

Report to: Budget Panel / Cabinet
Date of meeting: 27 June 2017 / 3 July 2017
Report of: Director of Finance
Title: Summary of the Financial Outturn 2016/17

1.0 SUMMARY

- 1.1 This report informs Cabinet of the revenue and capital outturns for financial year 2016/17.
- 1.2 The revised net revenue budget for 2016/17 (set at Council on 24 January 2017) was **£17.307 million**. The council outturn position at 31 March 2017 was **£17.304 million** which includes the service outturn position, transfers to reserves of £411,000 and £886,960 for budgets that need to be carried forward to 2017/18 to allow completion of previously agreed projects. **This leaves a favourable variance of £3,000.**
- 1.3 Also in January 2017, the Council agreed a revised capital budget of **£48.725 million**. £15.917 million has been re-phased to later years in the MTFs resulting in a revised in-year capital programme of **£32.808 million**. At 31 March 2017 the Council had spent **£33.027 million** giving an unfavourable variance of **£0.219 million**. This variance has been match-funded by additional grant and use of earmarked reserves in year.

2.0 RECOMMENDATIONS

- 2.1 To consider the revenue outturn as summarised at Paragraph 4.1, and supplementary notes at Appendices 1 to 5 and to note the year end position, which includes carry forwards.
- 2.2 To approve the 2016/17 budget carry forwards into 2017/18 as recommended by Leadership Team totalling **£886,960** as detailed at Appendix 3.
- 2.3 To consider the capital outturn as summarised at Paragraph 5.1 and shown in detail in Appendix 5. To confirm the re-phasing of **£15.917 million** into 2017/18 and later years.

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3.0 INTRODUCTION

- 3.1 A key feature of reporting the outturn for the financial year is to compare it against the revised budget which provides an indication of accuracy and robustness of financial control and the achievement of the Council's priority to operate the Council efficiently and effectively.
- 3.2 This report provides an analysis of the revenue and capital outturns for 2016/17. A more detailed financial report can be found in the draft Statement of Accounts that will be reported to the Audit Committee on 29 June 2017.

4.0 REVENUE OUTTURN 2016/17

- 4.1 The table below shows the net expenditure by service area which compares the revised budget (as approved by Council on 24 January 2017) to the outturn. The net effect, after carry forwards is an under spend on the cost of services of **£3,000**.

| Revenue Account 2016/17 | | | | | |
|--------------------------------------|--------------------------|-------------------------|------------------|---|---------------|
| Service Area | Original Budget £'000 | Revised Budget £'000 | Outturn £'000 | Variance Outturn to Revised Budget £'000 | Variance % |
| Corporate Strategy & Client Services | 7,246 | 7,417 | 6,561 | (856) | (11.5) |
| Community & Customer Services | 4,324 | 5,066 | 5,095 | 29 | 0.6 |
| Democracy & Governance | 3,382 | 3,405 | 3,410 | 5 | 0.1 |
| Deputy MD | (4,995) | (4,761) | (5,160) | (399) | 8.4 |
| Managing Director | 260 | 660 | 592 | (68) | (10.3) |
| Human Resources | 576 | 576 | 577 | 1 | 0.2 |
| Strategic Finance | 5,619 | 5,320 | 5,307 | (13) | (0.3) |
| Adjustment Under Statute | (376) | (376) | (376) | 0 | 0 |
| Transfer to reserves | 0 | 0 | 411 | 411 | n/a |
| Carry forwards | 0 | 0 | 887 | 887 | n/a |
| Outturn position | 16,036 | 17,307 | 17,304 | (3) | 0 |

Note: the above table includes only direct costs and incomes. Technical accounting adjustments for internal recharges and capital charges have been excluded as these have no effect on the Council's net general fund position.

Leadership Team on 6 June 2017 agreed the carry forwards.

- 4.2 **Appendix 1** details the variances when comparing the revised budget to the service outturn. Some of the significant variances are £466k additional management fee recovered from the leisure operator, £131k lower spend on use of temporary bed and breakfast accommodation for homeless families, £141k underspend on consultant fees

and land registry costs and £105k additional recycling credits from kerbside recycling.

- 4.3 **Appendix 2** details the requests to carry forward budgets to 2017/18 amounting to **£886,960**. These requests were reviewed by Leadership Team on 6 June 2017. Leadership Team considered all requests and support those requests put forward at this appendix.

5.0 CAPITAL OUTTURN 2016/17

- 5.1 **Appendix 3** shows the summary of the Capital position and **Appendix 4** gives a detailed analysis of the council's capital programme; the re-phased budget of £15.917 million and the outturn of £33.027 million giving a net increase in capital spend of £0.219 million.

6.0 COUNCIL RESERVES

- 6.1 The Council has set aside specific amounts as reserves for future policy purposes and to cover contingencies. **Appendix 5** shows the level of reserves held by the council, which stand at **£31.041 million** at the end of the year. This includes a balance of the general fund which has been set at a prudent level of **£1.350 million**.

7.0 CONCLUSION

- 7.1 In 2016/17 the Council had an underspend after carry forwards which amounted to a minimal variance of **£3,000**.
- 7.2 The 2016/17 capital programme outturn contains a net variance of £0.219 million against a re-profiled budget of £32.808 million. This is funded by use of earmarked reserves or increased grant contributions.
- 7.3 The Council continues to face some medium term revenue pressures whilst maintaining an ambitious programme of capital investment which includes ensuring its infrastructure/assets are well maintained as well as seeking to move forward through the development of key projects where the aim is to secure the future prosperity of the Watford area and the sustainability of the Council.

