



**To:**  
**All members of the**  
**Corporate Policy and Resources**  
**Committee**

*Please reply to:*  
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Date: 7 July 2022

## Supplementary Agenda

### **Corporate Policy and Resources Committee - Monday, 11 July 2022**

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Corporate Policy and Resources Committee meeting to be held on Monday, 11 July 2022:

- |            |   |                |
|------------|---|----------------|
| <b>13.</b> | <b>Q4 Capital Monitoring Report</b>   | <b>3 - 16</b>  |
|            | This report updates on the performance of the Council's capital projects against the approved budget, as at 31 March 2022.  |                |
| <b>14.</b> | <b>Q4 Revenue Monitoring Report</b>   | <b>17 - 32</b> |
|            | This report provides a summary of the outturn position for the financial year 2021/22 as at 31 March 2022.  |                |
| <b>18.</b> | <b>Membership of the Collaborative Working Group</b>  | <b>33 - 36</b> |
|            | This report requests that the membership of the Council's Collaborative Working Group be reviewed, as requested at the last meeting of the Corporate Policy and Resources Committee (CPRC) on 20 April 2022.                              |                |
| <b>22.</b> | <b>Urgent Actions</b>   |                |
|            | To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 20 April 2022.   |                |
|            | <ul style="list-style-type: none"><li>• Lease variation - Kiddies Heaven, Unit 20 Elmsleigh Centre</li><li>• Lease renewal – Argos Ltd, Unit 1-2 Friends Walk</li><li>• Lease renewal - Roman Origin, Unit 32b Elmsleigh Centre</li></ul> |                |

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

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Yours sincerely

Gary Lelliott  
Corporate Governance

To the members of the Corporate Policy and Resources Committee

Councillors:

J.R. Boughtflower (Chairman)	M. Beecher	S.C. Mooney
A.J. Mitchell (Vice-Chairman)	J.T.F. Doran	L. E. Nichols
M.M. Attewell	S.A. Dunn	R.J. Noble
C.F. Barnard	T. Fidler	J.R. Sexton
I.J. Beardsmore	H. Harvey	V. Siva

Substitute Members: Councillors: C. Bateson, S. Buttar, J. Button, N.J. Gething, M. Gibson, T. Lagden, V.J. Leighton, O. Rybinski, J. Vinson and S.J Whitmore

# Corporate Policy & Resources Committee

11 July 2022



<b>Title</b>	<i>Month 12 Capital Outturn report</i>
<b>Purpose of the report</b>	To note and make a recommendation to Council
<b>Report Author</b>	<i>Paul Taylor Chief Accountant</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<p><b>The Committee is asked to note the current level of overspend on capital expenditure against its Capital Programme provision as at 31 March 2022 for the Council and the Corporate Policy &amp; Resources Committee.</b></p> <p><b>The Committee is asked to recommend to Council the £13.4m increased budget for the Oast House, based on the height and design agreed at the Extraordinary Development Sub Committee on 11 May 2022 and the increased construction costs.</b></p> <p><b>(Please note that individual committees will receive the relevant section of this report at their next meeting, noting that some will receive it before and some after this committee formally meets).</b></p> <p><b>Also, it has not been possible to disaggregate the housing element of the Elmsleigh project for 91/93 High Street for this report, therefore, the whole scheme is shown under Corporate Policy &amp; Resources.</b></p>

## 1. Summary of the report

- 1.1 This report seeks to update Councillors on the performance of our capital projects against the approved budget, as at 31 March 2022.

## 2. Key issues

- 2.1 The Capital Monitoring report covers the cumulative actual expenditure to date, against the cumulative Council approved Capital Programme budget and compares this against the latest forecast outturn from Officers.
- 2.2 Although the projects may have a budget allocation in the Capital Programme, any increases in budget will require prior approval by Corporate Policy & Resources Committee before drawing down on the budget.
- 2.3 Officers are beginning to see the impact of Brexit, COVID-19 on our building costs, availability of labour and shorter fixed price guarantees from building suppliers. **In the next few years there is an increasing risk of increased construction inflation increasing the cost of schemes in the Council's Estimated Capital Programme for 2022/23 to 2025/26.** This risk has increased as a result of recent sad events in Ukraine and the Cost of Living Crisis. Officers will continue to closely monitor these risks.
- 2.4 In February 2022, officers were notified that due to the inflationary pressures mentioned above, the construction costs had increase by almost 15% on the Ashford Victory Place development project due to the delays in obtaining planning permission.
- 2.5 If this trend were to be applied across the Capital Programme just on our building development projects, this could cost the Council a further £40.0m+ in increased capital costs.
- 2.6 The recent increases in the Bank of England base rate and the Public Works Loan Board (PWLB) have put further upward financial pressure on our capital expenditure.

For the quarter ended 31 March 2022 our approved capital expenditure programme was £337.4m (December: £324.6m). The latest forecast outturn position is £350.5m (December: £339.2m), giving a projected aggregate overspend £13.1m (December: overspend of £14.6m) as per Appendix A below.

- 2.7 The projected aggregate overspend by Committee as per Appendix B is as follows:
- (a) Administrative – projected underspend (£35k) (December: underspend (£8k) no change since last quarter.
  - (b) Community Wellbeing & Housing – projected overspend £13.0m (December: overspend £14.5m).
  - (c) Environment & Sustainability – projected overspend £81k (December: overspend £81k).
- 2.8 In arriving at the cumulative expenditure to date, the Finance Team account for capitalised borrowing costs, salaries, and all costs of acquisition on each development project.
- 2.9 Since Council declared an end to the moratorium on its own “high rise” developments in Staines-upon-Thames, officers are now moving forward with the six development projects and shown below is the revenue and capital impact on the Council's finances as a result of these delays. The table does not reflect the increase in capital expenditure caused by inflationary pressures or the Cost Of Living crisis mentioned in 2.5 above.

Property	Cumulative actuals		Average Monthly spend	
	Revenue £000	Capital £000	Revenue £000	Capital £000
Ashford MCSP Residential Scheme	0	101	0	5
Benwell Land Phase II	0	100	0	0
White House Residential	0	604	0	10
Thameside House	1,452	1,674	30	36
Thameside House Land & Build	0	9,065	0	20
Victory Place	0	1,709	0	35
Victory Place – Land & Build	0	5,242	0	11
Oast House	40	21,539	1	23
<b>Total</b>	<b>1,492</b>	<b>40,034</b>	<b>31</b>	<b>122</b>

On a monthly basis between January 2021 to March 2022, it has cost the council £465k in revenue costs, and £1,830k in capital costs, to fund these developments during the moratorium and planning committee delays.

### 2.10 Capitalisation of borrowing costs

2.11 Under normal circumstances, officers would capitalise the borrowing costs associated with the six development properties in Staines-upon-Thames area based on the requirements of section 4 of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting, however, the delays caused by the moratorium and the Planning Committee process in approving the Council's plans has had a significant impact on the Council's finances.

2.12 As the Council progresses with the plans for each development, following the end of the moratorium, officers, in consultation with our external auditors, will have to reassess each project and if the design of the buildings has significantly altered, once the Planning Committee has approved the revised plans and in order to comply with the above CIPFA Code, Council may have to charge the design fees for the previous building designs from capital to the revenue budget and this could have a significant adverse impact on the revenue outturn, increasing the predicted budget deficit even further.

