



# **AUDIT COMMITTEE**

## **SUPPLEMENTARY AGENDA ITEM 5**

**Thursday, 29th September, 2011**

**7.30 pm**

**Town Hall, Watford**

**Publication date: 26 September 2011**

### **CONTACT**

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Legal and Property Services on 01923 278377 or by email to [legalanddemocratic@watford.gov.uk](mailto:legalanddemocratic@watford.gov.uk) (Minicom available on 01923 278499).

# COMMITTEE MEMBERSHIP

Councillor I Brown (Chair)

Councillors A Burtenshaw, A Khan, R Martins and S Rackett

## AGENDA

### PART A - OPEN TO THE PUBLIC

**5. EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE, ISA 260 (Pages 1 - 38)**

This report allows the Committee to ask questions of the external auditor concerning his 'Report to those charged with Governance (ISA260)' and to approve the Statement of Accounts for 2010/11.

Appendices 1 and 3 to follow

## PART A

**Report to:** Audit Committee

**Date of meeting:** 29 September 2011

**Report of:** Head of Strategic Finance

**Title:** External Auditor's Report To Those Charged With Governance – ISA260 – (September 2011) And Approval Of The Statement Of Accounts For 2010/11

### 1. **SUMMARY**

- 1.1 This report allows the Committee to ask questions of the external auditor concerning his 'Report to those charged with Governance (ISA260)' and to approve the Statement of Accounts for 2010/11.

### 2. **RECOMMENDATIONS**

- 2.1 That the Committee notes the external auditor's 'Report to those charged with Governance',
- 2.2 That the Committee seeks any clarification it needs concerning the Statement of Accounts for 2010/11,
- 2.3 That the Committee confirms that it is satisfied that the accounting policies adopted are the most appropriate, and,
- 2.4 That the Statement of Accounts for 2010/11 be approved.

#### **Contact Officer:**

For further information on this report please contact:  
Dot Reynolds – Finance Manager – Shared Services  
telephone number: 01923 727219  
email: dot.reynolds@threerivers.gov.uk

#### **Report approved by:**

Bernard Clarke – Head of Strategic Finance

### 3. DETAILED PROPOSAL

#### *Introduction*

- 3.1 The Accounts and Audit (England) Regulations 2011 require the statutory accounts to be completed by 30th June but that they should not be considered by the Audit Committee until they have been audited. This consideration must take place before 30<sup>th</sup> September.
- 3.2 The Auditor's 'Report to those charged with Governance' is attached at **Appendix 1**. It is issued in accordance with ISA260 and incorporates a conclusion on final accounts work and a value for money judgement. Representatives from Grant Thornton will attend the meeting to present the report and answer questions.
- 3.3 Attached at **Appendix 2** is a draft letter of representation which should be signed by the Chair of the Audit Committee and the Council's Section 151 Officer (the Head of Strategic Finance).
- 3.4 The Statement of Accounts for 2010/2011 is attached at **Appendix 3** and must be signed by the two Council representatives as above.
- 3.5 Financial Reporting Standard 18 requires the Committee to confirm that it is satisfied that the accounting policies adopted are the most appropriate.

#### *Key Issues and Interpretation of the Accounting Statements*

- 3.6 The purpose of the Statement of Accounts is to give interested parties an understanding of the Council's financial position. It also provides an opportunity to compare how the Council performed financially against the original plan published when setting the budgets in February 2010. Members are referred to the Foreword to the Statement of Accounts.
- 3.7 The Financial Statements have been prepared, for the first time, under International Financial Reporting Standards (IFRS), a new statutory accounting framework which has replaced the United Kingdom Generally Accepted Accounting Principles (UK GAAP). This has brought about a change in the layout of the accounts and requires the restatement of comparative figures for the previous year. The Chartered Institute of Public Finance and Accountancy produces a Code of Practice on Local Authority Accounting which reflects the statutory requirements and has been followed in preparing the financial statements.
- 3.8 The major accounting adjustments brought about by the introduction of IFRS are:-
- a new definition of investment assets;
  - the classification of property leases as either finance or operational leases;
  - accounting for employee benefits that have been earned but not taken (e.g. leave);
  - component accounting where an asset has elements with different economic lives, and,
  - a change in the treatment of deferred grants.
- 3.9 A draft Annual Governance Statement (AGS) was presented to the Committee and approved on 30<sup>th</sup> June 2011. The AGS has been updated to reflect the current position, is now included within the Statement of Accounts, and has been signed by the Mayor and Managing Director in accordance with statutory requirements.

## Financial Outturn for 2010/2011

- 3.10 The Statement of Accounts is not a particularly user friendly document for considering the final outturn for 2010/2011. The Budget Panel (20<sup>th</sup> September), and Cabinet (26<sup>th</sup> September) received a report detailing in a more readable format the outturn for 2010/2011. The Cabinet Report has been reproduced at **Appendix 4**.

## 4.0 IMPLICATIONS

### 4.1 Financial

- 4.1.1 These have been included within the report.

### 4.2 Legal Issues (Monitoring Officer)

- 4.2.1 As stated in the body of the report the Council is legally obliged to approve the statement of accounts by 30 September 2011.

### 4.3 Equalities

- 4.3.1 There are no equality implications arising out of reporting of the final outturn for 2010/2011.

### 4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall Score
That the Statutory Accounts are not completed/ approved by the statutory deadline of 30 <sup>th</sup> September	1	4	4

## Appendices

1. Report to those charged with Governance (ISO260) – Grant Thornton
2. Draft Letter of Representation
3. Statement of Accounts 2010/11
4. Summary of Financial Outturn 2010/2011

## Background Papers

*The Accounts and Audit (England) Regulations 2011*

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Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

29 September 2011

Dear Sirs

**Financial Statements for the Year Ended 31 March 2011**

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other officers and members with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in respect of your audit of the above financial statements

- i We acknowledge our responsibilities for ensuring that financial statements are prepared which give a true and fair view of the financial position of the Council in accordance with the Code of Practice on Local Authority Accounting in the UK (the Code) and for making accurate representations to you.
- ii As far as we are aware:
  - a there is no relevant audit information of which you are unaware
  - b we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information
- iii We have complied with the requirements of all statutory directions and these matters have been appropriately reflected and disclosed in the financial statements.
- iv All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly recorded in the accounting records and reflected in the financial statements.
- v All other records and related information, including minutes of all Council and Committee meetings, have been made available to you
- vi We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the Code, we selected the estimation technique considered to be the most appropriate to the Council's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgment based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.

- vii Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS 19 disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded)
- ix The financial statements are free of material misstatements, including omissions
- x We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud
- xi We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- xii We are not aware of any irregularities, including fraud, involving management or employees of the Council. We are not aware of any instances of actual or possible non-compliance with laws, regulations, contracts, agreements or the Council's constitution that might result in the Council suffering significant penalties, other loss or affecting the financial statements. No allegations of such irregularities, including fraud, or such non-compliance have come to our notice
- xiii We have disclosed to you all related parties and there were no transactions with officers, members or other related parties which should be disclosed in the financial statements except as disclosed in note 13
- xiv Except as stated in the financial statements
- a there are no unrecorded liabilities, actual or contingent
  - b none of the assets of the Council has been assigned, pledged or mortgaged
  - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure
- xv There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements.
- xvi There are no claims, legal proceedings or other matters which may lead to a loss falling on the Council or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements
- xvii The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance
- xviii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.



- xix No significant events having an effect on the financial position of the Council have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto
- xx We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.
- xxi We have compiled our financial statements in accordance with IAS 18, Revenue. We have recognised income when we have obtained the right to consideration following the fulfilment of contractual obligations concerning the supply of goods and services
- xxii The Council has determined the fair values of derivatives and other financial instruments through the calculation of the present value of the cash flows that will take place over the remaining term of the instruments using assumptions as detailed in note 34 to the financial statements.
- xxiii We have disclosed to you the likely outcomes of litigation or uncertain situations, which have been disclosed in the financial statements where appropriate.
- xxiv We have adjusted the misstatements brought to our attention on the audit differences and adjustments summary, attached to the ISA 260 Report to those charged with governance.
- xxv There have been no restatements made to correct a material misstatement in prior period financial statements that affect the comparative information.

**Approval**

The approval of this letter of representation was minuted by the Audit Committee at its meeting on 29 September 2011

Signed on behalf of Watford Borough Council.

Signature

Signature

Name Councillor Ian Brown.