8.0 FINANCIAL IMPLICATIONS

- 8.1 These have been included within the report.

9.0 LEGAL IMPLICATIONS

- 9.1 There are no legal implications in the report.

10.0 POTENTIAL RISKS

| 10.1 | Potential Risk | Likelihood | Impact | Overall Score |
|------|---|------------|--------|---------------|
| | A material error within the Final Accounts needs adjustment through the Council's reserve balances. | 1 | 2 | 2 |
| | Carry forward requests are not approved, resulting in in-year pressures in 2017/18 | 1 | 3 | 3 |

11.0 EQUALITIES

- 11.1 Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010 it is important to demonstrate how policies, practices and decisions impact on people with different protected characteristics. It is also important to demonstrate that the Council is not discriminating unlawfully when carrying out any of its functions.
- 11.2 The reporting of the 2016/17 outturn does not have any direct equality implications, in effect it is reporting upon the financial consequences of policies already established by the Council and is not seeking to change those policies in any way.

Appendices:

- Appendix 1 Revenue variances 2016/17
- Appendix 2 Carry Forward requests into 2017/18
- Appendix 3 Capital Summary 2016/17
- Appendix 4 Capital detailed report 2016/17
- Appendix 5 Reserves 2016/17

REVENUE SERVICES – FINANCIAL POSITION AT 31 MARCH 2017

| Service Area | Revised Budget & Outturn at 31 March 2017 | | |
|--|---|------------------|------------------|
| | Revised Budget | Outturn | Variance |
| | £ | £ | £ |
| Corp Strategy & Client Service | | | |
| Management & Support | 112,890 | 118,208 | 5,318 |
| Contract Monitoring | 346,530 | 348,137 | 1,607 |
| Parks And Open Spaces | 1,266,740 | 1,156,575 | (110,165) |
| Leisure | 534,310 | (21,873) | (556,183) |
| Grants | 750,870 | 763,177 | 12,307 |
| Street Cleansing | 1,794,480 | 1,808,701 | 14,221 |
| Waste And Recycling | 1,987,500 | 1,837,772 | (149,728) |
| Partnerships & Performance | 623,900 | 550,151 | (73,749) |
| Totals - Corp Strategy & Client Service | 7,417,220 | 6,560,848 | (856,372) |
| Community & Customer Service | | | |
| Customer Services | 842,120 | 857,053 | 14,933 |
| Housing | 1,780,800 | 1,820,815 | 40,015 |
| Environmental Hlth & Licensing | 1,318,783 | 1,277,341 | (41,442) |
| Culture & Play | 1,124,510 | 1,140,169 | 15,659 |
| Totals - Community & Customer Service | 5,066,213 | 5,095,378 | 29,165 |
| Democracy & Governance | | | |
| Legal And Democratic | 1,867,060 | 1,800,708 | (66,352) |
| Buildings And Projects | 1,511,070 | 1,579,377 | 68,307 |
| Procurement | 26,990 | 30,380 | 3,390 |
| Totals - Democracy & Governance | 3,405,120 | 3,410,465 | 5,345 |

| Service Area | Revised Budget & Outturn at 31 March 2017 | | |
|-------------------------------------|---|--------------------|--------------------|
| | Revised Budget | Outturn | Variance |
| | £ | £ | £ |
| Deputy MD | | | |
| Property Management | 818,390 | 575,901 | (242,489) |
| Investment Assets Outsourced | (6,581,755) | (6,611,945) | (30,190) |
| Operational Assets - Owner Occupied | (218,560) | (190,678) | 27,882 |
| Community Assets | (18,300) | (18,318) | (18) |
| Development Section | 305,550 | 232,290 | (73,260) |
| Transport And Infrastructure | 203,990 | 126,997 | (76,993) |
| Policy Team | 467,710 | 452,279 | (15,431) |
| Economic Development | 262,416 | 273,445 | 11,029 |
| Totals - Deputy MD | (4,760,559) | (5,160,029) | (399,470) |
| Managing Director | | | |
| Corporate Management | 659,800 | 591,970 | (67,830) |
| Totals - Managing Director | 659,800 | 591,970 | (67,830) |
| Human Resources | | | |
| Human Resources | 575,650 | 577,083 | 1,433 |
| Totals - Human Resources | 575,650 | 577,083 | 1,433 |
| Strategic Finance | | | |
| Finance & Resources | 225,390 | 217,457 | (7,933) |
| Finance Services Client | 894,750 | 884,395 | (10,355) |
| Revenues And Benefits Client | 1,114,320 | 886,768 | (227,552) |
| ICT Service | 870,190 | 1,231,020 | 360,830 |
| Corporate Costs | 2,215,370 | 2,086,944 | (128,426) |
| Totals - Strategic Finance | 5,320,020 | 5,306,584 | (13,436) |
| Adjustments Under Statute | (376,950) | (376,950) | 0 |
| GRAND TOTALS | 17,306,514 | 16,005,349 | (1,301,165) |

