

Welwyn Hatfield Borough Council - Budget Monitoring - General Fund Summary - 30 September 2023

Appendix A1

Description	YTD Budget	YTD Actual	YTD	Current	Forecast	Variance to
	2023/24	(inc Cmmt)	Variance	Budget	Outturn	Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Customer Service and Transformation	799	927	128	1,516	1,774	258
Finance	3,641	1,035	(2,606)	5,789	6,744	955
ICT and Digital	932	1,008	76	1,863	1,652	(211)
Legal and Governance	1,464	1,354	(110)	2,795	2,781	(14)
<b>Executive Director (Finance and Transformation)</b>	<b>6,836</b>	<b>4,324</b>	<b>(2,512)</b>	<b>11,963</b>	<b>12,950</b>	<b>987</b>
Leisure, Community and Cultural Services	1,559	1,032	(527)	3,011	3,143	132
Planning	374	619	244	747	1,506	759
Regeneration and Economic Development	(1,239)	(1,871)	(633)	(3,053)	(2,723)	330
<b>Executive Director (Place)</b>	<b>694</b>	<b>(221)</b>	<b>(915)</b>	<b>705</b>	<b>1,926</b>	<b>1,221</b>
<b>Service Director (Property Maintenance and Climate Change)</b>	<b>(353)</b>	<b>(668)</b>	<b>(314)</b>	<b>(966)</b>	<b>(1,147)</b>	<b>(181)</b>
<b>Service Director (Resident and Neighbourhood)</b>	<b>3,882</b>	<b>2,614</b>	<b>(1,268)</b>	<b>8,819</b>	<b>8,580</b>	<b>(239)</b>
<b>Senior Leadership Team</b>	<b>246</b>	<b>205</b>	<b>(41)</b>	<b>492</b>	<b>492</b>	<b>0</b>
<b>Net Controllable Income and Expenditure</b>	<b>11,304</b>	<b>6,254</b>	<b>(5,050)</b>	<b>21,012</b>	<b>22,802</b>	<b>1,788</b>
<b>Net Recharge to the Housing Revenue Account</b>	<b>405</b>	<b>0</b>	<b>(405)</b>	<b>(6,210)</b>	<b>(6,266)</b>	<b>(56)</b>
<b>Net Cost of Services</b>	<b>11,710</b>	<b>6,254</b>	<b>(5,456)</b>	<b>14,804</b>	<b>16,536</b>	<b>1,732</b>
Income from Council Tax	0	0	0	(12,152)	(12,152)	0
Plus/Less Council Tax collection fund deficit/(surplus)	0	0	0	342	342	0
Business Rates Income	(1,975)	(1,430)	545	(3,950)	(3,950)	0
Plus/Less Rates collection fund deficit/(surplus)	0	0	0	2,237	2,237	0
New Homes Grant	(144)	(144)	0	(288)	(288)	0
Services Grant	(435)	(364)	71	(870)	(870)	0
Less Interest & Investment Income	(100)	(749)	(649)	(200)	(700)	(500)
Net Interest Income from Now Housing	0	0	0	0	0	0
Capital Financing Costs	0	78	78	1,354	1,354	0
Borrowing Interest	390	96	(294)	780	650	(130)
Parish Precepts	0	0	0	2,031	2,031	0
<b>Net Total before movements in reserves</b>	<b>9,445</b>	<b>3,741</b>	<b>(5,705)</b>	<b>4,087</b>	<b>5,190</b>	<b>1,102</b>
Contribution (from) / to Earmarked Reserves	(446)	0	446	(892)	(1,022)	(130)
Contribution (from) / to Earmarked Reserves - Collection Fund	(1,290)	0	1,290	(2,579)	(2,579)	0
<b>Contribution (from) / to GF balances</b>	<b>7,709</b>	<b>3,741</b>	<b>(3,968)</b>	<b>(616)</b>	<b>(1,589)</b>	<b>(973)</b>

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

General Fund Reserves Summary - 30 September 2023

Appendix A2

Reserve	Balance at 1 April 2023	Budgeted Movement	Approved Changes	Forecast Changes	Forecast Balance 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves					
Strategic Initiatives Reserve	1,432	(50)			1,382
Business Rates Retention Reserve	4,757	(2,579)			2,178
Pensions Reserve	1,201	(400)			801
Transformation Reserve	750	(158)		(165)	427
Commitment Reserves	217				217
Grants and Contributions Reserve	2,087	(249)			1,838
Local Plan Reserve (Other reserves)	300				300
Climate Change Reserve (Other reserves)	116				116
Civic Buildings Reserve (Other reserves)	241				241
Disability Access Reserve	82				82
Other Reserves	97				97
<b>Total Earmarked Reserves</b>	<b>11,279</b>	<b>(3,436)</b>	<b>0</b>	<b>(165)</b>	<b>7,679</b>
<b>General Fund Working Balance</b>	<b>6,783</b>	<b>(616)</b>	<b>0</b>	<b>(973)</b>	<b>5,194</b>
<b>Total Reserves</b>	<b>18,062</b>	<b>(4,052)</b>	<b>0</b>	<b>(1,138)</b>	<b>12,873</b>

**Summary of virements between services**

**Appendix A3**

<b>Service</b>	<b>Virement Detail</b>	<b>Virement Total</b>
Finance		35
	Drawdown from Modernisation Reserve for Payroll transformation project	
Leisure, Community and Cultural Services		54
	Realignment of functions following the restructure in 22/23 and further team reviews	
Regeneration and Economic Development		(26)
	Realignment of functions following the restructure in 22/23 and further team reviews	
Service Director (Resident and Neighbourhood)		(28)
	Realignment of functions following the restructure in 22/23 and further team reviews	
<b>Total Increase/(Decrease) to Net Cost of Service Budgets</b>		<b>35</b>

