

APPENDIX B

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 2 SEPTEMBER 2008

Title:

BUDGET MONITORING JULY 2008

[Wards Affected: All]
[Portfolio Holder: Cllr M H W Band]

Summary and purpose:

This report provides details of the expenditure and income position to the end of July 2008 compared with budget for the General Fund and the Housing Revenue Account. It also gives an update on the Capital Programme for the General Fund and Housing Revenue Account.

Environmental implications:

There are no direct environmental implications relating to this report.

Social / community implications:

There are no direct social/community implications relating to this report.

E-Government implications:

There are no direct E-Government implications relating to this report.

Resource and legal implications:

This report shows the budget monitoring position to the end of July 2008 for the General Fund and the Housing Revenue Account. It monitors the progress of revenue expenditure and income and projects the likely year-end position. The position on capital expenditure is also given.

General Fund

1. The position to the end of July forecasts a net underspend at the year-end of £140,270.
2. The main elements of this are:
 - additional expenditure on processing major planning applications
 - a loss in planning income due to the reduced number of applications and delayed start of the advice serviceoffset by:
 - additional investment interest generated

3. The projected variations from the Budget are shown in the table at Annexe 1.

Inflation Provision

4. The Budget includes an Inflation Provision of £500,000. This covers all of the known major cost increases. To date some £272,650 of the provision has been allocated and, taking account of other known calls on this provision, at this stage it estimated that £500,000 will be sufficient to meet all inflationary demands in the year.

Target Reductions

5. The table below shows the target reduction included in the Budget for 2008-09 together with the level of achievement to date.

| Target | £ | Status |
|---|---------|---|
| Staffing savings target - General Fund | 323,000 | Based on the amount actually achieved to 31 st July, the identified savings for the year is £276,930. However, with other potential savings likely, the target should be fully achieved by the year-end. |

Virements

6. A virement is the transfer of budget provision from any one single budget head to another. In accordance with the Financial Regulations, the following virement has been identified as requiring approval by the Executive.

| Virement from | Virement to | Amount £ |
|---------------|--|-------------|
| Staffing | Safer Waverley Partnership (SWP) – Staff (funded by WBC) savings passed on SWP | 5,500 |

Additionally, it is anticipated that a shortfall in income in Planning advice and Land Charges can be offset in part from staff savings as detailed at Annexe 1.

Use of Balances

7. The Budget for 2008-09 includes a contribution of £250,000 from the General Fund working balance to which was added £186,530 carry forward from 2007-08 unspent budgets at the end of the year.
8. The underspend, together with the revenue carry forward from 2007-08 to 2008-09 of £186,530, gives a forecast contribution from balances at 31st March 2009 of £296,260, compared with an approved amount of £436,530.

| | £ |
|--|-----------------|
| Budgeted Use of Working Balance | 250,000 |
| Revenue Carry Forward from 2007-08 | 186,530 |
| Authorised use of Working Balance | 436,530 |
| Projected Underspend | 140,270 |
| Projected Contribution from Working Balance | £296,260 |

Housing Revenue Account

9. The major variations to the budget are identified at Annexe 2. A net underspend of £19,140 has been forecast, assuming that vacancy savings, which are budgeted at £100,000 are achieved. Currently, based on savings identified to date, the housing vacancy savings are falling short of target and measures will need to be taken in the coming months to achieve the target.

Use of Balances

10. The Budget for 2008-09 includes a contribution of £231,570 to the Housing Revenue Account working balance. The forecast underspend will increase the contribution to balances at the year-end as follows:

| | £ |
|--|-----------------|
| Budgeted contribution to Working Balance | 231,570 |
| Projected Underspend | 19,140 |
| Projected Contribution to Working Balance | £250,710 |

Capital Programme

General Fund

11. The detailed monitoring report for the General Fund Capital Programme is attached at Annexe 3.
12. Major expenditure on Waverley's leisure centres as part of the leisure strategy was originally included in the 2006-07 Capital Programme. £2.35million was subsequently provisionally re-scheduled to the 2007-08 Programme. The new leisure management contract has now been signed to include delivery of the capital works by DC Leisure. The majority of the expenditure will not be incurred until 2010-11 and the Programme will be adjusted to reflect this.
13. The Farnham Park SPA Project is on target, with the capital works planned to span three years. The 2008-09 Capital Programme of £300,000 provided for the possibility of early completion of the scheme, but £185,000 will not be required until 2009-10 as originally intended.
14. The Annexe details further planned slippage and savings. The possibility of bringing forward other schemes for approval is being investigated. Overall expenditure for the first four months of the year is approaching £600,000, which is similar to last year's profile.

Housing Revenue Account

15. A quarter of the overall annual Capital Programme has been spent in the first four months of the year. The double-glazing programme is exceeding targets in terms of number of units completed and as a result of effective procurement and contract monitoring will come in under budget. A report will be submitted to the October Executive with options for re-investing the contract savings.

Revenues Cash Collection

National Non-Domestic Rates

16. The net cash collected in the financial year to 31st July 2008 was £13,820,606. When compared with a net collectable debit at 31st July 2008 of £34,114,970, this represents a collection rate of 42.1%. The comparable collection rate in the previous financial year was 43.2%.

Council Tax

17. The net cash collected in the financial year to 31st July 2008 was £30,337,511. When compared with a net collectable debit at 31st July 2008 of £75,308,796, this represents a collection rate of 40.9%. The comparable collection rate in the previous financial year was 40.3%.

Conclusion

Corporate Management Team will continue to monitor the position to the end of the financial year and take action where appropriate to contain expenditure within budgets.

Recommendation

It is recommended that the virement is approved and the current monitoring position for the General Fund Revenue Account, Housing Revenue Account and Capital Programme be noted.

Background Papers (DoR)

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

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