Explanation of Revenue Outturn Variance 2016/17

| Service Area | Description | Details of Variances | £ |
|--|--|--|------------------|
| Corporate Strategy & Client Service | Recycling - Kerbside | Reduction in paper recycling fees. This underspend to be carried forward into 2017/18 to pay for integration of services with online vision. | (35,000) |
| | | Increased income from volumes of recycling. This needs to be carried forward into 2017/18 to pay for integration of services with online vision. | (70,000) |
| | Community Centres | Stock Condition Survey not carried out in 2016/17 to be carried forward to 2017/18 | (58,000) |
| | Colesseum | Stock Condition Survey not carried out in 2016/17 to be carried forward to 2017/18 | (36,000) |
| | Cemeteries | Increased income from sale of grave spaces & burial fees | (166,000) |
| | Sports Centres | Additional management fee income from leisure operator | (466,000) |
| | Partnerships and Performance | Underspend on projects relating to Watford 2020. To be carried forward into 2017/18 | (16,500) |
| | Watford Learning Partnership | Underspend on work for One Watford related initiatives. To be carried forward into 2017/18 | (12,770) |
| | | Other Variances | 3,898 |
| | | TOTAL | (856,372) |
| Community & Customer Services | Customer Services | Additional staff costs | 50,000 |
| | Housing | Lower spend on bed & breakfast facilities | (131,000) |
| | | Payment for Professional Legal fees | 122,000 |
| | Town Centre Events | Additional costs on various town centre events | 27,000 |
| | Environment | Herts Countywide schemes to take place in 2017/18, to be carried forward to 2017/18 | (25,800) |
| | | Spend on software licences | 46,665 |
| | Trading Operations | Project underspend on public health & nuisance project to be carried forward to 2017/18 | (51,700) |
| | Underspend on PMB funded commercialisation project. To be carried forward into 2017/18 | (35,280) | |
| | Other Variances | 27,280 | |
| | | TOTAL | 29,165 |
| Democracy & Governance | Legal Services Team | Underspend on publications, legal fees and advertising costs. £9,200 to be carried forward to 2017/18 for employment tribunal costs | (18,000) |
| | Buildings & Projects | Increased spend on property maintenance costs | 62,000 |
| | Democratic Services | Reduction on employee costs due to vacancies | (25,800) |
| | | Other Variances | (12,855) |
| | | TOTAL | 5,345 |

| Service Area | Description | Details of Variances | £ |
|-------------------|---------------------------|---|--------------------|
| Deputy MD | CCTV | Overspend on equipment | 23,000 |
| | Valuation & Estates Group | Additional agency staff costs | 68,000 |
| | | Underspend on professional legal fees | (141,000) |
| | | Reduction in bad debt provision | (99,000) |
| | | Reduction due to over estimation of management fee on Watford Business park | (113,000) |
| | | Lower rental income , mainly due to timing of rent reviews & disposals. | 118,000 |
| | | Underspend on Corporate property review & Ascot Road funded by PMB. To be carried forward into 2017/18 | (60,510) |
| | Development Control | Additional income from planning application fee | (43,000) |
| | Policy Team | Underspend on the local development plan, this is to be carried forward to 2017/18. | (44,000) |
| | Parking Income | Additional income from parking enforcement in the year, to transfer to CPZ reserve | (71,000) |
| | | Additional income building regulation & inspection fees | (52,000) |
| | Other Variances | 15,040 | |
| | | TOTAL | (399,470) |
| MD | Service Transformation | Savings on transformation project to be carried forward into 2017/18 | (63,700) |
| | | Other Variances | (4,130) |
| | | TOTAL | (67,830) |
| HR | | Other Variances | 1,433 |
| | | TOTAL | 1,433 |
| Strategic Finance | ICT | Overspend has occurred due to additional staff costs for covering the ICT section head whilst on maternity leave and to manage the changes to the service model following the exit of Capita. There is a one off termination payment to outgoing outsourced service provider of £100,000. Increase in the costs of staff transferring from outsourced service provider to the Councils in-house team. All ICT budgets are being reviewed with a proposal to implement a revised staffing structure during 2017/18. In addition there was an efficiency saving target of £118,000 that has not been met. | 317,000 |
| | Interest | Interest for the year - LABV | (284,000) |
| | | Additional investment interest | (34,000) |
| | | Reduction in interest paid | (22,000) |
| | | Other Variances | 9,564 |
| | | TOTAL | (13,436) |
| | | GRAND TOTAL | (1,301,165) |

REVENUE CARRY FORWARD REQUESTS TO 2017/18

| Service | Description | Amount Requested £ | Reason |
|---------------------------------|---|--------------------|---|
| Corp Strategy & Client Services | Colosseum | 36,000 | Stock condition surveys |
| | Leavesden Green Community Centre | 23,000 | |
| | Holywell Community Centre | 2,000 | |
| | Orbital Community Centre | 2,000 | |
| | Meriden Community Centre | 14,660 | |
| | Grants | 5,000 | |
| | Centrepoint Community Centre | 11,400 | |
| | Recycling Kerbside | 104,000 | To allow for movement in recyclable material which could affect fee paid for comingled cycling & use of funds for integration of services with online vision |
| | Communications | 9,500 | Website development cost - Phase 2 in 2017/18 |
| | Partnerships and Performance | 16,500 | Funds for projects relating to Watford 2020 |
| | Watford Learning Partnership | 12,770 | Work for One Watford related initiatives |
| | Watford Health Inequalities | 4,110 | Support work on health inequalities |
| | Commissioning Waste | 9,000 | Website development costs and additional compost bin charges |
| Community & Customer Services | Public Health & Nuisance | 51,700 | Public Health Funding, Project over 2 years. |
| | Environmental Health Team | 25,800 | Contribution from Herts local authorities to fund coordinator work across County |
| | Housing | 46,000 | Extensive refurbishment of York House required budget will be used in 2017/18. Further IT systems upgrade costs in 2017/18 |
| | Information Unit | 7,700 | Upgrades - online digital development GIS platform |
| Democracy & Governance | Civic Expenses | 800 | Civic reception in May 2017 |
| | Legal Services Team | 9,200 | Litigation costs & employment tribunal claim in 2017 |
| | Buildings, Projects & Facilities | 6,000 | 6 Months temporary surveyor cost |
| Deputy MD | Policy Team | 4,630 | Further extensive work being undertaken re the Riverwell project and the balance can be used to be utilised on top of the new years budget to meet our statutory duties |
| | | 10,330 | Agency staff works 1 day per week providing structural detailed calculations - This has been on-going for a number of years now. There is no budget in 2017/18 |
| | | 44,160 | To be spent on ongoing Local Plan Review |
| Head of Service Transformation | Service Transformation and PMB Projects * | 430,700 | Service transformation project work in 2017/18 |
| | | 886,960 | TOTAL AMOUNT REQUESTED |
| | * PMB Projects | £ | |
| | MP19-6 Corporate Property Review | 50,000 | |
| | MP17 Western Gateway (Ascot Rd) | 10,510 | |
| | MP26 Commercialisation | 50,227 | |
| | MP29a Digital Smart Town | 15,464 | |