Name Bernard Clarke

Position: Chair Audit Committee

Position: Head of Strategic Finance

Date 29<sup>th</sup> September 2011

Date 29<sup>th</sup> September 2011

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## Appendix 4

**Report to:** Cabinet  
**Date of meeting:** 26<sup>th</sup> September 2011  
**Report of:** Head of Strategic Finance  
**Title:** Summary of the Financial Outturn 2010/2011

### 1.0 SUMMARY

1.1 This report informs the Cabinet of the revenue and capital outturns for 2010/2011.

### 2.0 RECOMMENDATIONS

2.1 To approve the revenue outturn as summarised at Appendix 1 of £16,327k (before the use of reserves, balances and provisions).

2.2 To approve that specific unspent budgets have been carried forward into 2011/2012 in the sum of £349,700 and as detailed at Appendix 5A.

2.3 To note that the Department for Communities and Local Government has approved the closure of the Council's Housing Revenue Account and to approve that the balance of £1,310k be transferred to a newly created 'Development Sites Decontamination Reserve' (Appendix 5 refers)—this recommendation will need to be referred to Council.

2.4 To note that the Housing Benefit Subsidy provision is now no longer required and to approve that a residual balance of £367k should be transferred to a newly created 'Housing Benefit Subsidy Reserve' (Appendix 5 refers)—this recommendation will need to be referred to Council.

2.5 To note that the VAT refund of £1,122k should be transferred to the four funds detailed at Appendix 5 and that, as a consequence, to approve that a new 'Insurance Fund' has been created—this will need to be referred to Council.

2.6 To consider the capital outturn as detailed at Appendix 6.

#### **Contact Officer:**

For further information on this report please contact Bernard Clarke, Head of Strategic Finance, telephone extension 8189, email [bernard.clarke@watford.gov.uk](mailto:bernard.clarke@watford.gov.uk)

### **3.0 INTRODUCTION**

3.1 A key feature of the reporting of the Final Outturn for any financial year is to compare the actual position with the original estimate and forecast budget monitoring statements produced throughout the year. This comparison is essential as it provides an indication of the accuracy and robustness of financial control within the Council.

3.2 It is important as part of that process that guidance is provided, as a simple comparison will not necessarily present a fair reflection of a constantly evolving situation. This report will hopefully provide a meaningful analysis of the revenue and capital outturns for 2010/2011.

3.3 This report does not discuss changes to the presentation of the accounts which has been caused by changes to 'Financial Reporting Standards' as such changes do not actually affect the final outturn but simply re-order the placement of the financial figures. This issue will be covered in the formal report to the Audit Committee on 29<sup>th</sup> September 2011 which will consider the statutory Statement of Accounts.

### **4.0 ORIGINAL ESTIMATES 2010/2011**

4.1 The original revenue estimates were approved by Council on 27th January 2010 and have been summarised at **Appendix 1**. The net expenditure before the use of reserves and balances was anticipated to be £16,812k. It was anticipated that £280k of reserves and £345k of balances would be used in order to reduce the Council's net expenditure to £16,187k.

### **5.0 BUDGET MONITORING: THE FINANCE DIGEST**

5.1 Watford Council has a well developed budget monitoring system which compares original estimates with a forecast end of year financial outturn. The first report for 2010/2011 covered the first quarter's expenditure and income and was considered by the Budget Panel at its meeting on 20th July 2010 and comprised an explanatory report with a detailed Finance Digest.

5.2 During 2010/2011 monthly budget forecasts were considered by the Leadership Team, Budget Panel, quarterly reports were produced for Cabinet and copies of the Finance Digest was circulated to all members of the Council.

5.3 The last budget monitoring report / Finance Digest for 2010/ 2011 covered the 11 month period up to the end of February 2011. The position for the end of year (Month 12) is always delayed somewhat because it needs to be the final outturn and should include accountancy issues such as accruals; requests for carry forwards etc.

5.4 The key features of the Month 11 budget monitor included:

- a forecast outturn of £17,808k, reduced by :
- the use of £828k from earmarked reserves
- the use of £345k from general balances
- the use of £180k from a housing benefit earmarked provision

5.5 This resulted in a forecast £268k overspend compared to the original budget. A summary of the Month 11 forecast is attached at **Appendix 1**.

## 6.0 SUMMARISED REVENUE OUTTURN 2010/2011

6.1 **Appendix 1** summarises the actual variances and actual outturn for 2010/2011 when compared to the Original Estimate. **Appendix 2** provides a simple reconciliation between Original Budget; Period 11 Forecast and Final Outturn.

6.2 In summary, Appendix 1 indicates the actual variation between Original Estimate and Outturn was a £485k under spend. This is distorted however by two 'extraordinary items' (VAT refund and Building Maintenance capitalisation—see Appendix 2 for fuller explanation) which resulted in a £1,465k windfall. In addition throughout the course of 2010/2011 reports were presented to Budget Panel / Cabinet in which the original estimate was increased and funded through the use of earmarked reserves and provisions. Interpreting these factors, then the true level of underlying variations was an overspend of £286k (1.7%) and which is explained at Appendix 2.

6.3 A forecast overspend of £300k had been predicted early in the financial year and was largely due to the consequences of the economic downturn. This had the effect of reducing the Council's investment interest (due to low rates of interest), combined with a shortfall in commercial and market rents. At a macro level therefore it could be interpreted that the Council's budget monitoring and forecasting is exceptionally good. This would, however, be glossing over the fact that a number of actual budget variations were not reported during the year and that, coincidentally, the 'swings' equated to the 'roundabouts'. Full reporting of variations needs to be enforced therefore during 2011/2012.

## 7.0 ANALYSIS OF DETAILED VARIATIONS

7.1 **Appendix 3** provides an analysis of the major variations (+/-£10k) that actually occurred at cost centre level. In many respects the current system of budget monitoring encourages the respective Portfolio Holder and Head of Service to manage their budgets at cost centre level. So, for example, due to the economic recession there had been a reduction in the volume of planning applications which had a significant effect upon anticipated development control income. This adverse variation was 'managed' through the Head of Service not filling vacancies—which is logical if activity levels are down. As a consequence the development control cost centre came in on budget and is not highlighted at Appendix 3. This approach is to be commended.

7.2 The variations at Appendix 3 total £485k as per the Appendix 1 summary. Looking forward, key issues for 2011/2012 include:

- better forecasting within Community Services (albeit circa £250k of the variation related to an adjustment to the SLM outsourced contract and an electricity refund both of which were outside the purview of the Head of Service). The Head of Service has addressed this issue for 2011/2012 and improved monitoring has been established.
- commercial rent income needs to be closely monitored and this will be a key risk in 2011/2012 .

- the cost of revenues and benefit staffing levels exceeded original estimates by a large margin (see Shared Services Operating Costs at Appendix 3). This has considerably reduced the saving arising from the shared services joint initiative. The current situation cannot continue and must be arrested by more effective use of technology within the Division. This again is a key risk for 2011/2012.
- The cost of the housing benefit subsidy system to Watford significantly exceeded original budgets. This was reported during the year and was largely due to the original estimate being very 'optimistic'. The 2011/2012 assumptions built into the net cost of subsidies is far more realistic. This is a cost centre with circa £34m of subsidy income and is a key risk where close monitoring during 2011/2012 will be essential.

7.3 The variations at Appendix 3 also include the windfalls relating to the VAT refund and the part capitalisation of building maintenance which, as referred to earlier should be discounted when considering underlying trends.

## 8.0 SUMMARY OF SALARY AND AGENCY COSTS

8.1 The cost of salaries and agency staff in order to provide day to day services is circa £15m and should be compared to the council's budget for 2010/ 2011 of £16.8m. Any effective budgetary control system does therefore need to ensure it has accurate reporting and control of the staffing budgets.

8.2 **Appendix 4** therefore provides a summary of salaries/ agency budgets across all the service areas (excluding staffing within Shared Services where the control is exercised through the Joint Committee). These figures exclude the cost of consultants who are engaged to carry out specific time limited tasks and do not deliver ongoing services. The original budget at Appendix 4 is after deleting 1% from each cost centre and which represents a vacancy factor built into detailed estimates.

8.3 Appendix 4 is encouraging in that it indicates a £165k under spend which represents a 1.07% variation. Simplistically if the original estimates had assumed a 2% vacancy factor then there would have been no outturn variation. For 2011/2012 a 1% vacancy allowance has again been assumed and there is no intention for any change for the foreseeable future.

## 9.0 RESERVES, BALANCES and PROVISIONS

9.1 In many ways, the most complex part of reporting the Revenue Outturn is to seek to explain the variations to the level of individual reserves. **Appendix 5** provides a detailed summary of proposed movements to reserves, balances and provisions which will need specific approval from Cabinet / Audit Committee / and Council.