Customer Service and Transformation

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	810	703	(108)	1,621	1,472	(148)
Premises Related	210	37	(173)	339	263	(76)
Transport Related	0	2	2	0	4	4
Supplies and Services	156	156	0	312	312	0
Third Party Payments	153	122	(31)	306	235	(72)
Transfer Payments	0	0	0	0	0	0
Income	(531)	(92)	439	(1,062)	(512)	549
<b>Controllable Costs</b>	<b>799</b>	<b>927</b>	<b>128</b>	<b>1,516</b>	<b>1,774</b>	<b>258</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) Due to issues with utility access the opening of the crematorium was delayed and opened in September. The income forecast reflects that it will only be operational for half of the financial year; this has been offset with savings from reduction in utilities usage and contractor payments in relation to monthly landscaping works.	164	421
d) There are several vacancies within the service which are currently being recruited to. Agency cover has been found for some of these posts where needed and costs are being monitored.	(114)	(144)
d) Efficiencies from the purchase of new software. The total cost for 2023/24 is £26.5k which results in a £19k saving of which £9.5k will be a revenue contribution to capital. There will be an ongoing efficiency of c.£10k each year which will be reflected in the 24/25 budget setting process.	64	(19)
e) Other small variances.	13	(0)
<b>TOTAL</b>	<b>128</b>	<b>258</b>

Finance

Description	YTD Budget 2023/24 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000	Current Budget 2023/24 £ '000	Forecast Outturn 2023/24 £ '000	Variance to Current £ '000
Employees	2,113	1,857	(256)	2,985	3,020	35
Premises Related	297	10	(287)	297	358	60
Transport Related	15	0	(15)	15	6	(9)
Supplies and Services	222	225	4	444	526	82
Third Party Payments	1,232	1,013	(219)	2,463	2,484	21
Transfer Payments	13,803	13,400	(403)	27,607	27,789	182
Income	(14,041)	(15,471)	(1,430)	(28,023)	(27,439)	584
<b>Controllable Costs</b>	<b>3,641</b>	<b>1,035</b>	<b>(2,606)</b>	<b>5,789</b>	<b>6,744</b>	<b>955</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) There is currently a year to date underspend due to accruals from the previous financial year for external audit not yet having been billed by the auditors, along with Q1 for 2023/24 not having been billed. However, a small overspend is forecasted at year end due to the increasing fees for testing and audit work that is being seen across the sector. The fees for 23/24 have not yet been agreed and therefore there is a risk that the year end forecast will change.	(207)	21
b) Grant given by central government to help with the cost of living for those that have alternative fuel methods. Ongoing payments are being made to residents that are entitled to this support, any surplus funds will be returned as per the grant conditions. The scheme closed on 31 May 2023 but we are still receiving applications from The Department of Business, Energy and Industrial Strategy (BEIS) which we are required to process until 11 August 2023.	(358)	0
b) Grant payments received in previous financial years, that are expected to be returned to central government following reconciliation processes. We recently completed a reconciliation exercise for the Energy Grant scheme which we administered in 2022/23 and this should be the final scheme from previous years where any residual funding may need to be returned.	(1,387)	0
c) There is currently a year to date underspend due to the timing of invoice payments relating to revenues and benefits, and accruals from 22/23 which are still to be paid. No year end variance is forecasted.	(237)	0
d) There were previously a number of vacant posts within the Financial Services team resulting in an underspend, partially offset by agency cover. All posts have now been recruited to and staff have commenced in post.	(21)	18

d) There is a year to date overspend for benefit payments made. A subsidy mid-year estimate was undertaken in August which suggests the overspend on housing benefit will continue. There are various factors that feed into the overall forecast overspend including increasing rental prices compared to the amount of subsidy which can be claimed. There are also currently around 25 cases of homelessness for which we are using private sector leased accommodation outside the borough; the rental costs for these are significantly higher than the rate of subsidy we can claim back.	520	682
d) The Council's Insurance products are forecasted to cost more than budgeted for. The year to date underspend is a result of payment not yet being made, this is expected to be made in the coming weeks. The majority of the overspend (£56k) relates to Housing Insurance and will be recharged to the HRA.	(438)	67
c) Year to date underspends on central budgets that will be used during the financial year. This includes central provision included for ongoing income pressures, which are likely to be vired throughout the financial year. No significant forecast variance is expected at present.	(332)	(2)
d) A higher year to date variance relating to software annual costs is showing due to the way the budget is profiled. A slight increase in software costs due to inflationary increases is expected to result in a small overspend at year end.	68	25
b) Government grant income received this financial year, plans are ongoing to utilise this government grant income, it is expected to be spent this year.	(185)	0
d) Additional income from printing and postage costs for new contractor.	(18)	(11)
b) This relates to the Council Tax Subsidy grant, which this year was received in a lump sum with the Revenue Support Grant for the first time. The budget does not align with the grant and is therefore causing a year end variance.	(45)	117
d) Additional expenditure incurred in relation to empty homes review and rateable values work. Longer term, this will increase income through council tax and business rates over a three year period.	17	34
d) Other small variances.	16	4
<b>TOTAL</b>	<b>(2,606)</b>	<b>955</b>