CAPITAL INVESTMENT PROGRAMME – SUMMARY

| Capital Scheme | Revised Budget 2016/17 £ | Actual £ | Variance due to rephasing | Variance due to (Underspend) / Overspend | Budget 2017/18 (including rephasing) £ | Budget 2018/19 (including rephasing) £ | Budget 2019/20 (including rephasing) £ |
|---------------------------------------|-----------------------------|-------------------|---------------------------|--|---|---|---|
| Key Projects (excl Watford Riverwell) | 565,313 | 369,952 | (200,692) | 5,332 | 6,825,692 | 500,000 | 250,000 |
| Watford Riverwell | 13,577,000 | 11,626,378 | (1,950,622) | 0 | 9,905,622 | 8,398,000 | 18,069,000 |
| Environmental Services | 362,850 | 408,950 | (55,168) | 101,268 | 180,549 | 440,125 | 100,000 |
| Community & Leisure Services | 9,743,664 | 8,135,827 | (1,732,132) | 124,295 | 4,165,132 | 2,365,000 | 15,000 |
| Housing Services | 816,370 | 518,640 | (297,730) | 0 | 2,747,730 | 2,525,000 | 2,450,000 |
| Parking Services | 91,507 | 64,771 | (25,736) | (1,000) | 25,736 | 0 | 0 |
| Asset Management | 2,205,398 | 531,926 | (1,653,287) | (20,185) | 6,171,949 | 5,668,048 | 496,810 |
| ICT | 404,496 | 96,817 | (303,619) | (4,060) | 623,619 | 320,000 | 320,000 |
| ICT Shared Services | 924,000 | 535,246 | (388,754) | 0 | 598,754 | 210,000 | 210,000 |
| Section 106 Funded Schemes | 195,841 | 171,658 | (20,755) | (3,428) | 20,755 | 20,000 | 0 |
| Corp Serv / Project Mgt | 552,470 | 552,470 | 0 | 0 | 675,470 | 677,470 | 679,470 |
| Property Investment Board | 19,286,250 | 10,013,947 | (9,288,866) | 16,563 | 9,288,866 | 0 | 0 |
| TOTAL CAPITAL PROGRAMME | 48,725,159 | 33,026,582 | (15,917,362) | 218,785 | 41,229,874 | 21,123,643 | 22,590,280 |

