

Cabinet

25 September 2019



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

1. Key issues

1.1 This report provides a summary of the forecast outturn position for the 2019-20 financial year, based on income and expenditure up to the end of July 2019.

1.2 The forecast outturn below shows a positive variance of £2.766m.

	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Service level Expenditure	65,292	64,549	(743)
Housing Benefit Income	(32,021)	(31,971)	50
Service level Income	(10,313)	(11,180)	(867)
Salary budget saving (<i>actual vacancy savings are reflected in services expenditure outturn</i>)	(300)	-	300
Net Acquisition Income	(10,144)	(10,144)	-
Property Development costs	2,441	935	(1,506)
Other Adjustments	(540)	(540)	-
External Financing	(4,736)	(4,736)	-
Revenue Carry forward	(1,626)	(1,626)	-
Council Tax Income	(8,053)	(8,053)	-
Net	-	(2,766)	(2,766)

2. Options analysis and proposal

2.1 The following highlights variances greater than 5% or £5k of the spend area.

Leader

Spend Area	Variance £'000	Comment
Elections	(6)	Minor saving expected provided there is no by election
Total	(6)	

Deputy Leader and Finance

Spend Area	Variance £'000	Comment
Corporate Publicity	(17)	Underspend expected due to vacant post and higher recharges for shared services
General Grants	(10)	Minor underspend anticipated
Total	(27)	

Corporate Management

Spend Area	Variance £'000	Comment
ICT	(5)	Underspend expected due to vacant posts
Corporate Management	(85)	Retention allowance payments lower than anticipated
Total	(90)	

Planning

Spend Area	Variance £'000	Comment
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Planning Policy	10	Legal and court costs
Planning Development Control	(105)	Planning performance agreement and an increase in pre-application advice
Building Control	(25)	Increased activity
Total	(120)	

Environment & Compliance

Spend Area	Variance £'000	Comment
Refuse Collection	(5)	Slightly higher income than budgeted
Waste Recycling	(5)	Slightly higher income than budgeted
Car Parks	(50)	Higher income from increased usage of major car parks expected
Total	(60)	

Community Well Being and Housing

Spend Area	Variance £'000	Comment
Day Centres	(18)	Additional income from sale of food and activities partly offset by overspends on PRS, tutors and other expenditure
Meals on Wheels	(23)	Reimbursement payment from 2018/19 received in 2019/20
Spelthorne Troubled Families	14	Transport costs are predicted to be higher
Housing Needs	40	Additional salary costs
Total	13	

Economic Development, Customer Services, Estates and Transport

Spend Area	Variance £'000	Comment
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Customer Services	50	Software costs expected to be higher due to card charges and CT localisation expenditure
Facilities Management	(61)	Underspend on office moves expected
Economic Development	(733)	Slippage of the ring-fenced Economic Development pot, schemes are currently being investigated for use of these funds
Asset Management	(420)	Vacant posts, a Business Rates refund and underspends on property schemes
Staines-upon-Thames Programme	(90)	Project underspend will be required to be carried forward
General Property Expenses	(6)	Additional income from wayleaves/easements offsetting additional electricity costs
Total	(1,260)	

2.2 Asset Acquisitions

The table below shows the latest monitoring position for the acquired assets, the net income is used to meet additional expenditure resulting from reduced government grant, Surrey County Council funding and other pressures.

	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Rental Income	(50,629)	(50,629)	0
Loan Interest Payable	23,028	23,028	0
Minimum Revenue Provision	11,052	11,052	0
Sinking Funds	6,405	6,405	0
Set Aside for specific revenue purposes	555	555	0
Net Income (used to fund Revenue budget)	(9,589)	(9,589)	0

2.3 It can be seen above that the Council places a significant amount of the income earned into sinking funds to cover future changes in circumstance, such as capital refurbishments or rent free periods. The sinking funds will be built up over a number of years in anticipation of when required. The sinking fund positions for the various acquisitions are as follows:

	Balance 31/03/19 £'000	Movements 2019/20 £'000	Balance 31/03/20 £'000
BP Main Site	3,190	500	3,690
BP SW Corner	655	150	805
Elmbrook House	223	50	273
12 Hammersmith Grove	2,208	900	3,108
Stockley Park	450	100	550
World Business Centre 4	0	200	200
Communications House	536	500	1,036
Thames Tower	1,121	840	1,961
Charter Building	1,543	2,480	4,023
Porter Building	677	685	1,362
Total	10,603	6,405	17,008

2.4 Property Development Costs

The slippage of some of the Development schemes has resulted in a forecast underspend of £1.5m on the revenue impact of the capital borrowing. This underspend would be required to be carried forward against spend in future years.

The council is currently working with its treasury advisors (Arlingclose) to consider borrowing options for these projects in order to take advantage of the current low interest rates.

3. Financial implications

3.1 Financial implications are 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