

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

5 JUNE 2018

Title:

FINANCIAL OUTTURN REPORT 2017/18

**[Portfolio Holder: Cllr Ged Hall]
Wards Affected: All]**

Summary and purpose:

This report provides a summary of the 2017/18 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 on 24 July 2018.

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 2017/18 budget.

Legal Implications:

There are no direct legal implications relating to this report.

Introduction

1. This report provides a summary of the 2017/18 General Fund and Housing Revenue Account outturn position and details any major variations from the budget. This report is the final budget monitoring report for the 2017/18 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 2017/18 shows an initial **surplus** of **£246,000** (-1.8%) on a net budget of £13.4m. 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. A large proportion of this surplus is due to achievement of investment property income. In light of this, it is proposed that £200,000 of this income is transferred to a Commercial Property Risk Fund to protect against future income risk.
5. Explanations of material new or additional variations to budget emerging at outturn are provided below:
 - i. Grounds Maintenance (£25,000)
This budget has been underspent in year through officers controlling spend on works additional to the core contract.
 - ii. Car Park Income (£49,000)
This reflects a 1.02% improvement on the £4.79m budget. This is due to improved performance on car parking income following overly prudent estimates regarding adverse weather previously reported.
 - iii. Assisted Burials £12,000
Statutory service which doesn't always achieve reimbursement dependant on estate of deceased.
 - iv. Building Control Income £97,000
Further underachievement of income due to Industry-wide experience of reduced income in January-March period. This is partially offset by cost savings of £33,000.
 - v. Development Control Appeals £13,000
High level of planning appeals experienced in 2017/18.
 - vi. Apprentice Levy (£65,000)
Previously reported surplus of £20,000, however low usage of apprentice levy fund in first year of levy.
 - vii. Land Charges income (£23,000)
Slightly better performance on land charges income over year than originally budgeted.
 - viii. General Data Protection Rules (GDPR) (£36,000)
Works on GDPR preparation are still ongoing as legislation goes live 25th May 2018.
 - ix. Interest on Investments (£105,000)
Additional income of £40,000 achieved in year due to improved interest achieved in year and lower than forecast spending on capital projects.
6. Services have requested a number of revenue carry forwards listed below. Further details can be found at [Appendix 2](#):
 - i. Internal audit - £8,020
 - ii. Waste Contract Procurement - £30,000
 - iii. Air quality analysers - £11,000
 - iv. ITrent single sign-in - £4,000
 - v. General Data Protection Regulations (GDPR) - £36,400
 - vi. Mayoral Budget - £4,300
 - vii. Social Media Sign-In Software - £5,000

General Fund Capital

7. After rescheduling requests the **General Fund Capital** programme shows a **saving of £456,000** on a budget of £16.4m.

8. A number of projects have not yet reached completion and therefore it is requested that **£2.8m** is to be **rescheduled** into 2018/19. A summary on the projects to be rescheduled is shown in Appendix 3.
9. In addition, it is requested that a carry forward of £10,000 of the saving on General Fund capital is approved to enable a project to create a new war memorial at Milford Common. The memorial will commemorate 100 years from the end of World War I (WWI) and the contribution of the Canadian soldiers, some of which were based at Milford/Witley Common during WWI.

Housing Revenue Account (HRA)

10. The HRA outturn shows a position surplus of £1.5m, which was mainly achieved in the responsive repairs and voids (maintenance) budget (£1.1m). The total spend on repairs and voids was £2.5m.
11. The maintenance service has been going through a transformation programme for the last four years resulting in high customer satisfaction. The programme has also delivered considerable efficiencies which are reflected in the saving figure. The savings were achieved despite the main contract negotiating higher overhead fees. The savings are a considerable achievement – the mild winter and a lower number of void properties than expected in the year helped.
12. £1.3m was spent on cyclical repairs to ensure our homes were maintained and safe. There was a saving of £183,000 on the external decoration programme. Efficiency savings were made in other areas of the budget. Total savings £447,000. All safety cyclical programmes were completed.
13. The other efficiencies achieved to highlight:
 - i. Effective letting of garages resulted in £55,000 extra revenue
 - ii. Effective letting of homes resulted in a £100,000 saving in council tax payments
 - iii. The Government subsidy limitation top up in 2017/18 was a saving (£50,000) due to the average rents charged during the year being nearer to the Government maximum
14. A summary of variations to budget is provided in Appendix 4, most of which have been explained in previous monitoring reports to Members.
15. Services have requested a number of revenue carry forwards listed below:
 - i. The publication of Homes and People, a newsletter that focuses on customer care, has been postponed whilst the digital platform is completed - £4,000
 - ii. The purchase of the newly developed Orchard Income Analytics has been delayed due to an options appraisal - £21,000
 - iii. Repairs and Maintenance Contract OJEU procurement cost - £24,000

HRA Capital

Core Capital

16. The total spend on the Core Capital Programme was £4.3m – thus ensuring our homes are safe, warm and desirable. The Budget Management Report in November 2017 reported potential savings of £1.8m with detailed explanations – the final savings outturn figure is £2.5m.
17. A high percentage of the Core Capital Programme is demand led, which makes budget setting a challenge. Looking forward Officers will focus on effective budget setting and the delivery of the planned element of the Core Capital Programme.
18. A sewerage plan replacement could not commence due to access difficulties and it is therefore requested that £20,000 be rescheduled into 2018/19 to enable to replacement of the sewerage plant.

Stock Remodelling

19. The **HRA Stock Remodelling Capital** programme has a saving of **£1.1m** on a budget of £2.0m.
20. A number of projects have not yet reached completion and therefore it is requested that **£0.5m** be **rescheduled** into 2018/19. A summary on the projects to be rescheduled is shown in [Appendix 5](#).

New Build

21. The **HRA New Build Capital** programme has a saving of **£2.5m** on a budget of £11.5m.
22. A number of projects have not yet reached completion and therefore it is requested that **£1.2m** be **rescheduled** into 2018/19. A summary of the projects to be rescheduled is shown in [Appendix 6](#).

Recommendation

It is recommended that the Executive:

1. notes the outturn position on revenue and capital for 2017/18;
 2. recommends to Council that £200,000 of additional investment property income be transferred to a Commercial Property Income Risk Fund;
 3. approves the revenue carry forwards to 2018/19 as detailed in Appendix 2 and paragraph 15;
 4. approves the carry forward to 2018/19 for the WW1 memorial as detailed in paragraph 9; and
 5. approves the capital rescheduling to 2018/19 as detailed in paragraph 18 and Appendix 3, 5 and 6.
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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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