ICT and Digital

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	79	219	139	158	446	287
Premises Related	0	0	0	0	0	0
Transport Related	0	2	2	0	4	4
Supplies and Services	348	651	303	696	902	207
Third Party Payments	504	136	(368)	1,009	300	(709)
Transfer Payments	0	0	0	0	0	0
Income	0	0	0	0	0	0
<b>Controllable Costs</b>	<b>932</b>	<b>1,008</b>	<b>76</b>	<b>1,863</b>	<b>1,652</b>	<b>(211)</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) A saving will be achieved from bringing the IT Support contract back in house. There are further savings forecast this year due to vacancies in the new in house team while these posts are recruited to.	(65)	(261)
d) Telephone costs have been centralised this year to facilitate a review of how these are procured.	11	49
a) This amount relates to the ongoing ICT modernisation project that the council is undertaking and will be funded from reserves at the end of the year.	130	0
d) Other small variances.	0	0
<b>TOTAL</b>	<b>76</b>	<b>(211)</b>

Legal and Governance

Description	YTD Budget 2023/24 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000	Current Budget 2023/24 £ '000	Forecast Outturn 2023/24 £ '000	Variance to Current £ '000
Employees	1,054	844	(209)	2,029	1,921	(108)
Premises Related	2	15	13	2	16	14
Transport Related	6	5	(1)	9	10	1
Supplies and Services	398	495	97	746	808	62
Third Party Payments	70	76	7	139	135	(5)
Transfer Payments	0	0	0	0	0	0
Income	(65)	(82)	(17)	(130)	(109)	22
<b>Controllable Costs</b>	<b>1,464</b>	<b>1,354</b>	<b>(110)</b>	<b>2,795</b>	<b>2,781</b>	<b>(14)</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) There is a year to date overspend on local elections. Costs have been incurred in the early part of the year, so this is a timing difference compared to the profiling of the budget. The reduction in variance by year end represents the recovery of costs from Parishes, however there is still an overspend expected due to higher costs relating to new voter ID requirements this year resulting in additional wages needing to be paid to election staff and canvassers.	31	26
d) There is a year to date underspend on salary budgets due to vacancies, partially offset by agency costs of covering those vacancies.	(161)	(143)
d) Income from search fees is expected to be less than budgeted based on historic trends.	26	50
e) There is a year to date underspend on training. The training programme has started and a new Learning Management System has been rolled out. A full review of the programme is underway and no variance is anticipated.	(63)	0
d) Software costs have risen across the service.	6	24
d) Other small variances.	51	29
<b>TOTAL</b>	<b>(110)</b>	<b>(14)</b>

Regeneration and Economic Development

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	590	492	(98)	1,134	993	(141)
Premises Related	940	938	(2)	1,352	1,403	50
Transport Related	1	2	1	2	2	0
Supplies and Services	203	301	98	405	469	64
Third Party Payments	304	287	(17)	608	690	83
Transfer Payments	0	0	0	0	0	0
Income	(3,277)	(3,891)	(614)	(6,554)	(6,280)	274
<b>Controllable Costs</b>	<b>(1,239)</b>	<b>(1,871)</b>	<b>(633)</b>	<b>(3,053)</b>	<b>(2,723)</b>	<b>330</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) There is a timing difference between the timing of payments to parking contractors and the profiling of the budget. An overspend is expected at year end.	(25)	74
d) There is currently a favourable variance on utility payments due to a 2-3 month lag in receiving utility invoices. Detailed work has been carried out and a small overspend is forecast at year end.	(26)	29
d) There are a number of vacancies within the team, resulting in an year to date saving. Although the aim is to recruit to a number of these positions, an underspend is still expected at year end.	(90)	(142)
d) Net income from off-street Parking fees and charges has seen a downward trend compared to budget.	56	82
d) Net income from parking season tickets and parking permit schemes. This also includes ongoing work on waiting restriction schemes, across the borough, to manage parking for road users. Works are ongoing in the following wards: Peartree, Sherrards, Hatfield Central, Brookmans Park & Little Heath.	17	79
d) Net income from Parking enforcement.	(60)	(97)
d) Rent - Rent is received in advance either quarterly, monthly or annually and budgets are profiled accordingly. The year to date variance is the result of timing differences based on rents being received at different times to the budget profile. An adverse variance is forecasted at year end based on a number of different factors including increased interest rates, backlog of rent reviews from COVID, as well as some units being surrendered earlier than anticipated resulting in a short period of loss of rental income while the redevelopment takes place. Work is currently underway to reprofile budgets in line with the timing of rental income receipts.	(570)	275
d) A slight overspend is forecasted on hardware maintenance across both business centres, which primarily relates to broadband and phone lines.	22	14

d) A slight overspend is forecasted on the cleaning contract.	2	14
d) Other small variances.	42	4
<b>TOTAL</b>	<b>(633)</b>	<b>330</b>

Planning

Description	YTD Budget 2023/24 £ '000	YTD Actual (inc Cmmt) £ '000	YTD Variance £ '000
Employees	819	801	(18)
Premises Related	1	1	(0)
Transport Related	1	2	1
Supplies and Services	117	237	120
Third Party Payments	26	28	1
Transfer Payments	0	0	0
Income	(591)	(450)	140
<b>Controllable Costs</b>	<b>374</b>	<b>619</b>	<b>244</b>