### 3. Variance analysis

3.1 We report on any significant movement in forecast variance over £50k or 20% of budget, whichever is the highest, since last quarter by committee as follows:

3.2 Administrative – projected underspend (£35k) (December: underspend (£8k))

- (a) Knowle Green Council Offices Car Park Improvements - £20.2k overspend (December: £nil).
  - (b) Customer Service Contact Centre – underspend (£34.4k) (December: underspend (£10k)) Contract completed.
  - (c) Forward Scanning – underspend (£20k) (December: £nil) project complete.
- 3.3 Community Wellbeing & Housing – projected net overspend £13.0m (December: overspend £14.5m)
- (a) Spelthorne Leisure Centre – £nil, noting that council approved an increased budget for this project on 24 February 2022 (December: overspend £420k).
  - (b) Community Centre Projects - £69.5k overspend, no significant change from last quarter.
  - (c) Ashford MSCP - £500k overspend, no change from last quarter.
  - (d) Bugle - (£680k) underspend, no change from last quarter.
  - (e) Benwell 1 - no change to the reported underspend of (£2,700k) of last quarter.
  - (f) Benwell land - £623k overspend, no change to the financials since our last report.
  - (g) Thameside House - £1,570k overspend, no change to since last quarter.
  - (h) Thameside House Land & Building – (£160k) underspend and is unchanged since last quarter's report.
  - (i) West Wing – overspend £70k and is unchanged since last quarter.
  - (j) Whitehouse Hostel Phase A - £356k overspend, unchanged since last quarter.
  - (k) Victory Place (Ashford Hospital) – revised budget approved by council on 24 February 2022, therefore no variance (December: overspend £768k)
  - (l) Oast House - £13.4m overspend (December: £13.4m overspend) is based on the revised material and labour costs per square metre being incurred on the new leisure centre and Victory Place, (see written response to Councillors questions at the March Community Wellbeing and Housing Committee meeting) officers have increased their forecast expenditure based on the new average cost of construction per square metre and the design approved at the extraordinary Development Subcommittee held on 11 May 2022. This Committee is asked to recommend to Council that the budget for this project is increased by £13.4m to £118.6m.
- 3.4 Environment & Sustainability – projected overspend £83k (September: £83k overspend)
- (a) Laleham Park Upgrade – £88k overspend no change since last quarter.

#### 4. Financial implications

- 4.1 Once a project is completed, any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional treasury management investment income or to fund additional schemes.
- 4.2 Working closely with our Treasury Management advisors, officers are currently saving the Council more than £1,300k per annum in interest charges, through prudent use of short-term interest rates to fund regeneration development projects.
- 4.3 Upon completion of each project, officers obtain fixed rate interest loans to significantly reduce the Council's exposure to risk of future interest rate rises over the next 50 years.
- 5. Risk considerations**
  - 5.1 None, other than those mentioned above.
- 6. Legal considerations**
  - 6.1 None.
- 7. Other considerations**
  - 7.1 Committee Services will be required to schedule a meeting of this Committee in the first week of May 2023, as the committee must approve the Outturn report, before officers can published the draft unaudited statement of accounts, for the year end 31 March 2023, by the revised statutory reporting deadline of 31 May 2023.
- 8. Equality and Diversity**
  - 8.1 This Council is committed to delivering equality, improving diversity and being inclusive in all our work as a service provider and an employer.
  - 8.2 We incorporate equality into our core objectives, making every effort to eliminate discrimination, create equal opportunities and develop good working relationships between different people.
- 9. Sustainability/Climate Change Implications**
  - 9.1 Spelthorne Borough Council has declared a climate emergency and each capital project will be looking to reduce its carbon footprint within the financial constraints imposed on it.
- 10. Timetable for implementation**
  - 10.1 Not applicable.
- 11. Contact**
  - 11.1 Paul Taylor [p.taylor@spelthorne.gov.uk](mailto:p.taylor@spelthorne.gov.uk)

**Background papers: None.**

**Appendices:**

**Appendix A** – Summary Capital Monitoring Report by Committee at 31 March 2022

**Appendix B** – Detailed Capital Monitoring Report by Committee at 31 March 2022.

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### CAPITAL MONITORING REPORT AT 31 MARCH 2022

Committee	REVISED BUDGET	ACTUALS YTD	MANAGER'S PROJECTED OUTTURN	PROJECTED VARIANCE
Administration	1,234,200	446,700	1,199,544	(34,656)
Community Wellbeing & Housing- DFG	972,800	976,785	972,800	-
Community Wellbeing & Housing	315,959,821	54,597,560	329,009,091	13,049,270
Corporate Policy & Resources	18,055,600	399,962	18,055,600	-
Environment & Sustainability	1,179,500	549,411	1,260,722	81,222
	<b>337,401,921</b>	<b>56,970,418</b>	<b>350,497,757</b>	<b>13,095,836</b>

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**CAPITAL MONITORING REPORT AT 31 MARCH 2022**

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 31 Dec	Budget vs Outturn Variance	Comments
<b><u>Housing Investment Programme</u></b>							
<b><u>Community Wellbeing &amp; Housing- DFG</u></b>							
Karen Sinclair & De	<a href="#">40203</a>	Disabled Facilities Mandatory	943,200	967,883	943,200	-	No change from Q2 reported financials
Karen Sinclair & De	<a href="#">40204</a>	Disabled Facilities Discretion	29,600	8,901	29,600	-	No change from Q2 reported financials
<b><u>Net Cost of Disabled Facilities Grants</u></b>			<b><u>972,800</u></b>	<b><u>976,785</u></b>	<b><u>972,800</u></b>	<b><u>-</u></b>	
<b>Total For HIP</b>			<b>972,800</b>	<b>976,785</b>	<b>972,800</b>	<b>-</b>	

## CAPITAL MONITORING REPORT AT 31 MARCH 2022

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 31 Dec	Budget vs Outturn Variance	Comments
<b><u>Other Capital Programme</u></b>							
<b><u>Environment &amp; Sustainability</u></b>							
Jackie Taylor	<a href="#">41502</a>	Refuse/Recycling Vehicles	129,000	123,639	123,700	(5,300)	No change from Q2 reported financials
Jackie Taylor	<a href="#">41508</a>	Waste Vehicle	300,000	299,942	299,942	(58)	No change from Q2 reported financials
Sandy Muirhead	<a href="#">41604</a>	Laleham Nursery - Solar PV	15,000	9,297	15,000	-	No change from Q1 reported financials
Terry Collier	<a href="#">41606</a>	County Transit Site	127,000	-	127,000	-	Project on hold until site can be agreed. This is a contribution towards cost of a site in another part of the County. Provision was made in this year but nothing has happened, expected to happen in the future hence budget has moved into 2022/23.
Jackie Taylor	<a href="#">41608</a>	Laleham Park- Portacabins	116,000	-	116,000	-	The procurement exercise was delayed in the first part of the year and was delayed due to pressures on all services who need to input into the tender exercise. When the tender came back it was very overpriced and we only got one response which did not provide assurance that we were getting best value. We are in the process of looking at obtaining costs for an alternative way to deliver the need for additional and improved office space at the nursery. This would involve use of this capital budget as well as a bid for additional funding
Jackie Taylor	<a href="#">41609</a>	Replacement Spelride Bus	100,000	-	100,000	-	This was put on hold because having been out to tender it was clear that electric transport vehicles were not yet what we would want to be buying. The tender exercise came back very overpriced at £200k for 1 vehicle. This was not cost effective in delivering the service especially given that our Spelride passengers had dropped significantly due to Covid. We aim to go out to the market after the summer as it anticipated that there will be more options to consider that would provide a fit for purpose electric vehicle to add to the Spelride fleet. Budget has been moved to 2022/23.
Jackie Taylor	<a href="#">41611</a>	Staines Park- Play Equip Upgrade	60,000	-	60,000	-	This project was delayed due to pressures on other service area involved in the procurement exercise. This has now been completed and the tenders are being evaluated with delivery expected to be after summer 2022
Jackie Taylor	<a href="#">41620</a>	Wheelie Bins	50,000	41,825	50,000	-	No change from Q1 reported financials
Sandy Muirhead	<a href="#">42027</a>	Domestic Home Energy	8,000	6,688	8,000	-	No change from Q1 reported financials
<b>Total</b>			<b>905,000</b>	<b>481,390</b>	<b>899,642</b>	<b>(5,358)</b>	
Lee O'Neil	<a href="#">41314</a>	Air Quality	24,500	-	24,500	-	No change from Q3 reported financials, although a report is going to E&S Committee which will mark progression of this project in 2022-23
<b>Total</b>			<b>24,500</b>	<b>-</b>	<b>24,500</b>	<b>-</b>	
Lee O'Neil	<a href="#">41026</a>	Laleham Park Upgrade	250,000	68,021	336,580	86,580	Project currently on hold while Architect reviews cost as current cost is over budget. Awaiting for them to come back to see if possible to complete within project budget.
<b>Total</b>			<b>250,000</b>	<b>68,021</b>	<b>336,580</b>	<b>86,580</b>	
<b>Committee Total</b>			<b>1,179,500</b>	<b>549,411</b>	<b>1,260,722</b>	<b>81,222</b>	

