

Please note that by law this meeting can be filmed, audio-recorded, photographed or reported electronically by the use of social media by anyone attending. This does not apply to any part of the meeting that is held in private session.

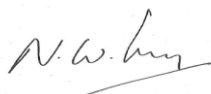
Please ask for:
Gurdip Paddan

5 September 2017

Dear Councillor

You are requested to attend a meeting of the WELWYN HATFIELD BOROUGH COUNCIL RESOURCES Overview and Scrutiny Committee to be held on Wednesday 13 September 2017 at 7.30 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

Yours faithfully



Executive Director
Public Protection, Planning and Governance

AGENDA
PART 1

SECTION A – PROCEDURAL BUSINESS AND POLICY REVIEW AND DEVELOPMENT ITEMS.

1. **SUBSTITUTION OF MEMBERS**

To note any substitution of Members made in accordance with Council Procedure Rules 19-22.

2. **APOLOGIES**

To note any apologies.

3. **MINUTES**

To confirm as a correct record the Minutes of the meeting held on 17 July 2017 (previously circulated).

4. ACTIONS UPDATE (Pages 5 - 6)

Report of the Executive Director (Public Protection, Planning and Governance) which lists the actions from previous meetings and their current status.

5. NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 18

6. DECLARATIONS OF INTERESTS 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. 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 Committee and to receive any petitions.

8. SOPRA STERIA CONTRACT PERFORMANCE - 2017/18 (Pages 7 - 12)

Report of the Executive Director (Resources, Environment and Cultural Services) which provides Members with an analysis of the service performance for Sopra Steria.

9. PERFORMANCE INDICATOR REPORT (Pages 13 - 22)

Report of the Executive Director (Resources, Environment and Cultural Services) which provides information on the Performance Indicators for the services that fall within the remit of this Committee.

10. REVENUE & CAPITAL BUDGET MONITORING AT 30 JUNE 2017 (PERIOD 3 2017/18) (Pages 23 - 66)

Report of the Executive Director (Resources, Environment and Cultural Services) which presents the Revenue, Capital & HRA budget monitoring position as at the end of June 2017 (Month 3) for the financial year 2017/18.

11. COMMITTEE OVERVIEW WORK PROGRAMME 2017/18

The pro-forma which sets out the Committee's overview work programme has been updated since the last meeting to enable forward planning of items to be considered to take place. Items which the Committee agrees it would like to consider will be scheduled into the work programme.

12. RESPONSE FROM CABINET/COUNCIL TO OVERVIEW AND SCRUTINY COMMITTEE

There are no responses to report to this meeting.

SECTION B - SCRUTINY ITEMS - EXECUTIVE MEMBERS ARE EXCLUDED FROM THIS PART OF THE MEETING.

13. CONSIDERATION OF ITEMS FOR SCRUTINY

To consider

1. Whether any Cabinet decisions should be scrutinised post-implementation (Paragraph 14.1 of the Overview and Scrutiny Procedure Rules)
2. Whether any items which relate to areas covered by the Committee which a member of the Committee may wish to raise with a view to deciding whether an issue should be scrutinised.

The Administration and Opposition Groups each have the right within the Municipal Year to have one scrutiny topic referred to a Sub-Committee.

Where the Committee decides an issue should be scrutinised, a scrutiny Sub-Committee should be appointed to carry out the specific piece of scrutiny work (Paragraph 6.3 of the Procedure for the Operation of the Overview and Scrutiny Function).

14. COMMITTEE SCRUTINY WORK PROGRAMME 2017/18 (Pages 67 - 68)

The pro-forma which sets out the Committee's scrutiny work programme is attached to enable forward planning of items to be considered to take place as appropriate.

15. CONSIDERATION OF ITEMS FOR REVIEW GROUPS

To consider any issues for review relating to areas covered by the Committee. Where the Committee decides an issue should be reviewed by a Review Group (ratio 3:2 with an Administration Chairman), this should be appointed to review the specific item.

16. RESPONSE FROM CABINET/COUNCIL TO SCRUTINY RECOMMENDATIONS/REPORTS

There are no responses to report to this meeting.

17. COUNCILLOR CALL FOR ACTION

To receive any request from a Councillor for a discussion on behalf of residents on an issue affecting a single Council ward where local problems have arisen and other methods of resolution have been exhausted.

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

19. EXCLUSION OF PRESS AND PUBLIC

The Board/Committee 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 Item(s) on the grounds that it involves the likely disclosure of confidential or exempt information as defined in Section 100(A)(3) and Paragraph 3 (private financial or business information) 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 - PRIVATE AND CONFIDENTIAL ITEMS

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

Circulation: Councillors N.Pace (Chairman) C Gillett
J.Boulton (Vice-Chairman) T.Lyons
T.Bailey S.Markiewicz
M.Birleson G.Michaelides
H.Bower S.Roberts
L.Brandon

Co-optees D. Fuller
B. Robbins

Councillor D.Bell (Executive Member for Resources)

Executive Board
Press and Public (except Part II Items)

If you require any further information about this Agenda please contact Gurdip Paddan 01707 357349 or email: democracy@welhat.gov.uk, Governance Services Unit

Part I
 Item No: 5
 Main author: Gurdip Paddan
 Executive Member: Councillor D.Bell
 No Specific Ward

WELWYN HATFIELD BOROUGH COUNCIL
 RESOURCES OVERVIEW AND SCRUTINY COMMITTEE – 13 SEPTEMBER 2017
 REPORT OF THE EXECUTIVE DIRECTOR (PUBLIC PROTECTION, PLANNING
 AND 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 meeting on 17 July 2017, those responsible for completing each action and its current status.

2 Recommendation(s)

2.1 That Members note the status of actions which were identified at the meeting of this Committee on 17 July 2017.

Minute	Action	Responsible	Status/ Date Completed
	<p>Sopra Steria Contract Performance 2016-17</p> <p>The availability of Wi-Fi coverage across all Council sites.</p>	Farhad Cantel/Thom Burn	Data circulated 19 July 2017
	<p>Performance Indicator Report</p> <ol style="list-style-type: none"> 1. Corrected figure in 1.1 of the complaints report. 2. A breakdown of complaints per ward. 3. A breakdown of justified and unjustified complaints within the 53% of those who felt the outcome of their complaint was poor. 4. A response re: analysing the results of PI 9. 5. Councillor's information to be included in the complaints satisfaction survey. 	Thom Burn/Grace Crawford	<p>Information for 1-4 circulated 17 Aug 2017</p> <p>Item 5 – table at meeting</p>

	<p>Revenue & Capital Budget Monitoring</p> <ol style="list-style-type: none"> 1. Email Members the cost of Bank Charges 2. Satisfaction Survey Questions – Standard questions to be reviewed and a response at next ROSC meeting. 	Ka Ng	To follow
Information circulated to Members in response to questions raised at the last meeting.			

Agenda Item 8

ROSC 13.09.17

Part I

Item No: 8

Main author: Farhad Cantel and Thom
Burn

Executive Member: Duncan Bell and
Tony Kingsbury

All Wards

WELWYN HATFIELD COUNCIL RESOURCES OVERVIEW AND SCRUTINY COMMITTEE – 13 SEPTEMBER 2017 REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND CULTURAL SERVICES)

SOPRA STERIA CONTRACT PERFORMANCE – 2017/18

1.0 Executive Summary

- 1.1 The purpose of this report is to provide Members with an analysis of the service performance for Sopra Steria against contractual key performance indicators and service level targets for benefits, council tax, business rates, Information Communication Technology (ICT), contact centre, reception and switchboard.
- 1.2 Performance has been good since the commencement of the partnership despite the period of economic uncertainty we have gone through, and the welfare reform changes which have impacted on performance.
- 1.3 Performance for some of the key performance indicators for Quarter 1, April 2017 to June 2017, is shown in Appendix A. Enforcement Agent data is shown in Appendix B, following a recommendation from the ROSC scrutiny sub-committee.

2.0 Recommendation

- 2.1 Resources Overview and Scrutiny Committee note the contents of this report.

3.0 Explanation

- 3.1 Sopra Steria attends weekly and monthly meetings to report on their performance against set targets and to discuss any plans they have in place to address areas where targets have not been achieved. These meetings are used as a management tool to monitor the service delivery of the partner, ensuring that the needs and expectations of our customers are being met. Any penalties arising through the partner's failure to achieve set targets, or incentives for exceeding some targets, are identified at these meetings.
- 3.2 Performance when measured against the key performance indicators for quarter 1 is good overall with 8 out of the 12 targets exceeded.
- 3.3 The collection of both council tax and business rates are ahead of target. There have been some delays during the first part of the year in dealing with benefits correspondence due to the large volumes of work and this has resulted in one of the benefit targets being missed.

- 3.4 Sopra Steria continued to experience staffing issues for this quarter with the Contact Centre, including high levels of short-term sickness. This resulted in a dip in performance for some of their performance indicators.
- 3.5 The performance of the IT service was good with one PI missed. This was due to a dip in performance in April due to the high volume of calls received. Performance again picked up and was ahead of target for both May and June. The IT team dealt with the 12 May NHS coordinated global cyberattack as well as another attack 27 June 17 during this period.

Implications

4.0 Legal Implication(s)

- 4.1 There are no legal implications with the recommendation in this report.

5.0 Financial Implication(s)

- 5.1 The intention is to deliver consistent levels of performance with penalties for non-performance. Unsatisfactory levels of performance could lead to losses of income, reputational damage or additional costs for the council.
- 5.2 Non-collection of business rates and council tax has a significant detrimental impact on Council finances. Sopra Steria will compensate the council for the loss of interest on council tax and business rates collection.

6.0 Risk Management Implications

- 6.1 A risk assessment has not been prepared in relation to this report

7.0 Security & Terrorism Implication(s)

- 7.1 There are no security and terrorism implications with the recommendation in this report.

8.0 Procurement Implication(s)

- 8.1 There are none.

9.0 Climate Change Implication(s)

- 9.1 The proposals in this report will not impact on green-house gas emissions.

10.0 Link to Corporate Priorities

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

11.0 Equalities and Diversity

- 11.1 There are none in relation to this report.

Name of author(s)	Farhad Cantel and Thom Burn
Title	Sopra Steria Contract Performance
Date	August 2017

Appendix A

<u>IT</u>	<u>Apr 16 - Jun 16</u>		<u>Apr 17 - Jun 17</u>	
	<u>Target</u>	<u>Average</u>	<u>Target</u>	<u>Average</u>
Critical System Availability During Core Hours (ICT4)	99.50%	100.00%	99.50%	100.00%
Severity level 1 incidents completed within Service Level Targets (ICT7)	99.50%	100.00%	99.50%	100.00%
Severity level 1, 2, 3, 4 incidents completed within Service Level Targets (ICT15 & 16)	98.00%	98.24%	98.00%	96.37%
% of Council users who are satisfied with the outcome of their enquiry (ICT12)	98.00%	98.20%	98.00%	99.28%
Network Availability LAN (ICT5)	99.50%	100.00%	99.50%	100.00%
<u>Revenues & Benefits</u>				
Council Tax Collection (This target reflects how far through the year we are)	29.50%	29.89%	29.50%	30.11%
NNDR Collection (This target reflects how far through the year we are)	30.00%	31.78%	30.00%	31.03%
Days taken to process new benefit claims and change events (NI181)	9.50	9.23	9.50	13.76
Days to process new benefits claims. (78a)	18	17.40	18	14.70
<u>Customer Services</u>				
Contact Centre - Incoming contacts dealt with within 30 seconds	88.50%	90.67%	89.00%	78.00%
Switchboard - % of calls answered within 14 seconds	91%	94.00%	92%	94.54%
Reception - % of visitors greeted at reception within 3 minutes	97%	97.75%	97.50%	97.05%

This page is intentionally left blank

Appendix B

Recovery Action and Cases to Enforcement Agents (EA)				
April 2017 to June 2017	Number	Value	2017/18 Cumulative Number	2017/18 Cumulative Value
Reminders Sent	6344	£800,429.00	6,344	£800,429.00
Summonses Sent	2107	£2,010,553.53	2107	£2,010,553.53
Accounts sent to the EA	180	£109,418.61	180	£109,418.61
Amounts collected by the EA	10	£7,432.81	10	£7,432.81

Amounts collected
includes cases sent
through the year.

This page is intentionally left blank

Part I

Item No: 9

Main author: Grace Crawford

Executive Member: Cllr Tony Kingsbury

All Wards

WELWYN HATFIELD BOROUGH COUNCIL
REOURCES OVERVIEW & SCRUTINY COMMITTEE – 13 SEPTEMBER 2017
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

PERFORMANCE INDICATOR REPORT

1 Executive Summary

- 1.1 This report and accompanying presentation provides this Committee with the performance indicator data collected for those services that fall within its remit. It provides Quarter 1 data for 2017-18, along with comparative information.
- 1.2 Taken together, this report and presentation enables this Committee to identify which of our services are improving, not improving or remaining the same in their key performance areas. Service comments are also included to explain the performance shown, along with any further action needed.

2 Recommendations

- 2.1 It is recommended that this Committee:
 - Note the performance indicator data collected and reported.
 - Discuss and agree any feedback to be provided to our service teams on the trends shown in these performance indicators.

3 Explanation

- 3.1 We use performance indicators to measure how well we are performing and improving our services over time. We can use them to help plan for future service improvements where the service is consistent with our published corporate priorities set out in the council's Business Plan 2015-18.
- 3.2 Targets are developed by Heads of Service in liaison with their Executive Director. They are performance managed both through our Committees and through our internal performance clinics. The latter are held quarterly and are chaired by the Leader of the Council, with all Executive Members attending in turn to discuss their respective service performance.