Current Budget 2023/24 £ '000	Variance to Original £ '000	Forecast Outturn 2023/24 £ '000	Variance to Current £ '000
1,638	(41)	1,665	27
2	0	2	0
2	0	5	3
234	(1)	483	249
53	0	53	0
0	0	0	0
(1,181)	0	(702)	479
<b>747</b>	<b>(42)</b>	<b>1,506</b>	<b>759</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) There is currently a year to date underspend on employee costs due to vacancies. A small overspend is expected at year end.	(16)	27
d) There is a shortfall in income from planning fees and charges, particularly from major planning applications. Between April-September 2022 the Council received £254k from major planning applications, however in the same period in 2023 only £134k has been received. The number of minor planning applications has remained broadly level, but it is extremely difficult to predict future income as major planning applications which have the potential to generate large amounts of income are not linear and occur sporadically.	156	479
d) There are a number of workstreams which will require the use of external legal and consultancy advice due to the likelihood of further planning appeals, legal challenges related to specific sites, the Local Plan, and ongoing enforcement matters.	102	250
d) Other small variances.	2	2
<b>TOTAL</b>	<b>244</b>	<b>759</b>

Leisure, Community and Cultural Services

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	1,383	1,247	(136)	2,767	2,556	(211)
Premises Related	915	365	(550)	1,723	1,486	(237)
Transport Related	1	2	1	2	2	0
Supplies and Services	636	1,344	707	1,272	2,370	1,097
Third Party Payments	172	120	(53)	345	330	(15)
Transfer Payments	0	0	0	0	0	0
Income	(1,549)	(2,045)	(496)	(3,098)	(3,602)	(503)
<b>Controllable Costs</b>	<b>1,559</b>	<b>1,032</b>	<b>(527)</b>	<b>3,011</b>	<b>3,143</b>	<b>132</b>

	Year to Date Variance	Forecast Variance
<b>Controllable Variance Analysis</b>		
d) There is currently an underspend on Water and Electricity bills due to a lag in receiving invoices resulting in a timing difference of spend against budget. Detailed work to determine the likely year-end position has been completed and an updated forecast now provided.	(218)	171
b) Expenditure on homelessness which will be funded from the Homelessness Prevention Grant awarded by central government (see line below). The service manager has now provided a breakdown of full year forecasted expenditure against the grant, and this is now reflected in the forecast figures.	487	826
b) Government grant income (Homelessness Prevention Grant) to be used to fund various homelessness projects. The service manager has now provided a list of all expected 23/24 grant income and this has now been reflected in the forecast figures.	(784)	(830)
d) Net underspends across Campus West Employee Costs, which will be monitored closely throughout the year.	(138)	(230)
d) Net underspends across Campus West Supplies and Services Costs, particularly due to lower film and panto fees paid so far in the year.	(145)	(155)
d) Net income shortfall across most activity streams at Campus West. The biggest drivers of this are cinema ticket sales and food and beverage income. A reduced number of blockbuster movies has resulted in a decrease in income. This combined with the recent good weather and the cost of living crisis has seen a continuation of lower than anticipated footfall. This has been partially offset by Parties generating more YTD income than expected.	511	737
d) Gas charges to date relating to Campus West, Leisure Contract, Community Centres & Mill Green Museum are significantly less than budgeted for, this is now also reflected in the full year forecast following detailed work on estimated full year spend undertaken during Q2.	(261)	(415)
d) Other small variances.	20	28
<b>TOTAL</b>	<b>(527)</b>	<b>132</b>

Resident and Neighbourhood

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	1,300	1,109	(191)	2,600	2,573	(27)
Premises Related	207	111	(96)	296	309	12
Transport Related	7	11	4	15	24	9
Supplies and Services	136	243	107	271	337	65
Third Party Payments	4,269	3,307	(962)	8,537	8,276	(261)
Transfer Payments	0	0	0	0	0	0
Income	(2,037)	(2,167)	(130)	(2,901)	(2,937)	(36)
<b>Controllable Costs</b>	<b>3,882</b>	<b>2,614</b>	<b>(1,268)</b>	<b>8,819</b>	<b>8,580</b>	<b>(239)</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) Part of the year to date variance is linked to the timing of invoice payments. Inflation on the Urbaser contract is also lower than was budgeted for, following a reduction to inflation rates at the time the contractual estimates were due.	(639)	(274)
d) There are often fluctuations in the income associated with recycling. No significant year end variance is expected at present, but this will continue to be closely monitored.	186	(3)
d) Garden Waste subscriptions are not expected to meet their income targets due to the cost of living crisis reducing the number of subscribers.	25	14
d) Environmental Health - Less income is expected for Permit Fees and Health and Safety Courses than has been budgeted for. Health and Safety courses have been reduced and therefore will not generate as much income as in previous years.	12	21
d) There is currently an underspend due to vacancies, however an overspend is forecast for year end due to the additional costs of covering vacancies and maternity leave with agency staff.	(41)	32
d) There is a shortfall in income expected for Hackney Carriges, partially offset by savings from vacancies.	41	38
d) Private Sector Housing - Fines totalling £550k raised, Probability of payment to be determined. Favourable forecast variance expected for Private Sector Housing due to an additional annual contribution secured from the University of Hertfordshire for £30k. Minor saving on Salaries due to two vacant roles.	(770)	(37)
c) Grounds Maintenance Reimbursements normally invoiced in Aug.	149	0
e) Landscaping payments to contractors is currently showing an underspend as there has been no major spend to date.	(57)	0
d) This variance relates to the Allotments Savings target as agreed by Full Council in February 2023. No savings have been found to date.	14	27

d) A year to date underspend is showing due to a timing delay in receiving and paying Continental Landscapes invoices. An overspend is expected at year end due to increased expenditure required on planting and treatment of Japanese knotweed.	(93)	48
e) The NNDR bill for Tewin Road has been lower than expected resulting in a year to date underspend. An update is awaited from the Valuation Office Agency.	(70)	0
d) A saving is forecasted on Tewin Road Depot due to prior year revenue costs associated with the development being higher than is now required.	(50)	(69)
d) Other small variances.	26	(36)
<b>TOTAL</b>	<b>(1,268)</b>	<b>(239)</b>

