

APPENDIX B.1

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 10TH JUNE 2008

Title:

**FINANCIAL OUTTURN 2007/2008
OVERALL REVENUE OUTTURN
(GENERAL FUND and HOUSING REVENUE ACCOUNT)**

[Portfolio Holder for Finance: Cllr M H W Band]

[Wards Affected: All]

Summary and purpose:

This report provides a summary of the 2007/08 General Fund revenue outturn and the 2007/08 revenue outturn for the Housing Revenue Account. The Statement of Accounts, which contains the detailed figures in a format compliant with Audit requirements will be presented for approval by the Audit Committee on 24th June.

Environmental implications:

There are no direct environmental implications as a result of the recommendations in this report. However, the outturn includes services that have very significant positive environmental benefits.

Social / community implications:

There are no direct social/community implications as a result of the recommendations in this report. However, the outturn includes services that do have very significant positive social/community benefits.

E-Government implications:

The outturn contains budgets to enable the delivery of Waverley's E-Government Strategy.

Resource and legal implications:

There are no direct legal implications as a result of the recommendation of this report. Resource implications are contained throughout the report.

Introduction

1. This report provides a summary of the 2007/08 General Fund and Housing Revenue Account (HRA) revenue outturn position together with a table detailing the major variations from the estimate. This report is the final budget report for the year and builds on the position previously reported to Members through budget monitoring. The Final Accounts for 2007/08 will be considered for approval by the Audit Committee on 24th June 2008.

2. In certain areas, where expenditure was delayed due to particular circumstances but the service requirement remains, carry forward of the budget provision into 2008/09 has been requested.
3. This report contains the following Annexes:
 - Annexe 1 - The General Fund Revenue Summary
 - Annexe 2 - The main differences from the approved 2007/08 GF Budget
 - Annexe 3 - The Housing Revenue Account summary
 - Annexe 4 - Detail of the main differences from the approved HRA Budget
 - Annexe 5 - Revenue carry forward requested from 2007/08 to 2008/09

General Fund

2007/08 Revenue Outturn

4. The General Fund Outturn position for 2007/08 shows a continued improvement to the financial position, in line with previous Budget Monitoring reports.
5. At the Executive on 4th March 2008, Budget Monitoring to the end of January projected a net financial improvement against the 2007/08 Budget of approximately £770,000. The eventual position for 2007/08 is £864,000, before allowing for approval of carry forward requests to 2008/09. The table at Annexe 2 compares the position reported to the end of January with the Outturn and in the main this reflects a continued improvement in areas identified previously. The 2007/08 underspend arises predominantly from additional income rather than reduced service expenditure. Additional income since the last Budget Monitoring report includes: Countryside, £30,000; Waverley Training Services, £15,000; Economic Opportunities, £25,000; and Car Parks, £15,000. Overall General Fund Staff Savings £60,000 in excess of the £300,000 target have been achieved. There has also been an overall saving of some £62,000 within the Waste Recycling budget.
6. The Outturn figures include redundancy costs of £140,640 met from the overall financial improvement in accordance with the approvals given by Council. Additionally, in order to ensure compliance with SORP changes, expenditure of £171,547 (net of grant) has been transferred from the Capital Programme to be met from the Revenue Budget.
7. The original Budget for 2007/08 included a contribution from the General Fund working balance of £450,000. The approved use of the working balance has increased to £809,210 to take account of £144,210 expenditure carried forward from 2006/07 and supplementary estimates of £215,000. As a result of the financial improvement, £55,000 will instead be contributed to the working balance as at 31st March 2008.
8. The use of the Revenue Reserve Fund for 2007/08 was budgeted at £150,000 and this transfer has taken place.

Effect on 2008/2009 Budget

9. An assessment has been carried out on the probable effect on the 2008/09 Budget of the improved Outturn position. Most items have already been taken into account in the 2008/09 Budget, or were one-off items relating to 2007/8 only; therefore the improvement is estimated to be only some £6,000. The analysis of the figure and explanation of how it has been arrived at is given at Annexe 2.

Housing Revenue Account (HRA)

10. This account identifies the cost of providing, managing and repairing the Council's housing stock of some 5,000 dwellings in 2007/08.

Overview

11. In total, the position on the HRA at the end of 2007/08 is a reduction in the working balance of £402,155. It was anticipated that a supplementary estimate of £420,000, approved during the course of the year to cover unforeseen and one-off staff costs, would reduce the working balance to well below the minimum recommended of £1m. In the event, the total contribution from the working balance was less than the £500,910 expected after the approval of the supplementary estimate. The savings identified in budget monitoring to the end of January 2008 were mostly realised and the vacancy savings target was exceeded by some £80,000. The full list of major variations is identified at Annexe 4
12. Many of the variations have an ongoing effect and have already been built into the budget for the 2008-09 financial year.

Recommendation

It is recommended that:

1. the outturn position for 2007/08 be noted; and
2. revenue carry forwards of £144,210 on the General Fund from 2007/08 to 2008/09 as shown at Annexe 5 be approved.

Background Papers (DCEX)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICERS:

Name: Brian Long

Telephone: 01483 523253

E-mail: brian.long@waverley.gov.uk

Name: Glennis Pope

Telephone: 01483 523252

E-mail: glennis.pope@waverley.gov.uk

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