CAPITAL INVESTMENT PROGRAMME – DETAIL

| Capital Scheme | Revised Budget 2016/17 | Actual | Variance | Amount to Rephase to 2017/18 (from 2016/17 only) | Amount to Rephase to 2017/18 (other years) | Amount to Rephase to 2018/19 (from 2016/17 only) | Amount to Rephase to 2018/19 (other years) | Overspend / (Underspend) | Latest Budget 2017/18 | Latest Budget 2017/18 including rephasing | Latest Budget 2018/19 | Latest Budget 2018/19 including rephasing | Latest Budget 2019/20 | Latest Budget 2019/20 including rephasing | Scheme Update |
|-----------------------------------|------------------------|-----------|-------------|--|--|--|--|--------------------------|-----------------------|---|-----------------------|---|-----------------------|---|--|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Key Projects | | | | | | | | | | | | | | | |
| New Market | 122,573 | 105,552 | (17,021) | 17,021 | 0 | 0 | 0 | 0 | 0 | 17,021 | 0 | 0 | 0 | 0 | Rephasing required for planned spend in 2017/18. |
| CSI Project | 182,500 | 80,023 | (102,477) | 102,477 | 0 | 0 | 0 | 0 | 65,000 | 167,477 | 0 | 0 | 0 | 0 | Customer Service Centre modernisation completes in 2017/18. |
| High Street Enhancement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250,000 | 250,000 | 250,000 | 250,000 | 0 | 0 | |
| Green Spaces Strategy | 89,000 | 156,656 | 67,656 | (59,656) | 0 | 0 | 0 | 8,000 | 235,000 | 175,344 | 250,000 | 250,000 | 250,000 | 250,000 | Compensating adjustment from 2017/18 budget. |
| Website Enhancement | 3,400 | 732 | (2,668) | 0 | 0 | 0 | 0 | (2,668) | 0 | 0 | 0 | 0 | 0 | 0 | Scheme underspend. |
| Cultural Quarter Phase 1 | 167,840 | 26,989 | (140,851) | 140,851 | 0 | 0 | 0 | 0 | 0 | 140,851 | 0 | 0 | 0 | 0 | Rephasing required to fund expected retention payments. |
| Loan to HHW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,075,000 | 6,075,000 | 0 | 0 | 0 | 0 | |
| Watford Riverwell | | | | | | | | | | | | | | | |
| Campus-Client Side & Land Assy | 359,000 | 218,435 | (140,565) | 140,565 | 0 | 0 | 0 | 0 | 100,000 | 240,565 | 100,000 | 100,000 | 100,000 | 100,000 | The Watford Riverwell scheme is a major capital project that includes various phases of capital infrastructure including road, commercial and residential development which is currently scheduled to complete circa 2020/21. The budgets are actively monitored and rephased based on our close working relationship with our LABV partner Kier Construction. |
| Campus-Equity | 4,474,000 | 4,550,000 | 76,000 | (76,000) | 0 | 0 | 0 | 0 | 0 | (76,000) | 0 | 0 | 0 | 0 | |
| Campus-Hospital Loan | 2,000,000 | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Campus-Ind Zone South | 150,000 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 1,575,000 | 1,575,000 | 0 | 0 | 0 | 0 | |
| Campus-Ind Zone South (Loan) | 5,933,000 | 4,457,943 | (1,475,057) | 1,475,057 | 0 | 0 | 0 | 0 | 567,000 | 2,042,057 | 0 | 0 | 0 | 0 | |
| Campus-Willow Lane (Ph 1) | 403,000 | 250,000 | (153,000) | 153,000 | (1,343,000) | 0 | 1,026,000 | 0 | 2,525,000 | 1,335,000 | 3,524,000 | 4,550,000 | 0 | 317,000 | |
| Campus-Riverside East (Ph 2) | 210,000 | 0 | (210,000) | 210,000 | (601,000) | 0 | (1,425,000) | 0 | 2,079,000 | 1,688,000 | 4,546,000 | 3,121,000 | 0 | 2,026,000 | |
| Campus-Riverside C'tral (Ph 3) | 24,000 | 0 | (24,000) | 24,000 | 2,139,000 | 0 | (4,873,000) | 0 | 162,000 | 2,325,000 | 5,256,000 | 383,000 | 10,956,000 | 13,690,000 | |
| Campus-Riverside West (Ph 4) | 24,000 | 0 | (24,000) | 24,000 | 719,000 | 0 | 147,000 | 0 | 33,000 | 776,000 | 3,000 | 150,000 | 991,000 | 125,000 | |
| Campus-Island Resid'tial-Hotel | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75,000 | 75,000 | 0 | 0 | |
| Campus-Island Resid'tial-Sch'e | 0 | 0 | 0 | 0 | 0 | 0 | (42,000) | 0 | 0 | 0 | 42,000 | 0 | 3,000 | 45,000 | |
| Campus-Cardiff Road North | 0 | 0 | 0 | 0 | (3,000) | 0 | (354,000) | 0 | 3,000 | 0 | 357,000 | 3,000 | 0 | 357,000 | |
| Campus-Cardiff Rd Car Park | 0 | 0 | 0 | 0 | (16,000) | 0 | 16,000 | 0 | 16,000 | 0 | 0 | 16,000 | 1,409,000 | 1,409,000 | |
| Environmental Services | | | | | | | | | | | | | | | |
| Replacement Domestic Bins | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42,185 | 42,185 | 0 | 0 | |
| Electric Vehicle Charging Units | 11,884 | 6,083 | (5,801) | 5,801 | 0 | 0 | 0 | 0 | 25,381 | 31,182 | 0 | 0 | 0 | 0 | Rephasing required as Watford BC await Herts CC's electric vehicle strategy. |
| Veolia Contract Fleet Requirement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 225,000 | 225,000 | 0 | 0 | |
| Transit Vans x 2 | 33,706 | 33,706 | (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Pest Control Van | 13,560 | 13,578 | 18 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | Minor overspend. |
| Wood Chipper / Shredder | 15,500 | 15,300 | (200) | 0 | 0 | 0 | 0 | (200) | 0 | 0 | 0 | 0 | 0 | 0 | Minor underspend. |
| Cricket Pitch Roller | 11,100 | 10,700 | (400) | 0 | 0 | 0 | 0 | (400) | 0 | 0 | 0 | 0 | 0 | 0 | Minor underspend. |
| Caged Vehicle / Bulky Lorry | 15,000 | 15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Pedestrian Aerator | 7,650 | 8,983 | 1,333 | 0 | 0 | 0 | 0 | 1,333 | 0 | 0 | 0 | 0 | 0 | 0 | Actual cost slightly higher than originally expected. Funded by vehicle replacement reserve. |
| Mounted Aerator | 24,450 | 24,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Electric Van | 25,000 | 20,446 | (4,554) | 0 | 0 | 0 | 0 | (4,554) | 0 | 0 | 0 | 0 | 0 | 0 | Lower cost than expected. |
| Food Caddies Rollout | 0 | 105,072 | 105,072 | 0 | 0 | 0 | 0 | 105,072 | 0 | 0 | 0 | 0 | 0 | 0 | Food caddies rolled out to encourage food recycling and funded by DCLG reserve. |
| Recycling Boxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36,940 | 36,940 | 0 | 0 | |
| Additional Green Waste Bins | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36,000 | 36,000 | 0 | 0 | |
| Decent Homes Assistance | 205,000 | 155,633 | (49,367) | 49,367 | 0 | 0 | 0 | 0 | 100,000 | 149,367 | 100,000 | 100,000 | 100,000 | 100,000 | To enable works to vulnerable residents homes to prevent health impacts. Original budget only £100k for 2017/18. |