## CAPITAL MONITORING REPORT AT 31 MARCH 2022

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 31 Dec	Budget vs Outturn Variance	Comments
<b>Community Wellbeing &amp; Housing</b>							
Lee O'Neil	<a href="#">41024</a>	SpelthorneLeisurCenDevelopment	48,370,000	2,485,277	48,370,000	-	Updated following Council approval of increased budget £8,370,000 due to building cost inflation
Karen Sinclair & De	<a href="#">41622</a>	Affordable Housing Opportunity	1,000,000	-	1,000,000	-	No change from Q2 reported financials
Lee O'Neil	<a href="#">42034</a>	Community Centre Projects	230,000	295,508	299,500	69,500	Project complete - project overspend funded from Repairs & Maintenance budget.
Lee O'Neil	<a href="#">41328</a>	Ashford MSCP Residential Scheme	15,000,000	100,948	15,500,000	500,000	No change from Q2 reported financials
Lee O'Neil	<a href="#">42039</a>	Bugle	2,400,000	1,720,870	1,720,870	(679,130)	Project completed. Well controlled to bring in substantially under budget
Lee O'Neil	<a href="#">42042</a>	Benwell House I	13,800,000	11,027,643	11,100,000	(2,700,000)	Project completed. Awaiting final account from contractor.
		Benwell Land & Building cost Phase 1	10,123,100	-	10,746,000	622,900	Land acquired on 30/09/17.
	<a href="#">Memorandum Item</a>	Whitehouse Land Acquisition	1,319,721	-	1,319,721	-	Phase II Design fees incorrectly added to Phase I costs.
Lee O'Neil	<a href="#">42052</a>	Whitehouse - Design Fees & Construction Phase B	3,910,000	504,719	3,910,000	-	Dev Sub Committee approved budget for design fees of £230k for 12-15 unit scheme. Using as a pilot project to test modular net zero product before commencing spend.
Lee O'Neil	<a href="#">42054</a>	Thameside House	54,430,000	1,673,617	56,000,000	1,570,000	Planning application submitted in March 21. DSC approved revisions for a GF +10+8+4 storey scheme. Progressing towards public consultation/resubmission of revised scheme by end of summer. Construction budgets as risk due to market volatility.
	<a href="#">Memorandum Item</a>	Thameside House Land & Building cost	9,860,000	-	9,700,000	(160,000)	No change from Q2 reported financials
Lee O'Neil	<a href="#">42055</a>	West Wing	5,780,000	5,696,740	5,850,000	70,000	Project complete. Final account being negotiated with contractor - delay due to insurance claim for water damage.
Lee O'Neil	<a href="#">42056</a>	Whitehouse Hostel - Phase A	4,417,000	4,661,718	4,773,000	356,000	Final account being negotiated with main contractor.
Lee O'Neil	<a href="#">42057</a>	Victory Place (Ashford Hospital car park site)	31,470,000	1,708,852	31,470,000	-	Full planning consent granted in March 2022. 21. Council approved revised construction budget of £31.58m. Lol executed for £500k to expedite early orders. Main JCT contract to be signed.
	<a href="#">Memorandum Item</a>	Victory Place - Land & Building Costs	5,260,000	-	5,260,000	-	No change from Q2 reported financials
Lee O'Neil	<a href="#">42060</a>	Oast House	105,200,000	21,539,113	118,600,000	13,400,000	Signicant cost increases due to moratorium /political delays.Council approved 12+10+9 max storey heights residential + NHS centre on 28 April 2022.
Lee O'Neil	<a href="#">42062</a>	Harper House Redevelopment	3,390,000	3,182,554	3,390,000	-	No change from Q2 reported financials
<b>Committee Total</b>			<b>315,959,821</b>	<b>54,597,560</b>	<b>329,009,091</b>	<b>13,049,270</b>	
<b>Corporate Policy &amp; Resources</b>							
Lee O'Neil	<a href="#">41015</a>	Capitalised Planned Works (formerly Runnymede Estates)	55,600	-	55,600	-	No works capitalised in 21-22.
Lee O'Neil	<a href="#">42063</a>	Elmsleigh Centre	18,000,000	374,347	13,208,000	(4,792,000)	For the regeneration of the Elmsleigh Centre, including Tothill car park & 91 to 93, The High Street, Staines Town Centre. Current forecast includes fee spend for designs and feasibility. Progressing mixed use scheme of 12 units for 91-93 High Street and design concept prepared for mixed use scheme comprising ad circa 290 residential units, retail and commercial uses. The progression of development plans linked with car parking expansion within the town centre.
Lee O'Neil	<a href="#">42065</a>	91/93 High Street	-	5,445	4,792,000	4,792,000	DSC approval of initial fee budget to planning of £102k approved by DSC. Budget virement from Elmsleigh Development to fund once approved.
Lee O'Neil	<a href="#">42066</a>	Tothill MSCP	-	20,170	-	-	New code to keep track of costs. No change - development/repurposing strategy to be developed
<b>Committee Total</b>			<b>18,055,600</b>	<b>399,962</b>	<b>18,055,600</b>	<b>-</b>	

## CAPITAL MONITORING REPORT AT 31 MARCH 2022

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 31 Dec	Budget vs Outturn Variance	Comments
<b>Administration</b>							
							Knowle Green car park was recently resurfaced. This was carried out to the areas where the surface was particularly bad rather than the whole car park being resurfaced. The cost of the resurfacing for Knowle Green car park was £40,372.87. The additional spend above the remaining sum of the capital monies allocated for the resurfacing will be funded from the planned maintenance budget.
Lee O'Neil	42010	KG Car Park Improvements	100,000	79,901	120,274	20,274	The resurfacing works were agreed by MAT prior to instruction of the works.
Jodie Hawkes	43601	SCP Portal	15,000	16,801	16,801	1,801	Project complete - no change in reported variance
Jodie Hawkes	43602	Centro Upgrade - Integra	30,000	4,000	30,000	-	No change from Q1 reported financials, project work has started and expected to be completed in 2022/23
Kamal Mehmood &	43604	Leisure Board	15,000	-	15,000	-	No change from Q2 reported financials
Alistair Corkish	43506	Scan Digital Rollout	20,000	-	20,000	-	Still no idea what this is for, so no plans to spend it
Alistair Corkish	43607	Recabling	200,000	1,564	200,000	-	No change from Q3 reported financials and a port audit is planned for this year to see if we can restrict the work to specific points
Roy Tilbury	43625	Customer Portal	8,000	-	8,000	-	No commitment to this spend until the Council chooses a digital Strategy
Roy Tilbury	43626	Customer Services Contact Cent	40,000	5,538	5,538	(34,462)	The project has been completed. Budget was moved from previous financial year into this year. Lower expenditure against the budget is due to the reason as most of the expenditure in the previous financial year was charged against revenue budget.
Roy Tilbury	43629	Netcall Contact Centre	35,000	25,165	35,000	-	A report is expected to go to Committee in July 2022 and work is expected to start after the approval
Alistair Corkish	43632	General ICT Equipment	65,000	70,971	70,971	5,971	No change from Q1 reported financials, overspents funded through other project, i.e 'Storage Area Network'
Alistair Corkish	43635	Storage Area Network	250,000	242,159	241,159	(8,841)	No change from Q3 reported financials and works complete for replacement SAN and back up targets
<b>Total</b>			<b>778,000</b>	<b>446,099</b>	<b>762,743</b>	<b>(15,257)</b>	
Sandy Muirhead	43501	Forward Scanning	20,000	601	601	(19,399)	These monies will not be required hence no change as data scanning progressing well as is
Sandy Muirhead	43502	Digital Spelthorne	50,000	-	50,000	-	No change from Q3 reported financials due to delays in implementation as a result of strategy development and queries by CS but monies will be spent 22/23 so need to carry over
Sandy Muirhead	43512	SharePoint redesign & Relaunch	155,000	-	155,000	-	No change from Q3 reported financials due to Sharepoint launch being delayed as a result of staff recruitment delays but should have someone in post by summer so spend needed for 22/23
Sandy Muirhead	43515	Corporate EDMS Project	231,200	-	231,200	-	No change from Q3 reported financials and these monies no longer required due to Sharepoint work
<b>Total</b>			<b>456,200</b>	<b>601</b>	<b>436,801</b>	<b>(19,399)</b>	
<b>Committee Total</b>			<b>1,234,200</b>	<b>446,700</b>	<b>1,199,544</b>	<b>(34,656)</b>	

