

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 7 JULY 2015

Title:

BUDGET MANAGEMENT - MAY 2015

[Portfolio Holder: Cllr Wyatt Ramsdale]

[Wards Affected: All]

Summary and purpose:

This report provides a review of service delivery progress against the 2015/16 budget for the General Fund and the Housing Revenue Account.

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. Savings identified can be redirected towards Corporate Priorities or action can be taken to rectify overspends.

Equality and Diversity Implications:

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

Resource/Value for Money implications:

This report reviews the revenue budget management position to date for the General Fund and the Housing Revenue Account and reports on an exception basis. It reviews the progress of service delivery against budget, taking into account 2014/15 outturn implications where necessary, projecting the potential year-end position after impact of management actions.

Legal Implications:

There are no direct legal implications relating to this report.

Introduction

1. This is the first budget management report for 2015/16 based upon a review of services to date informed by the outturn from 2014/15. This report is a higher level overview of the services looking at risk areas. The next budget management report will be an in-depth service review.

General Fund

Income Levels

2. Income levels so far for 2015/16 are either on or slightly above budget. Significant income budgets that have been overachieving in previous years

have been adjusted within the 2015/16 budget round; therefore much lower positive variances are expected this year. There is a strong seasonal element in some budgets such as car parking income, these are identified as riskier budgets and will be kept under closer review. The current high level of income therefore provides reassurance that the budget should be achieved, rather than exceeded.

Service costs

3. A significant amount of service cost other than establishment are large contracts such as refuse and grounds maintenance. Budgeted contractual increases are predominantly based upon a March CPI index forecast at 0.5%, and drawn down during the year, the actual figure was Zero. No contractual cost pressures have been identified in the 2014/15 outturn.

Establishment

4. The Council is experiencing an unusual period of higher than average staff turnover, mainly within Planning and Housing services due to a significant upturn in the private sector employment market. This is creating a challenging environment to support service continuity, resulting in an over reliance upon agency staff at a premium cost. In view of this, maintaining service delivery within the 2015/16 establishment budget will be extremely challenging. At the end of May, there is no significant overspend emerging but officers are reviewing the situation.

Use of Balances

5. No use of the General Fund working balance was planned within the 2015/16 Budget and any in year cost pressures are expected to be contained within existing budget approval.

Housing Revenue Account (HRA)

HRA Revenue Account

6. Currently the HRA revenue account is not showing any overall major variations from budget. However, there have been a significant number of void repairs in the first two months of the year and the situation is being reviewed.

HRA establishment

7. The HRA is carrying a significant number of vacant posts that are being covered by agency workers where necessary for service continuity. These costs are expected to be contained within existing budget.

Capital

8. A review of capital programmes is underway, including the projects carried forward for completion from 2014/15. There are no concerns to report.

Conclusion

9. Service performance is stable against budget.

Recommendation

It is recommended that the Executive notes the report.

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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