

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 11 JULY 2017

Title:

FINANCIAL OUTTURN REPORT 2016/17

[Portfolio Holder: Cllr Ged Hall]

Wards Affected: All]

Summary and purpose:

This report provides a summary of the 2016/17 Revenue Outturn against budget for the General Fund and the Housing Revenue Account. The full Statement of Accounts will be presented for approval by the Audit Committee late July 2017.

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

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

Resource/Value for Money implications:

This report reviews the position against the budget for the General Fund, the Housing Revenue Account and Capital Programmes. It reviews the progress made on service delivery against the 2016/17 budget.

Legal Implications:

There are no direct legal implications relating to this report.

Introduction

1. This report provides a summary of the 2016/17 General Fund and Housing Revenue Account revenue outturn position and details any major variations from the budget. This report is the final budget monitoring report for the 2016/17 year and builds on the position previously reported to Members through the Budget Management Process.
2. Explanations for variations have been provided in the previous budget management reports. Where a new significant variation has appeared in the outturn, an explanation is provided in this report.

General Fund

3. The **General Fund** outturn for 2016/17 shows an **underspend** of **-£27,000** (-0.2%) on a net budget of £14.3m. A summary of the major variations to budget is provided in Appendix 1, most of which have been explained in previous monitoring reports to Members.

4. Explanations of new variations to budget emerging at outturn are provided below:
- i. More grant funding for **Supporting People** was received in year than originally budgeted (-£34,000). The security of the funding during budget setting and continuing throughout the year was under question and therefore budgets were set at a prudent level. This remains a concern going forward and will be monitored closely.
 - ii. **Homelessness rent** cost was lower than expected due to successful management and prevention of homelessness (-£41,000). Where possible officers have sought to avoid using expensive B&B accommodation through offering rent deposits and using accommodation from Ethical Lettings.
 - iii. The **refuse and recycling** fourth quarter grant funding from Surrey County Council has been lower than estimated due to lower than expected tonnage (+£23,000).
 - iv. **Street cleaning** cost was higher due to contract variations and additional road cleaning of the A3 and A31 (+£21,000).

General Fund Capital

5. The **General Fund Capital** programme shows an **underspend** of **-£3.2m** on a budget of £9.2m.
6. A number of projects have not yet reached completion and therefore it is requested that **£2.8m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in Appendix 2.

Housing Revenue Account (HRA)

7. The Housing Revenue Account outturn for 2016/17 shows an **underspend** of **-£22,000** (-0.16%) on a net budget of £13.6m. A summary of variations to budget is provided in Appendix 3, most of which have been explained in previous monitoring reports to Members.
8. Explanations of new variations to budget emerging at outturn are provided below:
 - i. The **responsive repairs** budget came under considerable pressure this year and a number of virements into this budget were required through the year. The budget is demand led and the pressure comes from a combination of additional orders from tenants, the contractor catching up with a backlog of repairs as well as responding to new requests for repairs in a much more timely way. Through close monitoring, demand management and prioritising works this budget which totals £2.4m has underspent at year end (-£23,000).
 - ii. Additional controls that have been put into place this year on the spend of **void repairs** has resulted in an underspend (-£47,000).

- iii. **Cyclical repairs** cost was lower on a budget of £1.4m due to a number of small underspends across a number of streams of work (-£145,000). The underspend is partially due to savings in a boiler maintenance contract due to the installation of new boilers and an initial delay in commissioning asbestos surveys due to data issues (now resolved and on programme).
9. A carry forward to 2017/18 is requested for the remaining £5,000 of the 2016/17 budget of £20,000 for the procurement costs on maintenance contracts.

HRA Capital

Core Capital

10. The **HRA Core Capital** programme has an **underspend** of **-£0.7m** on a budget of £7.6m. This funding will remain in HRA balances and will be available to spend on HRA Core Capital programme in 2017/18.

Stock Remodelling

11. The **HRA Stock Remodelling Capital** programme has an underspend of **-£3.0m** on a budget of £3.6m.
12. A number of projects have not yet reached completion and therefore it is requested that **£2.3m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in [Appendix 4](#).

New Build

13. The **HRA New Build Capital** programme has an underspend of **-£4.1m** on a budget of £7.1m.
14. A number of projects have not yet reached completion and therefore it is requested that **£3.5m** is to be **rescheduled** into 2017/18. A summary on the projects to be rescheduled is shown in [Appendix 5](#).

Recommendation

It is recommended that the Executive:

1. notes the outturn position on revenue and capital for 2016/17;
2. approves the revenue carry forward to 2017/18 as detailed in paragraph 9; and
3. approves the capital rescheduling to 2017/18 as detailed in Appendix 2, 4 and 5.

Background Papers

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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Appendix 1
General Fund: Summary of variations to budget

Service Variations:	(Underspend)/ Overspend £'000
Finance	
Council Tax Support – grant income	(36)
Business Rates – cost of collection	11
Council Tax – cost of collection	22
Rent Allowance and Rent Rebates overpayments recovered	50
Interest on Investments	(25)
Internal Audit Fees – non completion	(21)
Planning	
Building Control – income	124
Building Control – Consultation	10
Development Control – income	123
Development Control – resubmissions and appeals	73
Development Control – Agricultural appraisals	24
Development Control – RTPI training	(15)
Communities	
Leisure Centre – income	(296)
Careline – income	40
Waverley Training Services	81
Countryside – income	30
Housing (General Fund)	
Supporting People – Grant Funding	(34)
Homelessness – Rent	(41)
Environment	
Parking Income	(494)
Conveniences Cleaning – Farncombe reopened	9
Street cleaning	21
Saturday Garden Waste – delayed implementation	6
School parking permits – decision no to implement	20
Contaminated Land	(30)
Refuse and Recycling – returns on collection	23
Refuse and Recycling – Surrey County Council grant funding	23
Textile – income	7
Policy and Governance	
Land Charges	(60)
Licensing	15
Support Service Recharges	
Recharge to Housing Revenue Account	
Other (incl. supplementary estimates)	313
Overspend/(underspend) against budget	(27)