## CAPITAL MONITORING REPORT AT 31 MARCH 2022

Portfolio / Service Head	Cost Centre	Description	Revised Cumulative Budget 2017-25	Actuals Cumulative 2017-22	Managers Projected Outturn at 31 Dec	Budget vs Outturn Variance	Comments
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<b>Total For Other</b>			336,429,121	55,993,633	349,524,957	13,095,836	
Total Expenditure			337,401,921	56,970,418	350,497,757	13,095,836	
Total Funding			-	-	-	-	
<b>GRAND TOTAL</b>			<b>337,401,921</b>	<b>56,970,418</b>	<b>350,497,757</b>	<b>13,095,836</b>	

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# Corporate Policy & Resources Committee



11 July 2022

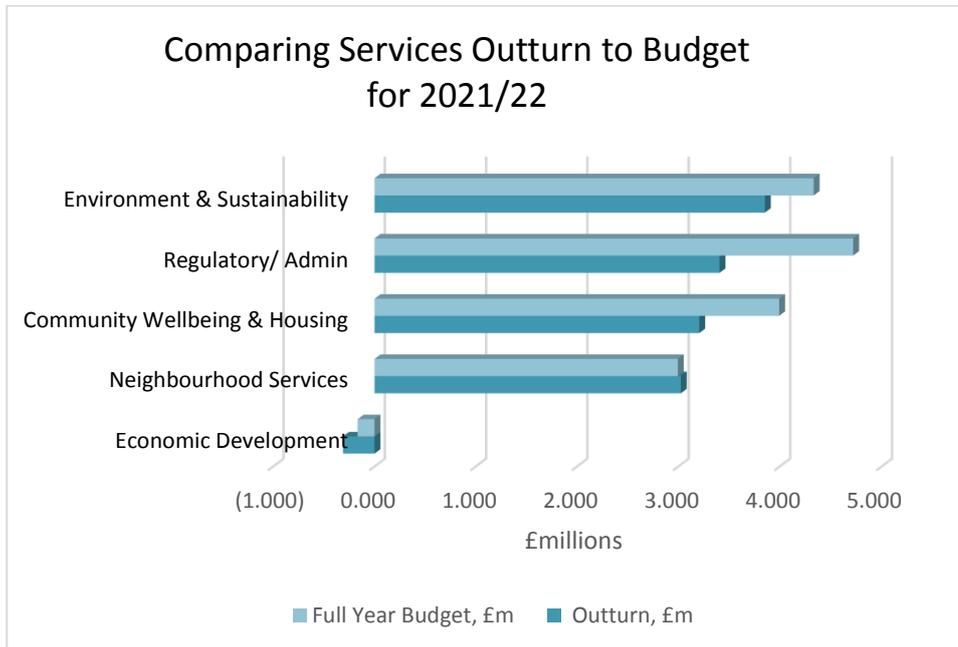
<b>Title</b>	<b>Q4 Outturn Revenue Monitoring Report as at 31 March 2022</b>
<b>Purpose of the report</b>	To note
<b>Report Author</b>	Anna Russell Deputy Chief Accountant
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<p><b>Committee is asked to note the outturn for 2021/22 as at 31 March 2022 and approve the following recommendations:</b></p> <ol style="list-style-type: none"> <li><b>1. set aside £2.490m to the properties sinking fund;</b></li> <li><b>2. transfer of £0.650m to the general fund;</b></li> <li><b>3. transfer of £0.603m surplus from retained business rates to business rates equalisation reserve;</b> <b>and</b></li> <li><b>4. transfer of the £0.250m green initiatives fund to reserves.</b></li> </ol> <p><b>Confirming that by approving items 1 to 4 above, the surplus for the year would be reduced to £0.0m, in other words a balanced outturn at 31 March 2022.</b></p>
<b>Reason for Recommendation</b>	Not applicable

## 1. Summary of the report

- 1.1 This report provides a summary of the outturn position for the financial year 2021/22 as at 31 March 2022, which is a net £3.7m surplus; this is an increase in the underspend of (£3m) on the December 2021 forecast underspend of (£634k).
- 1.2 The report considers the Council's financial position in the light of the COVID-19 pandemic. It should be noted that the COVID-19 pandemic has created a dynamic environment leading to continuous change to plans and figures. As

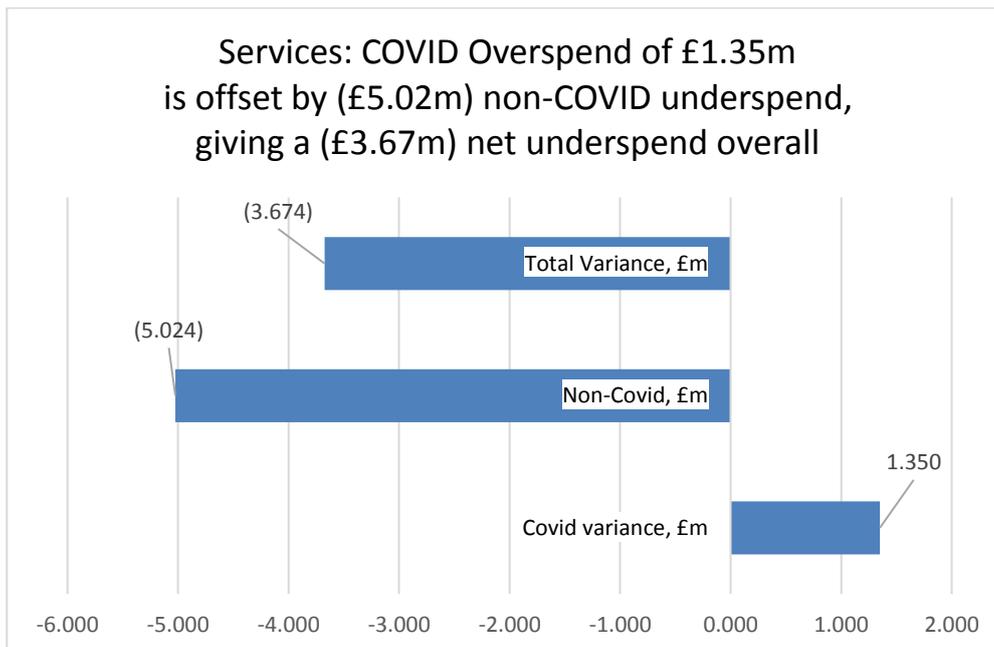
with the financial crisis in 2008, officers are expecting the Council and the UK economy to take several years to recover.

- 1.3 The services budgets and outturn are shown in the chart below. Key variances are summarised in the table below, with a more detailed information on the variances by committee shown in section 2.



- 1.4 The impact of COVID-19 at the service level is a £1.350m overspend, shown in the chart below, and is offset by the unused budgeted covid contingency provision and by (0.252m) support from Government to cover 75% of income loss in the first quarter (April to June 2021), resulting in an overall COVID overspend of £0.098m.

- 1.5 **Non COVID-19** budgets are showing an underspend of £5.024m at the level of services, as noted in the chart below, and, after below services variances, an overall (£3.742m) net underspend.



- 1.6 **COVID-19** – The table below summarises the impact of COVID-19 on those areas affected within the Council’s General Fund budget. Appendix A and B give additional breakdowns, overall and by committee respectively.

