

# APPENDIX B

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 13 APRIL 2010

---

**Title:**

**BUDGET MONITORING FEBRUARY 2010**

**[Portfolio Holder: Councillor Band]**

**[Wards Affected: All]**

---

**Summary and purpose:**

This report provides an update of the expenditure and income position to the end of February 2010 compared with the budget for the General Fund and the Housing Revenue Account. The focus is on major items of income and expenditure together with the latest position on major variances identified previously.

---

**How this report relates to the Council's Corporate Priorities:**

The monitoring of the Council's Budgets ensures there is financial control over the services that contribute to the Corporate Priorities.

**Equality and Diversity Implications:**

There are no direct equality and diversity implications relating to this report.

**Resource/Value for Money implications:**

This report shows the budget monitoring position to the end of February 2010 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.

**Legal Implications:**

There are no direct legal implications relating to this report.

---

**General Fund**

1. The January monitoring position was reported to the Executive on 5 March and showed a potential underspend of £27,000.
2. The latest projected underspend, representing the monitoring position to 28<sup>th</sup> February has increased to £131,000. Annexe 1 shows details of the movements on a monthly basis.

### **Income Levels**

3. There has been improvement in income in several areas. In particular, there has been a gradual improvement in Car Park income since the significant shortfalls of the Spring and early Summer. This was temporarily reversed by the heavy and prolonged snowfall and projections take account of around £70,000 lost from the snowfall during December and January. However, there has been a strong recovery since mid January, with the latest projected shortfall to the year-end being £205,000, an improvement of £35,000. There has also been improvement in Building Control and Land Charge income.

### **Housing and Planning Delivery Grant**

4. Waverley's original estimate for the revenue element of the 2009/10 Housing and Planning Delivery Grant was £70,000. The guidelines required 30% to be allocated to capital. In November, Waverley's provisional total allocation of £82,000 was announced, split £58,000 revenue and £24,000 capital, representing a revenue shortfall of approximately £12,000. Following consultation, the DCLG wrote to Waverley on 16<sup>th</sup> March, confirming the grant level of £82,000, but withdrawing the requirement for any capital element to this. This results in a surplus of £12,000 over the budget position, rather than a shortfall of a similar amount as reported previously.

### **Local Public Sector Agreement Grant**

5. On 31<sup>st</sup> March, Waverley received a further Local Public Sector Agreement (LPSA) scheme grant of £165,712, to be spent 50% revenue and 50% capital. This grant rewards performance in specific areas during the period 2005-2008, such as improved local outcomes on traffic congestion / journey times reduction and on greater take-up of benefits by older people. Since it was not possible to predict that Waverley would receive this further grant, it has not been budgeted for and will be treated as a windfall, with the revenue element of £82,856 forming part of the General Fund balance at the year-end. In due course, Officers will bring forward proposals for use of the grant.

### **Staff Vacancy Target Reductions**

6. The table below shows the target reduction included in the Budget for 2009-10, as amended during the year, together with the level of achievement to date. Savings identified to 28<sup>th</sup> February total £263,000, which is a further significant improvement of £30,000 from the previous month. Although there remains a further £37,000 to be achieved before 31<sup>st</sup> March a similar amount of the training budget has been held back to cover this; therefore the target should be achieved in full from staff-related budgets.

### **Housing Revenue Account**

7. There are no significant variations to the figures reported at the end of January and the forecast underspend remains at an estimated £97,000. The major variations to the budget are identified at [Annexe 2](#).

8. The forecast underspend of £97,000 will help increase the HRA working balance to the required £1.25m by 31<sup>st</sup> March 2010.

	£
Actual Balance 31 <sup>st</sup> March 2009	1,044,558
Budgeted contribution to Balance 2009-10	109,280
Forecast underspend 2009-10	<u>97,000</u>
	1,250,838

9. As reported previously, the bad weather in January impacted on responsive repairs, causing a change to the normal profile of repairs in the month. For this reason it is still difficult to quantify the exact financial impact but it is likely to result in an overspend of the responsive repairs budget. It is considered that use of the repairs fund balance would be appropriate to fund any overspend resulting from such unforeseen circumstances.
10. The 2009-10 budget allowed £120,000 for the implementation of Audit Commission recommendations resulting from the inspection of Autumn 2008. Much of this budget was for upgrading software to facilitate a greater understanding of the tenant profile and as a result, reshape service delivery. This project and procurement of the software is taking longer than anticipated and the unspent budget will be required to be carried forward into 2010-11.

### **Conclusion**

11. This is the final Budget Monitoring report for 2009/10. The outturn figures, being the actual position for the year to 31 March 2010 will be reported to the Executive in June.

### **Recommendation**

It is recommended that the position as at 28 February 2010 be endorsed.

---

### **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 OFFICER:**

**Name:** Brian Long

**Telephone:** 01483 523253

**E-mail:** [brian.long@waverley.gov.uk](mailto:brian.long@waverley.gov.uk)