Appendix 2:
General Fund Capital: Summary of projects request to be rescheduled into 2017/18

Project	Reschedule £'000	Comment
Community:		
Leisure Strategy	12	Works underway however not complete at year end.
Riverside	6	Small amount outstanding for final retention amounts due.
Badshot Lea FC	105	Payments been held until lease agreed, this has now been signed so spend will be incurred in 2017/18.
Greenspace	18	Badshot Lea: Ball stop netting at Badshot Lea was delayed while planning permission was sought (£15k). Godalming LC: Pedestrian crossing required retendering (£4k).
HLS	23	Delayed due to seek of commons consent for works on Lammas Lands.
Weydon Lane	8	To be used for monitoring gases after planned works could not be undertaken.
Ditch renovation	18	Works have been committed, however delayed due to wet ground.
Haslemere LC	4	Equipment to be used in 2017/18.
Godalming LC	38	Payments to the Farncome Wanderers Cricket Club have begun now they have achieved full funding, however Waverleys contributions have not yet been fully paid.
Day Centres	11	Delayed due to changes required by fire officer.
Customer & Corporate:		
Web recording equipment	75	The equipment has been tendered for and will be installed in 2017/18.
Orchard Development	22	Delayed but will be undertaken within 2017/18.
Mobile working	18	Works to the value of £31k have been carried out in 2016/17.
Farncombe Day Centre	12	The lease was not yet signed at year end, holding up works.
Keystone	11	Further works are required for the completion of this project.
Ramsnest Flood Alleviation	9	Works were completed after year end.
Frensham Pond Resilience	5	Majority of works carried out and will complete in early 2017/18.
Network upgrade	4	Office 365
Orchard/agresso interface	2	The majority of works are complete however some small implementation works are still required.
Environment:		
Cranleigh CHP	25	Continuation of boiler replacement works.
Disabled Facilities Grants	119	This is a budget fully funded by the Better Care Fund. To maximise use of this funding officers are working toward new methods of utilising this funding going forward.
Memorial Hall	2,169	Works are ongoing and will complete in the new financial year.
Frensham Common	59	Officers are currently undertaking work to gain the support of the National Trust to progress the scheme in 2017/18.
Urgent schemes	11	No urgent schemes budget provided for in 2017/18.
Total programme	2,784	

Appendix 3:
Housing Revenue Account: Summary of variations to budget

Service Variations:	Outturn 2016/17 (Underspend) /Overspend £'000
INCOME	
Dwelling Rent	
Gross Dwelling Rent income	179
Voids income loss	(18)
Garage Rent	
Gross Garage rents	8
Voids income loss	24
Other Income	
Family Support service	12
Interest on Investments	(25)
Leaseholder recharges	(136)
COSTS	
Maintenance	
Responsive Repairs	(23)
Void Repairs	(47)
Cyclical Repairs	(145)
Management	
Council Tax	(26)
IT upgrades	(26)
Sheltered Units - Utilities	(174)
Backfunded Pension Contributions	(44)
Other Costs	
Historical water charges	160
Change in Contribution to Reserves & Other small items	261
Overspend/(underspend) against budget	(22)

Appendix 4:**Housing Revenue Account Stock Remodelling Capital: Summary of projects request to be rescheduled into 2017/18**

Project	Reschedule £'000	Comment
Conversion of Former Staff Accomodation	15	A small amount of works have been carried out in 2016/17, however further works to convert accommodation into lettable dwellings for future income generation are required.
Former Police Houses	7	To enable final works at the Former Police Houses site to be completed.
Ockford Ridge Refurbishment	1,661	The pilot phase is now complete and work is underway on preparing for both Phases 1 and 2.
Community Rooms	613	Officers are seeking planning permission on three properties so it is envisaged that works will be undertaken in 2017/18.
Total programme	2,296	

Appendix 5:
Housing Revenue Account New Build Capital: Summary of projects request to be rescheduled & vired into 2017/18

Current performance against Capital Programme for 2016/17		
Project	Reschedule	Comment
	£'000	
HCA funded scheme for two starter homes	80	All pre-development site investigations now complete but awaiting announcement from Central Government to confirm their requirements, therefore it is requested that £80,000 is rescheduled into 2017/18.
Ockford Ridge	1,418	Procurement process resulted in a change in expenditure profile
Wey Court	735	Procurement process resulted in a change in expenditure profile
Middlefield	263	Awaiting final account in retention period
Bridge Road	222	Awaiting final account, in retention period
Nursery Hill	28	Two stage procurement process resulted in a need to change in budget/expenditure profile
Station Road	45	Within retention period
Ladymead & Hullmead	47	Within retention period
Land adj 75 Sherrydon	66	Procurement process resulted in need to change in budget /expenditure profile
Unapproved Ockford Ridge Sites B & C	141	Work is underway to prepare the sites, however this work continues. Therefore it is requested that the remaining budget of £140,900 is rescheduled into 2017/18
Buybacks of council dwellings	406	A number of buybacks have been processed this year to maintain numbers of council dwellings and enable the Ockford Ridge project. To enable further buy backs to happen it is requested that this budget is rescheduled in 2017/18.
Total programme	3,451	