

Cabinet

23 November 2016



Title	Revenue Monitoring Report		
Purpose of the report	To note		
Report Author	Adrian Flynn		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	To note the current level of spend		
Reason for Recommendation	Not applicable		

1. Key issues

1.1 To provide cabinet with the net revenue spend figures to the end of September 2016.

- The forecast outturn at net expenditure level is £7.250m against the revised budget of £14.890m; A projected favourable variance of £7.640m...
- After taking into account the use of carry forwards, interest earnings and repayments the net position is approximately £3.968m favourable variance.
- The reason for this dramatic change of position is a result of purchasing the BP site in Sunbury and the net rental income from the end of September 2016 onward. The net surplus generated from this will be set aside to build the initial basis of a reserve to be built up to fund potential refitting(not repairs – which are covered with the lease being full repairing) costs at the end of the initial 20 year lease period.

Interest earnings are forecast to be on par with the budget.

2. Options analysis and proposal

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

The following highlights the more significant or material variances

Leader

- 2.2 Democratic Representation and Management: £75k adverse variance: Impact of increased allowances and higher NI contributions agreed by the Council offset by a small reduction in training expenditure.
- 2.3 Asset Management Administration: £7.780m favourable variance: Rental income of £7.8m received before interest payments offset by costs associated with the Bugle. Net Rental Income of £4m from the BP Sunbury site, to be set aside in reserve at year end.
- 2.4 Legal: £20k adverse variance: Increased employee costs as a result of using Temporary staff to cover vacant posts and increased costs of computer software and publications offset by an increase of legal costs reimbursed.

Corporate Management

- 2.5 Information and Communications Technology: £28k favourable variance: Vacant post less the partnership costs of covering that post.
- 2.6 Corporate Management: £77k adverse variance: Consultancy costs in respect of Knowle Green Estates Ltd, towards a sustainable future and specialist VAT advice on asset transactions.

Environment & Compliance

- 2.7 Refuse collection: £128k favourable variance: Increased income from Brown Waste bin collections, plus grant funding from Surrey County Council for the Food Waste Collection Service.
- 2.8 Environment Services Admin: £39k favourable variance: Increased income from the sale of compost bin liners, grant funding received from the County Council, a vacant post and maternity leave.
- 2.9 Car Parks: £48k adverse variance: Vacant posts covered by temp staff and lower income as parking charges were not increased at the beginning of the financial year but this has been partially offset by the delayed sale of Bridge street car park resulting in income not budgeted for.
- 2.10 DS Management and Support: £24k favourable variance: Savings due to vacant posts and different ways of working.

Housing

- 2.11 Housing needs: £30k adverse variance: Redundancy payment made which will be covered by business improvement reserve.
- 2.12 Housing Benefit Administration: £60k favourable variance: Vacant part time posts and staff working less hours than budgeted.

2.13 Housing Benefit Payments: £439k adverse variance: Recovery of overpayments is lower than anticipated.

Community Wellbeing

2.14 Sports Development: £2k favourable variance: Increased activity has resulted in higher income.

2.15 Community Care Administration: £6k favourable variance: Savings due to vacant posts offset by higher advertising costs.

2.16 Meals on Wheels: £8.5k adverse variance due to higher staff costs as a result of weekend working.

Planning and Economic Development

2.17 Building Control: £12k favourable variance: Increased activity has resulted in increased income offset by temporary staff costs.

2.18 Knowle Green: £64k favourable variance: Increased in year income as a result of termination of the Surrey Police lease. The 2017/18 budget will require adjusting.

Finance and Customer Services

2.19 Accountancy: £35k favourable variance: Vacant post

Unapportionable Central Overheads: £52k adverse variance: Additional Municipal Mutual Insurance Ltd levy paid with respect to local authorities' historical liability.

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&B