| Capital Scheme | Revised Budget 2016/17 | Actual | Variance | Amount to Rephase to 2017/18 (2016/17 only) | Amount to Rephase to 2017/18 (other years) | Amount to Rephase to 2018/19 (2016/17 only) | Amount to Rephase to 2018/19 (other years) | Overspend / (Underspend) | Latest Budget 2017/18 | Latest Budget 2017/18 including rephasing | Latest Budget 2018/19 | Latest Budget 2018/19 including rephasing | Latest Budget 2019/20 | Latest Budget 2019/20 including rephasing | Scheme Update | |
|---|------------------------|-----------|-----------|---|--|---|--|--------------------------|-----------------------|---|-----------------------|---|-----------------------|---|---------------|---|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | | |
| Community & Leisure Services | | | | | | | | | | | | | | | | |
| Town Hall Subway CCTV | 12,300 | 10,205 | (2,095) | 0 | 0 | 0 | 0 | (2,095) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Project underspend. |
| Clarendon Road Street Improvements-Relocation of CCTV | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18,000 | 18,000 | 0 | 0 | 0 | 0 | 0 | |
| Watford Museum HLF Matchfunding | 25,000 | 0 | (25,000) | 25,000 | 0 | 0 | 0 | 0 | 100,000 | 125,000 | 350,000 | 350,000 | 0 | 0 | 0 | Continued spend expected in 2017/18. |
| Meriden Community Centre Redevelopments | 444,000 | 444,033 | 33 | 0 | 0 | 0 | 0 | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Minor overspend. |
| Play Review | 1,400,000 | 921,164 | (478,836) | 478,836 | 0 | 0 | 0 | 0 | 0 | 478,836 | 0 | 0 | 0 | 0 | 0 | 2017/18 is when project is due to complete. |
| Allotments & Parks Upgrades | 416,990 | 459,538 | 42,548 | 0 | 0 | 0 | 0 | 42,548 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Overspend due to further soil needs as well as additional fencing requirements from Farm Terrace transfers. |
| Farm Terrace Allotments | 552,874 | 577,976 | 25,102 | 0 | 0 | 0 | 0 | 25,102 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Overspend due to top soil and drainage requirements. |
| Town Centre CCTV Camera Replacement | 26,616 | 26,616 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Gaelic Football Relocation | 865,886 | 924,593 | 58,707 | 0 | 0 | 0 | 0 | 58,707 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Overspend due to site issues caused by 3 occasions of flash flooding and late unforeseen design changes. |
| Improvements Community Centres | 159,160 | 100,000 | (59,160) | 59,160 | 0 | 0 | 0 | 0 | 0 | 59,160 | 0 | 0 | 0 | 0 | 0 | Continued spend expected in 2017/18. |
| Cassiobury Park HLF Project | 5,640,838 | 4,671,703 | (969,135) | 969,135 | 0 | 0 | 0 | 0 | 0 | 969,135 | 0 | 0 | 0 | 0 | 0 | Scheme completes in 2017/18 including anticipated snagging and retention payments. |
| Cassiobury Dev't (Fullerians) | 200,000 | 0 | (200,000) | 200,000 | 0 | 0 | 0 | 0 | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | Spend to be incurred in 2017/18. |
| Cemetery Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 250,000 | 250,000 | 0 | 0 | 0 | |
| Tennis Courts Enhancement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 225,000 | 225,000 | 0 | 0 | 0 | 0 | 0 | |
| Oxhey Park North Enhanc'mnts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,000 | 25,000 | 0 | 0 | 0 | 0 | 0 | |
| Oxhey Park North | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000,000 | 2,000,000 | 1,750,000 | 1,750,000 | 0 | 0 | 0 | |
| Tree Planting Programme | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Little Cassiobury Match Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | |
| Housing Services | | | | | | | | | | | | | | | | |
| Retained Housing Stock | 163,800 | 21,696 | (142,104) | 142,104 | 0 | 0 | 0 | 0 | 50,000 | 192,104 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | Project is due to complete 2017/18. |
| Mand Disabled Facilities Grant | 652,570 | 496,943 | (155,627) | 155,627 | 0 | 0 | 0 | 0 | 400,000 | 555,627 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | Expenditure commitments and flexibility requirements for move to Herts Home Improvement Agency service. |
| Modular Temp Accommodation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | |
| York House Boiler Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75,000 | 75,000 | 0 | 0 | 0 | |
| Parking Services | | | | | | | | | | | | | | | | |
| Garages Project (incl Parking) | 72,000 | 59,837 | (12,163) | 11,163 | 0 | 0 | 0 | (1,000) | 0 | 11,163 | 0 | 0 | 0 | 0 | 0 | Delay in project completion. Project Management Board updated that also reflects £1k in lower funding receipts. |
| Upgrading/Resurfacing Car Parks | 19,507 | 4,934 | (14,573) | 14,573 | 0 | 0 | 0 | 0 | 0 | 14,573 | 0 | 0 | 0 | 0 | 0 | Rephasing required due to on going discussions affecting long term car parking strategy. |

