2% excluding bonuses, but after a long period of negative real wage growth (i.e. after inflation) real earnings were positive and growing at their fastest rate in eight years, boosting consumers' spending power.

Global influences: The slowdown in the Chinese economy became the largest threat to the South East Asian region, particularly on economies with a large trade dependency on China and also to prospects for global growth as a whole. The effect of the Chinese authorities' intervention in their currency and equity markets was temporary and led to high market volatility as a consequence. There were falls in prices of equities and risky assets and a widening in corporate credit spreads. As the global economy entered 2016 there was high uncertainty about growth, the outcome of the US presidential election and the consequences of June's referendum on whether the UK is to remain in the EU. Between February and March 2016 sterling had depreciated by around 3%, a significant proportion of the decline reflecting the uncertainty surrounding the referendum result.

UK Monetary Policy: The Bank of England's MPC (Monetary Policy Committee) made no change to policy, maintaining the Bank Rate at 0.5% (in March it entered its eighth year at 0.5%) and asset purchases (Quantitative Easing) at £375bn. In its *Inflation Reports* and monthly monetary policy meeting minutes, the Bank was at pains to stress and reiterate that when interest rates do begin to rise they were expected to do so more gradually and to a lower level than in recent cycles.

Improvement in household spending, business fixed investment, a strong housing sector and solid employment gains in the US allowed the Federal Reserve to raise rates in December 2015 for the first time in nine years to take the new Federal funds range to 0.25%-0.50%. Despite signalling four further rate hikes in 2016, the Fed chose not to increase rates further in Q1 and markets pared back expectations to no more than two further hikes this year.

However central bankers in the Eurozone, Switzerland, Sweden and Japan were forced to take policy rates into negative territory. The European Central Bank also announced a range of measures to inject sustained economic recovery and boost domestic inflation which included an increase in asset purchases (Quantitative Easing).

Market reaction: From June 2015 gilt yields were driven lower by the a weakening in Chinese growth, the knock-on effects of the fall in its stock market, the continuing fall in the price of oil and commodities and acceptance of diminishing effectiveness of central bankers' unconventional policy actions. Added to this was the heightened uncertainty surrounding the outcome of the UK referendum on its continued membership of the EU as well as the US

presidential elections which culminated in a significant volatility and in equities and corporate bond yields.

10-year gilt yields moved from 1.58% on 31/03/2015 to a high of 2.19% in June before falling back and ending the financial year at 1.42%. The pattern for 20-year gilts was similar, the yield rose from 2.15% in March 2015 to a high of 2.71% in June before falling back to 2.14% in March 2016. The FTSE All Share Index fell 7.3% from 3664 to 3395 and the MSCI World Index fell 5.3% from 1741 to 1648 over the 12 months to 31 March 2016.