Implications

4 Legal Implication(s)

4.1 There are no direct legal implications arising from this report.

5 Financial Implication(s)

5.1 There are no direct financial implications arising from the production of this report.

6 Risk Management Implications

6.1 There are no direct risk management implications arising from the production of this report.

7 Security & Terrorism Implication(s)

7.1 There are no direct security and terrorism implications arising from this report.

8 Procurement Implication(s)

8.1 There are no direct procurement implications arising from this report.

9 Climate Change Implication(s)

9.1 There are no direct climate change implications arising from this report.

10 Link to Corporate Priorities

10.1 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 'Effectively communicate what we do'.

11 Equality and Diversity

11.1 There has been no equalities impact assessment completed on the collection and reporting of performance indicators.

Name of author: Grace Crawford – 01707 357216
Title: Senior Performance & Strategy Officer
Date: August 2017

Background Paper:

ROSC Performance Indicator Presentation – Quarter 1 (2017-18)



ROSC Performance Indicators

Quarter 1

April – June 2017

Grace Crawford

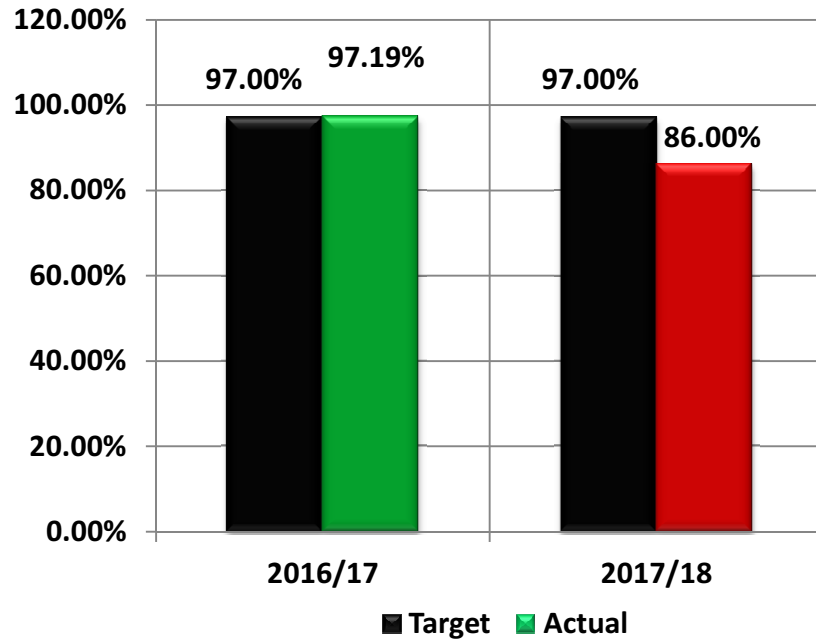
Senior Performance & Strategy Officer



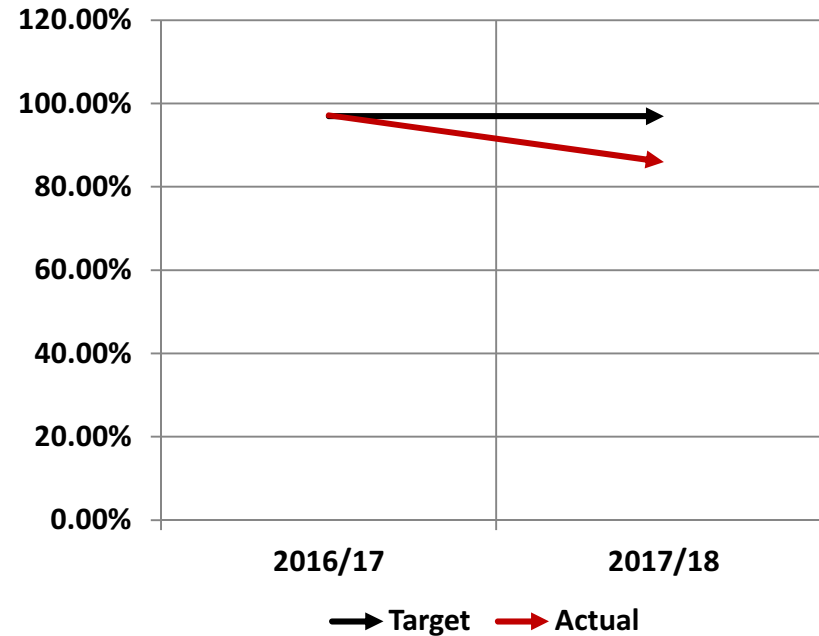
Performance Indicator – 1

The percentage of all invoices paid within 30 days or within stated terms

Q1



Performance Trend



Service Comments

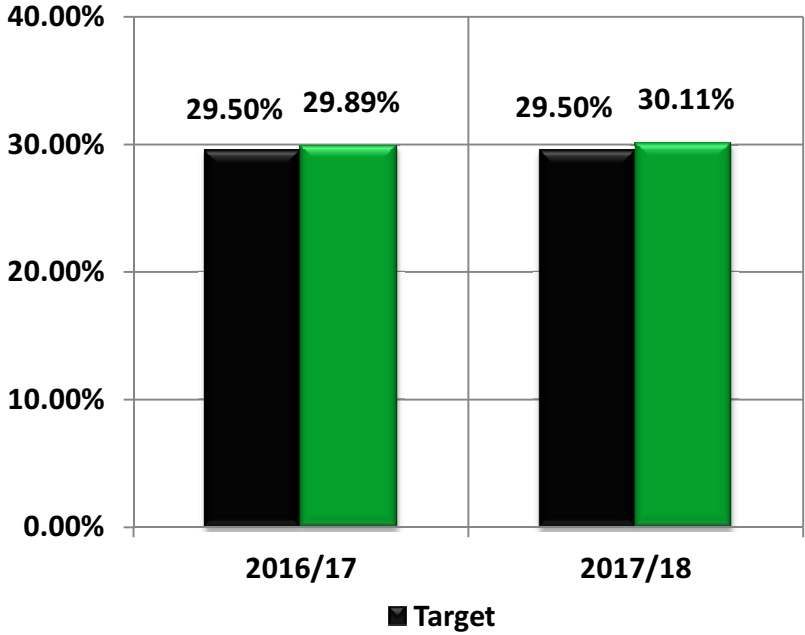
Performance has been below target in this quarter mainly due to the retirement of the long-standing Accounts Payable Officer and periods of staff leave and sickness. The month on month figures below show improvement:

April 2017	84.1%
May 2017	80.8%
June 2017	92.6%

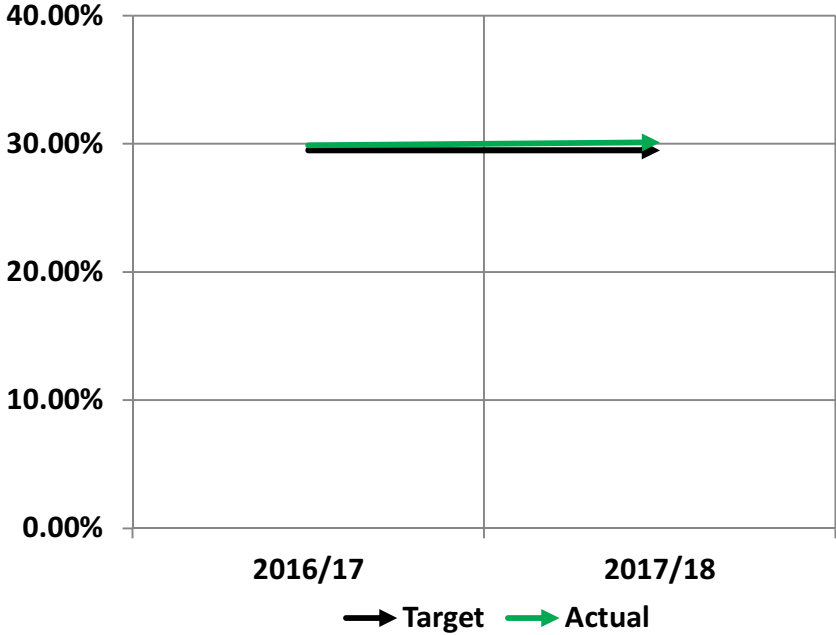
Performance Indicator – 2

The level of council tax collected as a percentage of the total due

Q1



Performance Trend



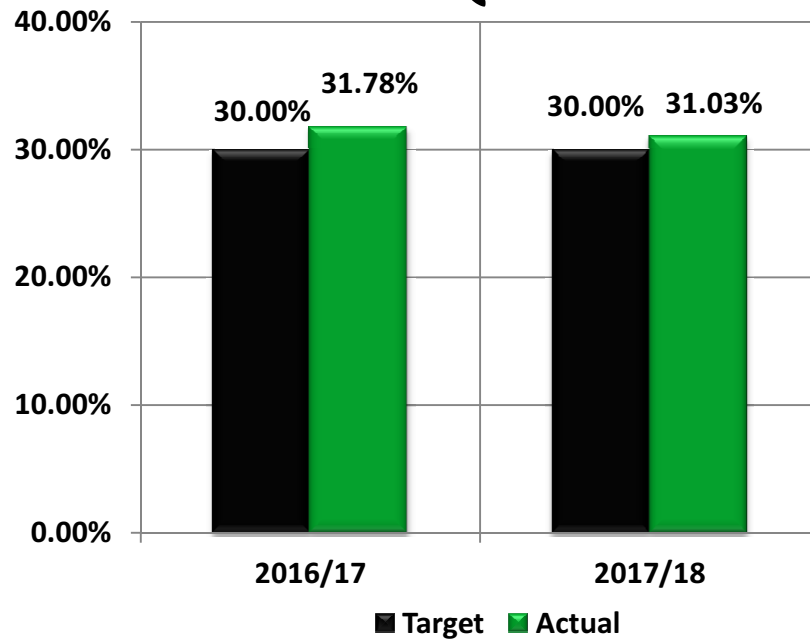
Service Comments

Performance is very good and above target. This is despite the challenges this year with the welfare reform changes which makes it difficult to collect council tax from households with less income.

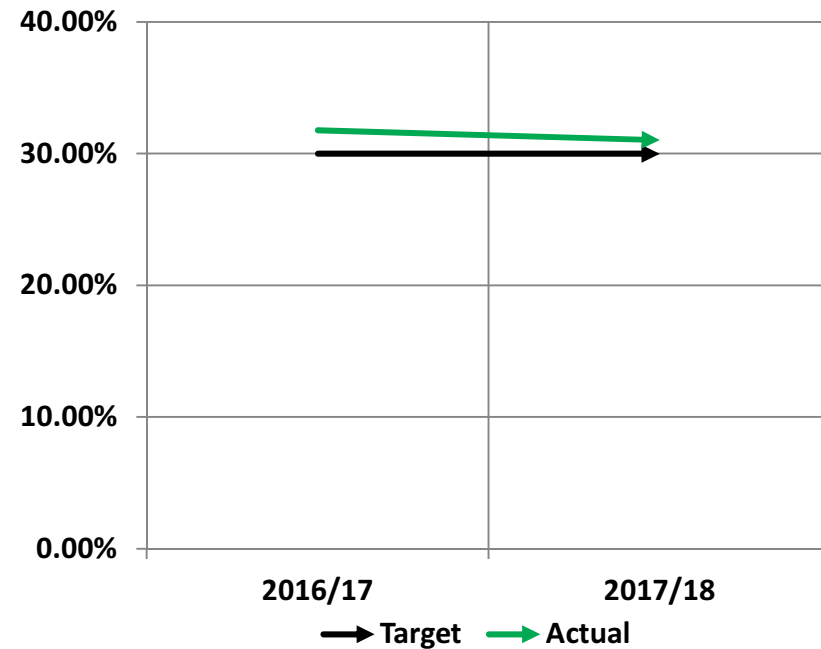
Performance Indicator – 3

The level of business rates collected as a percentage of the total due

Q1



Performance Trend



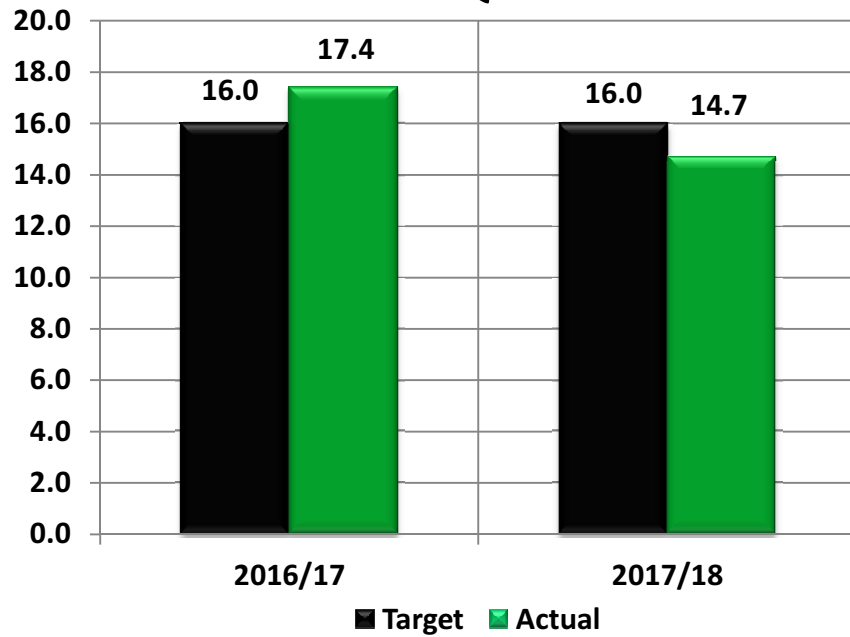
Service Comments

Performance is very good and ahead of a challenging target despite businesses now paying over 12 months rather than 10.