9.2 In terms of the revenue outturn in isolation, the position can be summarised as follows:

- original estimates intended to take £280k from reserves and £345k from the General Fund working balance.
- during the year, approval was received to increase the drawdown from reserves by a further £548k and from the housing benefit provision by £180k.

- due to the 'windfalls' relating to VAT and Building Maintenance, instead of drawing down reserves, £665k has been transferred into them.

This is all illustrated at Appendix 1.

9.3 Appendices 5, 5A & 5B provide a full analysis of all movements to reserves, balances and provisions that have occurred both during and at the end of 2010/2011 financial year.

## 10.0 CAPITAL OUTTURN 2010/2011

10.1 A detailed analysis of the council's capital programme has been attached at **Appendix 6**. The main features include

- an original projected spend (including Section 106) of £13,700k
- a final outturn spend (including Section 106) of £10,312k

This indicates a 24% level of slippage (compared to 29% in previous year).

The Original Estimate however, was finalised in January 2010 and, during the course of 2010/2011 there have been regular reports through the Finance Digest/ Cabinet regarding amendments to the programme to reflect anticipated slippage/ increased cost/ new projects. The variances detailed below need therefore to be taken in this context.

10.2 This variance of £3,388k very largely represents slippage into the 2011/2012 financial year and, for general fund projects, is chiefly made up by:

Under spend/ Slippage	£k
* Health Campus –delay in land purchase	724
* Colosseum—profiled expenditure slightly delayed	1,894
* Cultural Quarter Phase 1-longer timescale	432
* Refuse Freighters—saving on procurement	105
* Woodside Access Improvements-delay	224
* Affordable Housing-no projects to fund	235
* Decent Homes—reduced requirement	157
* Wiggshall Depot replacement-slightly delayed	286
* Backlog Repairs—money set aside for Depot work	485
* Events Market—slightly delayed	97
<b>New projects</b>	
* Hollywell Community Centre	+480
* Woolworth's Renovation	+932
*Watford Business Park (LAGBI funded)	+103
* ICT-SAN implementation	+188

10.3 With regard to Section 106 projects, the original estimate of £744k only had a minor end of year under spend of £20k. The detail within Appendix 6 does illustrate that a number of projects have been delayed but this has been compensated by mid year approval to a programme of playground improvements.

10.4 The delay in either commencing or completing capital projects has now been reflected within the 2011/2012 projected capital budget. This again has been shown at Appendix 6 and which now details the complete (and updated) capital programme which was approved by Council on 26<sup>th</sup> January 2011.

10.5 Appendix 6 also details how the capital programme has been funded in 2010/2011 and can be summarised as follows:

* Use of Capital Receipts	£8,747k
* Use of Section 106 contributions	£ 724k
* Use of Reserves—(the CPZ reserve)	£ 276k
* Use of Grants and contributions	£ 564k

10.6 Finally Appendix 6 indicates how the Council's current capital programme will be financed through to completion. And indicates:

- there will be a surplus of capital receipts of £2,374k
- there will be available Section 106 contributions of £4,498k

It will undoubtedly be the case that proposals for further capital projects (in particular Section 106 proposals) will be considered during the four year perspective of the capital programme.

## 11.0 CONCLUSION

11.1 The 2010/2011 revenue outturn represents a good result with a bottom line showing an increase in General Reserves of £665k. Watford's 'share price' would undoubtedly increase if it was listed on the Stock Exchange. However this apparent good performance is flattered by the VAT refund of £1.122m (the Council had to put forward a strong case in order to achieve the refund and it was not a 'windfall' as such). This excellent, overall result is reinforced by the fact that the Council had reduced its council tax by 1.4% in 2010/2011 so that its residents were required to pay less for its local services.

11.2 The underlying trend of revenue expenditure indicates an overspend of £286k which again is a good result against a background of the economic downturn which particularly affected the Council's levels of income. Further, the financial forecast had been predicting a £300k shortfall throughout the year and, simplistically, indicates budget monitoring processes are largely fit for purpose. The salaries and agency outturn was particularly accurate and accounts for 93% of net expenditure.

11.3 The 2010/2011 revenue outturn has highlighted areas where budget forecasting needs to be improved and the Leadership Team and Portfolio Holders will pay special attention to this and to the key risk areas.

11.4 With regard to the capital outturn slippage continues to be an ongoing problem but it does need to be recognised that this mainly occurs in relation to the larger, strategic projects where the Council is often dependent upon partner organisations.

11.5 Finally, the audited, statutory Statement of Accounts will be reported for approval to the Audit Committee on 29<sup>th</sup> September. The first Finance Digest for 2011/2012 has already been circulated to all members of the Council and a revised Medium



Term Financial Strategy was reported to Cabinet on 25<sup>th</sup> July. So, like the seasons, the never ending cycle has started for another year.

## **12.0 FINANCIAL IMPLICATIONS**

12.1 These have been included within the report.

## **13.0 LEGAL IMPLICATIONS**

13.1 The creation of new reserves is part of the overall budget of the Council and therefore under the constitution requires the approval of full council.

## **14.0 POTENTIAL RISKS**

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

## **15.0 EQUALITIES**

15.1 There are no equality implications in formally reporting the final outturn for 2010/2011.

### **Appendices**

[Appendix 1 General Fund Summary](#)

[Appendix 2 Reconciliation between Original Budget and Final Outturn](#)

[Appendix 3 Revenue Variances over £10k](#)

[Appendix 4 Direct Employee and Agency Summary](#)

[Appendix 5 Reserves, Balances and Provisions](#)

[Appendix 5A Carry Forward Items into 2011/2012](#)

[Appendix 5B Summary of Reserves](#)

[Appendix 6 Capital Outturn 2010/2011](#)

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**Revenue Outturn: General Fund Summary APPENDIX 1**

**Please Note that these figures relate to Direct Expenditure and Income within the control of individual service areas. They exclude recharges from other services and the base budget figures will not agree with other published documents as a consequence.**

<b>GENERAL FUND VARIANCE SUMMARY for 2010/11</b>				
	<b>Original Budget</b>	<b>Forecast Variances at Period 11</b>	<b>Actual Variances during year</b>	<b>Actual Outturn</b>
<b>SERVICE AREA</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>CORPORATE SERVICES</b>	2,100	(58)	(55)	2,045
<b>COMMUNITY SERVICES</b>	6,002	(68)	(636)	5,366
<b>ENVIRONMENTAL SERVICES</b>	4,676	214	9	4,685
<b>LEGAL AND PROPERTY SERVICES</b>	(2,219)	345	(203)	(2,422)
<b>PLANNING</b>	2,202	173	93	2,295
<b>CORPORATE MANAGEMENT</b>	618	0	(34)	584
<b>STRATEGIC FINANCE</b>	(514)	390	9	(505)
<b>SHARED SERVICES OPERATION COSTS</b>	3,948	0	331	4,279
<b>NET GENERAL FUND BUDGET</b>	<b>16,812</b>	<b>996</b>	<b>(485)</b>	<b>16,327</b>
<b>TRANSFER TO/(FROM) RESERVES</b>	(280)	(548)	665	385
<b>TRANSFER TO/(FROM) PROVISIONS</b>	0	(180)	(180)	(180)
<b>USE OF GENERAL FUND WORKING BALANCE</b>	(345)	0	0	(345)
<b>NET BUDGET REQUIREMENT</b>	<b>16,187</b>	<b>268</b>	<b>0</b>	<b>16,187</b>

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**Reconciliation Between Original Budget / Period 11 Monitor/ and Final Outturn**

	£000
<b>Original Budget</b>	<b>16,812</b>
<b>Period 11 Forecast:</b>	<b>17,808</b>
<b>Variation</b>	<b>996</b>
Due to:	
Additional Use of Earmarked reserves	548
Use of Housing Benefit Provision	180
Forecast Overspend	268
 <b>Final Outturn</b>	 <b>16,327</b>
 <b>Variation compared to forecast</b>	 <b>(1,481)</b>
Due to:	
VAT Refund	(1,122)
Capitalisation of part Building M'tce Programme	( 343)
Additional Service Variations	16

The final outturn net expenditure including the VAT refund, capitalisation of building maintenance, and before the use of reserves and balances actually indicates a £485k under spend (see Appendix 3 for detail) when compared to the original estimate.

This is not the true ongoing level of expenditure and the one off extraordinary items should be disregarded. By reference to the above summarised analysis, service variations for the 2010/2011 Financial Year indicates a forecast overspend of £286k (£268k + £16k).