<u>Deal ref</u>	<u>Counterparty</u>	<u>Deal type</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Amount</u>	<u>Rate %</u>
Short term investments						
7577	SANTANDER UK	NA	04/12/07		-£3,000,000	0.90
7803	HSBC BUSINESS REWARD ACCOUNT	IA	11/10/11		-£3,000,000	0.80
7824	SWIP GLOBAL LIQUIDITY FUND	PF	10/01/12		-£4,000,000	0.47523
7894	INSIGHT STERLING LIQUIDITY PLUS FUND	PF	11/01/13		-£3,000,000	0.05524
7943	HSBC CALL ACCOUNT	IA	31/12/13		-£733,000	0.350
7968	BLACKROCK INSTITUTIONAL SLF	PF	13/05/14		-£4,000,000	0.47271
8056	SVEKSKA HANDELSBANKEN AB	BND	20/07/15	26/05/16	-£2,093,059	0.94992
8075	STANDARD CHARTERED BANK PLC	CD	06/11/15	13/04/16	-£1,910,856	0.71
8076	THE MARSDEN BUILDING SOCIETY	FD	13/11/15	03/05/16	-£1,000,000	0.7
8078	COVENTRY BUILDING SOCIETY	FD	01/12/15	01/06/16	-£1,000,000	0.6
8079	TORONTO DOMINION BANK	CD	03/12/15	01/12/16	-£2,000,593	0.92
8083	COM/WEALTH BANK AUSTRALIA	FD	14/12/15	14/06/16	-£2,000,000	0.68
8086	COVENTRY BUILDING SOCIETY	FD	05/01/16	05/07/16	-£1,000,000	0.600
8088	LEEDS BUILDING SOCIETY	FD	07/01/16	15/04/16	-£2,000,000	0.470
8090	STANDARD CHARTERED BANK	CD	13/01/16	13/07/16	-£1,000,124	0.755
8091	NORDEA BANK AB	CD	15/01/16	15/07/16	-£2,000,249	0.635
8093	TIPTON & COSELEY BUILDING SOCIETY	FD	22/01/16	22/07/16	-£1,000,000	0.65
8094	BARCLAYS BANK	FD	03/02/16	03/05/16	-£1,000,000	0.54
8095	NATIONWIDE BUILDING SOCIETY	FD	15/02/16	15/08/16	-£1,000,000	0.71
8096	PLACES FOR PEOPLE	BND	18/02/16	27/12/16	-£71,086	1.72105
8097	NATIONWIDE BUILDING SOCIETY	FD	01/03/16	01/09/16	-£1,000,000	0.71
8098	CUMBERLAND BUILDING SOCIETY	FD	04/03/16	10/06/16	-£1,000,000	0.58
8099	CENTRAL BEDFORDSHIRE COUNCIL	FD	10/03/16	11/04/16	-£2,000,000	0.5
8100	LOUGHBOROUGH BUILDING SOCIETY	FD	10/03/16	10/06/16	-£1,000,000	0.53
8101	NATIONWIDE BUILDINGSOCIETY	FD	29/03/16	29/09/16	-£1,000,000	0.71
				Total	-£42,808,966	
Long term investments						
5071	RUGBY BOROUGH COUNCIL	FD	20/01/14	18/01/19	-£2,000,000	2.5
5072	L.B.ISLINGTON	FD	07/04/14	07/04/20	-£2,000,000	2.55
5073	WIRRAL METHODIST HSING ASSOC	FD	14/07/14	15/07/19	-£185,000	3.5
5075	COVENTRY BUILDING SOCIETY	CFRN	17/03/15	17/03/20	-£1,000,000	0.88875
5076	BANK OF SCOTLAND	CBND	11/08/15	08/11/16	-£2,077,178	0.97568
5077	LLOYDS BANK	FD	14/09/15	14/09/16	-£1,000,000	1.05
5078	ROYAL BANK OF CANADA	CFRN	11/03/16	11/03/19	-£1,000,739	1.06484
***	CCLA PROPERTY FUND	PF	01/12/15		-£4,000,000	4.77
				Total	-£13,262,917	
				Investments total	-£56,071,884	
Borrowing						
500944	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/16	£3,350,000	1.11
500905	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/16	£3,350,000	1.11
500904	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/16	£3,400,000	1.24
500914	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/17	£3,400,000	1.24
500954	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/17	£3,800,000	1.37
500919	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/17	£3,800,000	1.37
500903	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/17	£3,800,000	1.50
500952	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/18	£3,900,000	1.50
500929	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/18	£4,200,000	1.63
500917	PUBLIC WORKS LOAN BOARD	ML	28/03/12	17/09/18	£4,300,000	1.63
500916	PUBLIC WORKS LOAN BOARD	ML	28/03/12	17/12/18	£4,300,000	1.76
500913	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/19	£4,300,000	1.76
500902	PUBLIC WORKS LOAN BOARD	ML	28/03/12	17/06/19	£4,700,000	1.88
500931	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/09/19	£4,700,000	1.88
500962	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/12/19	£4,700,000	1.99
500959	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/03/20	£4,700,000	1.99
500927	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/20	£5,000,000	2.10