Summary of Outturn Position at 31/3/22	Revised Budget	Outturn	Covid-19 Variance	Non Covid-19 Variance	Total Variance
	£'000	£'000	£'000	£'000	£'000
Service Level Expenditure	64,897	54,109	821	(11,609)	(10,787)
Housing Benefit Income	(28,621)	(21,470)	0	7,151	7,151
Service level Income	(13,624)	(13,662)	529	(566)	(38)
Salary budget saving <i>(actual vacancy savings are reflected in services expenditure outturn)</i>	(300)	0	0	300	300
Net Investment Property Income	(51,339)	(50,981)	0	358	358
Property Development costs	1,030	671	0	(359)	(359)
Contingency Provision for COVID	1,000	0	(1,000)	0	(1,000)
Revenue Contributions to Capital Outlay	835	835	0	0	0
Net financing costs	34,355	34,373	0	18	18
External Financing	(2,441)	(3,114)	(252)	(421)	(673)
Revenue Carry forward	(489)	(36)	0	453	453
Net contribution to reserves	4,436	786	0	(3,650)	(3,650)
Retained business rates	(1,929)	2,561	0	4,490	4,490
Council Tax Income	(7,810)	(7,815)	0	(6)	(6)
<b>Net</b>	<b>0</b>	<b>(3,742)</b>	<b>98</b>	<b>(3,840)</b>	<b>(3,742)</b>

- 1.7 COVID-19 Grant funding for the General Fund – Funding continued to be received for part of the year from central government to mitigate the impact on the council of COVID-19, as well as through New Burdens Grants to contribute towards costs of additional work for administering initiatives required by Government and the 100% Business Rate Relief schemes. Additional funding was also continued up to June 2021 for the loss of income resulting from the pandemic; Councils received nearly 75% funding for the estimated loss of budgeted Sales, Fees and Charges. The additional grant funding is shown in the table below.
- 1.8 Contributions received from developers during the year consisted of Community Infrastructure Levy (CIL) (£722k) and Section 106 (S106) contributions (£23k). In line with proper accounting practice, these need to pass through the Consolidated Income and Expenditure Statement and be

transferred to earmarked reserves to be available to fund future CIL/S106 eligible expenditure. Consequently, these additional funds are reflected in Service Level Income and the transfer to reserves is reflected in the Reserves Outturn. Instead of using reserves, £0.71m has been added to reserves. The net contribution to sinking fund reserves is £7.75m with an overall net contribution to reserves of £1.49m.

<b>Government grants received for COVID</b>	<b>£'000</b>
Emergency funding	506
Self-isolation	463
Clinically Extremely Vulnerable	242
Contribution to Income loss	252
Contain Outbreak Management Fund	233
Council admin and debt recovery	131
Lower Tier services grant	82
Reopening High Streets Safely	48
<b>Grant to support revenue costs</b>	<b>1,957</b>

- 1.9 **Business Support Grants and grants to residents** – Government has provided additional funding to Local Government to be distribute to eligible small businesses within the Council’s area to mitigate against the financial impact of COVID-19, and to support residents financially. The business support grant funding was provided through a non-discretionary scheme and a discretionary scheme. In addition to this, Government has provided grant funding to Councils to enable additional Council Tax Support of up to £150 per eligible council taxpayer to be provided to Council Taxers who receive Council Tax Support.

<b>Government grants for businesses and residents</b>	<b>£'000</b>
<b><i>Business Support Grants</i></b>	
Retail discount grant	3,143
Non-Discretionary Business Grant	198
Discretionary Business Grant	167
Nursery discount grant	70
<b><i>Grants for residents</i></b>	
Council Tax Hardship Fund	114
<b>Grant to support revenue costs</b>	<b>3,692</b>

## 2. Committee commentary

- 2.1 The following tables identify significant (greater than £20,000) differences from budget for services within each Committee. Figures shown without brackets represent an overspend or under-recovery of income; figures with brackets represent an (underspend) or (over-recovery) of income.

(a) **Regulatory/ Administrative Committee**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
Corporate Management	57	Underspent budgets employee retention allowance (£122k) and COVID budget (£393k); offset by £140k higher high street recovery costs; £71k consultancy on constitutional and organisational change and on property issues; and £375k over-budgeted staffing recharge for Knowle Green.
Democratic Rep & Management	(40)	Underspend on members allowances
Elections	31	Two unbudgeted by-elections during the year
HR	(77)	Underspend (£53k) from vacancies and (£24k) on consultant and software costs
Information & Comms Technology	(121)	Underspends (£44k) from vacancy and (£77k) software costs
Insurance	108	Higher insurance costs, and under-recovery of income, compared to budget.
Land Charges	(109)	Search fee income £30k higher than budget. Also unbudgeted £71k grant income, transferred to reserves.
Legal	(52)	Underspend of £80k from vacancies offset by £25k cost of debtors written off following review of invoices.
Other income and provision adjustments	(1,140)	Including review resulting in (£701k) changes in bad debt provisions and write offs, and (£746k) payments from developers.
<b>Total significant net variances</b>	<b>(1,343)</b>	

(b) **Corporate Policy & Resources Committee**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
Accountancy	(47)	Underspend due to a vacancy, partially covered by temporary staff
Asset Management Administration	(198)	Strategic decision made to reduce payments to contractors (not deferment to future years), resulting in lower spend on contractors, and in higher costs against the staffing budget.
Corporate Savings	208	Savings target built into budget for 2021/22.
Customer Services Management & Support	(339)	Underspend of (£106k) on vacant posts. Council Tax and Business Rate collection income is higher against the budget by (£226k).
Development Properties	441	Unbudgeted costs, such as for business rates, council tax, security and electricity, relate to various vacant properties including Thameside House, Oast House, Hanover House, and service charges at Elmsleigh MSCP; and security costs incurred in Q3 for Whitehouse, Harper House & West Wing developments.
General Property Expenses	(52)	Underspend totalling (£74k) on Consultants, Surveyors and Valuers as more work undertaken by staff in-house. Offset by £22k under-recovery of income relating to: covid relief allowed for tenants; some tenants having left. Budget amended in 2022/23 to reflect lower income.
Facilities Management	(128)	Underspend (£81k) on print unit costs, as the corporate printers are now owned. In addition, net (£47k) underspend resulting from changes in working due to the split of West Wing (business rates and electricity underspends) and to working from home during the pandemic (office equipment and furniture, unused budget for office move).
Planned Maintenance Programme	(228)	Delayed procurement of Planned Maintenance works contract for 2021/22 financial year resulted in budget underspend. The financial year 2021/22 was particularly busy as Building Services Team was faced with procuring many contracts including all Term Contracts which had to be prioritised as new respective contractors were to be identified by 01/04/2022. These contracts were previously managed by Runnymede BC in partnership with Spelthorne BC.
Project Management	(108)	Underspends due to vacancies, and on temporary staff budget. Carry forward of budget underspend totalling £45k has been approved to cover costs in the next financial year of two delayed corporate projects.
Unapportionable Central Overheads	(101)	Monthly superannuation payments to Surrey County are lower than budgeted, which reflects the council's overall underspending on staffing costs.
<b>Total significant net variances</b>	<b>(968)</b>	

(c) **Community Wellbeing & Housing Committee**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
SPAN (Spelthorne Alarm Network)	(75)	Stock levels meant that less purchases were needed during the year than originally planned, contributing to a (£28k) underspend on expenditure budgets. Added to this, a surge of clients due to COVID resulted in (£35k) more income than budgeted (not expected to be maintained in 2022/23).
Community Care Administration	(549)	Underspend (£41k) because of vacant posts to which the service has been unable to recruit. Income is (£514k) over budget, with one-off grant funding received for prevention work across Community, Wellbeing & Housing services.
Community Centres	(40)	Underspends: (£134k) because of vacancies not filled due to COVID and lack of applications due to market conditions; £190k under-recovery of income, offset by (£96k) underspend, due to centres being closed until July 2021, with re-opening phased until September.
Meals on Wheels	21	Overspend due to 'appetito' contract increase by 3%, and increased volume of clients.
Spelthorne Family Support	(182)	Underspends of (£44k) on staffing due to vacant post, partially covered by temporary staff and from costs recharged for work on Afghan Refugees. Recharged income (£144k), which was higher than budgeted because work such as on Afghan refugees was not planned, includes (£87k) income from previous financial year. This latter was to fund planned recruitment of social workers which did not happen.
Community Development	(36)	Underspend of (£58k) relating to manager vacancy during 2021/22, with Deputy Group Head and Strategic Lead taking on some responsibilities while a restructure is being developed. Offset by overspend of £22k due to increased allocation of Better Neighbourhood grant agreed for councillors to spend on Green Initiatives.
General Grants	(22)	Carry forward approved to transfer underspent budget to 2022/23.
Homelessness	(44)	Delays in the delivery of White House and Harper House contributed to (£976k) underspends. Offset by £902k under-recovery of income from Rent Assure tenants due to Housing team focusing their attention in-year on interviewing tenants for the Benwell House and West Wing properties, with no additional financial cost. Overspend of £30k on salary costs funded by grants received.
Housing Benefits Admin	(121)	Underspend of (£65k) due to vacancies; income (£49k) above budget due to additional grants, transferred to reserves.
Housing Benefits Payments	94	Net reduction in Housing Benefits caseload/ income due to the transfer of claims to Universal Credit.
Leisure Administration	(59)	Staffing underspend of (£38k) due to vacancies for significant periods. The department is undergoing a restructure that aims to bring the team back up to full capacity in 2022/23. Additionally, income is (£21k) above budget, due to Public Health funding for a Covid Outreach project secondment
Spelthorne Leisure Centre	266	Overspend of £413k due to 3-month payment waiver, plus £250k covid financial assistance payment, granted to SLM (Spelthorne Leisure Management) Offset by grant towards covid income loss, and better than expected profit share following the easing of covid-19 restrictions.
<b>Total significant net variances</b>	<b>(747)</b>	

