

**Report to:** Budget Panel  
**Date of meeting:** 7th July 2015  
**Report of:** Director of Finance  
**Title:** Summary of the Financial Outturn 2014/15

**1.0 SUMMARY**

1.1 This report informs Cabinet of the revenue and capital outturns for 2014/15.

**2.0 RECOMMENDATIONS**

2.1 To consider the revenue outturn as summarised at Appendix 1A, and supplementary notes at Appendices 1B to 1E and to note the year end position, which includes the carry forwards as shown in paragraph 2.2 below.

2.2 To approve the specific service budgets from 2014/15 to be carried forward into 2015/16 totalling £1.612m as detailed at Appendix 1E.

2.4 To consider the capital outturn as summarised in Appendix 2. This shows the revised budget of £15.149m (which includes £10.164m rephased from 2013/14) and the outturn of £9.503m. The variance of £5.646m has occurred from the rephasing of large scale projects to 2015/16.

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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.

3.2 This report provides an analysis of the revenue and capital outturns for 2014/15. Further detail can be found in the draft Statement of Accounts that was reported to the Audit Committee on 30<sup>th</sup> June 2015.

### 4.0 REVENUE OUTTURN 2014/15

4.1 **Appendix 1A** shows the net expenditure by service area which compares the revised 2014/15 budget (as approved by Council on 28 January 2015) to the outturn. The net effect, after carry forwards is an underspend on the cost of services of £0.266m. This is made up of underspends, service changes and additional income.

4.2 **Appendix 1B** details the variances when comparing the revised 2014/15 budget (as approved by Council on 28 January 2015) to the outturn.

The significant variances which have been included in Budget Panel updates during the year are:

#### **Favourable**

£615,000 Net increased Government grant for Housing Benefits

£463,000 Housing carry forward not required in 2014/15 and additional income

£285,000 Additional management fee income received from SLM.

4.3 **Appendix 1C** shows a favourable variance in funding when comparing the revised 2014/15 budget (as approved by Council on 28 January 2015) to the outturn. This totals £529,000 and is mainly due to additional non-specific grant and small business rate relief.

4.4 **Appendix 1D** compares the outturn for employee costs to the revised budget and shows an unfavourable variance of £0.062m. The main reason for the variance is the additional agency staff costs to cover vacancies in Community and Customer Services. This variance was reported to Leadership Team during the year and included in the year end forecast.

4.5 **Appendix 1E** details the carry forwards to 2015/16 recommended by Leadership Team.

## **5.0 CAPITAL OUTTURN 2014/15**

5.1 A summary analysis of the council's capital programme has been attached at **Appendix 2**. The overall position shows a net decrease in capital spend of £5.646m. The majority of the variance has occurred from the rephasing of projects to 2015/16.

5.2 Investment within Watford is seen as a key priority and has been financed from capital receipts and government grant. Capital expenditure totalling £23.003m is planned for the period 2015/18 (2015/16 £15.712m) and built into the medium term financial strategy.

## **6.0 CONCLUSION**

6.1 The General Fund under spend, after carry forwards, totals £0.266M. The bulk of this is made up from management fee income from SLM, increased Government grant and increased income.

6.3 The 2014/15 capital programme outturn contains a net underspend of £5,646,000 against a budget of £15,149,000. The variance of £5.646m has occurred from the rephasing of large scale projects to 2015/16.

The Council continues to have an ambitious programme which includes ensuring its infrastructure/assets are well maintained as well as seeking to move forward through investment in key projects where the aim is to secure the future prosperity of the Watford area.

## **7.0 FINANCIAL IMPLICATIONS**

7.1 These have been included within the report.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are no legal implications in the report.

## 9.0 POTENTIAL RISKS

Potential Risk	Likelihood	Impact	Overall Score
That the External Auditor finds material errors within the Final Accounts process	2	4	8

## 10.0 EQUALITIES

- 10.1 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.
- 10.2 The reporting of the Final Outturn for 2014/15 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 1A Revenue Account General Fund Summary 2014/15
- Appendix 1B Major Variances 2014/15
- Appendix 1C Funding Variances 2014/15
- Appendix 1D Employees Costs - Variances 2014/15
- Appendix 1E Carry Forward requests into 2015/16
- Appendix 2 Capital Outturn 2014/15