<u>Deal ref</u>	<u>Counterparty</u>	<u>Deal type</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Amount</u>	<u>Rate %</u>
500924	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/20	£5,000,000	2.10
500915	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/20	£5,000,000	2.21
500921	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/21	£5,000,000	2.21
500912	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/21	£5,300,000	2.31
500946	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/21	£5,300,000	2.31
500956	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/21	£5,400,000	2.4
500923	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/22	£5,400,000	2.4
500953	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/22	£5,600,000	2.48
500945	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/22	£5,700,000	2.48
500942	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/22	£5,700,000	2.56
500943	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/23	£5,700,000	2.56
500949	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/23	£6,000,000	2.63
500960	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/23	£6,050,000	2.63
500910	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/23	£6,050,000	2.7
500908	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/24	£6,100,000	2.7
500940	PUBLIC WORKS LOAN BOARD	ML	28/03/12	17/06/24	£6,400,000	2.76
500961	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/09/24	£6,450,000	2.76
500939	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/12/24	£6,450,000	2.82
500933	PUBLIC WORKS LOAN BOARD	ML	28/03/12	17/03/25	£6,500,000	2.82
500938	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/06/25	£6,800,000	2.87
500918	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/25	£6,800,000	2.87
500932	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/25	£6,900,000	2.92
500958	PUBLIC WORKS LOAN BOARD	ML	28/03/12	16/03/26	£7,000,000	2.92
500906	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/26	£7,250,000	2.97
500947	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/26	£7,300,000	2.97
500941	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/26	£7,350,000	3.01
500930	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/27	£7,400,000	3.01
500955	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/06/27	£7,700,000	3.05
500935	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/09/27	£7,750,000	3.05
500922	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/12/27	£7,900,000	3.08
500951	PUBLIC WORKS LOAN BOARD	ML	28/03/12	15/03/28	£6,449,000	3.08
				Total	£265,399,000	
Deal type	FD=Fixed deposit IA=Instant access PF=Pooled fund CD=Certificate of deposit BND=Bond					
	CFRN=Covered floating rate note TB=Treasury bills FRN=Floating rate note					
	CBND=Covered bond NA=Notice Account ML=Maturity Loan					
***	Net Asset Value of shares at 31/03/16 = £3.799m					

Part I
Item No: 12
Main author: Margaret Martinus
Executive Member: Roger Trigg
All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET– 12 JULY 2016
REPORT OF THE DIRECTOR (GOVERNANCE)

AUTHORISATION OF OFFICERS TO REPRESENT THE COUNCIL IN PROCEEDINGS AT THE MAGISTRATES' COURTS AND COUNTY COURTS

1 Executive Summary

- 1.1 Under the direction of the Head of Law and Administration, a number of legal officers are employed by the Council to conduct legal proceedings and enter appearances on behalf of the Council at both the magistrates' and county courts.
- 1.2 The Head of Law and Administration is requesting that Cabinet authorise the officers named below to represent the Council in these courts.
- 1.3 The Head of Law and Administration is also seeking a general delegation to directly appoint appropriately qualified staff in the future.

2 Recommendation(s)

- 2.1 That Cabinet authorise the following officers to prosecute or defend or appear in any proceedings, and to conduct any such proceedings on its behalf before a Magistrates' Court and to appear before a district judge in a County Court in any housing related proceedings:
 - Teresa Campion, Senior Litigation Officer
 - Noucha Blackman, Litigation Officer
- 2.2 That delegated authority is given to the Head of Law and Administration to appoint suitably experienced and qualified staff to appear in appropriate proceedings on behalf of this Council, before a Magistrate's Court and a County Court (in any housing related proceedings).

Implications

3 Financial Implication(s)

- 3.1 There are no direct financial implications.

4 Link to Corporate Priorities

- 4.1 I confirm that the subject of this report is not linked to a council corporate priority because it is a statutory requirement to ensure that council officers are duly authorised in court proceedings.

5 Legal Implication(s)

- 5.1 Under Section 223 of the Local Government Act 1972, an officer may be authorised by the Council to prosecute or defend or appear in any proceedings, and to conduct any such proceedings on its behalf before a magistrates' court.
- 5.2 Under Section 60 of the County Courts Act 1984, where an action is brought in a county court by the Council for any proceedings related to any housing owned by the Council and/or the recovery of any rent, mesne profits, damages or other sum claimed by the Council in respect of the occupation of any such housing, an officer may be authorised to enter an appearance before a district judge.

6 Risk Management Implications

- 6.1 The Council could be challenged by litigants on the basis that the Council officers are not properly authorised. This report seeks to mitigate that risk.

7 Explanation

- 7.1 The Council's in-house legal service deals with and conducts litigation on behalf of the Council. This includes legal proceedings in both the magistrates' and county courts.
- 7.2 A number of officers are employed by the Council to deal with this area of work under the supervision of the Head of Law and Administration.
- 7.3 Due to staffing changes, the Head of Law and Administration has conducted a review of the authorisations required and is seeking authorisation to appoint the officers named in this report.
- 7.4 The Head of Law and Administration is also seeking delegated authority to appoint suitably qualified staff in the future, should the need arise due to staff changes.

8 Equality and Diversity

- 8.1 I confirm that an Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report as this report deals solely with the authorisation of staff for court appearances. All Council staff are recruited in compliance with the Equality Act 2010 and all other relevant statutory requirements.

Name of author	Margaret Martinus 01707 357 2575
Title	Head of Law and Administration
Date	21 April 2016

Background papers to be listed- None

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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