The causes of this are detailed within Appendix 3.

**Supplementary Notes:**

The Original Budget of £16,812k represents the anticipated net expenditure for the Council in 2010/2011 before the use of reserves and balances. It was anticipated in January 2010 (when the budget was finalised) that £280k of reserves and £345k of balances would be used to reduce the net expenditure to be financed from grants and council tax to £16,187k.

An explanation regarding the use of reserves and the housing benefit provision is attached at Appendix 5.

The VAT refund relates to a national situation whereby local authorities had incorrectly paid VAT to HMRC over a circa 10 year period. The HMRC finally repaid principal and simple interest to Watford in March 2011 (after the Period 11 Forecast had been produced). No provision had been made within the accounts during the year because HMRC were specifically trying to resist Watford's claim and a substantial amount of evidence had to be produced in order to justify payment. There

is still approximately £300k of VAT (and simple interest) which is in dispute with HMRC. This has not been assumed to be 'receivable' by the Council and has been noted in the statutory Statement of Accounts as a potential contingent asset. Finally, there is still a national dispute regarding whether the HMRC should have paid compound interest. This potential additional refund has not been accrued- as a 'test case' needs to be established through the courts to establish the probability of success. Watford do not wish to be the 'test case' as there are a number of larger authorities where the 'reward' is greater.

The capitalisation of part of the Building Maintenance Programme occurred during the final accounts closure process and again could not have been predicted at the Period 11 (end of February) Forecast / Budget Monitor. Part of the building maintenance works were found to be capable of financing through the use of capital receipts (rather than from revenue resources). The amount of money spent was exactly the same –it just came out of a different pocket. The reason for doing this is that revenue resources can be used to finance ongoing expenditure as well as funding capital projects. Capital receipts can only be used to finance capital projects. There is therefore more flexibility for the future in preserving revenue resources rather than capital receipts. There is, in effect, no actual cash saving and for that reason it should be discounted when considering the true extent of the final revenue outturn.

Variances Over £10K per cost Centre re		APPENDIX 3			
Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>WA5010 Corporate Services</b>					
Customer Services	ADW000 - Information Unit	134,520	107,163	-27,357	Subscriptions underspent by £20K and rest on Salaries:
Customer Services	ADX000 - Customer Service Centre	747,400	694,666	-52,734	Entirely due to Salaries
Performance And Engagement	ADG000 - Equalities	70,580	56,833	-13,747	£10k underspend on Professional Fees - Planned project not undertaker
Performance And Engagement	ADP000 - Partnerships and Performance	147,650	76,385	-71,265	Salary budget underspent & underspend on "Watford 4 U"
Performance And Engagement	ADQ001 - Prg1: Partnership Prot. Areas	0	33,780	33,780	Funded from Performance Reward Grant
Performance And Engagement	ADQ002 - Prg2: Green Transport	0	27,301	27,301	Funded from PRG
Performance And Engagement	ADQ003 - Prg3: Cut Bus. Carbon Emission	0	10,476	10,476	Funded from PRG
Performance And Engagement	ADQ005 - Prg5: Watford For You	0	49,481	49,481	Funded from PRG
Support Services	AKA000 - Printing Section	-39,060	-10,886	28,174	Income from printing work under budget
Total cost centres under £10k variance		1,038,630	1,000,103	-38,527	Miscellaneous variances
		2,099,720	2,045,302	-54,418	

Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>WA5020 Community Services</b>					
Allotments	DPA001 - Allotments	22,550	11,219	-11,331	Driven by underspends in Grounds Maintenance (£5k) and Utilities (-£4k) and additional Rent Income (-£1k)
Arts Events And Heritage	ADC000 - Town Twinning Link Activities	18,550	3,412	-15,138	Town Twinning ceased during 2010-11
Arts Events And Heritage	DDI000 - Arts & Events	236,700	206,262	-30,438	Staff costs (-£9k) due to part vacant post in year, (-£9k) in Christmas Lights/Trees and (-£8k) in Town Centre Markets/Events
Arts Events And Heritage	DEA000 - Watford Museum	170,200	150,623	-19,577	(-£16k) in Employee costs due to Vacant Post (Part-Time) and Employee costs lower than expected
Cemeteries	KNA000 - Cemeteries	129,120	82,664	-46,456	Electricity refund due to back dated credit note:
Children's Services	DFC000 - Harwoods Jubilee Advent Plygrd	155,920	133,346	-22,574	Vacant Post part way in year (vacant for 7 months)
Children's Services	DFE000 - Harebreaks Adventure Plygrd	131,180	117,559	-13,621	Net cost of Vacant Post part way in year offset by cover for the pos
Children's Services	DNA000 - Juniors & Playschemes	159,510	75,179	-84,331	Juniors & Playschemes: reduction in provision during year
Children's Services	DNC000 - Youth Work	136,020	119,966	-16,054	Underspend in Youth Commissioning Work
Client Commissioning					SLM electricity: Contingency not required (-£80k), SLM Management Payment Part (£54k in income) greater than budgetted.
Client Commissioning	DLM000 - SLM (Central & Woodside)	151,440	-39,548	-190,988	vacant post in year, not in Superannuation (-£18k), Grounds Maintenance (-£10k), Consultancy Fees (-£15k), Surveys (-£10k)
Community Centres	DHA000 - Community Centres Admin	13,940	37,492	23,552	Budget was reduced in anticipation that community centres would be outsourced during the year. The post was deleted in 2011/2012.
Community Centres	DHL000 - Holywell Community Centre	76,400	93,636	17,236	Transfer of Holywell CC to WCVS was slightly delayed
Community Centres	DHN000 - Orbital Community Centre	43,730	69,865	26,135	Transfer of Orbital CC to YMCA was slightly delayed
Community Centres	JCE000 - Centrepoint Community Centre	33,780	20,563	-13,217	Higher Income than budgeted
Community Services Support	ACX000 - Community Services Support	388,560	403,438	14,878	Overspend in employee costs.
Grants And 3rd Sector	AEA000 - Grants - Administration & Gen	85,920	72,566	-13,354	Part Vacant post in year
Grants And 3rd Sector	AEB000 - Relate - Marriage Guidance	42,370	32,290	-10,080	Accommodation cost less than anticipated
Grants And 3rd Sector	AED000 - Citizens' Advice Bureau Serv	226,620	210,768	-15,852	Accommodation cost less than anticipated
Grants And 3rd Sector	AEE000 - HCC - Herfordshire Comm Meals	23,800	11,900	-11,900	Contribution to HCC ceased during 2010-11
Grants And 3rd Sector	AEM000 - Women's Centre	176,000	163,046	-12,954	Accommodation cost less than anticipated
Homelessness Preventn & Advce	JAG000 - Homelessness Preventn & Advce	290,550	276,475	-14,075	Part vacant post in year
Housing Needs	JAN000 - Housing Needs	315,040	307,078	-7,962	Employee savings (-£22k) offset by overspends of £8k in Printing & stationery and £6k in Legal Fees
Parks Development	DPA000 - Parks Development	295,990	274,290	-21,700	Sponsored Roundabouts and (-£12k) increased income from Parks Activities/Fireworks
Parks Development	KL8000 - Net Cost of Maintenance	993,890	987,025	-6,865	Minor net variation due to employee costs
Prevent	ACA000 - Prevent	188,790	96,637	-92,153	2 FT budgeted for full year, but employed for approx 4 months each
Private Sector Team	JAC000 - Private Sector Team	105,780	117,078	11,298	Vacant Post for 9 months, covered by additional cost of Agency
WBC Properties	JAI000 - Watford Borough Council Properties	-87,200	-144,341	-57,141	Increased Dwelling/Hostel Rent Income of (-£40k), reduced Dwelling/Hostel Repair costs of (-£12k) and (-£5k) from a new income stream
Total cost centres under £10k variance		1,476,580	1,475,527	-1,053	Miscellaneous variances
		6,001,730	5,366,016	-635,714	



Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>WA5030 Environmental Services</b>					
Support Team	EBA000 - Environmental Health Team	1,216,280	1,121,368	-94,912	<b>Environmental Health &amp; Licensing</b> - Underspend due to the following reasons :- i) Vacant posts offset in part by costs associated with maternity pay(£46k ii) favourable). Underspend incurred on office equipment and machinery(£32k). iii) Additional income streams being realised that were not budgeted.to occur(£17k).
Sustainability	EDG000 - Climate Change	9,090	49,037	39,947	<b>Environmental Health &amp; Licensing</b> - Overspend funded by approved use of climate change reserve(£39k).
Licensing Section	EGG000 - Other Licensing Functions	123,780	135,983	12,203	<b>Environmental Health &amp; Licensing</b> - Substantial adverse variance on legal fees(£21k) in part offset by income exceeding budget across certain income types(£14k).
Support Team	KKA000 - Environmental mgt & support	462,640	493,210	30,570	<b>Waste &amp; Recycling</b> -overspend within Environmental Management was in part funded by an approved contribution from the recycling reserve (£17.5k).Additional printing/ advertising / publicity also up. Trade (£17.5k).Waste continues to face challenges both from the private sector and the current economic climate with income down (£79k). Domestic Refuse was adversely affected primarily by employee costs(£62k). £7k additional income from paper sales; £7k reduced spend on recycling .
Refuse & Recycling	KMD000 - Refuse - Trade	-150,370	-59,286	91,084	
Refuse & Recycling	KME000 - Refuse - Domestic	777,340	847,140	69,800	
Refuse & Recycling	KMG000 - Recycling - Banks	5,730	-8,625	-14,355	
Support Team	KLC000 - Cleansing-Overhead	1,196,260	1,184,747	-11,513	<b>Street Cleansing</b> - Underspend on employees (£12k).Lower utility costs (£8k);
Street Cleansing Operations	KLC001 - Litter & Customer Liaison	25,300	1,129	-24,171	Improvements in income due in part to additional funding from public sector organisations including Herts County Council and Herts Highways(£23k); Extra income achieved via the trolley collection service(£16k). Reduced agency (£18k); reduced contractual costs (£30k).
Street Cleansing Special Proj.	KB000 - Weed Spraying & Control	150,390	13,474	-136,916	
Street Cleansing Special Proj.	KB001 - Cleansing - High Speed Roads	0	11,405	11,405	
Street Cleansing Special Proj.	KB002 - Enhanced Street Cleansing	0	20,436	20,436	
Street Cleansing Special Proj.	KB005 - Action On The Streets	0	26,669	26,669	
Total cost centres under £10k variance		860,050	848,500	-11,550	<b>Miscellaneous variances</b>
		4,676,490	4,685,186	8,696	
<b>WA5040 Legal And Property Services</b>					
Building Maint	WA9999 Annual Maintenance Programme	1,032,390	689,000	-343,390	Part of the Building Maintenance Programme was funded by cap.receipts
Buildings And Projects	FKD000 - Buildings And Projects	485,190	504,984	19,794	Overspend - Salaries £9k, Essential user lumpsum / mileage £7k
Buildings And Projects	FKF000 - Harebreaks Repairs - Age UK	0	-27,910	-27,910	Receipt due to building taken back by council, funds for repair 2011/12
CCTV	AAT000 - CCTV	217,850	237,187	19,337	Contract Security costs lower than budget, however, furniture & Equipment higher than expected, also £25k spent on software licences had no 2010/11 budget, insurance underspent £10k.
Charter Place	Rental Income	-2,554,600	-2,325,858	228,742	Units unoccupied and some on stepped rent. Initial budget set was high
Commercial	Rental Income	-4,475,850	-4,525,717	-49,867	Certain units were not picked up in the original budgeting process.
Democratic Services	ADE000 - Civic Expenses	34,280	12,149	-22,131	Civic reception did not take place - c/f to 2011/12
Democratic Services	AGX000 - Members Remuneration & Facil	504,740	483,097	-21,643	Underspend - Members allowance £6K, Telephone lines £8K, Members Training £5K
Elections	AGB000 - Registration Of Electors	72,960	41,618	-31,342	No agency staff were employed, large underspend on postage and printing & stationery

Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
Elections	AGP000 - Mayoral Elections	70,000	0	-70,000	Due to Parliamentary elections (the costs of which are refunded) and Borough elections both being held on the same date, the costs associated with the Mayoral election have been absorbed.
Facilities And Emergency Png	KEC000 - Town Hall Off & Council Suite	708,700	748,812	40,112	£30k refers to overspend on shift work & standby - no budget for 2010/11
Legal Services	AHX000 - Legal Services Team	442,910	402,164	-40,746	£37K underspent on Salaries
Property Mgt	FKC000 - Valuation & Estates Group	347,170	439,111	91,941	High Agency staff expense, £47K expenditure on Prof. fees D0501
Property Mgt	FLE000 - General Property Administratn	-20,400	-9,222	11,178	Expenditure on Land searches and Insurance not budgeted for
Support Team	AHD000 - Support Team	80,740	98,368	17,628	Salaries - one post not in the original budget
Total cost centres under £10k variance		834,520	809,876	-24,644	Miscellaneous variances
		-2,219,400	-2,422,341	-202,941	

Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>WA5050 Planning</b>					
Building Control	GCA000 - Building Control	127,690	112,894	-14,796	Staffing underspend
Land Charges	AHC000 - Land Charges	-8,660	-54,546	-45,886	(£32k) in Employee costs (Vacant Post) and Increased Search Fees (-£17k)
Miscellaneous	GGA000 - Planning & Transportation Mgt	270,700	235,287	-35,413	Employee costs of (-£61k) due to 1 vacant post & 2 part vacant posts (starting approx 8 months into year) and Consultancy work, offset by £22k in Project Costs
Miscellaneous	HDC000 - Street Furniture And Maintainan	12,500	2,300	-10,200	Underspend in Street Furniture And Maintainane
Parking	KFC000 - The Avenue	-103,140	-124,303	-21,163	Increased Parking Fees received
Policy Team	GAA000 - Policy Team	496,880	564,659	67,779	£11k in Employee costs due to Agency and Maternity costs and £54k in Local Development Framework
Transport	ARE000 - Concessionary Fares	829,560	997,855	168,295	Payments to Bus Operators geared to number of journeys made
Transport	GEA000 - Transport Subsidies	122,770	99,648	-23,122	Underspends in Consultancy (-£13k) , Dial-a-ride (-£5k) and income from Staff Bus Permits (-£5k)
Total cost centres under £10k variance		453,600	461,544	7,944	Miscellaneous variances
		2,201,900	2,295,338	93,438	
<b>WA5060 Corporate Management</b>					
Corporate Management	AAA000 - Corporate Management	32,360	5,272	-27,088	Contingency (£25k) not required and vired to meet VFM work
Corporate Strategy Team	AAX000 - Corporate Strategy Team	585,400	578,419	-6,981	Net salaries underspend
		617,760	583,691	-34,069	

Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>WA5070 Strategic Finance</b>					
Contrib Transfers & Misc Expnd	BIC000 - Budget Strategy Items	281,130	231,126	-50,004	Contingency provision for pay awards not requirec
Corporate Costs	BIC001 - Redundancy Payments	75,000	86,249	11,249	Additional redundancy payments
Corporate Employee Expenses	AMC000 - Corporate Employee Expenses	249,520	188,014	-61,506	Training budget C/F to 11/12
Finance	WA6250/APA000 - Finance Services	1,148,210	1,234,367	86,157	Additional cost of Consultancy support re VFM
Finance Services	ARG000 - Finance Miscellaneous Expend	266,270	185,159	-81,111	Saving mainly on audit fee provision-vired to finance consultancy cost:
Housing Benefits Subsidy Cost	BAK900/901 - Housing Benefits Client	-815,890	-185,848	630,042	Reduced level of subsidy from national Benefits system
NNDR & Council Tax Client	BAD900 - Taxation - Council Tax Client	-402,060	-312,896	89,164	Reduced level of income from the summons process:
Interest	BJA200 - Interest Earned/ paid	-701,000	-970,311	-269,311	VAT interest £559k offset by lower level of investment interest
Other Financing & Investment	BJA004 - Accounting Adjustments	0	-584,927	-584,927	VAT Refund of Principal sum £585k
Procurement	ADM000 - Procurement	36,750	21,401	-15,349	Vacant post for part of year
Telephones	ADL000 - Telephone Service	48,720	62,665	13,945	Over spent on telephone costs
Shared Services Implementation	AAV000 - All Services	458,530	578,709	120,179	Overspend funded by carry forward reserve (£159k) from 2009/2010
Capital & FRS17 Adjustments	BJA400 - Adjustments Under Statute	153,520	266,197	112,677	Need to follow Financial Reporting Standards formulae (adverse for 2010
Total cost centres under £10k variance		-1,312,900	-1,305,043	7,857	Miscellaneous variances.
		-514,200	-505,138	9,062	