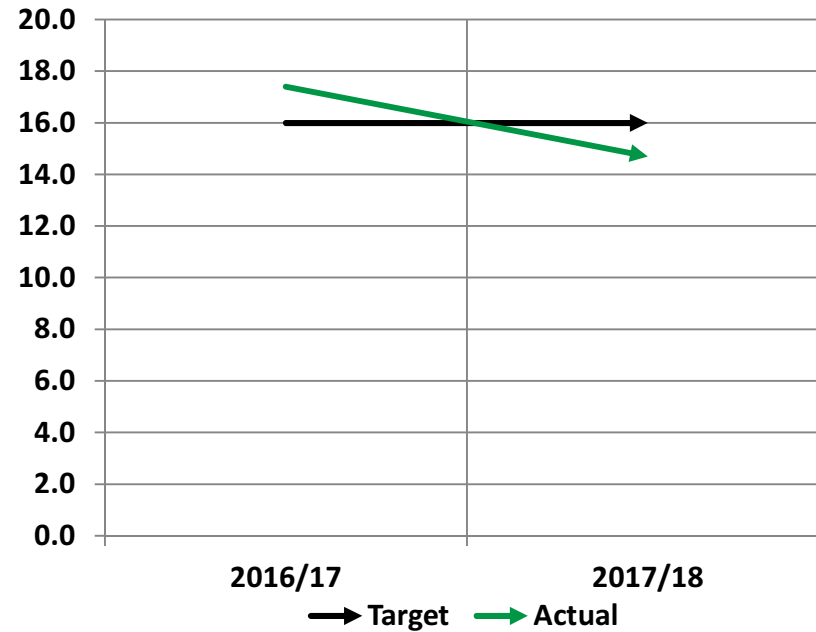
Performance Indicator – 4

The time taken to process new housing benefit / council tax benefit claims in working days

Q1



Performance Trend

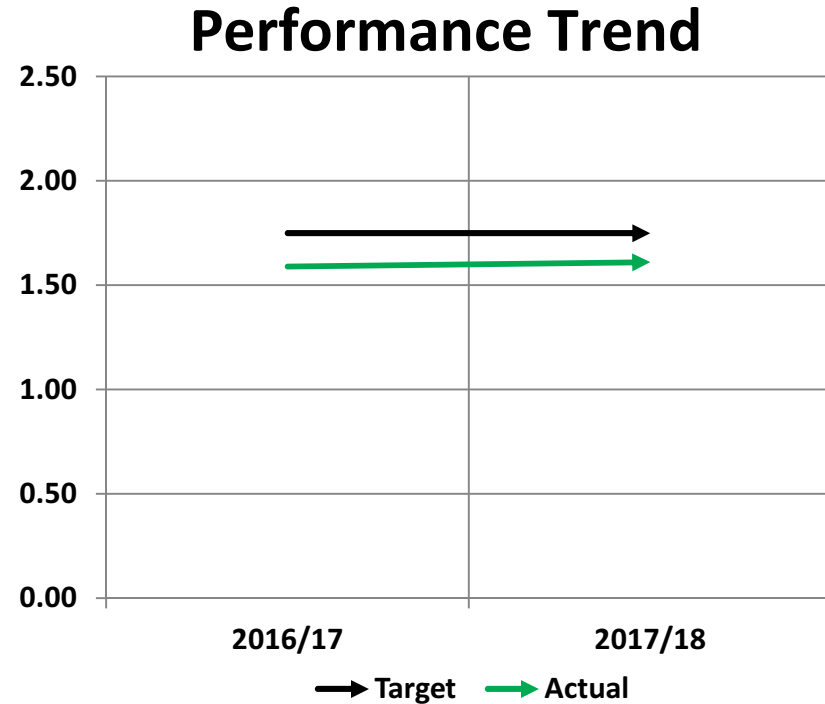
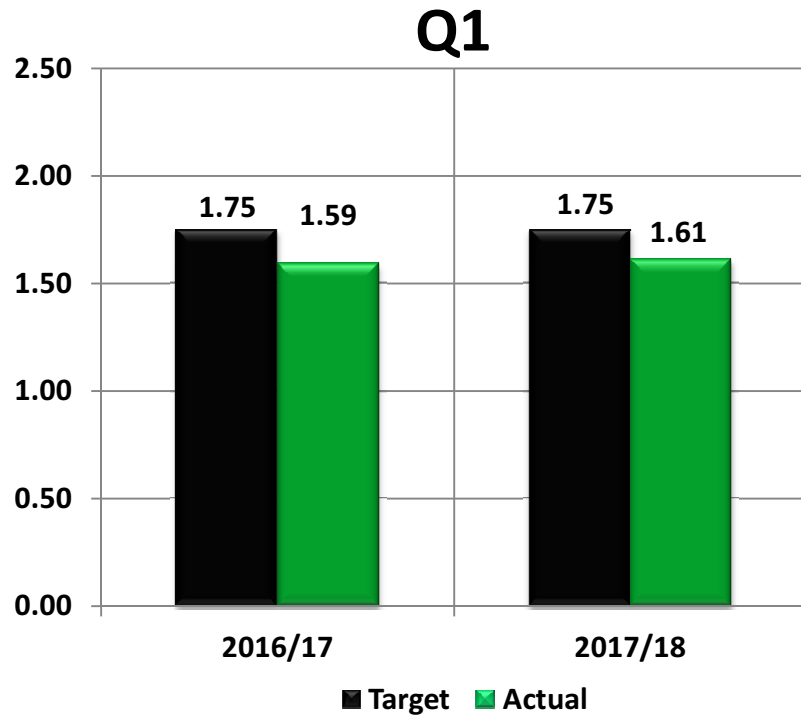


Service Comments

Performance for quarter one is excellent and comfortably ahead of target.

Performance Indicator – 5

The number of employee working days lost due to sickness absence, per full-time equivalent member of staff



Service Comments

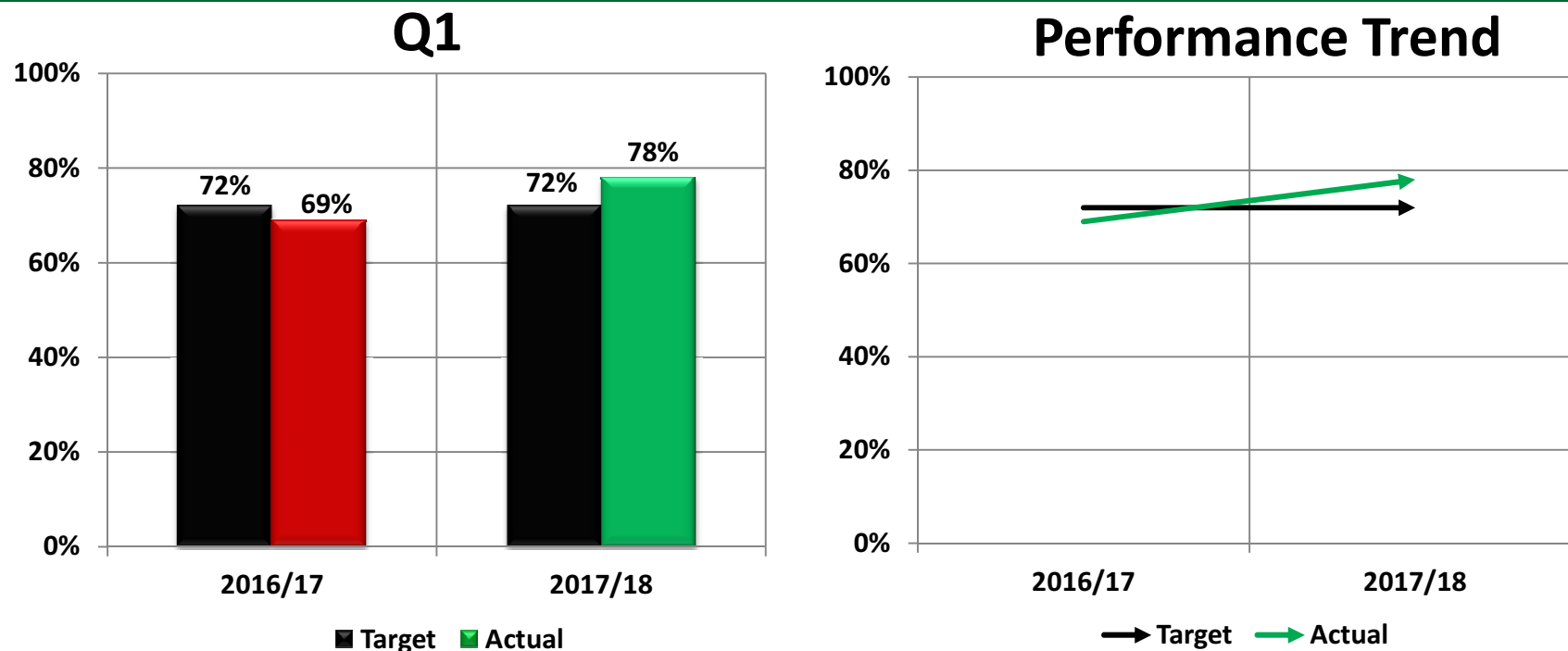
Sickness absence during this quarter is below the target.

Long term absences (20 plus days) have accounted for 43% of the total absences for reasons including surgery and cancer / tumours.

Short term absences account for 57% of the absences. The main reasons for these absences are musculoskeletal, gastrointestinal, cold/flu and migraines.

Performance Indicator – 10

The percentage of residents who feel ‘well informed’ about council services



Service Comments

The percentage of local residents who felt well informed about council services exceeded its target for this quarter. In the previous quarter, there was significant local publicity about subscribing to the garden waste collection service. There was also much communication and debate in the early months of 2017 ahead of the submission of the council’s proposed Local Plan for the borough. These issues are likely to have influenced how well informed residents felt when they were surveyed.

This page is intentionally left blank

Part I
Item No: 10
Main author: Ka Ng
Executive Member: Cllr Duncan Bell
All Wards

WELWYN HATFIELD BOROUGH COUNCIL
RESOURCES OVERVIEW AND SCRUTINY COMMITTEE – 13 SEPTEMBER 2017
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT &
CULTURAL SERVICES)

REVENUE & CAPITAL BUDGET MONITORING AT 30 JUNE 2017

1 Executive Summary

- 1.1 To present the revenue, capital & HRA budget monitoring position as at the end of June 2017 (Month 3) for the financial year 2017/18. These reports were presented and discussed at the Cabinet meeting on the 8 August 2017 and are attached to this summary report. The cabinet reports analyse the reasons for changes between the current budget and projected outturn.

2 Recommendations

- 2.1 The Resources Overview and Scrutiny Committee (ROSC) are asked to note the final outturn reports.

3 Explanation

- 3.1 The Council's financial regulations provide the framework for the process of managing Council expenditure and income. This includes a process of budget monitoring and Cabinet receive budget monitoring reports on a quarterly basis on revenue, capital and HRA budgets. All of these reports are also taken to the Resources overview and scrutiny committee. The Month 3 monitoring reports are the first report of the financial year and present all the Council's expenditure and income and how this was different to the current budget.
- 3.2 The forecasted drawdown from General Fund reserves outturn position is now £0.137m, which is £2k less compared to original budget. There have been a number of movements since the budget was set and the main reasons are set out within the attached Revenue Budget Quarter 1 monitoring report.
- 3.3 With regards to the Capital budget at Period 3, the current approved budget is £54.348m which includes rolled forward budgets from 2016/17 of £10.597m. The current forecast outturn is £54.348m. The Cabinet report provides a summary of the forecast outturn on a scheme by scheme basis, a breakdown of the funding to be applied and the remaining reserves and the extent to which the Council has internally borrowed.
- 3.4 At period 3, there are four proposed changes to the current HRA budget, and one change to the forecast. Overall, the expected deficit by the end of the year has increased from £4.7m to £5m. The reasons for the variances between current budget and outturn are detailed in the revenue cabinet report from paragraph 5 onwards and a summary presentation of the financial position is shown in appendix E.

4 Financial Implication(s)

4.1 Financial implications are provided above and in the detail of the appendices.

5 Link to Corporate Priorities

5.1 The subject of this report is linked to the Council's Corporate Priority "engage with our communities and provide value for money".

6 Legal Implication(s)

6.1 There are no significant legal implications arising from this report.

7 Climate Change Implication(s)

7.1 There are no climate change implications arising from this report.

8 Risk Management Implications

8.1 These are set out within the reports.

9 Equality and Diversity

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

Name of author Ka Ng x2275

Title Executive Director (Resources, Environment and Cultural Services)

Date 29 August 2017

Background papers to be listed (if applicable)

Revenue budget monitoring report as at period 3 presented to Cabinet on 8 August 2017

Capital budget monitoring report as at period 3 presented to Cabinet on 8 August 2017.

