

# Cabinet

21 February 2018



<b>Title</b>	Revenue Monitoring Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Laurence Woolven (Chief Accountant)		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	To note the current level of spend		
<b>Reason for Recommendation</b>	Not applicable		

## 1. Key issues

1.1 To provide Cabinet with the net revenue spend figures to the end of December 2017.

- The forecast outturn at net expenditure level is shown below It shows a positive variance of £1.86M, a large proportion of this amount will be transferred to reserves in order to set up sinking funds, these will protect the Council against the risks of reduced income from its acquisitions:

	Budget £M	Forecast Outturn £M	Variance £M
Total Expenditure	60.00	59.04	(0.96)
Total Income	(59.98)	(61.28)	(1.30)
Salary budget saving <i>(actual vacancy savings are reflected in services expenditure outturn)</i>	(0.30)	0	0.30
Interest Earnings	0	0.08	0.08
Debt Interest Payable	0	0.05	0.05
Budget Adjustment	0.28	0.28	-
Revenue Carry forward	-	(0.03)	(0.03)
Net	-	(1.86)	(1.86)

## 2. Options analysis and proposal

- 2.1 Cabinet are asked to note the current net revenue spend and forecast position.

The following highlights variances where the variance is greater than 5% of the spend area. In addition, all variances of over £5K are noted.

### Leader

Spend Area	Variance	Comment
Corporate Governance	Adverse £42k	Employee saving of £7k due to cessation of shared service with Reigate BC off set by £50k income budget not being achievable
Democratic Representation and Management	Adverse £7K	2% increase on basic allowances
Elections	Positive £6K	No further expenditure expected provided there is no by election
Land Charges	Adverse £15k	Property market not as buoyant as estimated, resulting in reduced levels of income being recovered
Legal	Positive £10k	Higher income due to more activity
<b>Total</b>	<b>Adverse £48K</b>	

### Deputy Leader

Spend Area	Variance	Comment
Corporate Publicity	Adverse 27K	Incorrect recharge re web support for Runnymede reversed out in this financial year (19K) plus additional employee expenses (£8K)
Emergency Planning	Adverse £17K	Training costs for Prevent strategy work but funding received in 2016-17
Research & Consultation	Positive £13K	No planned public meetings in 2017/18
<b>Total</b>	<b>Adverse £31K</b>	

## Corporate Management

Spend Area	Variance	Comment
HR	Adverse £28K	Overspends due to increased employees costs to cover extra workload
ICT	Positive £72K	Underspend on Network manager post being covered by Elmbridge partially offset by one off e-tendering costs for hosting and training fees
Committee Services	Positive £29K	Underspend due to retirement of Committees Manager and vacancy in Trainee Committee Manager post
Corporate Management	Positive £92K	Underspend mainly represents an estimate of retention allowance available to services that will not have been used by year end
Project Management	Positive £151K	Expected carry forward on Back scanning project
<b>Total</b>	<b>Positive £316K</b>	

## Environment & Compliance

Spend Area	Variance	Comment
Depot	Adverse £14K	Insurance excess charges with no budget
DS Management and Support	Positive £6K	Shared savings (with Reigate & Banstead) are expected to be higher than budget
Refuse Collection	Positive £112K	Higher income expected due to more activity
Street Cleaning	Positive £29K	Savings expected due to vacant posts partially covered by temporary staff & overtime payments
Waste Recycling	Positive £345K	Recyclable waste payments are lower due to changes to recycling system Recyclable waste credits income is received in arrears from Surrey County Council. Income is expected to exceed the budget due to changes to the recycling credit system and higher School Recycling
Public Conveniences	Positive £20K	Savings expected against the business rates budget and due to the closure of public convenience
Parks Strategy	Positive £24K	Higher expenditure on windfall projects offset by additional grant

Car Parks	Adverse £213K	Car Park Fees from most of major car parks are expected to be lower against the budget by £99k due to less usage and Penalty Charge Notices (PCN's) will also fall below the budget by £55k due to compliance with Parking restrictions, results in less fixed PCN's being issued. This is partially offset by higher season tickets income during this financial year  Business Rates above budget by £67k
Environmental Health Admin	Adverse £27K	Higher software costs and no recharge income as Disabled Facilities Grant (DFG) work now undertaken by Independent Living
Community Safety	Adverse £32K	No recharge Income contribution through Community Safety Partnership from this financial year onwards
<b>Total</b>	<b>Positive £250K</b>	