Property Maintenance and Climate Change

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	241	247	5	483	466	(17)
Premises Related	837	573	(264)	1,414	1,371	(44)
Transport Related	0	0	0	1	1	0
Supplies and Services	31	50	19	61	69	8
Third Party Payments	0	(11)	(11)	0	0	0
Transfer Payments	0	0	0	0	0	0
Income	(1,462)	(1,526)	(64)	(2,925)	(3,053)	(128)
<b>Controllable Costs</b>	<b>(353)</b>	<b>(668)</b>	<b>(314)</b>	<b>(966)</b>	<b>(1,147)</b>	<b>(181)</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) There have been vacancies within the service resulting in a year to date underspend, net of agency costs incurred. These are currently being recruited to.	(14)	(20)
d) This variance relates to utility payments; there is currently a 2-3 month lag with utility invoices being sent. Detailed work to determine the likely year-end position has now been carried out and an underspend is expected at year end.	(137)	(44)
e) Property maintenance budgets are showing a small YTD underspend due to fluctuations in maintenance across different sites. At present corporately no forecast variance is expected.	(33)	0
c) There is currently a year to date underspend on contract cleaning, invoices are due to be paid and no year end forecast is currently needed.	(68)	0
d) There is additional garage income expected for 2023/24. There has been higher demand than expected for garages and as a result more income is forecasted to be achieved.	(64)	(128)
e) Other small variances.	2	11
<b>TOTAL</b>	<b>(314)</b>	<b>(181)</b>

Chief Executive and PAs

Description	YTD Budget 2023/24	YTD Actual (inc Cmnt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	157	164	7	315	315	0
Premises Related	0	0	0	0	0	0
Transport Related	0	0	(0)	1	1	0
Supplies and Services	88	36	(53)	177	177	0
Third Party Payments	0	5	5	0	0	0
Transfer Payments	0	0	0	0	0	0
Income	0	0	0	0	0	0
<b>Controllable Costs</b>	<b>246</b>	<b>205</b>	<b>(41)</b>	<b>492</b>	<b>492</b>	<b>0</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
e) Other small variances.	(41)	0
<b>TOTAL</b>	<b>(41)</b>	<b>0</b>

**Welwyn Hatfield Borough Council Housing Revenue Account - September 2023**

**Appendix C1**

Description	YTD Budget 2023/24 £'000	YTD Actual (inc Cmmt) £ '000	FYE Variance £'000	Current Budget 2023/24 £ '000	Forecast Outturn 2023/24 £ '000	Variance to Current £ '000
Dwelling rents	(27,960)	(27,558)	402	(55,920)	(55,380)	540
Non-dwelling rents	(223)	(266)	(42)	(435)	(435)	-
Tenants' charges for services and facilities	(969)	(955)	14	(1,938)	(1,802)	136
Leaseholders' charges for services and facilities	(753)	(855)	(101)	(1,474)	(1,296)	178
Contributions towards expenditure	(102)	(97)	5	(302)	(302)	-
<b>Total Income</b>	<b>(30,008)</b>	<b>(29,730)</b>	<b>278</b>	<b>(60,069)</b>	<b>(59,215)</b>	<b>854</b>
Repairs and maintenance	5,922	2,979	(2,944)	11,844	12,022	178
Supervision and management	3,662	3,537	(124)	11,576	12,056	480
Special services	2,318	1,628	(690)	4,637	4,130	(507)
Rents, rates, taxes and other charges	513	852	339	872	1,265	394
Impairment allowance for doubtful debts	-	74	74	490	490	-
Depreciation	-	-	-	16,602	16,602	-
Debt management costs	-	-	-	18	18	-
Sums directed by Secretary of State	-	-	-	50	50	-
<b>Total Expenditure</b>	<b>12,416</b>	<b>9,070</b>	<b>(3,346)</b>	<b>46,088</b>	<b>46,633</b>	<b>545</b>
HRA share of Corporate and Democratic Core	-	-	-	928	928	-
<b>Net Cost of Services</b>	<b>(17,592)</b>	<b>(20,660)</b>	<b>(3,067)</b>	<b>(13,053)</b>	<b>(11,654)</b>	<b>1,399</b>

<b>Less Interest and Non-Statutory Items:</b>						
Interest payable and similar charges	4,060	1,852	(2,208)	8,120	6,720	(1,400)
HRA financing and investment income	(39)	(50)	(11)	(78)	(158)	(80)
Revenue Contribution to Capital	2,384	-	(2,384)	4,769	4,895	126
<b>Total Adjustments</b>	<b>6,405</b>	<b>1,802</b>	<b>(4,603)</b>	<b>12,811</b>	<b>11,457</b>	<b>(1,354)</b>
<b>(Surplus) / Deficit on the HRA</b>	<b>(11,187)</b>	<b>(18,858)</b>	<b>(7,671)</b>	<b>(242)</b>	<b>(197)</b>	<b>45</b>