Service/Section	Cost Centre	Original 2010/11	Actual 10/11	Act-Orig 10/11	Comments
<b>Shared Services Operating Costs</b>					
Revenues And Benefits	Operating Cost to Watford	1,545,870	1,902,497	356,627	Additional benefits staff
Human Resources	Operating Costs to Watford	507,590	526,524	18,934	Slight overspend
ICT	Operating Costs to Watford	900,610	883,773	-16,837	Slight underspend
Finance	Operating Cost to Watford	994,380	966,391	-27,989	Slight underspend
		3,948,450	4,279,185	330,735	
	<b>TOTALS</b>	16,812,450	16,327,238	-485,212	

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Direct Employee Costs (inc. agency)

APPENDIX 4

Dept	Section	Original 2010/11	Actual	Actual - Original
WA5010 - Corporate Services	Corporate Projects	76,120	187,172	111,052
	Customer Services	808,220	744,163	-64,057
	Management Team	212,950	214,522	1,572
	Partnerships And Performance	639,610	608,630	-30,980
WA5010 - Corporate Services Total		1,736,900	1,754,486	17,586
WA5020 - Community Services	Housing	903,780	874,819	-28,961
	Parks And Open Spaces	1,481,830	1,500,938	19,108
	Sports And Arts	1,315,440	1,131,008	-184,432
WA5020 - Community Services Total		3,701,050	3,506,766	-194,284
WA5030 - Environmental Services	Environmental Hlth & Licensing	1,354,730	1,325,751	-28,979
	Street Cleansing	1,187,770	1,184,887	-2,883
	Waste And Recycling	2,194,020	2,310,421	116,401
WA5030 - Environmental Services Total		4,736,520	4,821,059	84,539
WA5040 - Legal And Property Services	Buildings And Projects	672,250	717,428	45,178
	Legal And Democratic	930,880	916,429	-14,451
	Property	742,030	816,043	74,013
WA5040 - Legal And Property Services Total		2,345,160	2,449,900	104,740
WA5050 - Planning	Development Section	1,158,010	1,094,116	-63,894
	Policy Team	422,370	432,958	10,588
	Transport And Infrastructure	602,280	516,026	-86,254
WA5050 - Planning Total		2,182,660	2,043,100	-139,560

WA5060 - Corporate Management					
WA5060 - Corporate Management	Corporate Management	557,750	564,246	6,496	6,496
WA5070 - Strategic Finance	Finance & Resources	91,700	88,323	-3,377	-3,377
	Human Resources Client	26,960	13,535	-13,425	-13,425
	Procurement	59,030	31,727	-27,303	-27,303
WA5070 - Strategic Finance Total		177,690	133,584	-44,106	-44,106
<b>GRAND TOTAL</b>		15,437,730	15,273,141	-164,589	-164,589



<b>Budgets to be Carried Forward into 2011/12</b>					<b>APPENDIX 5A</b>	
	<b>Cost Centre</b>	<b>Account</b>	<b>Job</b>	<b>£</b>	<b>£</b>	
<b>Corporate</b>						
Equalities - Professional fees to aid accreditation	ADG000	D0501		8,000		
Corporate Excellence - professional fees	ADX000	D0501		10,000		
Community safety - use of SSCF fund created under-spend	ABE000	D0902	WJ0024	7,000		
Grant contribution One Watford - unspent	ADP000	D0902	WJ0023	4,000		
Community Engagement Surveys	ADP000	D1112	WJ0031	15,000		
Corporate Projects (Laxmi)	AAP000	A0118		10,000		
Project Management training provision	AAP000	D0501		50,000	104,000	
<b>Legal &amp; Property</b>						
Audentior Awards - unspent in 2010/11 (Mayoral request)	ADE000	D0804		12,000	12,000	
<b>Planning</b>						
Leaving Watford signs	BEA000	D0556		3,000		
Capt Sawyer memorial	BEA000	D0556		5,000	8,000	
<b>Strategic Finance</b>						
Corporate Employee costs - management development	AMC000	A0204	WJ0008	40,000	40,000	
<b>Total approved by Leadership team (see also RIA below)</b>					<b>164,000</b>	
<b>OTHERS:</b>						
HR - Shared Services Team Training day				7,000		
HR - Northgate PDR module				6,000		
				13,000		
WBC share at 68% - net additional budget in client	ALA900	E0101			8,840	
Corporate Services - "Watford For You"	ADP000	D0902	WJ0026		10,850	
Communications - Website development	ADH000	D0625			6,760	
Civic Receptions	ADE000	D0804			750	
Members' Remuneration - training	AGX000	D0576			500	
Mayor's Community Fund	AAAM000	D0902			6,000	
Town Hall Offices - refreshments	KED000	D0101			2,000	
Building Maintenance - Property maintenance responsive repairs	FKE000	B0105			150,000	
<b>Total Carry Forward Requests</b>					<b>349,700</b>	

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Reserve	Balance as at 1 April 2010 £'000	Memo: Original estimate of use £'000	P11 forecast use £'000	Additional appropriations £'000	Balance as at 31 March 2011 £'000
Car Parking Zones Reserve	963	(101)	(184)	(373)	406
Charter Place Tenants Reserve	892	40	40	(260)	672
Repairs Fund - Le Marie Centre Reserve	13	-	-	-	13
Multi-Storey Car Park Repair Reserve	157	26	26	-	183
Rent Deposit Guarantee Scheme	100	-	-	-	100
Homelessness Prevention Reserve	113	-	-	-	113
Housing Benefit Subsidy Reserve	-	-	-	367	367
Performance Reward Grant	152	-	-	(104)	48
Budget Carry Forward Reserve	155	-	(155)	349	349
Climate Change Reserve	107	-	-	(39)	68
Recycling Reserve	69	-	(50)	-	19
Leisure Structural Maintenance Reserve	238	-	-	185	423
Local Development Framework Reserve	313	-	-	-	313
Pension Funding Reserve	1,000	-	-	300	1,300
Insurance Fund Reserve	-	-	-	100	100
Vehicle Replacement Reserve	-	150	150	-	150
Development Sites Decontamination Reserve	-	-	-	1,310	1,310
Invest To Save Reserve	1,452	-	(159)	200	1,493
Capital Fund Reserve	1,546	-	-	350	1,896
LABGI Reserve	752	(56)	(56)	-	696
Area Based Grant Reserve	341	(259)	(259)	3	85
Housing Planning Delivery Grant	332	(31)	(31)	-	301
Economic Impact Reserve	500	(50)	(50)	800	1,250
Concessionary Fares Reserve	100	-	(100)	-	-
	9,295	(281)	(828)	3,188	11,655