| Capital Scheme | Revised Budget 2016/17 | Actual | Variance | Amount to Rephase to 2017/18 (2016/17 only) | Amount to Rephase to 2017/18 (other years) | Amount to Rephase to 2018/19 (2016/17 only) | Amount to Rephase to 2018/19 (other years) | Overspend / (Underspend) | Latest Budget 2017/18 | Latest Budget 2017/18 including rephasing | Latest Budget 2018/19 | Latest Budget 2018/19 including rephasing | Latest Budget 2019/20 | Latest Budget 2019/20 including rephasing | Scheme Update |
|--|------------------------|-------------------|---------------------|---|--|---|--|--------------------------|-----------------------|---|-----------------------|---|-----------------------|---|--|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Asset Management | | | | | | | | 0 | | | | | 0 | 0 | |
| Watford Business Park Redevelopment | 1,547,400 | 257,938 | (1,289,462) | 1,289,462 | 0 | 0 | 0 | 0 | 3,546,321 | 4,835,783 | 4,872,425 | 4,872,425 | 0 | 0 | Regeneration project that continues to gain momentum. |
| Private Sector Stock Condition Survey | 150,000 | 41,200 | (108,800) | 108,800 | 0 | 0 | 0 | 0 | 0 | 108,800 | 0 | 0 | 0 | 0 | Project is due to complete 2017/18. |
| Atrium / GIS | 16,988 | 16,847 | (141) | 0 | 0 | 0 | 0 | (141) | 0 | 0 | 0 | 0 | 0 | 0 | Minor underspend. |
| Pop Up Toilets Refurbishment | 5,000 | 0 | (5,000) | 0 | 0 | 0 | 0 | (5,000) | 30,000 | 30,000 | 0 | 0 | 0 | 0 | No budget rephasing required. |
| Non PIB - Strategy & Prog Disposal | 16,796 | 3,477 | (13,319) | 0 | 0 | 0 | 0 | (13,319) | 0 | 0 | 0 | 0 | 0 | 0 | Underspend offset by other service overspends. |
| CIL Review | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 30,000 | 50,000 | 50,000 | 0 | 0 | |
| Match Funding Capital Projects | 19,044 | 14,262 | (4,782) | 4,782 | 0 | 0 | 0 | 0 | 68,334 | 73,116 | 0 | 0 | 0 | 0 | Rephasing required due to support the Watford High Street public realm capital project set to commence in Feb 2018. |
| Veolia Capital Improvements | 93,170 | 91,445 | (1,725) | 0 | 0 | 0 | 0 | (1,725) | 94,250 | 94,250 | 95,380 | 95,380 | 96,810 | 96,810 | Minor underspend. |
| Building Investment Programme | 357,000 | 106,757 | (250,243) | 0 | 0 | 250,243 | 0 | 0 | 1,000,000 | 1,000,000 | 400,000 | 650,243 | 400,000 | 400,000 | Prioritisation needs notably with regard to Colosseum refurbishment. |
| ICT | | | | | | | | 0 | | | | | | | |
| ICT-Hardware Replacement Programme | 160,000 | 27,008 | (132,992) | 132,992 | 0 | 0 | 0 | 0 | 200,000 | 332,992 | 200,000 | 200,000 | 200,000 | 200,000 | Carry forward request to facilitate ICT strategy going forward. |
| ICT - Document Management Process | 4,036 | 0 | (4,036) | 0 | 0 | 0 | 0 | (4,036) | 0 | 0 | 0 | 0 | 0 | 0 | Service indicate budget is no longer required. |
| ICT-Env Health | 13,460 | 7,936 | (5,524) | 5,500 | 0 | 0 | 0 | (24) | 0 | 5,500 | 0 | 0 | 0 | 0 | Continued spend expected in 2017/18. |
| ICT-Project Management Provision | 227,000 | 61,874 | (165,126) | 165,126 | 0 | 0 | 0 | 0 | 120,000 | 285,126 | 120,000 | 120,000 | 120,000 | 120,000 | Carry forward request to facilitate ICT strategy going forward. |
| ICT Shared Services | | | | | | | | | | | | | | | |
| ShS-Business Application Upgrade | 243,000 | 53,686 | (189,314) | 189,314 | 0 | 0 | 0 | 0 | 165,000 | 354,314 | 165,000 | 165,000 | 165,000 | 165,000 | Carry forward request to facilitate ICT strategy going forward. |
| ShS-IT Modernisation | 603,000 | 479,371 | (123,629) | 123,629 | 0 | 0 | 0 | 0 | 0 | 123,629 | 0 | 0 | 0 | 0 | |
| ShS-Hardware Replace Programme | 78,000 | 2,190 | (75,811) | 75,811 | 0 | 0 | 0 | 0 | 45,000 | 120,811 | 45,000 | 45,000 | 45,000 | 45,000 | |
| Section 106 Funded Schemes | | | | | | | | | | | | | | | |
| Himalayan Way Play Area | 67,100 | 72,740 | 5,640 | 0 | 0 | 0 | 0 | 5,640 | 0 | 0 | 0 | 0 | 0 | 0 | Project costs higher than expected. Funded by S106. |
| Berry Avenue Play Area | 6,025 | 8,957 | 2,932 | 0 | 0 | 0 | 0 | 2,932 | 0 | 0 | 0 | 0 | 0 | 0 | Project costs higher than expected. Funded by S106. |
| Southwold Road Play Area | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 20,000 | 0 | 0 | |
| Ridgehurst Avenue Play Area | 29,266 | 18,767 | (10,499) | 10,499 | 0 | 0 | 0 | 0 | 0 | 10,499 | 0 | 0 | 0 | 0 | Continued spend expected in 2017/18. |
| Colne River Project | 11,450 | 7,284 | (4,166) | 4,166 | 0 | 0 | 0 | 0 | 0 | 4,166 | 0 | 0 | 0 | 0 | Retention due in 2017/18. |
| Local Nature Reserves | 6,350 | 260 | (6,090) | 6,090 | 0 | 0 | 0 | 0 | 0 | 6,090 | 0 | 0 | 0 | 0 | Continued spend expected in 2017/18. |
| Lower High St Cycle Scheme | 15,393 | 15,393 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Abbey Way Cycle Scheme | 23,627 | 23,627 | 0 | (0) | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 | 0 | |
| Garston Park Cycle Scheme | 15,630 | 15,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Cassiobury Park Cycle Route | 21,000 | 9,000 | (12,000) | 0 | 0 | 0 | 0 | (12,000) | 0 | 0 | 0 | 0 | 0 | 0 | No budget rephasing required. |
| Corporate Services / Project Management | | | | | | | | | | | | | | | |
| Support Services | 552,470 | 552,470 | 0 | 0 | 0 | 0 | 0 | 0 | 552,470 | 552,470 | 552,470 | 552,470 | 552,470 | 552,470 | |
| Major Projects - FBP and QS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 123,000 | 123,000 | 125,000 | 125,000 | 127,000 | 127,000 | |
| Property Investment Board | | | | | | | | | | | | | | | |
| PIB - Strategy & Prog Disposal | 0 | 16,417 | 16,417 | 0 | 0 | 0 | 0 | 16,417 | 0 | 0 | 0 | 0 | 0 | 0 | Overspend offset by other service underspends. |
| Marriott House | 4,286,250 | 4,286,396 | 146 | 0 | 0 | 0 | 0 | 146 | 0 | 0 | 0 | 0 | 0 | 0 | Minor overspend. |
| Parkhouse Interchange | 15,000,000 | 5,711,134 | (9,288,866) | 9,288,866 | 0 | 0 | 0 | 0 | 0 | 9,288,866 | 0 | 0 | 0 | 0 | Rephasing request of £9,288,866 for further property acquisitions. Coleshill Industrial Estate acquired for £5.792m in May 2017. |
| TOTAL CAPITAL PROGRAMME | 48,725,159 | 33,026,582 | (15,698,577) | 15,667,118 | 895,000 | 250,243 | (5,505,000) | 218,785 | 24,667,756 | 41,229,874 | 26,378,400 | 21,123,643 | 17,980,280 | 22,590,280 | |