**HRA By Service Area**

Description	YTD Budget 2023/24 £'000	YTD Actual (inc Cmmt) £'000	YTD Variance £'000	Current Budget 2023/24 £'000	Forecast Outturn 2023/24 £'000	Forecast Variance £'000
Finance & Transformation	(22,838)	(24,433)	(1,594)	(45,708)	(46,345)	(638)
Place	39	191	152	(11)	362	373
Resident and Neighbourhoods	2,079	1,668	(411)	4,046	3,940	(106)
Property Maintenance and Climate Change	6,868	3,767	(3,101)	13,736	13,970	233
Corporate items	2,657	(51)	(2,709)	27,694	27,876	182
<b>(Surplus) / Deficit on the HRA</b>	<b>(11,195)</b>	<b>(18,858)</b>	<b>(7,663)</b>	<b>(242)</b>	<b>(197)</b>	<b>45</b>

**HRA Reserves**

	Current Budget 2023/24 £'000	Forecast Outturn 2023/24 £'000	Forecast Variance £'000
<b>Opening HRA Balance</b>	(2,764)	(2,764)	-
In-year (Surplus) / Deficit	(242)	(197)	45
<b>Closing HRA Balance</b>	<b>(3,006)</b>	<b>(2,961)</b>	<b>45</b>

Executive Director (Finance and Transformation)

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	994	1,208	214	1,643	1,891	249
Premises Related	0	0	0	0	0	0
Transport Related	5	5	(0)	10	9	(1)
Supplies and Services	4,836	2,778	(2,058)	9,910	8,527	(1,384)
Third Party Payments	0	(10)	(10)	0	0	0
Transfer Payments	0	0	0	50	50	0
Income	(28,674)	(28,414)	260	(57,321)	(56,823)	498
<b>Controllable Costs</b>	<b>(22,838)</b>	<b>(24,433)</b>	<b>(1,594)</b>	<b>(45,708)</b>	<b>(46,345)</b>	<b>(638)</b>

Controllable Variance Analysis	Date	Variance
d) There are a number of vacant posts across the service which are in the process of being recruited to. One post has been removed from the budget.	(87)	(42)
d) The annual lump sum pension payment was higher than budgeted for.	299	299
d) There are some delays expected for the delivery of Minster House and 1-9 Town Centre Hatfield. As such there is reduced rental income expected from these sites.	331	400
d) Interest payments on loans, there are a number of interest payments still to be made resulting in the year to date underspend. The interest charged is looked at on a regular basis, this is heavily linked to the expected need for borrowing for the capital programme.	(2,208)	(1,400)
d) Year to date underspends on project budgets for support with items such as the White Paper on social housing. It has been agreed that part of this underspend can be used to offset overspends on feasibility costs (variance D2f) and a virement has been done to action this.	(149)	(70)
d) There is a year end overspend forecasted for leaseholder insurance, the market for this service has changed with many providers leaving the market.	35	63
D) Service charge income is currently showing a favourable variance as the annual estimates have been raised for the year. The service charge audit is near completion and a year end forecast has now been provided for the total income expected from leaseholder service charge bills. Due to the terms of the leases, and legislation, we can only charge leaseholders for expenditure that was paid by the 31st March 2023. As there were a number of invoices (£73k) that were accrued for at year end (but not yet paid) an overspend is now forecast at year end for the day to day service charge. A further £104k of the year end overspend relates to fewer leaseholders signing up for new fire doors than expected; this was budgeted for in the service charge income. The service will continue to encourage more sign up in this area.	(102)	178

d) This relates to the software budget for the HRA, an overspend is showing at present due to accounting treatment where the invoices relate to more than one financial year. This is adjusted as part of the year end processes. A slight year end variance is showing due to varying inflation rates.	237	17
D) As a result of increasing interest rates additional interest income is forecasted to be earned on cash balances held.	39	(80)
d) Other minor variances.	11	(2)
<b>TOTAL</b>	<b>(1,594)</b>	<b>(638)</b>

Executive Director (Place)

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	245	310	64	490	629	139
Premises Related	297	353	56	476	593	117
Transport Related	1	2	1	2	2	0
Supplies and Services	83	106	23	165	179	14
Third Party Payments	30	61	32	60	70	10
Transfer Payments	0	0	0	0	0	0
Income	(616)	(640)	(24)	(1,204)	(1,110)	94
<b>Controllable Costs</b>	<b>39</b>	<b>191</b>	<b>152</b>	<b>(11)</b>	<b>362</b>	<b>373</b>

	Year to Date Variance	Forecast Variance
<b>Controllable Variance Analysis</b>		
d) Net overspend against employee costs, mainly due to a pressure against capital recharges for Housing Development (HRA). We are commencing a review of the capital recharges process.	64	89
d) Water Service Charges for Burfield Close and Howlands House properties have been paid for the full year in advance, resulting in a year to date variance, and a similar year-end variance. The Council are looking to develop these sites. In addition, Council Tax charges to date are significantly higher than budgeted for, this was also the case at the same stage of 2022/23. The full year forecast has been adjusted to reflect this, based on both actuals to date and 2022/23 outturn. The service manager has reviewed the list of properties the charges relate to and confirmed they are coded correctly.	57	60
d) Forecast overspend on Hostels Electricity and Gas charges - detailed work on estimating full year spend has been completed during Q2 and forecasts have been updated to reflect this.	5	57
d) Overspend on Affordable Housing Programme project expenditure due to various feasibility costs and software maintenance costs being higher than budgeted for, including G-Cloud subscription, desktop utility reports, capacity studies, surveyor reports & planning consultancy support. A virement has been actioned from central project budgets to offset some of this overspend.	14	12
d) Adverse variance in relation to Hostels income due to reduced occupancy and an increased number of empty properties at Howlands House.	38	140
d) Other minor variances.	(26)	15
<b>TOTAL</b>	<b>152</b>	<b>373</b>

