Cabinet

20 June 2018

Title	2017/18 Provisional Revenue Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor Howard Williams	**Confidential**	No
Corporate Priority	Financial Sustainability		
Recommendations	The Cabinet is asked to: a) Note the provisional revenue outturn for 2017/18 b) Approve the revenue carry forward of £711,384		
Reason for Recommendation	Not applicable		

1. Key issues

1.1 The summary on appendix A shows a surplus for the year of £760k, this figure contains £711k relating to proposed carry forward items, resulting in a net underspend against revised budget of £49k. This underspend takes into account investment income, use of reserves, interest payments and business rates retention. The net underspend will be added to reserves.

1.2 During the year an additional £3.34m was achieved due to rental income generated from new property purchases, this was offset by additional debt costs £1.78m and additional transfers of £1.56m to build up the sinking fund reserves.

1.3 There were a number of salary underspends throughout the year and these ensured that the vacancy monitoring saving requirement was met.

1.4 The net surplus on the 2017/18 Revenue Budget will be moved to the General Fund reserve to support future revenue budgets.

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.

Investment Income

1.7   Interest earned on our investments amounted was £127k above the original budget. The main reason for this extra income is due to the additional rental income mentioned above.

Transfers to and from Reserves

1.8   In year, £2.7m has been transferred to the various property sinking fund reserves and £1m has been transferred to other reserves including £250k to create a new 'Local Environmental Assessment' reserve.

1.9   Additional Business Rates income of £3.0m has been transferred to the Business Rates reserve, this money will be needed to meet future years budgets due to a deficit on the Collection Fund caused by a timing lag issue and an increase in appeals provision. The appeals provision increase is due to a national issue around NHS appeals, in this borough this would relate to Ashford hospital.

1.10   These transfers to reserves, along with the net underspend transfer referred to in 1.1 above, mean that the revenue outturn has enabled some £6.9m to be added to the Council's reserves.

1.11   £8.7m was received in 2017/18 relating to Hammersmith Grove 12, this money is effectively early received rent so has been placed in a reserve to be released to revenue over the coming years.

1.12   Carry forwards totalling £711k have been put forward for approval. The largest of these relates to the Elmsleigh lifts (£445k). These have been taken into account on appendix A and can be accommodated within the overall underspend. It is proposed to transfer to these carry forwards to reserves.

1.13   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, group heads of service and cabinet members.

Background papers: None

Appendices: A, B, C & D