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CC	General Fund Capital Schemes	6-Year Cost	2009/10 Capital Expenditure	2010/11 Original Budget	2010/11 Spend as at Pd12(Mar-11)	2010/11 (underspend) /overspend	2011/12 Current Budget	2012/13 Original Budget	2013/14 Original Budget	2014/15 Original Budget
WAA920	<b>Key Projects</b>	4,981,960	281,961	1,250,000	525,624	(724,376)	2,724,376	1,450,000	0	0
WAA974	Cardiff Road Health Campus	5,739,546	232,351	5,085,000	3,190,794	(1,894,206)	2,316,401	0	0	0
WAA998	Colosseum Refurbishment	191,280	0	70,000	2,375	(67,625)	188,905	0	0	0
WAA983	Colosseum Roof	4,562,920	0	500,000	67,920	(432,080)	1,895,000	2,600,000	0	0
WAA954	Cultural Quarter Phase 1*	1,248,080	336,648	112,870	123,932	11,062	366,500	210,500	210,500	0
	Green Spaces Strategy	16,723,787	850,959	7,017,870	3,910,645	(3,107,225)	7,491,182	4,260,500	210,500	0
WAA986	<b>Environmental Services</b>	1,495,100	0	1,600,000	1,495,100	(104,900)	0	0	0	0
WAA975	Refuse Collection Freighters	127,465	20,125	35,000	27,340	(7,660)	20,000	20,000	20,000	20,000
WAA978	Recycling Boxes (75% Grant Funded 2010/11)	32,800	16,800	0	16,000	16,000	0	0	0	0
WAA981	Street Recycling Bins (100% Grant Funded 2010/11)	124,306	0	0	44,306	44,306	20,000	20,000	20,000	20,000
WAA992	Trade Waste Recycling Bins (75% Grant Funded 2010/11)	54,060	0	18,000	18,060	60	18,000	18,000	0	0
WAA988	Green Waste Bins	40,828	0	30,000	40,828	10,828	0	0	0	0
WAA988	Bins in communal properties (75% Grant Funded 2010/11)	319,524	11,524	77,000	0	(77,000)	154,000	77,000	77,000	0
WAA982	Carbon Management / Climate Change*	28,000	0	28,000	0	(28,000)	28,000	0	0	0
WAA989	Handhelds for reporting National Indicators	7,800	0	0	7,800	7,800	0	0	0	0
WAA702	Vehicle weight sensors	20,800	0	0	20,800	20,800	0	0	0	0
WAA150	Snow / Emergency preparations	360,000	0	0	0	0	0	0	0	0
WAA151	Kebside Recycling Vehicles	723,281	565,399	240,000	157,883	(82,117)	0	360,000	0	0
WBD000	Empty Properties (CPO, EDMO)	856,090	49,582	200,000	138,208	(61,792)	268,300	200,000	200,000	0
WAAJ300	Decent Homes Assistance*	26,041	26,041	0	0	0	0	0	0	0
WAAJ600	Environmental Services Schemes	2,296	0	0	0	0	0	0	0	0
WAA926	Environmental Services Schemes	4,512	4,512	0	0	0	0	0	0	0
WAF910	Environmental Services Schemes	26,545	26,545	0	0	0	0	0	0	0
WAAJ800	Environmental Services Schemes	66,286	43,287	23,000	(21,643)	(44,643)	44,643	0	0	0
WAA959	<b>Community &amp; Leisure Services</b>	157,439	142,439	15,000	15,000	0	0	0	0	0
WAA960	Woodside pole vault beds replacement	480,016	0	0	480,016	480,016	0	0	0	0
WAA977	Resurface Woodside Stadium Track / Long Jump relocation	10,780	10,780	0	0	0	0	0	0	0
WAA978	Holywell Community Centre	50,000	7,210	30,000	0	(30,000)	42,790	0	0	0
WAA978	Property & Services	226,000	0	226,000	2,100	(223,900)	223,900	0	0	0
WAA978	Woodside Fence	40,000	0	40,000	2,000	(38,000)	38,000	0	0	0
WAA978	Woodside Access Improvements Phase 1*	15,000	0	15,000	0	(15,000)	15,000	0	0	0
WAA997	Woodside Stadium Toilet Refurbishment	160,000	0	0	0	0	160,000	0	0	0
WAB921	Waterfield Recreation Ground Car Park Improvements*	238,092	197,227	0	40,865	40,865	0	0	0	0
WNC033	Cassiobury Park Depot (not s.106)	49,850	49,453	0	397	397	0	0	0	0
WAA924	Leisure Centres Retention Monies	3,332,010	719,010	500,000	552,700	52,700	560,300	500,000	500,000	500,000
WAAJ202	Callowland Demolition	1,000,000	0	250,000	15,260	(234,740)	484,740	250,000	250,000	0
WAAJ100	<b>Housing Services</b>	156,500	0	156,500	0	(156,500)	156,500	0	0	0
WAAJ203	Disabled Facility Grants	85,000	0	85,000	0	(85,000)	85,000	0	0	0
WAAJ203	Affordable Housing	100,270	76,270	0	3,125	3,125	20,875	0	0	0
WAA987	Bringing stand alone properties to Decent Homes standard	0	0	0	0	0	0	0	0	0
WAA989	Bringing York House to Decent Homes standard	0	0	0	0	0	0	0	0	0
WAAJ301	Private Sector Stock Survey (carry forward)	0	0	0	0	0	0	0	0	0
WAAJ000	Furniture And Equipment	125,650	56,549	59,500	4,101	(55,399)	65,000	0	0	0
WAA950	<b>Parking Services</b>	138,324	0	100,000	138,324	38,324	0	0	0	0
WAA950	Introducing Pay & Display to Surface Car Parks*	53,785	0	150,000	53,785	(96,215)	0	0	0	0
WAA984	Replacement Matchday Parking Signs in CPZ	1,199,250	0	400,000	113,870	(286,130)	1,085,380	0	0	0
WAA985	Cassiobury & Nascot CPZ	2,015,139	0	500,000	15,139	(484,861)	500,000	500,000	500,000	500,000
WAA994	<b>Asset Management</b>	246,612	216,746	0	29,867	29,867	0	0	0	0
WAA995	Depot Refurbishment*	9,325	0	0	9,325	9,325	0	0	0	0
WAA992	Backlog repairs to Council properties*	55,656	7,557	0	48,099	48,099	0	0	0	0
WAA967	Other Projects	951,699	20,111	0	931,588	931,588	0	0	0	0
WAA973	Improve Orbital CC	35,327	0	0	35,327	35,327	0	0	0	0
WAA973	Capitalised Refurbishment Work	418,744	165,960	140,000	252,784	112,784	0	0	0	0
WAB923	High Street Building Refurbishment (Woolworths)	136,661	134,134	0	2,527	2,527	0	0	0	0
WAA110	Town Hall Drainage	0	0	0	0	0	0	0	0	0
WAA925	Charter Place Consultancy*	0	0	0	0	0	0	0	0	0
WAA963	Charter Place CCTV	0	0	0	0	0	0	0	0	0

CAPITAL PROGRAMME 2010/11 - 2014/15

CC	General Fund Capital Schemes	6-Year Cost	2009/10 Capital Expenditure	2010/11 Original Budget	2010/11 Spend as at Pd12(Mar-11)	2010/11 (underspend) /overspend	2011/12 Current Budget	2012/13 Original Budget	2013/14 Original Budget	2014/15 Original Budget
		£	£	£	£	£	£	£	£	£
WAA960	Feasibility Studies	300,000	0	100,000	0	(100,000)	100,000	100,000	100,000	0
WAB922	Council Chamber Sound System	80,700	0	80,000	700	(79,300)	80,000	0	0	0
WAA964	Town Centre CCTV*	5,626	4,426	30,000	1,200	(28,800)	0	0	0	0
WAA993	Events Market	160,000	0	110,000	13,333	(96,667)	146,667	0	0	0
WNC031	Stripling Way Cycle Path*	8,000	0	21,000	0	(21,000)	8,000	0	0	0
WAA152	Watford Business Incubator (LSP funded)	102,696	0	0	102,696	102,696	0	0	0	0
WAA200	Planning And Development-Prope	1,313	0	0	1,313	1,313	0	0	0	0
WAD911	Civic Core Regeneration	187,902	187,902	0	0	0	0	0	0	0
WAA201	64a Rickmansworth Road	2,163	0	0	2,163	2,163	0	0	0	0
	<b>ICT</b>									
WAA109	ICT – PCs, Printers & Servers	298,000	45,137	70,000	40,116	(29,884)	72,747	70,000	70,000	0
WAA126	e-Democracy	36,152	100	18,000	18,052	52	6,000	6,000	6,000	0
WAA117	Customer Relationship Management System	40,110	110	50,000	0	(50,000)	40,000	0	0	0
WAA134	Environmental Health System	194,420	3,105	45,000	56,315	11,315	45,000	45,000	45,000	0
WAA132	ICT - DMP	15,000	0	0	0	0	15,000	0	0	0
WAB924	Shared Services - Implementation of new SAN	256,620	0	69,000	256,620	187,620	0	0	0	0
WAB925	Shared Services - HR CPD Module	9,289	0	6,900	5,973	(927)	3,316	0	0	0
WAA982	Shared Services - Hardware Replacement Programme	20,700	0	20,700	2,352	(18,348)	18,348	0	0	0
WAA980	Property Asset Management System	64,915	27,639	0	34,275	34,275	3,000	0	0	0
WAA135	Shared Services - 0910 C/fwd Finance System	0	0	0	0	0	0	0	0	0
WAA143	Shared Services - 0910 C/fwd HR & Payroll System	80,146	80,146	0	0	0	0	0	0	0
WAA144	Shared Serv Revs/Bens System	1,985	0	0	1,985	1,985	0	0	0	0
WAA145	Shared Service Connectivity	123,753	82,436	0	41,317	41,317	0	0	0	0
	<b>New Schemes from Shared Services Joint Committee</b>									
WNC045	ShS Govt Connect Sec XtraNet	47,563	0	0	7,563	7,563	40,000	0	0	0
WNC034	ShS - Server Replacement	120,000	0	0	0	0	100,000	20,000	0	0
WNC036	ShS Thin Client Refresh	70,000	0	0	0	0	70,000	0	0	0
WAA001	Corporate / Service Project Management (*see below)	1,624,210	0	400,000	400,000	0	408,070	408,070	408,070	0
	Old Capital Schemes	4,696,049	4,696,049	0	0	0	0	0	0	0
	<b>Total General Fund Capital Schemes</b>	<b>41,073,964</b>	<b>8,547,566</b>	<b>12,956,470</b>	<b>9,587,499</b>	<b>(3,368,971)</b>	<b>12,637,758</b>	<b>6,854,570</b>	<b>2,406,570</b>	<b>1,040,000</b>