Service Director (Resident and Neighbourhood)

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	1,622	1,156	(466)	3,244	2,610	(635)
Premises Related	843	689	(155)	1,666	1,626	(40)
Transport Related	38	30	(8)	76	64	(11)
Supplies and Services	199	225	26	398	494	96
Third Party Payments	125	246	121	251	552	301
Transfer Payments	0	0	0	0	0	0
Income	(749)	(678)	70	(1,589)	(1,407)	182
<b>Controllable Costs</b>	<b>2,079</b>	<b>1,668</b>	<b>(411)</b>	<b>4,046</b>	<b>3,940</b>	<b>(106)</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
d) Efficiency Savings from closing the Independent Living Control Centre. These savings are net of redundancy payments made. The year to date variance also includes underspend from vacancies elsewhere in the Independent Living Service which will be filled.	(246)	(46)
d) Delays to capital projects such as Queensway and Howard House are causing an overspend on council tax as the Council is responsible for council tax costs while these properties are empty. Queensway makes up approximately 40% and Howard House approximately 10% of this additional cost.	286	250
d) Additional savings expected to be achieved from moving the Community Buses service to a third party provider.	(14)	(35)
d) Temporary Accommodation costs relating to hotel costs for decants. The higher year end forecast is due to the increased hotel costs expected due to high demand.	2	40
d) There is currently an underspend relating to utility payments due to a 2-3 month lag in receiving invoices from utility companies. Detailed work has now been carried out and there is a significant underspend predicted for year end.	(369)	(390)
d) There is currently an underspend due to vacancies, this is expected to be offset throughout the year due to use of agency staff.	(56)	26
e) Underspend on payments to contractors offset by additional cleaning contract and general maintenance costs.	(53)	(0)
c) This is a timing difference in the payment of a consultancy fees invoice for supervision and management. The budget will be reprofiled to account for this.	54	0
d) Other minor variances	(16)	49
<b>TOTAL</b>	<b>(411)</b>	<b>(106)</b>

Service Director (Property Maintenance and Climate Change)

Description	YTD Budget 2023/24	YTD Actual (inc Cmmt)	YTD Variance	Current Budget 2023/24	Forecast Outturn 2023/24	Variance to Current
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
Employees	963	784	(178)	1,925	1,981	55
Premises Related	15	25	10	30	30	0
Transport Related	0	2	2	1	1	0
Supplies and Services	856	142	(714)	1,712	1,842	130
Third Party Payments	5,051	2,813	(2,238)	10,102	10,150	48
Transfer Payments	0	0	0	0	0	0
Income	(17)	0	17	(33)	(33)	0
<b>Controllable Costs</b>	<b>6,868</b>	<b>3,767</b>	<b>(3,101)</b>	<b>13,736</b>	<b>13,970</b>	<b>233</b>

Controllable Variance Analysis	Year to Date Variance	Forecast Variance
D) The service has recently been restructured and recruitment for the vacant posts has been ongoing. There are still a few vacant roles that are in the process of being recruited to.	(522)	(722)
D) Agency staffing costs. Due to current vacancies following the restructure, agency cover has been sought to ensure that service delivery is maintained. This is forecasted to cost £453k and is reviewed regularly based on any recruitment updates. There are further agency costs for the waking watch at Queensway house which is forecasted to cost £325k.	341	778
c) There is currently a year to date underspend due to the fact that there are several contract payments still to made. These contract payments go through an application process that ensures works have been completed to the required standard and that the charges are in line with the contractual terms. Most of these payments relate to the main repairs contract, where ongoing discussions are being held regarding pricing and works delivered. Applications have been received up to the end of August and initial forecasting based on this would assume a saving between £638k- £1.8m. However, it should be noted that there is expected to be an increase in the number of damp and mould cases over the winter period which will reduce the saving. The service are currently costing this and have not yet agreed to amend the forecast outturn. Forecast overspends are also expected on Water safety works and Gas contract extras.	(2,265)	48
c) The stock condition survey is expected to take place in the coming months and invoices will come through as they progress. The year to date variance is due to how the budget is profiled. No forecast variance is expected for this work.	(800)	0
D) There are ongoing disrepair claims coming through which are likely to incur legal fees above what has been budgeted.	114	130
d) Other minor variances.	30	(0)
<b>TOTAL</b>	<b>(3,101)</b>	<b>233</b>