## Housing

Spend Area	Variance	Comment
Housing Needs	Positive £14K	Vacant posts in year covered by secondments in the team
Homelessness	Positive £253K	B&B usage has been lower than anticipated. This area will be kept under close review as numbers could rise before year end.
Housing Benefits Admin	Positive £41K	Underspend expected due to current vacant part time posts
Housing Benefits Payments	Adverse £158K	Overpayments raised are less than budgeted, due to slow down of real time info from DWP
<b>Total</b>	<b>Positive £150K</b>	

## Community Well Being

Spend Area	Variance	Comment
SPAN	Positive £18K	Additional income received for Surrey Telecare Equipment

Com Care Admin	Positive £74K	Capitalisation of salary posts for DFG work
Day Centres	Adverse £70K	Principally made up of: Higher electricity expenditure at Fordbridge Day Centre and higher food purchases at Staines Community Centre (£10K) High needs income lower than anticipated (£60K)
Spelthorne Leisure Centre	Positive £13K	Profit share increased due to RPI increase
Public Halls	Adverse £11K	Survey costs for Churchill Centre which cannot be capitalised £8K adverse variance Lease surrendered at Churchill Centre and lease reduced for St Martins Hall £3K adverse variance
Cemeteries	Positive £15K	Income expected to exceed budget as a result of higher activity
<b>Total</b>	<b>Positive £39K</b>	

## Planning and Economic Development

Spend Area	Variance	Comment
Economic Development	Adverse £15K	Overspend due to Economic Development Manager in budget for 50% of salary split with Community Safety. This post is now 100% in Economic Development. Vacancies early in year will reduce the overspend
Asset Management Administration	Positive £1,541K	Development Surveyor vacant and delay in filling other posts has led to positive variance of £37K No spend on Elmsleigh lifts in 2017/18, carry forward requested Budget for the Bugle Public House site, to be funded from additional income generated in year Additional income from asset acquisitions in year. Positive variance of £1,340K
Planning Policy	Positive £22K	Two senior planning officer posts were vacant earlier in year (both now filled)
Planning Development Control	Adverse £238K	Use of overtime and temporary staff for increased workload Consultancy costs higher than budgeted Income below target due to no large planning applications

Staines Upon Thames	Positive £140K	Carry forward to be requested for Bridge Street & Tothill Car Park/Elmsleigh IV projects
Building Control	Positive £40K	Additional cost incurred as a result of structural engineering work due to increased volume of incoming work/applications. Adverse £10K Higher income expected due to more activity. Positive £50K
General Property Expenses	Positive £1K	Additional costs relating to works at Cedars Recreation ground. Adverse £17K Additional income received for licences. Positive £18K
<b>Total</b>	<b>Positive £1,491K</b>	

## Finance

Spend Area	Variance	Comment
Chief Executive	Adverse £35K	Professional fees for CX recruitment
Audit	Positive £9K	Spend has been controlled to address issues arising from Surrey CC no longer providing Audit consultants. Consequently, consultants are now sourced through agencies, which is more expensive. The (£106k) actual YTD is due to a (£117k) accrual, for payment due to but not yet invoiced by Surrey CC for staff who have left Spelthorne
Accountancy	Adverse £75K	Cost of agency staff to cover posts and assist on final accounts process plus consultants fees paid to recruit for the vacant posts
Central Overheads	Positive £7k	Underspend estimated on costs budgeted for centrally such as for staff health costs.
<b>Total</b>	<b>Adverse £94K</b>	

## Customer Services, Estates and Transport

Spend Area	Variance	Comment
Knowle Green	Positive £198K	Underspend due to Senior Facilities Manager vacancy. Positive £27K

		Business rates lower than budgeted. Positive £182K  Reduction in rents, due to tenants vacating Knowle Green offices. Adverse £11K
<b>Total</b>	<b>Positive £198K</b>	

**3. Financial implications**

3.1 As set out within the report and appendices

**4. Other considerations**

4.1 There are none

**5. Timetable for implementation**

5.1 Bi – monthly reports are produced for Management team

**Background papers: None**

**Appendices:**

**A and B**