(d) **Neighbourhood Services Committee**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
Car Parks	462	Reduced income due to impact of the COVID-19 crisis.
Community Safety	(23)	Underspend on CCTV maintenance costs.
Depot	(43)	Underspend relates to no contribution being made to Surrey CC for night lighting.
Neighbourhood Services Management Support	(90)	Underspend of (£48k) due to vacant posts partially covered by overtime payments and temporary staff. Income (£52k) above budget due to income for services provided to Spelthorne Direct Services (SDS Ltd).
Building Control	45	Income £62k less than budget, with the continuing impact of the COVID-19 crisis. Offset by (£35k) underspend of staffing due to vacancies.
Cemeteries	(38)	Income (£50k) above budgeted due to an increase in number of deaths and requests for much larger burial spaces.
Environmental Health Admin	(22)	Underspend of (£25k) on budget for consultants, due to delay in Heathrow expansion.
Environmental Protection Act	(241)	Additional Electric Vehicle Taxi Project funding of (£256k) received from Defra earlier this year. Moved to revenue reserves as this project is currently on hold with DEFRA until they have reviewed necessary amendments to the project. Delays are beyond the control of the Surrey local authorities involved. This project is expected to progress in the next financial year.
Taxi Licensing	26	Income lower than budgeted due to the COVID-19 crisis.
Street Cleaning	(67)	Underspend of (£40k) due to vacancies partially covered by overtime payments and agency staff.
Spelride	6	The COVID-19 crisis resulted in £49k less income than budgeted offset by (£12k) underspend on transport and other costs. Additionally, staffing was underspent by (£31k) due to a vacancy partially covered by overtime and temporary staff.
<b>Total significant net variances</b>	<b>15</b>	

(e) **Economic Development Committee**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
Economic Development	83	Overspend of £106k relates to Business Incubator, which is funded by the NNDR retention reserve. This is offset by (£40k) Government Grant for the Spelthorne Youth Hub.
Staines Market	148	Income lower than budget due to COVID-19, partially offset by grant for COVID-19 income loss. Additional £20k cost of business rates above budget.
Staines Town Centre Management	(377)	Review of debtors resulting in (£362k) increase in 'income' accounted for in rent account due to unallocated cash.
<b>Total significant net variances</b>	<b>(146)</b>	

(f) **Environment & Sustainability**

<b>Service</b>	<b>Variance £'000</b>	<b>Comment</b>
Emergency Planning	(85)	No contributions have been requested for the Thames flood relief scheme for last 2 years because of delays in the Environment Agency progressing the scheme. Work on the scheme is expected to start in the next 12 months.
Environmental Enhancements	(54)	Unused Government funding from Rural Payment Agency, which has been moved to reserves for use on future projects.
Grounds Maintenance	(146)	Underspends on staffing (£87k) and operational equipment leasing costs (£33k). Flowers display sponsorship income was (£23k) higher than budgeted.
Parks Strategy	26	Overspend due to major water leak in Laleham Park.
Planning Development Control	(293)	Income (£92k) above budget relates to excess Planning Performance Agreement (PPA) income to be moved to reserve. Underspends mainly relate to less than budgeted costs for external legal fees (£160k) and software (£27k).
Planning Policy	(80)	Income (£159k) above budget relates to Local Plan work now scheduled for 2022/23. Under the constitution, as the project will not be completed by 30 June, the budget cannot be carried forward to 2022/23. The funds instead will be moved to reserves. The under-recovery is offset by staffing costs of £70k from the Environment Impact Assessment. This is funded by a reserve.
Refuse Collection	3	Overspends totalling £101k, including £90k staffing costs due to vacant posts being covered by higher costing agency. Offset by income (£97k) over budget due to increase in customer take-up of Garden Waste services (£132k), offset by lower Refuse Collection income for refuse and bulky waste bins due to less activity during COVID-19.
Waste Recycling	153	Income is lower than budget due to change in recycling income mechanism administered by Surrey County Council and Surrey Heath Borough Council.

<b>Total significant net variances</b>	<b>(476)</b>	
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## 2.2 Net Asset Income (Commercial and Regeneration Assets)

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.

<b>Commercial and Regeneration Assets</b>	<b>Revised Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
Rental Income	(53,707)	(53,348)	359
Loan Interest Payable	24,498	24,579	81
Minimum Revenue Provision	12,327	12,327	0
Sinking Funds - contributions to	6,814	10,375	3,561
Sinking Funds - release from	(2,625)	(2,625)	0
Set Asides for specific revenue purposes	1,030	671	(359)
<b>Net Income (to fund Revenue budget)</b>	<b>(11,663)</b>	<b>(8,021)</b>	<b>3,642</b>

2.3 The Council places a significant amount of the income earned into sinking funds, with £10.375m to cover future changes in circumstance, such as capital refurbishments or rent-free periods, and (£2.625m) applied during the year, increasing our reserves by £7.749m.

	<b>Balance 31/03/21 £'000</b>	<b>Additions 2021/22 £'000</b>	<b>Applied 2021/22 £'000</b>	<b>Balance 31/03/22 £'000</b>
<b>Proposed Allocation to Reserves</b>	25,873	10,375	(2,625)	33,622

## 2.4 Retained Business Rates

The net payment to preceptors for business rates was £9.57m above what was collected adjusted for the deficit on the collection fund. The Government gave the Council £7.01m to fund under-recovery of business rates, which was higher than is normal because of the impact of COVID on business rates. As a result, £2.56m was drawn down from the business rates equalisation reserve to cover the remaining, unfunded under-recovery.

## 2.5 Continued Impact on the Council's Cash Flow because of COVID-19

The funding from Government for under-recovery of business rates, noted in the previous paragraph, was in response to issues faced by Billing Authorities (i.e. the borough and district councils who raise the bills), with the COVID-19 resulting in reduced cash collection of Council Tax and Business Rates. Many Billing Authorities retain only a small proportion, with the majority collected being paid to preceptors. As precept payments to Surrey County Council, Surrey Police and the Government are set in line with statute, before the

actual collection is carried out, the resulting 'gearing' effect reduces Spelthorne's cashflow disproportionately.

2.6 The impact of COVID-19 on cashflow was reduced as the UK moved out of lockdown. However, interest rates, which have been historically low during COVID, also began to be increased in response to economic pressures such as rising inflation, resulting in recovery in cash flow by the year-end. Interest earnings (including £271k accrued dividends) from investments had increased to (£492k) (39%) above budget, because the budget reflected the depressed state of investments at the start of the year. Debt costs were slightly higher by £81k (0.3%) than budget.

2.7 **Knowle Green Estates Ltd** is a wholly owned company set up to meet the housing needs of residents, including affordable rented and private rented accommodation and key worker homes. The company is still in the early stages of its development, and it would not be appropriate at this time to take on the burden of fixed overhead costs until it becomes more mature. Costs charged to the company by the Council are for staffing support and for debt financing.

2.8 The company does not directly employ staff, with staffing services provided by the Council at cost £297k for 2021/22. Debt financing relates to loans representing assets transferred from Spelthorne Borough Council to Knowle Green Estates Ltd. Interest payable for 2021/22 was £101k.

2.9 In 2021/22, 2020/21 the estimated charges made to Knowle Green Estates for services provided by the Council are set out in the table below.

2.10 **Spelthorne Direct Services Ltd** is a wholly owned company set up to trade in commercial waste disposal, with directly employed staff. The company has loans with the council through a loan facility, to help support the company through the first years of trading, which has been affected negatively by COVID-19. Interest payable for 2021/22 was £1k

#### 2.11 **2021/22 Pay Award**

Supplementary budget of £200,000 to address the impact of the additional 1% increase to the 2021/22 pay award was agreed by Council 24 February 2022. However, the impact of ongoing inflationary pay pressures is likely to be 2% or more.