Arrears by service at 30 September 2023

Appendix E

	1-30 Days Overdue	31-60 Days Overdue	61-90 Days Overdue	91-365 Days Overdue	365 Days Overdue	Total Outstanding
<b>Executive Director - Place</b>						
Economic Development	5,000.00	0.00	0.00	0.00	0.00	5,000.00
Commercial Property and Ground Rents	496,215.87	-3,186.41	2,488.97	55,671.25	360,909.55	912,099.23
Parking and Playgrounds	82,312.05	0.00	0.00	0.00	0.00	82,312.05
Planning	23,788.84	9,280.00	0.00	0.00	6,703.49	39,772.33
Housing Options	325.00	2,742.00	420.00	10,357.78	115,196.43	129,041.21
Place other	18,883.92	7,000.96	47,456.00	255,909.88	-370.33	328,880.43
	<u>626,525.68</u>	<u>15,836.55</u>	<u>50,364.97</u>	<u>321,938.91</u>	<u>482,439.14</u>	<u>1,497,105.25</u>
<b>Executive Director - Finance &amp; Transformation</b>						
Cemeteries and Crematoriums	18,746.00	875.00	575.00	481.26	4,551.07	25,228.33
Finance	12,593.07	0.00	1,440.00	17,213.60	15,105.28	46,351.95
Finance and Transformation other	0.00	0.00	509.86	60.00	688.00	1,257.86
	<u>31,339.07</u>	<u>875.00</u>	<u>2,524.86</u>	<u>17,754.86</u>	<u>20,344.35</u>	<u>72,838.14</u>
<b>Service Director - Property Maintenance &amp; Climate Change</b>						
Property Maintenance and Climate Change other	0.00	0.00	0.00	0.00	6,785.00	6,785.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>6,785.00</u>	<u>6,785.00</u>
<b>Service Director - Resident &amp; Neighbourhood</b>						
Community Safety	1,040.00	0.00	0.00	0.00	0.00	1,040.00
Environmental Services - waste/recycling	610,690.11	6,197.61	0.00	-250.00	0.00	616,637.72
Independent Living	1,581.77	1,345.44	-28.20	235.94	-369.16	2,765.79
Private Sector Housing	0.00	0.00	557,310.00	4,048.78	29,018.60	590,377.38
Resident and Neighbourhood other	17,921.90	6,818.32	0.00	-1,155.90	-271.16	23,313.16
	<u>631,233.78</u>	<u>14,361.37</u>	<u>557,281.80</u>	<u>2,878.82</u>	<u>28,378.28</u>	<u>1,234,134.05</u>
<b>TOTAL</b>	<u><b>1,289,098.53</b></u>	<u><b>31,072.92</b></u>	<u><b>610,171.63</b></u>	<u><b>342,572.59</b></u>	<u><b>537,946.77</b></u>	<u><b>2,810,862.44</b></u>

Breakdown  
below:      Breakdown  
below:

Rental Deposit scheme <sup>1</sup>	7,509.78	116,006.76
Referred to legal <sup>2</sup>	14,578.26	41,153.72
Payment plan <sup>3</sup>	3,123.77	16,843.79
Chasing commercial tenants <sup>4</sup>	100,978.59	343,624.55
Chasing - other LAs and partner orgs <sup>5</sup>	0.00	3,454.69
Chasing - other orgs & individuals <sup>6</sup>	22,049.80	7,167.64
Balances of less than £50 <sup>7</sup>	739.90	1,630.38
Unallocated credits <sup>8</sup>	-62,763.40	-12,213.76
Invoices in dispute <sup>9</sup>	256,355.89	20,279.00

#### Analysis and actions being taken re debt over 90 days

1. Rental Deposit Scheme - these are deposits provided to residents to enable them to rent a property. The more recent debts have instalment plans in place.
2. Referred to legal - the debt is now in the hands of the Council's legal team who will first issue a Letter Before Action and if appropriate seek a County Court Judgement.
3. Payment plan - these customers are paying their debt in instalments, as a result of an agreement with officers or terms set by a court.
4. Commercial tenant debts - these are debts of tenants who lease commercial premises and are managed by the Estates team.
5. Other LAs & partners - these are debts of other councils or partner organisations, so legal action is not usually required.
6. Other Chasing - these debts are being actively pursued directly with the customer by the department who provided the service or by Finance.
7. Balances of less than £50 - many of these debts are ground rent.
8. Unallocated credits - these arise when customers pay a different amount than the invoice issued or where a customer pays in advance of an invoice being raised.

## Budget Efficiency Savings 2023 - 2024

## Appendix F

Service Manager	Title of the Proposal	2023/24 Saving to be made £'000	2023/24 Forecast £'000	On Track
Finance and Transformation	Customer Services	(120)	(120)	Green
Finance and Transformation	Crematorium	(25)	0	Red
Finance and Transformation	Cemeteries	(10)	(10)	Green
Finance and Transformation	Internal Audit	(7)	(7)	Green
Finance and Transformation	Fraud	(15)	(15)	Green
Finance and Transformation	General	(2)	0	Green
Finance and Transformation	Revenues and Benefits	(220)	(220)	Green
Finance and Transformation	General	(4)	(2)	Green
Finance and Transformation	Baseline reset	(167)	(167)	Green
Finance and Transformation	Service Reviews	(57)	(57)	Green
Place	HatTech	(41)	(41)	Green
Place	Estates	(165)	(54)	Yellow
Place	Parking	(139)	0	Red
Place	Parking	(58)	(58)	Green
Place	Service Review	(128)	(128)	Green
Place	Service Review	(117)	(110)	Green
Place	Estates Management Scheme Fees	(5)	(5)	Green
Place	Hertfordshire Building Control	(12)	(12)	Green
Place	Planning pre-application fees	(5)	0	Green
Place	Community Grants	(50)	(50)	Green
Place	Homelessness funding	(48)	(48)	Green
Place	Hilltop	(5)	0	Green
Place	Service Reviews	(73)	(73)	Green
Place	Housing allocations	(16)	(16)	Green
Place	Campus West	(40)	(40)	Green
Property Maintenance and Climate Change	Garages	(200)	(200)	Green
Property Maintenance and Climate Change	Office consolidation	(100)	(100)	Green
Property Maintenance and Climate Change	Service Review	(120)	(120)	Green
Resident and Neighbourhood	Garden Waste Subscription Fees	(216)	(216)	Green

Resident and Neighbourhood	Allotment Fees	(29)	(29)	
Resident and Neighbourhood	Service Reviews	(100)	(100)	
Corporate	PensionsRevaluation	(105)	(105)	
Corporate	Council Tax	(127)	(127)	
<b>TOTAL</b>		<b>(2,526)</b>	<b>(2,229)</b>	