APPENDIX 5

RESERVE BALANCES

| Description | Balance at 1 April 2016 £000 | Use of/contribution to in Year £000 | Movement between Reserves £000 | Balance at 31 March 2017 £000 |
|---|---------------------------------|--|-----------------------------------|----------------------------------|
| Capital Reserves | | | | |
| Capital Fund | (650) | 0 | 0 | (650) |
| Development Sites Decontamination | (446) | 0 | 0 | (446) |
| New Homes Bonus | (4,069) | 0 | 0 | (4,069) |
| Performance Reward Grant (Capital) | (191) | 50 | 0 | (141) |
| Vehicle Replacement | (310) | 128 | 0 | (182) |
| Weekly Collection Support Grant (Capital) | (158) | 105 | 0 | (53) |
| Capital Receipts | (17,486) | 4,485 | 0 | (13,001) |
| Section 106 | (1,986) | 1,305 | 0 | (681) |
| Community Infrastructure Levy | (152) | (400) | 0 | (552) |
| Grants & Contributions | (456) | 15 | 0 | (441) |
| Total | (25,904) | 5,688 | 0 | (20,216) |
| Revenue Reserves | | | | |
| Budget Carry Forward | (1,190) | 429 | (126) | (887) |
| Business Rates | (4,661) | 4,661 | 0 | 0 |
| Car Parking Zones | (775) | (75) | 0 | (850) |
| Charter Place Tenants | (160) | 0 | 0 | (160) |
| Climate Change | (57) | 0 | 0 | (57) |
| Homelessness Prevention | (113) | 0 | 113 | 0 |
| Leisure Structured Maintenance | (423) | 0 | 0 | (423) |
| Le Marie Centre Repairs | (12) | 0 | 0 | (12) |
| Multi-Storey Car Park Repair | (181) | 0 | 0 | (181) |
| Parks, Waste & Street Strategy | (60) | 0 | 60 | 0 |
| Rent Deposit Guarantee Scheme | (100) | 0 | 0 | (100) |
| Area Based Grant | (85) | 0 | 0 | (85) |
| Crematorium | (50) | 0 | 0 | (50) |
| Economic Impact | (4,029) | 3,297 | (379) | (1,111) |
| High Street Innovation | (90) | 0 | 90 | 0 |
| Housing Benefit Subsidy | (996) | 0 | 0 | (996) |
| Housing Planning Delivery Grant | (266) | 0 | 0 | (266) |
| Invest to Save | (839) | 0 | 0 | (839) |
| LA Business Growth Incentive (LABGI) | (570) | 0 | 66 | (504) |
| Local Development Framework | (178) | 0 | 50 | (128) |
| Pension Funding | (2,249) | 0 | 0 | (2,249) |
| Performance Reward Grant (Revenue) | (29) | 0 | 0 | (29) |
| Project and Programme Management | (655) | 295 | 126 | (234) |
| Riverwell Project | 0 | (284) | 0 | (284) |
| Weekly Collection Support Grant (Revenue) | (30) | 0 | 0 | (30) |
| Total | (17,798) | 8,323 | 0 | (9,475) |
| General Fund Working Balance | (1,350) | 0 | 0 | (1,350) |
| Total Revenue Reserves | (19,148) | 8,323 | 0 | (10,825) |
| Total | (45,052) | 14,011 | 0 | (31,041) |