CC	Section 106 Funded Schemes	2009/10 Capital Expenditure £	2010/11 Original Budget £	2010/11 Spend as at Pd12(Mar-11) £	2010/11 (underspend) /overspend £	2011/12 Current Budget £	2012/13 Original Budget £	2013/14 Original Budget £	2014/15 Original Budget £
WNC001	WNC001 - Town Scheme Enhancements	20,777	0	0	0	0	0	0	0
WNC019	Victoria Passage Phase 2 & 3*	1,224	12,600	0	(12,600)	0	0	0	0
WNC002	Allotments - Green Toilets	3,156	20,000	10,000	(10,000)	10,000	0	0	0
WNC004	Colne Valley Improvements	1,224	20,000	39,129	19,129	20,000	20,000	20,000	0
WNC018	Cow Lane Improvements*	0	28,000	0	(28,000)	23,000	0	0	0
WNC022	Multi-use Games at Meriden	3,156	120,000	0	(120,000)	120,000	0	0	0
WNC014	Oxhey Park Bridge*	38,414	130,700	210,293	79,593	0	0	0	0
WNC021	Woodside Playing Field - Green Flag	248,707	180,000	156,541	(23,459)	34,000	0	0	0
WNC017	King George V Nature Reserve	11,572	0	0	0	5,000	0	0	0
WNC023	Cassiopark Phase 2 Consultation	3,156	32,630	37,453	4,823	8,000	0	0	0
WNC024	Cassiopark Signage	3,156	0	0	0	5,860	0	0	0
WNC027	Town Centre Cycle Park	2,056	0	13,404	13,404	0	0	0	0
WNC028	Town Scheme Enhancements Phase 2	5,714	0	13,168	13,168	27,950	0	0	0
WNC030	Knutsford Playing Fields - changing facilities	9,356	200,000	54,412	(145,588)	430,588	0	0	0
WNC012	Horseshoe Lane	0	0	0	0	0	0	0	0
WNF689	Langley Road	0	0	0	0	0	0	0	0
WNC020	Hempstead Road Toucan	1,224	0	0	0	0	0	0	0
WNC025	Cassiobury Park Study Ancillary Facilities	3,156	0	7,878	7,878	18,982	0	0	0
WAB300	Croxley Rail Link	0	0	0	0	536,000	0	0	0
WNF010	Waterfield Rec & Knutsford PG	160,000	0	0	0	160,000	0	0	0
WNC011	Oxhey Park	138,917	0	61,836	61,836	67,979	0	0	0
WNF012	St Johns Road Playground	25,000	0	25,000	25,000	0	0	0	0
WNF013	Chater School Playground	0	0	0	0	0	0	0	0
WNF015	The Avenue	0	0	0	0	0	0	0	0
WNF017	Oxhey Village Green	25,000	0	0	0	0	0	0	0
WNF018	Lea Farm Playground	25,000	0	25,000	25,000	0	0	0	0
WNF019	Stamford Road Playground	25,000	0	0	0	25,000	0	0	0
WNC020	Aspen Park Drive Playground	0	0	24,869	24,869	0	0	0	0
WNC021	Norbury Avenue Playground	25,000	0	6,632	6,632	18,368	0	0	0
WNC022	Jellicoe Road Playground	25,000	0	13,690	13,690	11,310	0	0	0
WNC032	Contribution to HCC Water Lane Traffic Calming	0	0	0	0	0	0	0	0
WAA033	Cassiobury Park - Shepherds Road entrance	85,000	0	0	0	85,000	0	0	0
WAA044	Cassiobury Park - improvements to tea pavillion	140,000	0	0	0	140,000	0	0	0
WAA155	Cassiobury Park - toilet improvements	240,000	0	0	0	240,000	0	0	0
<b>Total Section 106 Funded Schemes</b>		<b>2,892,783</b>	<b>743,930</b>	<b>724,303</b>	<b>(19,627)</b>	<b>2,012,037</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>

Summary of Schemes	2009/10 Capital Expenditure £	2010/11 Original Budget £	2010/11 Spend as at Pd12(Mar-11) £	2010/11 (underspend) /overspend £	2011/12 Current Budget £	2012/13 Original Budget £	2013/14 Original Budget £	2014/15 Original Budget £
Key Projects	16,723,787	7,017,870	3,910,645	(3,107,225)	7,491,182	4,260,500	210,500	0
Environmental Services	4,249,448	2,228,000	1,966,325	(261,675)	508,300	695,000	317,000	40,000
Community & Leisure Services	1,493,464	349,000	518,735	169,735	524,333	0	0	0
Housing Services	4,673,780	991,500	571,085	(420,415)	1,307,415	750,000	750,000	500,000
Parking Services	317,759	309,500	196,210	(113,290)	65,000	0	0	0
Asset Management	5,916,813	1,381,000	1,559,931	178,931	1,920,047	600,000	600,000	500,000
ICT	1,141,090	279,600	457,005	177,405	203,411	121,000	121,000	0
New Schemes from Shared Services Joint Committee	237,563	0	7,563	7,563	210,000	20,000	0	0
Corporate / Service Project Management (*see below)	1,624,210	400,000	400,000	0	408,070	408,070	408,070	0
Section 106 Funded Schemes	2,892,783	743,930	724,303	(19,627)	2,012,037	20,000	20,000	0
<b>Total all schemes</b>	<b>39,270,698</b>	<b>13,700,400</b>	<b>10,311,803</b>	<b>(3,388,597)</b>	<b>14,649,795</b>	<b>6,874,570</b>	<b>2,426,570</b>	<b>1,040,000</b>

CAPITAL PROGRAMME 2010/11 - 2014/15

	2009/10	2010/11	2010/11	2010/11	2011/12	2012/13	2013/14	2014/15
	6-Year	Original	Actuals	(underspend)	Current	Original	Original	Original
CAPITAL PROGRAMME FINANCING	Cost	Budget	Pd12(Mar-11)	/overspend	Budget	Budget	Budget	Budget
	£	£	£	£	£	£	£	£
General Fund Programme	41,073,964	12,956,470	9,587,499	(3,368,971)	6,854,570	2,406,570	2,406,570	1,040,000
S106 Programme	2,892,783	743,930	724,303	(19,627)	20,000	20,000	20,000	0
<b>Total Capital Programme</b>	<b>43,966,747</b>	<b>13,700,400</b>	<b>10,311,803</b>	<b>(3,388,597)</b>	<b>6,874,570</b>	<b>2,426,570</b>	<b>2,426,570</b>	<b>1,040,000</b>
Grants & Contributions			564,347		200,000	200,000	200,000	200,000
Reserves			276,459		0	0	0	0
Capital Receipts			8,746,694		6,654,570	2,206,570	2,206,570	840,000
S106 Contributions			724,303		20,000	20,000	20,000	0
<b>Total Capital Financing</b>			<b>10,311,803</b>		<b>6,874,570</b>	<b>2,426,570</b>	<b>2,426,570</b>	<b>1,040,000</b>
			(0)					

	2010/11	2011/12	2012/13	2013/14	2014/15
AVAILABLE FUNDING - CAPITAL RECEIPTS	Actuals	Current	Original	Original	Original
	Pd12(Mar-11)	Budget	Budget	Budget	Budget
	£	£	£	£	£
Balance brought forward	26,646,000	19,413,307	8,575,549	3,420,979	2,214,409
Used for Financing	(8,746,693)	(12,337,758)	(6,654,570)	(2,206,570)	(840,000)
New Receipts	1,514,000	1,500,000	1,500,000	1,000,000	1,000,000
<b>Balance carried forward</b>	<b>19,413,307</b>	<b>8,575,549</b>	<b>3,420,979</b>	<b>2,214,409</b>	<b>2,374,409</b>

	2010/11	2011/12	2012/13	2013/14	2014/15
AVAILABLE FUNDING - S106	Spend as at	Current	Original	Original	Original
	Pd12(Mar-11)	Budget	Budget	Budget	Budget
	£	£	£	£	£
Balance brought forward	5,147,172	5,898,141	4,045,895	4,187,783	4,331,800
Used for Financing	(724,303)	(2,012,037)	(20,000)	(20,000)	0
New Receipts	1,416,506	99,999	100,000	100,000	100,000
Interest @ 1.23509799%	58,766	59,792	61,888	64,017	66,477
<b>Balance carried forward</b>	<b>5,898,141</b>	<b>4,045,895</b>	<b>4,187,783</b>	<b>4,331,800</b>	<b>4,498,277</b>