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 8TH AUGUST 2017
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT &
CULTURAL SERVICES)

REVENUE BUDGET QUARTER 1 MONITORING REPORT FOR THE FINANCIAL
YEAR 2017-18

1 Executive Summary

- 1.1 This report presents the revenue outturn for the first three months of the financial year 2017-18 and outlines the main variances from the approved original budget for both the General Fund and Housing Revenue Account Services.
- 1.2 The forecasted drawdown from General Fund reserves outturn position is now £0.137m (Refer to paragraph 3 for details). This is a favourable movement on the £0.139m drawdown reported in the Original Budget.
- 1.3 At period 3 some current budget changes are proposed in the HRA to mainly reflect loss in income, increase in pension costs and rolled forward capital project funded from HRA. Included in the forecast changes are the increased balances from 2016/17, subject to audit. This in total contributes £0.3m to the balances.
- 1.4 At the yearend outstanding debts, including rechargeable works, total £1.561m, with rolling debtor days at 37.90. (Refer to paragraphs 6 & 7 for detail).

2 Recommendation(s)

- 2.1 The Cabinet are asked to agree the changes to the general fund forecasted outturn as at 30th June 2017 and agree that those changes listed at 3.2 to 3.5 be included in the current budget, which in turn will then be used as the basis of comparison to the forecasted outturn.
- 2.2 The Cabinet are asked to agree the HRA changes to the forecasted outturn as at 30th June 2017 and agree that those changes listed at 5.2 be included in the current budget, which in turn will then be used as the basis of comparison to the forecasted outturn.
- 2.3 The Cabinet are asked to note the position on debts and rechargeable works set out in paragraphs 7 & 8 of this report.

3 General Fund Services

3.1 Since the original budget was set forecasted contribution to balances has increased by £2k. (Please refer to appendix A)

3.2 Resources: £1.158m current budget, £1.176m forecast outturn, £18k adverse, predominately;

- An 11% reduction in the Housing Benefit administration grant was accounted for during the 2017/18 budget setting process however our grant has been cut by 16%. This has meant reduced income of a further of £18k on top of the £44k already agreed.

For information on other changes see Appendix B1

3.3 Environment: £4.333m current budget, £4.282m outturn, £51k favourable, predominately;

- Serco indexation has been updated to reflect the actual increase which has resulted in a net reduction in budget of £51k. The inflation is based on a basket of goods and was budgeted at 2.3%; the actual inflation was lower than anticipated at 0.11%.

For information on other changes see Appendix B2

3.4 Interest and Investment income: £273k current budget, £228k forecast outturn, £45k adverse. With the average balances expected to reduce and lower interest rates available the current target is not expected to be achieved.

3.5 Localised Council Tax Support Admin Subsidy Grant: £117k current budget, £132k forecast outturn, £15k favourable. The favourable variance is because a larger reduction in this grant was budgeted. However, DCLG has now confirmed our funding level and our reduction in grant is only minimal for 2017/18. There is still uncertainty over reductions in this grant which will be factored in as part of the 2018/19 budget setting process.

4 General Fund - Budget Monitoring Process and Risk Management

4.1 Appendix C highlights the budgets identified as more volatile than other 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.

4.3 The appendix shows a net potential favourable variance of £271k. This has not been reported in the forecast at this time as there is a degree of uncertainty as to whether the variances will continue in the same way. These areas will continue to be monitored closely with the budget managers.

5 Ring Fenced Housing Accounts

5.1 At period 3, there are four proposed changes to the current budget, and one change to the forecast. Overall, the expected deficit by the end of the year has increased from £4.7m to £5m. However, overall the balances have increased by £0.3m due to lower deficit than expected in 2016/17. This is only a draft figure at this stage until the final accounts audit is complete. This should move to the current column in the next quarter's report. The net £0.3m change to the proposed current and forecast changes are explained below.

5.2 Proposed current budget changes:

- Under charges for services, a few alarm monitoring contracts have been lost to other providers. These amounts to circa £50k. Over the coming months, every opportunity will be taken in obtain business from potential customers.
- Under supervision and management, an extra amount in the pension contributions of £82k is needed compared to the budget set. This is as a result of the triennial pension valuation.
- Software development budget of £37k was requested to be transferred from previous year due to delay in procurement and rollout of software by end of last financial year. This has been implemented in quarter 1 of 2017/18.
- Various maintenance budgets as listed in Appendix E are forecast to spend less by end of the financial year amounting to £85k. However, in view of the recent events these savings have been transferred to the fire remedial works budget head. This will be kept under review over the coming months.
- Two IT projects funded from HRA revenue contribution to capital (RCCO), were started in 2016/17 but not completed by end of the last financial year. These unspent budgets were rolled forward to 2017/18. As there was no RCCO budget set for this in 2017/18, £116k will be required for this.

5.3 Forecast outturn changes:

- The only change to the forecast is the inclusion of the improved balance brought forward from 2016/17, amounting to £0.6m. Details of this change have been reported in the outturn reports for 2016/17.

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

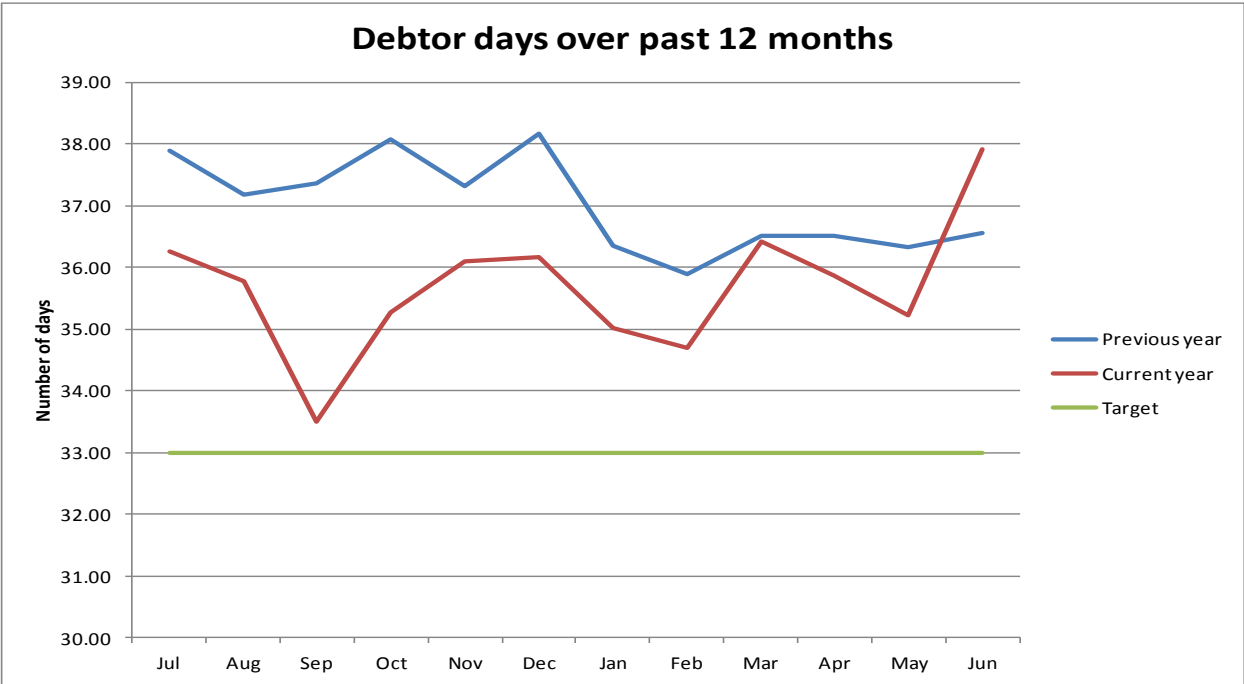
6 Outstanding Debts on Debtors System

6.1 The debtors system currently shows debts outstanding of £1,299,599. This is a reduction on the March position of £1,538,377; mainly due to the cyclical nature of large quarterly rental invoices.

6.2 The debtors system does not include debts for housing rents, council tax and business rates.

6.3 Appendix D analyses the outstanding debt by age and across services.

- 6.4 The Authority currently has debts of £117,603 in the category over 365 days old. This is an increase of £15,373 on the figure outstanding at the end of March.
- 6.5 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.
- 6.6 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.
- 6.7 Currently, performance is being measured in debtor days; the current debtor days target is 33. At the end of June 2017 the rolling debtor days totalled 37.90 days.



7 Rechargeable Works

7.1 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.

7.2 A debit of £23k was carried forward into this financial year, which has now increased to £71k at the end of June 2017.

Implications

8 Legal Implication(s)

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

9 Financial Implication(s)

9.1 The financial implications are set out within this report.

10 Risk Management Implications

10.1 The risks related to this proposal are:

10.2 These are set out within the report.

11 Security & Terrorism Implication(s)

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

12 Procurement Implication(s)

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

13 Climate Change Implication(s)

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

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 "Demonstrate Value for Money".

15 Equality and Diversity

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

Name of author	<i>Daniel Williams Ext. 2389</i>
Title	<i>General Fund Business Partner</i>
Date	12 th July 2017

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
B1-11	Variance analysis by Head of Service for direct and support services
<i>B1</i>	<i>Head of Resources</i>
<i>B2</i>	<i>Head of Environment</i>
<i>B3</i>	<i>Head of Policy & Culture</i>
<i>B4</i>	<i>Resources, Environment & Cultural Services Directorate</i>
<i>B5</i>	<i>Head of Law and Administration</i>
<i>B6</i>	<i>Head of Planning</i>
<i>B7</i>	<i>Head of Public Health & Protection</i>
<i>B8</i>	<i>Public Protection, Planning and Governance Directorate</i>
<i>B9</i>	<i>Head of Housing & Community</i>
<i>B10</i>	<i>Housing and Communities Directorate</i>
<i>B11</i>	<i>Chief Executive</i>
C	Activity and Risk Budgets
D	Age debt profile for debts outstanding at the end of June 2017
E	HRA budgetary position at the end of June 2017

WELWYN HATFIELD BOROUGH COUNCIL

Report as at : 30 June 17

BUDGET MONITORING SUMMARY BY SERVICE AREA 2017/18

Original Budget 2017/18 £	Description	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
1,260,950	Head of Resources	1,158,570	(102,380)	1,176,850	18,280
4,329,220	Head of Environment	4,333,110	3,890	4,282,070	(51,040)
2,772,180	Head of Policy and Culture	2,768,690	(3,490)	2,768,690	0
368,250	Resources, Environment & Cultural Services Directorate	365,850	(2,400)	365,850	0
8,730,600	Executive Director - Resources, Environment & Cultural Services	8,626,220	(104,380)	8,593,460	(32,760)
446,170	Head of Law and Administration	465,940	19,770	465,940	0
1,968,160	Head of Planning	2,076,070	107,910	2,076,070	0
1,016,740	Head of Public Health and Protection	1,035,510	18,770	1,035,510	0
336,700	Public Protection, Planning and Governance Directorate	340,750	4,050	340,750	0
3,767,770	Executive Director - Public Protection, Planning and Governance	3,918,270	150,500	3,918,270	0
1,530,460	Head of Community & Housing Strategy	1,616,300	85,840	1,616,300	0
238,620	Housing and Communities Directorate	241,110	2,490	241,110	0
1,769,080	Executive Director - Housing and Communities	1,857,410	88,330	1,857,410	0
496,680	Chief Executive Service	362,230	(134,450)	362,230	0
(272,998)	Less Interest & Investment Income	(272,998)	0	(227,500)	45,498
320,341	Plus interest payable on finance leases	320,341	0	320,341	0
14,811,473	Net General Fund Expenditure	14,811,473	0	14,824,211	12,738
Taxation and non-specific grant income and expenditure					
(9,761,918)	Income from Council Tax	(9,761,918)	0	(9,761,918)	0
(557,941)	Revenue support grant	(557,941)	0	(557,941)	0
(2,716,419)	Business Rates Baseline	(2,716,419)	0	(2,716,419)	0
(1,553,663)	Additional Retained Business Rates Income	(1,553,663)	0	(1,553,663)	0
(2,042,392)	New Homes Grant	(2,042,392)	0	(2,042,392)	0
198,100	Plus/Less collection fund deficit/(surplus)	198,100	0	198,100	0
(501,382)	Business Rates Related Grants	(501,382)	0	(501,382)	0
(77,963)	Transition Grant	(77,963)	0	(77,963)	0
1,008,729	NNDR Levy payment	1,008,729	0	1,008,729	0
(117,000)	Localised Council Tax Support Admin Subsidy Grant	(117,000)	0	(131,730)	(14,730)
Other Operating Expenditure					
1,632,156	Parish Precepts	1,632,156	0	1,632,156	0
28,322	Payment to Parishes for Council Tax Support	28,322	0	28,322	0
350,102	Net Total before movements in reserves	350,102	0	348,110	(1,992)
Other Movements in reserves					
31,558	Contribution (from) / to Strategic reserves for one-offs	31,558	0	31,558	0
(31,630)	Contribution (from) / to Law and Administration earmarked reserves	(31,630)	0	(31,630)	0
(198,000)	Contribution (from) / to Resources earmarked reserves	(198,000)	0	(198,000)	0
(13,030)	Contribution (from) / to Hackney Carriages	(13,030)	0	(13,030)	0
(139,000)	Contribution (from) / to GF balances	(139,000)	0	(137,008)	(1,992)
8,325,991	General Fund balance at 1st April	8,325,991	0	8,325,991	0
(139,000)	Movement in year	(139,000)	0	(137,008)	(1,992)
8,186,991	Balance as at 30 June 17	8,186,991	0	8,188,983	(1,992)
2,869,287	Ringfenced and Strategic reserves balance at 1st April	2,869,287	0	2,869,287	0
(211,102)	Movement in year	(211,102)	0	(211,102)	0
2,658,185	Balance as at 30 June 17	2,658,185	0	2,658,185	0
11,195,278	Total reserve balance at 1st April	11,195,278	0	11,195,278	0
(350,102)	Movement in year	(350,102)	0	(348,110)	(1,992)
10,845,176	Balance as at 30 June 17	10,845,176	0	10,847,168	(1,992)