#### 2.11 **Carry Forwards**

Carry Forwards agreed by this committee were listed as an urgent item of the meeting on 20 April 2022.

### 3. **Financial implications**

3.1 Financial implications are as set out within the report and appendices and are subject to the final audit.

### 4. **Risk considerations**

4.1 There are no risk implications arising from the report, which is for noting.

### 5. **Legal considerations**

5.1 There are no legal implications arising from the report, which is for noting.

## **6. Other considerations**

- 6.1 Committee Services will be required to schedule a meeting of this Committee in the first week of May 2023, as the Committee must approve the Outturn report, before officers can published the draft unaudited statement of accounts, for the year end 31 March 2023, by the revised statutory reporting deadline of 31 May 2023.

## **7. Equality, Diversity and Inclusion**

- 7.1 There are no specific areas to highlight. However, equality, diversity and inclusion (EDI) are central to everything that we do and are woven throughout our Strategic Plans.

## **8. Sustainability/Climate Change Implications**

- 8.1 There are no legal implications arising from the report, which is for noting.

## **9. Timetable for implementation**

- 9.1 Monthly financial monitoring reports are produced for Management team, and quarterly for Committees.

**Background papers:** List of carry forward requests for 2021/22 revenue budgets

### **Appendices:**

Appendix A – Net Revenue Budget Monitoring – 2021-22 v2

Appendix B – Net Revenue Budget Monitoring by Committee – 2021-22 v2

## Net Revenue Budget Monitoring - 2021/22

As at end of 31 MARCH 2022

	2021/22 Budget Revised £	2021/22 Outturn £	2021/22 Variance Covid £	2021/22 Variance Non-Covid £	2021/22 Variance to Revised £	Staffing Budget FTE	Staffing Actual FTE
Gross Expenditure	64,896,500	54,109,076	821,397	(11,608,821)	(10,787,424)		
Less Housing Benefit grant	(28,621,000)	(21,469,547)	-	7,151,453	7,151,453		
Less Specific fees and charges income	(13,624,400)	(13,662,097)	528,726	(566,423)	(37,697)		
<b>Net Expenditure - broken down as below</b>	<b>22,651,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(5,023,791)</b>	<b>(3,673,668)</b>		
Regulatory / Administrative Committees	4,719,700	3,408,470	170,499	(1,481,729)	(1,311,230)	55	47
Corporate Policy & Resources	6,775,100	5,794,640	2,601	(983,061)	(980,460)	71	65
Community Wellbeing & Housing	3,993,900	3,207,211	240,454	(1,027,143)	(786,689)	98	95
Neighbourhood Services	2,995,400	3,024,687	752,764	(723,476)	29,287	97	80
Economic Development	(165,700)	(311,460)	128,142	(273,902)	(145,760)	4	4
Environment & Sustainability	4,332,700	3,853,885	55,663	(534,478)	(478,815)	121	107
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>22,651,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(5,023,791)</b>	<b>(3,673,668)</b>	<b>446</b>	<b>398</b>
Salary expenditure - Vacancy monitoring	(300,000)	-	-	300,000	300,000		
<b>NET EXPENDITURE</b>	<b>22,351,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(4,723,791)</b>	<b>(3,373,668)</b>		
<b>NET EXPENDITURE</b>	<b>22,351,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(4,723,791)</b>	<b>(3,373,668)</b>		
Interest Earnings	(1,249,300)	(1,741,765)	-	(492,465)	(492,465)		
Investment Property Income	(53,707,010)	(53,349,274)	-	357,737	357,737		
Landlord costs	2,367,810	2,367,810	-	-	-		
Debt Interest Payable	24,498,300	24,579,007	-	80,707	80,707		
Minimum Revenue Provision	12,327,200	12,327,200	-	-	-		
Asset supervision costs	1,030,000	671,274	-	(358,727)	(358,727)		
Capitalisation of Interest on Development Properties	(1,221,100)	(791,709)	-	429,391	429,391		
Contingency Provision for Covid	1,000,000	-	(1,000,000)	-	(1,000,000)		
Green Initiatives fund	250,000	-	-	(250,000)	(250,000)		
<b>NET EXPENDITURE AFTER INTEREST EARNINGS</b>	<b>7,647,000</b>	<b>3,039,976</b>	<b>350,122</b>	<b>(4,957,147)</b>	<b>(4,607,024)</b>		
<b>Appropriation from Reserves</b>				39.419%			
Reserves - Revenue Contributions to Capital Outlay	835,100	835,100	-	-	-		
Sinking fund contributions	6,814,000	10,374,678	-	3,560,678	3,560,678		
Release of funding for rent guarantee - to rental income	(2,625,200)	(2,625,200)	-	-	-		
<b>BUDGET REQUIREMENT</b>	<b>12,670,900</b>	<b>11,624,554</b>	<b>350,122</b>	<b>(1,396,468)</b>	<b>(1,046,346)</b>		
Grant to fund COVID-19 income loss	-	(251,784)	(251,784)	-	(251,784)		
Retained Business Rates	(1,929,000)	2,561,311	-	4,490,311	4,490,311		
Section 31 Grants	(800,000)	(1,856,739)	-	(1,056,739)	(1,056,739)		
Lower Tier Services grant re core spending power	(82,100)	(82,168)	-	(68)	(68)		
Business Rates - Economic Development Set Aside	(800,000)	(163,858)	-	636,142	636,142		
Grant to support 2021/22 COVID emergency costs	(506,400)	(506,397)	-	3	3		
Other non-ringfenced government grants	-	(6,715,827)	-	(6,715,827)	(6,715,827)		
Contribution to Earmarked Reserves	-	459,274	-	459,274	459,274		
Contribution from Earmarked Reserves	(2,700)	(706,715)	-	(704,015)	(704,015)		
New Homes Bonus	(252,000)	(252,604)	-	(604)	(604)		
<b>NET BUDGET REQUIREMENT</b>	<b>8,298,700</b>	<b>4,109,046</b>	<b>98,338</b>	<b>(4,287,992)</b>	<b>(4,189,654)</b>		
2021/22 Revenue carry forward	(489,100)	(35,739)	-	453,361	453,361		
Collection Fund Surplus/(deficit)	117,000	184,905	-	67,905	67,905		
Revenue surplus for the year	73,700	-	-	(73,700)	(73,700)		
Income from Council Tax	(8,000,300)	(8,000,300)	-	-	-		
<b>Net Position Deficit/ (Surplus)</b>	<b>-</b>	<b>(3,742,088)</b>	<b>98,338</b>	<b>(3,840,426)</b>	<b>(3,742,088)</b>		

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**Net Revenue Budget Monitoring by Committee - 2021/22**  
**Expenditure and Income Summary 31 MARCH 2022**

