

Cabinet

21 June 2017



Title	2016/17 Provisional Revenue Outturn Report		
Purpose of the report	To note		
Report Author	Adrian Flynn		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Cabinet is asked to note the provisional revenue outturn for 2016/17.		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 The summary on appendix A shows that we have spent £5.857m against the full year revised budget of £14.889m (a 60.7% or £9.033m underspend). Taking into account the use of carry forwards, investment income, reduced use of reserves, interest payments and business rates retention the net underspend is approximately £4.992m
- 1.2 The reason for this change of position is a result of the net rental income generated by purchasing the main BP International Campus and South West Corner sites plus Elmbrook House.
- 1.3 £4m of the net surplus generated 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.
- 1.4 The net surplus has had a positive impact on the 2017/18 Revenue Budget and in future years the ongoing revenue surplus will be used to support the overall revenue budget.
- 1.5 Appendix B summarises spend across portfolios by service areas broken down in employees, other expenditure and income.
- 1.6 Appendices C1 to C9 give a breakdown by service of spend against the revised budget plus comments on various variances. These appendices have been sent out under separate cover.
- 1.7 There is an end of year accounting adjustment relating to the accounting requirements to replace cash pension transactions with notional accounting

values in accordance with accounting standards. This has resulted in the historic pension deficit charge from the Surrey Pension fund on the central overheads cost centre being reversed out and incorporated in a recharge across all services. This has resulted in a favourable variance of £1.2m on the central overheads cost centre.

Investment Income

Interest earned on our investments amounted to £984k which was £166k lower than the original budget. The main reason for the lower amount is as a result of the Bridge Street transaction falling through.

Transfers to and from Reserves

- 1.8 Carry forward reserve: an amount of £34k is being put forward for approval this relates to the Corporate Training Budget and Better Neighbourhood grants. These can be accommodated within the underspend. It is proposed to transfer to reserves in relation to work underway but not completed in 2016 - 17.
- 1.9 These Schemes are identified in appendix D.

2. Options analysis and proposal

- 2.1 The Cabinet are asked to note the provisional revenue outturn position and list of carry forwards provisionally approved by corporate management team.

3. Financial implications

- 3.1 There are no on-going financial implications in the report but variances which have occurred will be investigated to see if they are on-going and should be incorporated into future year budget deficit/surplus projection calculations.

4. Other considerations

- 4.1 There are none.

5. Timetable for implementation

- 5.1 Quarterly reports with officer comments are provided to Cabinet and Overview and Scrutiny committee for investigation and comments.
- 5.2 Monthly system generated summary reports with drill down facilities are sent to corporate management team, heads of service and cabinet members.

Background papers: None

Appendices: A,B & D