Key of variance column = (Decrease in expenditure/increase in income) Increase in expenditure/reduction in income)

Executive Director (Resources, Environment & Cultural Services) - 2017-18 Period 3 variances

Head of Resources

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	3,323,130	3,197,950	(125,180)	3,197,950	0
Premises Related	1,668,210	1,668,210	0	1,668,210	0
Transport Related	13,280	13,280	0	13,280	0
Supplies and Services	1,449,490	1,470,270	20,780	1,470,270	0
Third Party Payments	2,872,520	2,815,040	(57,480)	2,815,040	0
Transfer Payments	40,506,520	40,506,520	0	40,641,440	134,920
Income	(48,572,200)	(48,512,700)	59,500	(48,629,340)	(116,640)
Head of Resources	1,260,950	1,158,570	(102,380)	1,176,850	18,280

Virements (officer agreed budget transfers)

Pension adjustment	(80,110)
Software Maintenance - transfer to Planning	(47,700)
Corporate GIS Officer - transfer to Planning	(45,140)
Salaries - transfer to Housing and Community	(7,930)
Costs associated with the capital works taking place in HTC - transfer from Corporate Projects	30,000
Vasco Tokens Maintenance - transfer from Corporate Projects	20,500
Change to Steria charging after move from Bridge Road East offices	20,000
Data Protection training - transfer from Corporate Projects	8,000

Forecast Outturn changes

Reduction in Housing Benefit Administration subsidy	18,280
	<u>(102,380)</u>
	<u>18,280</u>

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Resources, Environment & Cultural Services) - 2017-18 Period 3 variances

Head of Environment

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	709,230	714,800	5,570	714,800	0
Premises Related	452,500	452,500	0	452,500	0
Transport Related	28,760	28,760	0	28,760	0
Supplies and Services	350,570	348,890	(1,680)	348,890	0
Third Party Payments	7,046,420	7,046,420	0	6,995,380	(51,040)
Income	(4,258,260)	(4,258,260)	0	(4,258,260)	0
Head of Environment	4,329,220	4,333,110	3,890	4,282,070	(51,040)

Virements (officer agreed budget transfers)

Project Expenditure - to Head of Policy and Culture	(1,680)
Pension adjustment	5,570

Forecast Outturn changes

Serco indexation saving	(51,040)
	<u>3,890</u>
	<u>(51,040)</u>

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Resources, Environment & Cultural Services) - 2017-18 Period 3 variances

Head of Policy and Culture

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	1,895,170	1,910,000	14,830	1,910,000	0
Premises Related	880,760	880,760	0	880,760	0
Transport Related	2,920	2,920	0	2,920	0
Supplies and Services	2,199,930	2,271,320	71,390	2,271,320	0
Third Party Payments	652,470	618,480	(33,990)	618,480	0
Income	(2,859,070)	(2,914,790)	(55,720)	(2,914,790)	0
Head of Policy and Culture	2,772,180	2,768,690	(3,490)	2,768,690	0

Virements (officer agreed budget transfers)

Change to Steria charging after move from Bridge Road East offices	(20,000)
Pension adjustment	14,830
Project Expenditure - from Head of Environment	1,680

Forecast Outturn changes

None

<u>(3,490)</u>	<u>0</u>
----------------	----------

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Resources, Environment & Cultural Services) - 2017-18 Period 3 variances

Resources, Environment & Cultural Services Directorate

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	407,040	404,640	(2,400)	404,640	0
Transport Related	1,940	1,940	0	1,940	0
Supplies and Services	16,260	16,260	0	16,260	0
Income	(56,990)	(56,990)	0	(56,990)	0
Resources, Environment & Cultural Services D	368,250	365,850	(2,400)	365,850	0

Virements (officer agreed budget transfers)

Change to officer allowances	(6,610)
Pension adjustment	4,210

Forecast Outturn changes

None

<u>(2,400)</u>	<u>0</u>
----------------	----------

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Public Protection, Planning and Governance) - 2017-18 Period 3 variances

Head of Law and Administration

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	1,427,490	1,447,260	19,770	1,447,260	0
Premises Related	4,740	4,740	0	4,740	0
Transport Related	33,440	33,440	0	33,440	0
Supplies and Services	715,860	715,860	0	715,860	0
Third Party Payments	140,070	140,070	0	140,070	0
Income	(1,875,430)	(1,875,430)	0	(1,875,430)	0
Head of Law and Administration	446,170	465,940	19,770	465,940	0

Virements (officer agreed budget transfers)

Pension adjustment	13,160
Change to officer allowances	6,610

Forecast Outturn changes

None

19,7700

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Public Protection, Planning and Governance) - 2017-18 Period 3 variances

Head of Planning

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	1,646,190	1,706,400	60,210	1,706,400	0
Premises Related	82,580	82,580	0	82,580	0
Transport Related	20,260	20,260	0	20,260	0
Supplies and Services	691,280	721,000	29,720	721,000	0
Third Party Payments	460,670	478,650	17,980	478,650	0
Income	(932,820)	(932,820)	0	(932,820)	0
Head of Planning	1,968,160	2,076,070	107,910	2,076,070	0

Virements (officer agreed budget transfers)

Software Maintenance - transfer from Resources	47,700
Corporate GIS Officer - transfer from Resources	45,140
Pension adjustment	15,070

Forecast Outturn changes

None

107,9100

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Public Protection, Planning and Governance) - 2017-18 Period 3 variances

Head of Public Health and Protection

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	1,135,950	1,146,310	10,360	1,146,310	0
Premises Related	1,650	1,650	0	1,650	0
Transport Related	21,510	21,510	0	21,510	0
Supplies and Services	131,680	140,090	8,410	140,090	0
Third Party Payments	36,690	36,690	0	36,690	0
Income	(310,740)	(310,740)	0	(310,740)	0
Head of Public Health and Protection	1,016,740	1,035,510	18,770	1,035,510	0

Virements (officer agreed budget transfers)

Pension adjustment	10,770
Mobile working equipment - transfer from Corporate Projects	8,000

Forecast Outturn changes

None

18,7700

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Public Protection, Planning and Governance) - 2017-18 Period 3 variances**Public Protection, Planning and Governance Directorate**

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	391,750	395,800	4,050	395,800	0
Transport Related	2,220	2,220	0	2,220	0
Supplies and Services	7,120	7,120	0	7,120	0
Income	(64,390)	(64,390)	0	(64,390)	0
Public Protection, Planning and Governance Di	336,700	340,750	4,050	340,750	0

Virements (officer agreed budget transfers)

Pension adjustment 4,050

Forecast Outturn changes

None

4,050

0

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Housing and Communities) - 2017-18 Period 3 variances

Head of Community & Housing Strategy

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	895,930	911,770	15,840	911,770	0
Premises Related	20,390	20,390	0	20,390	0
Transport Related	11,090	11,090	0	11,090	0
Supplies and Services	1,022,040	1,092,040	70,000	1,092,040	0
Third Party Payments	17,000	17,000	0	17,000	0
Income	(435,990)	(435,990)	0	(435,990)	0
Head of Community & Housing Strategy	1,530,460	1,616,300	85,840	1,616,300	0

Virements (officer agreed budget transfers)

Sport Development and Sport facilities strategy - transfer from Corporate Projects	50,000
Community Safety project budget - transfer from Corporate Projects	20,000
Salaries - transfer from Resources	7,930
Pension adjustment	7,910

Forecast Outturn changes

None

85,840

0

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Executive Director (Housing and Communities) - 2017-18 Period 3 variances

Housing and Communities Directorate

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	228,490	230,980	2,490	230,980	0
Transport Related	2,730	2,730	0	2,730	0
Supplies and Services	7,400	7,400	0	7,400	0
Housing and Communities Directorate	238,620	241,110	2,490	241,110	0

Virements (officer agreed budget transfers)

Pension adjustment 2,490

Forecast Outturn changes

None

2,490

0

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

Chief Executive - 2017-18 Period 3 variances

Chief Executive Service

	Original Budget 2017/18 £	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
Employees	199,470	201,520	2,050	201,520	0
Transport Related	1,370	1,370	0	1,370	0
Supplies and Services	295,990	159,490	(136,500)	159,490	0
Income	(150)	(150)	0	(150)	0
Chief Executive Service	496,680	362,230	(134,450)	362,230	0

Virements (officer agreed budget transfers)

Corporate Projects - transfer to C&HS Sport Development and Sport facilities strategy	(50,000)
Corporate Projects - transfer to Resources Costs associated with the capital works taking place i	(30,000)
Corporate Projects - transfer to Resources Vasco Tokens Maintenance	(20,500)
Corporate Projects - transfer to C&HS Community Safety project budget	(20,000)
Corporate Projects - transfer to PH&P Mobile working equipment	(8,000)
Corporate Projects - transfer to Head of Resources Data Protection training	(8,000)
Pension adjustment	2,050

Forecast Outturn changes

None

(134,450)0

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

RISK and OPPORTUNITIES SUMMARY - as at 30 June 2017

Item	Type of Variance	Directorate	Risks	Opportunities
Salaries - Under spend year to date	One Off	Corporate		(64,648)
	Total One Off		0	(64,648)
Garages & Weltech Income - Rental occupancy higher than budget year to date	Potentially Ongoing	Resources, Environment & Cultural Services		(37,152)
Penalty Charge Notices Income - demand higher than budgeted level	Potentially Ongoing	Resources, Environment & Cultural Services		(14,434)
	Current Total Ongoing		0	(51,586)
	Grossed Up Ongoing		0	(206,342)
Net potential favourable movement to current forecast position	Grand Total			(270,990)
Estates Income - This is likely to improve as with previous years due to the sale of freehold reversions	Profiling	Resources, Environment & Cultural Services		(220,282)
Planning Fee income - Higher total income as 16/17 actual includes £31k fees relating to prior year.	Profiling	Public Protection, Planning and Governance		(169,308)
Planning Policy - Spend on local plan will increase as the year goes on and consultations take place.	Profiling	Public Protection, Planning and Governance		(95,987)
Utilities - This will likely be used through the winter months	Profiling	Corporate		(93,023)
Outside Printing	Profiling	Corporate		(39,611)
Planned Maintenance Programme	Profiling	Resources, Environment & Cultural Services		(21,010)
Postal Charges	Profiling	Public Protection, Planning and Governance		(19,567)
Recycling Credits & Sales Income (excluding garden waste)	Profiling	Resources, Environment & Cultural Services	131,718	
	Total Profiling		131,718	(658,789)
	Projected Year End Impact		0	0

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for CORPORATE BUDGETS

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£	%	
Investment interest	This budget is affected by variations in interest rates and capital spending and receipts	Head of Resources	272,998	227,500	68,250	59,865	21.93%	8,385	12.29%	
Outside Printing	Concern expressed on unit costs	Paul Underwood	195,710	195,710	48,928	9,316	4.76%	(39,611)	(80.96%)	
IT Consumables	Costs quickly spiral & can lead to budget pressures.	All	22,900	22,900	5,725	2,287	9.99%	(3,438)	(60.06%)	
Car Allowances	Demand Led	All	93,310	93,310	23,328	19,273	20.65%	(4,055)	(17.38%)	
Salaries & agency (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	10,364,770	10,364,770	2,591,192	2,526,545	24.38%	(64,648)	(2.49%)	
Utilities - Electricity	Subjected to market influences although existing contract was renewed October 2012 through LASER group	All	307,940	307,940	76,985	47,458	15.41%	(29,527)	(38.35%)	
Utilities - Gas	Subjected to market influences although existing contract was renewed October 2012 through LASER group	All	221,190	221,190	55,298	(8,199)	-3.71%	(63,496)	(114.83%)	Outstanding accruals from previous financial year

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Resources, Environment & Cultural Services

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£	%	
IT - Hardware & Software purchases & maintenance	Constant update of existing packages and increasing costs of maintenance.	Head of Resources	311,780	311,780	77,945	87,925	28.20%	9,980	12.80%	
Telephone Network Charges	New technology leading to increased costs. Usage control	Head of Resources	175,500	175,500	43,875	40,685	23.18%	(3,190)	(7.27%)	
Photocopier costs	Increased usage, additional copiers.	Head of Resources	68,650	68,650	17,162	15,650	22.80%	(1,513)	(8.81%)	

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Resources, Environment & Cultural Services

Item	Risk Consideration	Head of Service	Full Year		Year to date				Action / comments	
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£		%
Recycling Credits & Sales Income (excluding garden waste)	Variable budget based upon collection rates & commodity selling prices. Impact of ARRC on public.	Durk Reyner	689,400	689,400	172,350	40,632	5.89%	131,718	76.42%	Income can be at least two months behind as weights / collections confirmed with carriers.
Penalty Charge Notices - Income	Demand Led - income relation to contractors fees	Durk Reyner	255,000	255,000	63,750	78,184	30.66%	(14,434)	(22.64%)	
Parking Fee Income	Demand led, impact of ANPR system & competition from other providers.	Durk Reyner	1,030,810	1,030,810	236,960	227,214	22.04%	9,746	4.11%	
Cemeteries - Burial Income	Demand led budget, competition from local crematorium	Durk Reyner	173,020	173,020	43,255	42,122	24.35%	1,133	2.62%	