<b>Results to 31-Mar-22</b>	<b>Budget Revised £</b>	<b>Outturn £</b>	<b>COVID-19 Variance £</b>	<b>Non-COVID-19 Variance £</b>	<b>Total Variance to Revised £</b>	<b>Staffing Budget FTE</b>	<b>Staffing Actual FTE</b>
<b>Regulatory / Administrative Committees</b>							
Employees	3,108,600	2,864,754	10,071	(253,917)	(243,846)	55	47
Other Expenditure	2,259,600	1,594,476	163,499	(828,624)	(665,124)		
Income	(648,500)	(1,050,760)	(3,071)	(399,189)	(402,260)		
	<b>4,719,700</b>	<b>3,408,470</b>	<b>170,499</b>	<b>(1,481,729)</b>	<b>(1,311,230)</b>	<b>55</b>	<b>47</b>
<b>Corporate Policy &amp; Resources</b>							
Employees	4,884,100	4,544,860	2,601	(341,840)	(339,240)	71	65
Other Expenditure	3,120,900	2,190,603	0	(930,297)	(930,297)		
Income	(1,229,900)	(940,824)	0	289,076	289,076		
	<b>6,775,100</b>	<b>5,794,640</b>	<b>2,601</b>	<b>(983,061)</b>	<b>(980,460)</b>	<b>71</b>	<b>65</b>
<b>Community Wellbeing &amp; Housing</b>							
Employees	4,476,000	4,101,740	(177,505)	(196,755)	(374,260)	98	95
Other Expenditure	33,854,700	26,098,492	735,796	(8,492,005)	(7,756,208)		
Housing Benefit grant income	(28,621,000)	(21,469,547)	0	7,151,453	7,151,453		
Income	(5,715,800)	(5,523,474)	(317,837)	510,163	192,326		
	<b>3,993,900</b>	<b>3,207,211</b>	<b>240,454</b>	<b>(1,027,143)</b>	<b>(786,689)</b>	<b>98</b>	<b>95</b>
<b>Neighbourhood Services</b>							
Employees	4,188,300	4,049,392	86,935	(225,842)	(138,908)	97	80
Other Expenditure	1,881,800	1,833,222	0	(48,578)	(48,578)		
Income	(3,074,700)	(2,857,927)	665,829	(449,056)	216,773		
	<b>2,995,400</b>	<b>3,024,687</b>	<b>752,764</b>	<b>(723,476)</b>	<b>29,287</b>	<b>97</b>	<b>80</b>
<b>Economic Development</b>							
Employees	215,000	217,140	0	2,140	2,140	4	4
Other Expenditure	171,300	302,365	0	131,065	131,065		
Income	(552,000)	(830,966)	128,142	(407,108)	(278,966)		
	<b>(165,700)</b>	<b>(311,460)</b>	<b>128,142</b>	<b>(273,902)</b>	<b>(145,760)</b>	<b>4</b>	<b>4</b>
<b>Environment &amp; Sustainability</b>							
Employees	4,185,800	4,256,524	0	70,724	70,724	121	107
Other Expenditure	2,550,400	2,055,507	0	(494,893)	(494,893)		
Income	(2,403,500)	(2,458,146)	55,663	(110,309)	(54,646)		
	<b>4,332,700</b>	<b>3,853,885</b>	<b>55,663</b>	<b>(534,478)</b>	<b>(478,815)</b>	<b>121</b>	<b>107</b>
<b>NET EXPENDITURE AT SERVICE LEVEL</b>	<b>22,651,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(5,023,791)</b>	<b>(3,673,668)</b>	<b>446</b>	<b>398</b>
Total Employees	<b>21,057,800</b>	<b>20,034,412</b>	<b>(77,899)</b>	<b>(945,489)</b>	<b>(1,023,388)</b>		
Total Other Expenditure	<b>43,838,700</b>	<b>34,074,664</b>	<b>899,295</b>	<b>(10,663,332)</b>	<b>(9,764,036)</b>		
Housing Benefit grant income	<b>(28,621,000)</b>	<b>(21,469,547)</b>	<b>0</b>	<b>7,151,453</b>	<b>7,151,453</b>		
Total Income	<b>(13,624,400)</b>	<b>(13,662,097)</b>	<b>528,726</b>	<b>(566,423)</b>	<b>(37,697)</b>		
<b>NET EXPENDITURE</b>	<b>22,651,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(5,023,791)</b>	<b>(3,673,668)</b>		
	22,651,100	22,470,540	22,742,300	22,571,400	23,302,500		
<b>Total Expenditure</b>	<b>64,896,500</b>	<b>54,109,076</b>	<b>821,397</b>	<b>(11,608,821)</b>	<b>(10,787,424)</b>		
<b>Total Income</b>	<b>(42,245,400)</b>	<b>(35,131,644)</b>	<b>528,726</b>	<b>6,585,030</b>	<b>7,113,756</b>		
<b>Net</b>	<b>22,651,100</b>	<b>18,977,432</b>	<b>1,350,122</b>	<b>(5,023,791)</b>	<b>(3,673,668)</b>		

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# Corporate Policy and Resources Committee



11 July 2022

<b>Title</b>	Membership of the Collaborative Working Group
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Lee O'Neil, Deputy Chief Executive
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	Not applicable
<b>Corporate Priority</b>	Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> Agree a revised membership of the Council's Collaborative Working Group
<b>Reason for Recommendation</b>	To implement the decision of the Corporate Policy and Resources Committee to review membership of the Working Group at its meeting on 20 April 2022.

## 1. Summary of the report

- 1.1 This report requests that the membership of the Council's Collaborative Working Group be reviewed, as requested at the last meeting of the Corporate Policy and Resources Committee (CPRC) on 20 April 2022.

## 2. Key issues

- 2.1 A report was presented to the Committee on 29 November 2022 outlining opportunities for collaborative working with other Surrey Councils. At that meeting it was agreed that the Council should establish a new Collaborative Working Group of Councillors and senior officers to enable a structured approach to be taken when considering future opportunities for collaboration/joint working with other Councils. Terms of Reference for the Working Group were agreed at that meeting.
- 2.2 These Terms of Reference were subsequently revised at the CPRC meeting on 20 April 2022, following the report on the Surrey Forum and Surrey Partnership Boards (these are shown in **Appendix A**). At that meeting the Committee also agreed that the membership of the Collaborative Working Group should be reviewed at the next ordinary meeting of the CPRC.
- 2.3 As outlined in the Terms of Reference, the current membership of the Working Group consists of the Chair of the Corporate Policy & Resources Committee and three other members appointed by the CPRC. Up until the ACM on 26 May 2022 these Members consisted of Councillor Lawrence

Nichols (as Chair of CPRC) and three other Councillors previously elected by the CPRC:

- (a) Councillor Ian Beardsmore
- (b) Councillor John Boughtflower, and
- (c) Councillor Joanne Sexton

**3. Options analysis and proposal**

- 3.1 The Committee is asked to review and agree a revised membership of the Council's Collaborative Working Group as agreed at their meeting on 20 April 2022.

**4. Financial implications**

- 4.1 There are no direct financial implications relating to the Membership of this Working Group.

**5. Risk considerations**

- 5.1 There are none.

**6. Legal considerations**

- 6.1 There are none.

**7. Other considerations**

- 7.1 There are none.

**8. Equality and Diversity**

- 8.1 There are no direct equality and diversity considerations relating to this.

**9. Sustainability/Climate Change Implications**

- 9.1 There are no direct sustainability considerations relating to this.

**10. Timetable for implementation**

- 10.1 Any changes to the Working Group will take effect immediately.

**11. Contact**

Lee O'Neil, Deputy Chief Executive: [l.o'neil@spelthorne.gov.uk](mailto:l.o'neil@spelthorne.gov.uk)

**Background papers:** There are none.

**Appendices:**

**Appendix 1 - Revised Terms of Reference of the Collaborative Working Group – as agreed by CPRC on 20 April 2022**

## **COLLABORATIVE WORKING REVIEW GROUP**

### **REVISED TERMS OF REFERENCE**

#### **Membership**

Four members, with at least two from Corporate Policy & Resources

**Members:** - The Chair of Corporate Policy & Resources and three other members appointed by the Corporate Policy and Resources Committee to be drawn from any committees.

**Attendance:** - Members are not obliged to attend in person and may attend the meeting by electronic means via conference call or similar.

**Officers in attendance:** - Deputy Chief Executive, Group Head of Corporate Governance, and any other officer from any other service or legal team by invitation.

#### **Responsibilities**

This working group will:

- (a) Consider and appraise any initial approaches or proposals for any possible options for future collaboration/joint working with other Councils or partners and consider whether there is merit in considering such initial approach or proposal further,
- (b) Consider and appraise any proposals for any possible options for future collaboration/joint working coming from the Surrey Delivery Board and consider whether there is merit in considering such initial approach or proposal further,
- (c) Set the parameters and fully consider the objectives for future discussions with other Councils or partners,
- (d) Set the process for engaging in discussions with potential partners, and
- (e) Make recommendations to the relevant Committee and/or Council (as applicable) on any such opportunities that may arise which merit further consideration, or which should be proactively pursued, to deliver the identified objectives.

In undertaking the initial consideration and in making recommendations to the relevant Committee/Council the working group will focus on the key drivers for pursuing collaboration/joint working options:

- (a) To deliver financial savings,
- (b) The need to address resilience/capacity issues,
- (c) Opportunities to deliver better services for residents.

### **Frequency**

Monthly day time meetings. Where meetings are not necessary for lack of business they will be cancelled.

### **Decisions**

This Working Group has **no** formal decision-making powers.

Any matters which require a Councillor decision will require a report to relevant Committee and/or Council.