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Resources, Environment & Cultural Services

Item	Risk Consideration	Head of Service	Full Year		Year to date				Action / comments	
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£		%
Estates - Rental Income	Estimates based upon 95% occupancy. Impact on revenue budget if economy goes into recession.	Head of Resources	2,500,180	2,500,180	1,205,540	1,425,822	57.03%	(220,282)	(18.27%)	
General Fund Garages - Income	Demand led - budget includes 5% void rate.	Head of Resources	2,229,870	2,229,870	557,468	568,216	25.48%	(10,749)	(1.93%)	
Weltech - Income	Effect of economical downturn - budget includes 12.5% void rate.	Head of Resources	385,810	385,810	96,452	122,856	31.84%	(26,404)	(27.37%)	Occupancy in May 100.00% - target is 87.5%
Planned Maintenance Programme	Delivery of the programme as priorities change.	Head of Resources	378,750	378,750	94,690	73,680	19.45%	(21,010)	(22.19%)	

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Resources, Environment & Cultural Services

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£	%	
Campus West - Employee Costs (including salaries and wages)	If staff are not multi-functional very easy to overspend in peak usage times.	Paul Underwood	1,342,050	1,342,050	335,512	305,112	22.73%	(30,400)	(9.06%)	
Campus West - Catering Income	Demand led, affected by price weather & programme of events.	Paul Underwood	688,360	688,360	134,024	128,658	18.69%	5,365	4.00%	Reduction of £1,536 on actual up to June 2016 £130,195
Campus West - Food & Beverage Supplies	Demand led and potential stock control issues	Paul Underwood	327,240	327,240	63,714	58,227	17.79%	(5,487)	(8.61%)	
Campus West - Cinema Income	Demand led, affected by price weather & programme of events.	Paul Underwood	967,180	967,180	187,536	196,220	20.29%	(8,684)	(4.63%)	Increase of £4,574 on actual up to June 2016 £175,016
Campus West - Film Hire	Programme of events to fulfil community expectations not necessarily to maximise income	Paul Underwood	439,190	439,190	85,159	74,028	16.86%	(11,131)	(13.07%)	
Campus West - Rollercity Income	Demand led, affected by price weather & programme of events.	Paul Underwood	347,610	347,610	101,085	70,210	20.20%	30,875	30.54%	Reduction of £37,421 on actual up to June 2016 £107,631
Campus West - Soft Play Income	Demand led, affected by price weather & programme of events.	Paul Underwood	172,630	172,630	43,451	31,392	18.18%	12,059	27.75%	Reduction of £13,262 on actual up to June 2016 £44,654
Campus West - Panto Income	Demand led, affected by price weather & programme of events.	Paul Underwood	124,430	124,430	37,882	37,882	30.44%	0	0.00%	The pantomime is expected to post a small loss
Campus West - Panto costs	Production costs for putting on the annual pantomime	Paul Underwood	124,430	124,430	23,825	23,825	19.15%	0	0.00%	The pantomime is expected to post a small loss
Campus West - Other Income	Demand led, affected by price weather & programme of events.	Paul Underwood	268,090	199,380	57,618	55,688	20.77%	1,930	3.35%	

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Public Protection, Planning and Governance

Item	Risk Consideration	Head of Service	Full Year		Year to date					Action / comments
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£	%	
Local Land Charges Income	Demand led - Currently housing market in recession.	Margaret Martinus	81,730	81,730	20,432	28,220	34.53%	(7,788)	(38.12%)	
Postal Charges	Prices governed by PO new pricing policies on size & weight impacted on the authority	Margaret Martinus	174,000	174,000	43,500	23,933	13.75%	(19,567)	(44.98%)	Due to the timing of bills from supplier

Key of variance column = (Decrease in expenditure/increase in income), Increase in expenditure/reduction in income)

BUDGET RISK and ACTIVITY MONITORING STATEMENT - as at 30 June 2017 for Public Protection, Planning and Governance

Item	Risk Consideration	Head of Service	Full Year		Year to date				Action / comments	
			Current Budget 2017/18 £	Forecasted Outturn 2017/18 £	Year to date Current Budget £	Actual		Variance to year to date current budget		
						£	as % of Current budget 2016/17	£		%
Planning Fees Income	Demand Led	Colin Haigh	572,410	572,410	143,102	312,410	54.58%	(169,308)	(118.31%)	
Planning Policy - Project expenditure	Incinerator appeal - spiralling legal costs	Colin Haigh	295,000	295,000	73,750	402	0.14%	(73,348)	(99.45%)	
Planning Policy Local Development Framework	Unknown costs of enquiry consultation period extended Scheme costs extended to future years	Colin Haigh	44,800	44,800	11,200	(11,440)	(25.54%)	(22,640)	(202.14%)	

Arrears by department at 30 June 2017

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	5,000.00	0.00	0.00	0.00	0.00	5,000.00
Environmental Health	3,331.48	34,143.00	0.00	7,099.79	1,652.08	46,226.35
Planning Department	14,901.67	0.00	486.39	10,297.72	671.14	26,356.92
Cemetery Services	4,050.00	2,150.00	0.00	6,618.20	12,490.00	25,308.20
Parking Services	0.00	0.00	0.00	10.00	150.00	160.00
Landscape & Ecology	2,755.47	117.76	-181.51	443.28	-129.88	3,005.12
Recycling & Contract Services	108,075.29	180.00	9,053.40	10,161.87	4,031.50	131,502.06
Housing & Community Services	72,781.00	214.50	0.00	615.32	537.37	74,148.19
Rental Deposit Scheme	0.00	0.00	0.00	13,769.09	13,890.75	27,659.84
Independent Living	712.10	25.50	0.00	76.50	0.00	814.10
Jim MacDonald Centre	0.00	0.00	0.00	124.98	0.00	124.98
Campus West Entertainment	4,952.52	798.00	28.00	0.00	0.00	5,778.52
Mill Green Museum	329.00	0.00	0.00	0.00	0.00	329.00
Accounting Services	16,268.89	-3,695.74	11,124.69	13,092.68	19,548.53	56,339.05
Benefits	13,136.05	124,778.77	54.00	24.00	280.00	138,272.82
Financial Management	167,366.86	1,584.44	30,692.97	46,833.77	2,001.71	248,479.75
Insurance	0.00	0.00	0.00	944.15	166.70	1,110.85
Piper Alarm	28,577.09	21.90	-39.97	744.93	-180.10	29,123.85
Shops/Units/Leases	265,078.21	373.07	-1,916.60	30,162.10	22,658.62	316,355.40
Weltech Business Centre	2,293.95	638.23	448.30	3,323.34	-46.26	6,657.56
Garage rents	107,842.32	3,960.15	-6,165.12	11,327.43	39,881.30	156,846.08
	817,451.90	165,289.58	43,584.55	155,669.15	117,603.46	1,299,598.64

Environmental Health	1,770.08	3 with legal
	<u>-118.00</u>	1 credit
	1,652.08	
Planning Department	671.14	2 with legal
Cemetery Services	3,200.00	1 with legal
	5,240.00	2 arrangement to pay
	<u>4,050.00</u>	2 with department to chase
	12,490.00	
Parking Services	150.00	1 with legal
Landscape Ecology	-129.88	4 credits
Recycling & Contract Services	3,499.92	1 arrangement to pay
	526.08	1 with legal
	<u>5.50</u>	small balance
	4,031.50	
Housing & Community Services	290.00	1 with legal
	295.00	1 with dept
	<u>-47.63</u>	1 credit
	537.37	
Rental Deposit Scheme	13,890.75	6 Housing dealing
Accounting Services	3,932.62	2 car loans
	13,187.23	3 with legal
	2,042.44	2 Mortgage Rescue Scheme
	47.80	2 small balances
	963.44	2 with departments to chase
	<u>-625.00</u>	credits
	19,548.53	
Benefits	280.00	4 small balances
Financial Management	900.00	department dealing with
	<u>1,101.71</u>	various small balances
	2,001.71	
Insurance	209.05	1 with legal
	<u>-42.35</u>	1 credit
	166.70	
Piper Alarm	-180.10	4 credits
Shops/Units/Leases	9,544.38	3 with legal
	1,062.00	1 HCC dispute
	13,403.59	4 arrangements to pay
	928.20	small balances
	<u>-2,279.55</u>	credits
	22,658.62	
Weltech Business Centre	-46.26	1 credit
Garages	39,881.30	various small balances

#REF!

**Welwyn Hatfield Borough Council
Budget Monitoring Statement**

Report as at:

Jun-17

Housing Revenue Operating Account

Original Budget 2017/18 £	Description	Current Budget 2017/18 £	Variance to Original £	Forecast Outturn 2017/18 £	Variance to Current £
(48,903,040)	Dwelling Rents	(48,903,040)	0	(48,903,040)	0
(463,010)	Non Dwelling Rents	(463,010)	0	(463,010)	0
(1,610,520)	Charges for Services and Facilities	(1,610,520)	0	(1,560,520)	50,000
(862,500)	Leaseholders Charges for Services	(862,500)	0	(862,500)	0
(67,910)	Contributions towards Expenditure	(67,910)	0	(67,910)	0
(171,160)	Supporting People Contribution	(171,160)	0	(171,160)	0
(8,000)	De Minimis Receipts	(8,000)	0	(8,000)	0
0	Non Fixed Asset Capital Receipts	0	0	0	0
(52,086,140)	Total Income	(52,086,140)	0	(52,036,140)	50,000
3,873,150	Supervision and Management	3,923,190	50,040	4,042,300	119,110
5,236,500	Special Services	5,200,020	(36,480)	5,200,020	0
13,464,750	Depreciation (Tfr to Major Repairs & Reserve)	13,464,750	0	13,464,750	0
(15,711,120)	Revaluation Gain	(15,711,120)	0	(15,711,120)	0
33,670	Debt Management Expenses	33,670	0	33,670	0
50,000	Sums directed by Secretary of State	50,000	0	50,000	0
11,101,420	Repairs and Maintenance	11,087,860	(13,560)	11,087,860	0
738,190	Rents, Rates, Taxes and Other Charges	738,190	0	738,190	0
500,000	(Gain) or Loss on Disposals	500,000	0	500,000	0
350,000	Increase in Provision for Bad Debts	350,000	0	350,000	0
19,636,560	Total Expenditure	19,636,560	0	19,755,670	119,110
598,100	HRA share of Corporate and Democratic Core	598,100	0	598,100	0
(31,851,480)	Net Cost of Services	(31,851,480)	0	(31,682,370)	169,110
	Less Interest and Non-Statutory Items:				
0	Non Fixed Asset Capital Receipts Reversal	0	0	0	0
(500,000)	Reversal of Gain or Loss on Disposal	(500,000)	0	(500,000)	0
0	Reversal of Capital grants and contributions receivable	0	0	0	0
6,241,570	Interest Payable and Similar Charges	6,241,570	0	6,241,570	0
(180,000)	Interest Receivable	(180,000)	0	(180,000)	0
15,300,000	Loan Repayment (trf to Capital Adjustment Account)	15,300,000	0	15,300,000	0
0	Revenue Contribution to Capital	0	0	115,760	115,760
15,711,120	Revaluation Loss	15,711,120	0	15,711,120	0
36,572,690	Total Adjustments	36,572,690	0	36,688,450	115,760
4,721,210	(Surplus) / Deficit	4,721,210	0	5,006,080	284,870
(10,115,337)	Opening HRA Operating Balance	(10,115,337)	0	(10,736,570)	(621,233)
4,721,210	In-year (Surplus) / Deficit	4,721,210	0	5,006,080	284,870
(5,394,127)	Closing HRA Operating Balance	(5,394,127)	0	(5,730,490)	(336,363)

Proposed Current budget changes

Charges for services and facilities					
Alarm monitoring income reduced due to loss of contracts					50,000
Supervision and Management					
Software development budget for 2016/17 transferred to 2017/18					37,390
Increase in pension contribution as a result of triennial valuation					81,720
					<u>119,110</u>
Repairs and Maintenance					
Energy certificates underspend on demand led budget (HR084)					(6,180)
Gas servicing - forecast reduced based on 16/17 costs (HR101)					(52,000)
Communal legionella maintenance - forecast reduced (HR060)					(27,000)
Transfer of underspends to Fire remedial works budget head					85,180
					<u>0</u>
Revenue contribution to capital					
Electronic document management system and Orchard mobile working solution - budget rolled forward from 16/17					115,760
Total proposed current budget changes					<u>284,870</u>

Forecast budget changes

Favourable unaudited balances brought forward from 2016/17					(621,233)
Total forecast changes proposed					<u>(621,233)</u>
Grand Total					<u><u>(336,363)</u></u>

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 8TH AUGUST 2017
REPORT OF THE EXECUTIVE DIRECTOR (RESOURCES, ENVIRONMENT AND
CULTURAL SERVICES)

CAPITAL BUDGET MONITORING AS AT 30TH JUNE 2017 (PERIOD 3)

1 Executive Summary

- 1.1 This report presents the capital expenditure and associated capital funding for both general fund and housing services for the period to 30th June 2017. The report and appendices detail the changes to the original 2017/18 capital programme and funding plans, as a result of programme commitments and project delivery.
- 1.2 At Period 03 the current approved budget is £54.348m which includes rolled forward budgets from 2016/17 of £10.597m. The current forecast outturn is £54.348m as shown in Table 1 and detailed in Appendix A.
- 1.3 The resources available to fund the proposed capital programme are summarised in Table 2.

2 Recommendations

- 2.1 Cabinet to note the overall position on the capital programme, funding and reserves at period 3 as shown in Table 2.
- 2.2 Cabinet to agree the forecast outturn shown in Table 1 and detailed in Appendix A.
- 2.3 Cabinet to note the Prudential Indicators set out in paragraph 5 of this report.

3 Explanation

3.1 The capital expenditure position is shown in Table 1 and a detailed breakdown by capital scheme per directorate can be found in Appendix A.

Table 1: Capital Expenditure Budgets by Head of Service as at period 3

Description	Original Budget 2017/18	Approved Roll Forwards from 16/17	Current Budget 2017/18 (including 2016/17 roll forwards)	Forecast Outturn 2017/18	Variance of Forecast Outturn to Current Budget
	£'000	£'000	£'000	£'000	£'000
Head of Planning	93	174	267	267	0
Head of Law and Administration	15	0	15	15	0
Head of Public Health and Protection	20	0	20	20	0
Executive Director - Public Protection, Planning and Governance	128	174	302	302	0
Head of Resources	8,594	1,093	9,687	9,687	0
Head of Environment	4,816	22	4,839	4,839	0
Head of Policy and Culture	2,893	82	3,099	3,099	0
Executive Director - Resources, Environment & Cultural Services	16,303	1,197	17,624	17,624	0
Head of Community & Housing Strategy	15,400	5,105	20,586	20,586	0
Head of Housing Property Services	11,795	4,005	15,720	15,720	0
Head of Housing Operations	0	116	116	116	0
Executive Director - Housing and Communities	27,195	9,226	36,422	36,422	0
TOTAL	43,627	10,597	54,348	54,348	0

3.2 Capital Schemes progress to date

3.21 **Hatfield Town Centre (HTC)** – Original budget for 2017/18 is £0.750m plus budgets for Highview redevelopment of £0.350m and Salisbury square £0.050m. The current budgets include rolled forward budgets from 2016/17 of £0.799m giving a total current budget including Highview and Salisbury Square of £1.949m.

Phase two of the redevelopment is now being delivered including public realm costs. Other expenditure in year will be for refurbishment works to White Lion House flats, Culpitt House, HTC shop roofs, and final fit out costs for HTC flats and new units, plus associated fees. Costs are expected to continue into 2018/19 with further development of the town centre.

- 3.2.2 **Property Company** – Original Budget for 2017/18 is £5.000m.
Investments in property in order to generate a net income return to the general fund. Decisions on the most appropriate vehicle to facilitate the delivery of the Council's objectives will be made following receipt of specialist advice on the legal, financial and tax implications. There has been no spend or commitments to date.
- 3.2.3 **Hunters Bridge car park concrete waterproofing** – Original Budget for 2017/18 is £0.600m. Budget is to restore and preserve the appearance and water-proofing to the concrete members. The works are to refurbish the surface finishes which are delaminating or separating from the concrete below. This is allowing water to enter the concrete damaging the reinforcing inside. To date there has been committed spend of £30k for professional fees.
- 3.2.4 **Bereavement Services** – Original budget for 2017/18 is £4.193m with a slight adjustment for 16/17 outturn leaving the Current budget at £4.189m. The budget will be used for the demolition of the current building and the construction of the new crematorium. This includes offices, gardens, car parking, and cremation equipment. Spend and commitment to date of £43k was for consultancy fees, tender documents and stage 3 contract works.
- 3.2.5 **Development of Splashlands Site (Stanborough)** – Original budget for 2017/18 is £2.299m. This budget is to continue development of the new leisure facilities to complete the regeneration of the former Splashlands site at Stanborough Park. Expenditure will be committed once a decision has been made on the development.
- 3.2.6 **Affordable Housing Programme** - Original budget is £13.929m. Cabinet agreed on 7 August 2012 for the council to enter into an agreement to allow the council to retain receipts from the reinvigorated Right to Buy (RTB) sales and to reinvest in the delivery of new affordable homes within the district. These receipts need to be spent within three years of the receipt being received. Ring fenced reserves for this scheme at the beginning of the year were £20.440m.
- The council's Affordable Housing Programme delivers new affordable housing through a range of methods including property acquisition, grant funding Registered Providers and direct new build. The current expenditure budget including rolled forward budget from 16/17 is £18.526m with spend and commitment to date of £5.284m.
- 3.2.7 **Disabled Facilities Grant & Decent Homes Grant** – Original budget for 2017/18 DFG is £0.471m and commitments of £0.291m are reflected in

the rolled forward budgets giving a current budget of £0.762m. The council receives a contribution to the Disabled Facilities Grant expenditure via the Better Care Fund, managed by the County Council which is expected to be £0.592m in year. Spend and commitments to date for total DFG schemes is £0.321m.

In addition there is a budget for the decent homes scheme of £0.102m rolled forward from 2016/17. The Decent Homes budget is ring fenced for use to undertake work which improves housing standards in the private sector. Cabinet have approved a scheme which ensures this money will be targeted for use by owner occupiers within the most deprived areas of the Borough. Part of the funding will also be used to increase the uptake of boiler replacements via the Herts and Essex Energy Partnership. There is no committed spend in year.

3.2.8 Angerland S106 schemes – Original budget for 2017/18 is £1m split into two capital schemes. (Improvements are for Hatfield Football £0.800m and Rugby £0.200m). Funding for these schemes has been received. Expenditure will be grant payments made for the development of a full size synthetic turf football pitch for Hatfield Town Football Club, and for Hatfield Rugby Club to develop the changing area and enhance the playing surfaces. It also provides some resource to assist in the development of a social space enabling the club to become sustainable. There is no committed spend in year so far.

3.2.9 Major Repairs Allowance funded schemes - Original budget for 2017/18 is £11.295m.

This total excludes the Sheltered refurbishment scheme £0.500m.

Current budget including rolled forward 16/17 budget is £14.767m

The Mears contract has an original 2017/18 budget of £7.260m and roll forwards of £1.915m giving a current budget of £9.175m. The scheme is for improvements required to the housing stock including replacement kitchens, bathrooms, electrical and asbestos works.

3.2.10 Other scheme information –

There are 97 capital schemes in the 2017/18 programme.

68 schemes have spent less than 25% in the first quarter.

1 scheme is showing an over spend – this is an over commitment which will be reduced for P4.

The remaining schemes have spent 25% or more of their capital budgets but remain within target at quarter 1.

4 Capital Funding and Reserves

4.1 Capital Funding and Reserves – Forecast Outturn

Table 2: Capital Reserves & Funding Forecast

	Usable Capital Receipts	Major Repairs Reserve	Affordable Housing Funds	Capital Grants Unapplied	Total Movement on Capital Reserves	** Spend Funded by Internal Borrowing
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance 1st April 2017	12,462	4,661	20,440	653	38,216	(16,061)
RTB receipts (including Attributable Debt & High value sales)	0	-	6,920	-	6,920	-
Revenue Contribution to Capital	-	-	0	-	0	-
External Borrowing	-	-	3,700	-	3,700	-
Other receipts	2,584	13,412	-	-	15,996	-
Grants	-	-	-	592	592	-
Capital expenditure	(7,057)	(14,847)	(18,526)	(972)	(41,402)	(12,946)
Closing Balance 31st March 2018	7,989	3,226	12,534	273	24,022	(29,007)

Capital Forecast Expenditure: Total Spend Funded by Receipts & Grants plus Spend Funded by Internal Borrowing = £54.348m.

** This expenditure is being financed through minimum revenue provision charges.

4.2 The capital funding position available to finance the capital programme was £38.216m at the 1st April 2017. Capital funding includes: grants, capital contributions, capital loan repayments, asset disposals, council house sales (including receipts to fund the affordable housing programme), and internal borrowing. Capital reserves are forecast to close at £24.022m by 31st March 2018.

4.3 Internal borrowing required in 2017/18 is budgeted at £12.946m

4.4 Housing Schemes (MRA funded)

Major Repairs Allowance receipts are transferred from the HRA at the end of the financial year. We are expecting to transfer £13.412m in year. Expenditure on Major Repairs Allowance funded schemes in year is expected to be £14.847m. The main contract for housing repairs is with MEARS with a budget of £7.260m plus r/fwd budget from 2016/17 of £1.915m = £9.175m in year. Paragraph 3.2.9 summarises the progress on the MEARS contract.

4.5 Developers Contributions – S106

The council holds capital monies received for external developers towards the funding of specific capital schemes.

Bought forward receipts:	£0.030m for Hatfield aerodrome frontier
	£0.409m for Sir Frederic Osborn School
	£0.800m for Angerland Hatfield Football
	£0.200m for Angerland Hatfield Rugby

The receipts are included in the capital funding as ear marked reserves. The following schemes are identified for expenditure in the 2017/18 capital programme:

- £0.053m Welwyn Football Club – development. (SFO funded)
- £0.124m King George Fifth play fields changing pavilion (SFO funded)
- £0.800m Angerland Football improvements Hatfield (Angerland funded)
- £0.200m Angerland Rugby improvements Hatfield (Angerland funded)

There has been just £600 spent to date on the KGV play fields changing pavilion.

5 Prudential Indicators

- 5.1 Monitoring for the Prudential Indicators. The indicators are as follows:
- 5.2 Capital Expenditure. This indicator represents the total capital expenditure for the authority. The 2017/18 forecast outturn is £54.348m. The capital budget expenditure programme is currently set to spend an average of £37m each year for the next four years.
- 5.3 Capital Financing Requirement (CFR). This indicator reflects the authorities underlying need to borrow to fund its capital programme. The 2017/18 CFR is calculated using the information from the 2016/17 Statement of Accounts. Calculations exclude Finance Leases and Loan Principal Repayments. The Housing CFR includes the self financing loan of £305m (March 2012) and voluntary debt payments. Based on the capital expenditure forecast outturn, the Councils CFR indicator is budgeted at General Fund = £32.052m + HRA = £241.653m). Included is the requirement of internal borrowing.
- 5.4 Authorised Limits and Operational Boundaries. The authorised limit indicator provides a maximum limit that the authority can borrow at any one time. It identifies external borrowing and long term liabilities. For 2017/18 the council's total authorised limit is £314.9m. (Borrowing limit of £8m + Long term liabilities/finance leases and loans of £2.1m + housing self financing loan of £304.8m). The operational boundary indicator is lower than the authorised limit as it is set to reflect the most likely borrowing requirement of the authority. For 2017/18 this is £260.0m (Borrowing boundary of £6m + other long term liabilities of £2.1m + housing self financing loan of £251.9m).
- 5.5 Affordability Ratios. The ratio of financing costs to net revenue stream is an indicator that measures the percentage of the council's income that will be committed to meet the costs of borrowing to fund the capital programme. For 2017/18 we have an estimated general fund percentage of 1.53, and for housing 40.99. The ratio reflects a reduction in our investment income (generally owing to reduced interest rates). The percentage in the outer years is predicting increased interest rates and/or

a reduction in capital spending. HRA from 2012/13 onwards includes self financing debt repayments.

- 5.6 The Incremental Impact of Capital Investment indicator measures the impact on council tax and housing rents which would arise from changes to the councils capital budget programme. For 2017/18 the indicator is at £1.38 for band D council tax. Investment income has increased which has helped to offset the impact of capital investment decisions on the council tax budget.
- 5.7 Gross debt and the capital financing requirement. This indicator records the extent that gross debt is below the CFR. This ensures that over medium term that the debt is only used for capital purposes. For 2017/18 our indicator is below the CFR and remains so into outer years.
- 5.8 HRA limit on indebtedness. This indicator shows the HRA debt limit at the start of the year (£304.799m) and the CFR shows the expected debt at the end of the year (£219.444m).
- 5.9 Prudential indicator outturns for the previous year and budgets for 2017/18 are set in the 2017/18 Budget Book.

Implications

6 Legal Implication(s)

- 6.1 There are no direct legal implications arising from this report. However, the individual projects will require legal input into procurement and contractual documentation.

7 Financial Implication(s)

- 7.1 Financial risks associated with the capital budgets are detailed at paragraph 8.

8 Risk Management Implications

- 8.1 The risks related to this proposal are:
- 8.2 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.
- 8.3 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.
- 8.4 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.

- 8.5 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.
- 8.6 Regular monitoring and reporting of the capital budget and funding are an important part of mitigating these risks.
- 8.7 A formal risk assessment has not been prepared in relation to the details in this report.

9 Security & Terrorism Implication(s)

- 9.1 Implications will be considered when individual capital schemes are proposed and the release of capital funding is sought.

10 Procurement Implication(s)

- 10.1 Implications will be considered when individual capital schemes are proposed and the release of capital funding is sought.

11 Climate Change Implication(s)

- 11.1 Implications will be considered when individual capital schemes are proposed and the release of capital funding is sought.

12 Link to Corporate Priorities

- 12.1 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".

13 Equality and Diversity

- 13.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report as there is no impact on services directly as a result of the recommendations.

Name of author Tracy Fortune 01707 357219
Title General Fund Business Partner
Date 2nd July 2017

Background papers to be listed (if applicable)

Appendices to be listed:

Appendix A - Capital Expenditure Monitoring by Scheme

CAPITAL MONITORING by Director - 30th June 2017

Appendix A

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current budget to Current budget £'000
C0516	Community Infrastructure Levy software - PDG funded	0	26	0	26	26		26	0
C0599	Replacement of Fastplanning, Fastcontrol and Fastcharges	83	148	0	231	148		231	0
C0814	Replacement Gazetteer 2017_18	10	0	0	10	0		10	0
	Total Head of Planning	93	174	0	267	174		267	0
C0826	Replacement of Courier Vehicle 2017_18	15	0	0	15	0		15	0
	Total Head of Law and Administration	15	0	0	15	0		15	0
C0825	Infrastructure for electric pool cars 2017_18	20	0	0	20	0		20	0
	Total Head of Public Health and Protection	20	0	0	20	0		20	0
	Total Executive Director - Public Protection, Planning and Governance	128	174	0	302	174		302	0

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current budget £'000	Reason for changes to current budget
C0270	Highview Shops	350	149	0	499	149		499	0	
C0498	HTC Acquisitions (Growth Fund Detrm Fund)	20	12	0	32	12		32	0	
C0499	HTC Regeneration Phase 2	400	57	(10)	447	47	Vire £5k to C0584 and £5k to C0743 reallocate budget to HTC Flats to cover increased costs. Vire £200 to C0750 to cover final costs	447	0	
C0510	CE Offices	0	80	0	80	80		80	0	
C0511	Salisbury Square redevelopment	50	37	0	87	37		87	0	
C0584	HTC Refurb of Flat 2 WLH for sale (Sainsburys receipt funded)	0	35	5	40	40	Vire £5k from C0499 The cost for construction costs/ materials have risen since the budget was set some two years ago	40	0	
C0585	HTC Phase 2 Fees/Charges (Sainsburys receipt funded)	0	24	0	24	24		24	0	
C0591	Hatfield Market Replacement of electrical wiring and distribution equipment	0	5	0	5	5		5	0	
C0595	Ground Remediation at Hatfield town Centre - Wellfield Road	0	36	0	36	36		36	0	
C0719	Upgrade to Agresso verion 5.7	0	89	0	89	89		89	0	
C0728	Huntersbridge car park LED lighting	0	40	0	40	40		40	0	
C0737	HTC fees for redevelopment (WHBC funded)	100	57	(50)	107	7	Vire £50k to C0751 cover costs on HTC 1&3-9 for additional fees	107	0	
C0743	HTC WLH Flat Refurbishments	0	46	3	49	49	Vire £5k from C0499 The cost for construction costs/ materials have risen since the budget was set two years ago. Vire £2k to C0752 to cover final costs.	49	0	
C0744	Campus East Council Chamber	0	30	0	30	30		30	0	
C0749	Garage Forecourt Resurfacing	60	0	0	60	0		60	0	
C0750	HTC Acquisition of 17c	0	49	0	49	49		49	0	
C0751	HTC Redevelp of 1 and 3-9	150	19	50	219	69	Vire £50k from C0737 for additional fees to progress to RIBA Stage 3 'Plus'	219	0	
C0752	HTC Creation new residential units 20a and 22a	0	98	2	100	100	Tfr £2k from C0743 to cover final costs.	100	0	
C0755	Cherry Tree Car Park Resurfacing	0	14	0	14	14		14	0	
C0787	Garage Renovations 2017_18	200	0	0	200	0		200	0	

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current to Current budget £'000	Reason for changes to current budget
C0788	Garages re roofing 2017_18	184	0	0	184	0		184	0	
C0789	Hatfield Town Centre new shop fronts for 4 & 6 The Arcade 2017_18	20	0	0	20	0		20	0	
C0790	HTC Flat roof refurbishment to shops 2017_18	60	0	0	60	0		60	0	
C0791	Welwyn Garden City Town Centre North 2017_18	100	0	0	100	0		100	0	
C0792	Property Company 2017_18	5,000	0	0	5,000	0		5,000	0	
C0793	Campus East Garages 2017_18	200	0	0	200	0		200	0	
C0794	Building Management System Upgrade Campus East 2017_18	33	0	0	33	0		33	0	
C0795	Building Manag Sys Upgrade Campus West 2017_18	37	0	0	37	0		37	0	
C0796	Huntersbridge car park concrete water proofing 2017_18	600	0	0	600	0		600	0	
C0797	Chillers to Swegon systems at Campus East 2017_18	60	0	0	60	0		60	0	
C0798	Tiles replacement at Maizefield House 2017_18	75	0	0	75	0		75	0	
C0799	Toilets refurbishment at Mill Green Museum 2017_18	15	0	0	15	0		15	0	
C0800	Haldens Flat roof refurbishment 2017_18	50	0	0	50	0		50	0	
C0801	Air Con gas replacement to conforming standard Campus West 2017_18	25	0	0	25	0		25	0	
C0802	Campus East Fire compartmentalisation 2017_18	150	0	0	150	0		150	0	
C0803	Campus East Toilets refurbishment 2017_18	100	0	0	100	0		100	0	
C0804	Cole Green Lane refurbishment 2017_18	50	0	0	50	0		50	0	
C0805	Littleridge Industrial Area resurfacing 2017_18	20	0	0	20	0		20	0	
C0806	Window replacement at Campus East - phase 2 2017_18	200	0	0	200	0		200	0	
C0807	Stanborough Lakes public changing block 2017_18	80	0	0	80	0		80	0	
C0808	Multi Functional Devices - Replacement programme 2017_18	22	0	0	22	0		22	0	
C0809	Email Protective Marking 2017_18	12	0	0	12	0		12	0	
C0810	PC Refresh 2017_18	80	0	0	80	0		80	0	
C0811	Network Infrastructure Refresh 2017_18	34	0	0	34	0		34	0	
C0812	Telephone System Enhancements 2017_18	32	0	0	32	0		32	0	
C0813	Additional Blade Infrastructure 2017_18	25	0	0	25	0		25	0	
C0829	Purchase of Culpitt House 74-78 & 80-84 Hatfield Town Centre	0	215	0	215	215		215	0	
	Total Head of Resources	8,594	1,093	0	9,687	1,093		9,687	0	

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current to Current budget £'000	Reason for changes to current budget
C0259	PLAN Off Street Parking	260	8	0	268	8		268	0	
C0761	Bereavement Services	4,193	(5)	0	4,189	(5)		4,189	0	
C0764	Permit Scheme Software	0	15	0	15	15		15	0	
C0786	Waste collection in-cab software & equip purchase	0	4	0	4	4		4	0	
C0815	Campus West Car Park improvements 2017_18	150	0	0	150	0		150	0	
C0816	Litter and Dog Bins Programme 2017_18	20	0	0	20	0		20	0	
C0818	Parking Bay Programme - garages site 2017_18	80	0	0	80	0		80	0	
C0819	Street Warden Replacement Vehicles 2017_18	48	0	0	48	0		48	0	
C0820	Play Area Replacement Scheme 2017_18	50	0	0	50	0		50	0	
C0821	Refuse and Recycling Improvements Scheme 2017_18	15	0	0	15	0		15	0	
	Total Head of Environment	4,816	22	0	4,839	22		4,839	0	
C0542	Splashlands Development	2,299	0	0	2,299	0		2,299	0	
C0830	KGV Pavillion refurb S106 SFO	0	0	124	124	124	Budget release of S106 SFO funding for KGV refurb of changing rooms	124	0	
C0568	Development of Mobile Website and related systems integration	29	0	0	29	0		29	0	
C0733	KGV Football Pitches to be built in new location.	275	0	0	275	0		275	0	
C0770	Hatfield Leisure Centre - refurb flooring in the main sports hall	0	14	(14)	0	0	Tfr r/fwd under spend into Finesse budget for 17/18 to be spent on HLC	0	0	
C0771	Stanborough Park - Renovation of boating lake hut	0	0	(0)	0	0		0	0	
C0772	Panshanger Golf Complex - Boiler and Changing Facilities	0	0	(0)	0	0		0	0	
C0773	Panshanger Golf Complex - Two Golf Green Mowers	0	29	(29)	0	0	Tfr r/fwd under spend into Finesse budget for 17/18 to be spent on HLC	0	0	
C0775	Panshanger Golf Complex - pathway replacements on three holes	0	0	(0)	0	0		0	0	
C0776	Parks and Playing Fields - New Play area safety surfacing	0	38	0	38	38		38	0	
C0822	Netcall System (Phase 3) 2017_18	30	0	0	30	0		30	0	
C0823	Campus West WC Refurbishment 2017_18	160	0	0	160	0		160	0	
C0824	Finesse refurbishments	100	0	44	144	44	Tfr r/fwd £14k under spend from C0770 into Finesse budget for 17/18 to be spent on HSC. + £30k r/fwd of other Finesse schemes 16/17	144	0	
	Total Head of Policy and Culture	2,893	82	124	3,099	206		3,099	0	
	Total Executive Director - Resources, Environment & Cultural Services	16,303	1,197	124	17,624	1,321		17,624	0	

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current budget £'000	Reason for changes to current budget
C0352	HSG External refurbishment of Queensway House	0	0	80	80	80	For government recommendations to enhance fire security in residential tower blocks following the Grenfell Tower disaster.	80	0	
C0571	CCTV upgrades (WGC, Urban and Hatfield)	0	12	0	12	12		12	0	
C0573	Affordable Housing Programme	13,929	4,597	0	18,526	4,597		18,526	0	
C0616	Imp Grants Housing Assistance Grants and Loans 2015_16	0	30	0	30	30		30	0	
C0617	Imp Grants Housing Assistance Grants and Loans 2016_17	0	261	0	261	261		261	0	
C0618	Disabled Facilities Grant	471	0	0	471	0		471	0	
C0700	Decent Homes Private Sector GF	0	102	0	102	102		102	0	
C0747	WGC Football Developmt Scheme (SFO funded)	0	53	0	53	53		53	0	
C0783	PRG Health	0	6	0	6	6		6	0	
C0784	PRG Sunflower	0	20	0	20	20		20	0	
C0785	PRG Community Inclusion	0	23	0	23	23		23	0	
C0827	Angerland S106 Football Improvement schemes in Hatfield 2017_18	800	0	0	800	0		800	0	
C0828	Angerland S106 Rugby Improvement schemes in Hatfield 2017_18	200	0	0	200	0		200	0	
	Total Head of Community & Housing Strategy	15,400	5,105	80	20,586	5,185		20,586	0	
C0294	HSG MEARS Contract	7,260	1,915	0	9,175	1,915		9,175	0	
C0295	HSG Aids and Adaptations	834	461	(80)	1,215	381	For government recommendations to enhance fire security in residential tower blocks following the Grenfell Tower disaster.	1,215	0	
C0297	Capital Project Management	345	0	0	345	0		345	0	
C0299	HSG Insulation Improvements	29	33	0	62	33		62	0	
C0300	HSG Smoke/Carbon Monoxide Alarms	66	(30)	0	35	(30)		35	0	
C0301	Gas Central Heating Replacement Program	1,645	265	0	1,910	265		1,910	0	
C0408	Other Contractors MRA Schemes	266	341	0	607	341		607	0	
C0704	Door entry systems	464	126	0	590	126		590	0	
C0705	Electricity mains	124	77	0	201	77		201	0	

Capital Project	Project description	Original Budget 2017/18 £'000	Approved Rolled Forwards from 2016/17 £	Changes to Current Budget £	Current Budget 2017/18 £'000	Variance to Original £'000	Reason for changes to original budget	Forecast Outturn 2017/18 £'000	Variance to Current to Current budget £'000	Reason for changes to current budget
C0706	Energy improvement works	191	216	0	408	216		408	0	
C0707	Lift replacement	72	147	0	219	147		219	0	
C0778	Sheltered Refurbishment	500	454	0	954	454		954	0	
	Total Head of Housing Property Services	11,795	4,005	(80)	15,720	3,925		15,720	0	
C0708	Electronic document management system (HRA funded)	0	58	0	58	58		58	0	
C0736	Orchard Mobile Working Solution (RCCO)	0	58	0	58	58		58	0	
	Total Head of Housing Operations	0	116	0	116	116		116	0	
	Total Executive Director - Housing and Communities	27,195	9,226	0	36,422	9,226		36,422	0	
	TOTAL	43,627	10,597	124	54,348	10,721		54,348	0	

**RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
OVERVIEW WORK PROGRAMME 2017-2018**

MEETING DATE	REPORT TOPIC	AUTHOR	PRESENTATIONS and/or EXTERNAL PARTIES
17 July 2017	Steria Contract Monitoring Comments, Complaints and Compliments Performance Indicator Annual Report Financial Outturn Report 2016-2017	Farhad Cantel Thom Burn Paul Underwood Ka Ng	
13 September 2017	Steria Contract Monitoring Performance Indicator Report Quarter 1 Revenue and Capital Budget Monitoring – Pd 3	Farhad Cantel Paul Underwood Ka Ng	
23 November 2017	Exit Interview Analysis Steria Contract Monitoring Performance Indicator Report Quarter 2 Revenue and Capital Budget Monitoring – Pd 6	Janet Pilbeam Farhad Cantel Paul Underwood Ka Ng	
18 January 2018	General Fund Budget 2018-2019 Capital Programme 2018-2019 Housing Revenue Account Budget 2018-2019 Treasury Management & Investment Strategy Medium Term Financial Strategy	Ka Ng	
22 February 2018	Steria Contract Monitoring Performance Indicator Report Quarter 3 Revenue and Capital Budget Monitoring – Pd 9	Farhad Cantel Paul Underwood Ka Ng	

This page is intentionally left blank