

# Cabinet

15 July 2020



<b>Title</b>	2019/20 Provisional Revenue Outturn Report		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Laurence Woolven, Chief Accountant		
<b>Cabinet Member</b>	Councillor S. Buttar	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	The Cabinet is asked to: a) Note the provisional revenue outturn for 2019/20 b) Approve the revenue carry forwards for 2019/20 totalling £204,200		
<b>Reason for Recommendation</b>	Not applicable		

## 1. Key issues

- 1.1 The summary on Appendix A shows a surplus for the year of £4.939m. As planned £2m will be transferred to Sinking Funds, this will be even more important following the Covid-19 pandemic, £2.486m relates to Business Rates and will be placed in the Business Rates reserve for use in future years due to the nature of its funding, and £0.204m relates to proposed carry forward items, leaving £0.249m being able to be set aside for any planned use. This results in a net balanced outturn.
- 1.2 The collection rates for Council Tax and Business Rates were 98.3% and 99.2% respectively.
- 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 Appendix B summarises spend across portfolios by service areas broken down in employees, other expenditure and income.
- 1.5 Appendices C1 to C9 give a breakdown by service of spend against the revised budget plus comments on various variances.

## Investment Income

- 1.6 Interest earned on our investments amounted to £694k above the original budget. The main reason for this extra income is due to the income from acquisitions, this element is used to top up the sinking funds.

### Transfers to and from Funds

- 1.7 In year, £7.2m has been transferred to the various property sinking fund reserves and £3.1m has been transferred to various other reserves, including CIL, S106 and housing reserves. In line with proper accounting treatment, CIL funding of £1.873m was received in the year and is reflected in the Planning portfolio figures before being offset by the transfer to reserves.
- 1.8 As a result of the above reserves transfers the total level of cash backed reserves for the year ended 31 March 2020 will be approximately £39.5m of which roughly half will be sinking funds reserves.
- 1.9 Carry forwards totalling £0.204m have been put forward for approval. These Schemes are identified in appendix D.
- 1.10 As mentioned in para 1.1, after transferring £2m to sinking funds and £2.486m to the Business Rates reserve, there is £0.249m available to be used where the Council see fit.

### Bad Debts Provision

- 1.11 The Bad Debts Provision has been increased in year by £1m, this was seen as a prudent approach to take and is especially relevant now in the Covid-19 climate in which we find ourselves.

### Knowle Green Estates Ltd (KGE)

- 1.12 The table below shows the recharges and financing payments that KGE has made to the Council:

Charges to KGE	2019/20
	£
<i>Spelthorne BC Services</i>	
Property Management recharge	51,889
Senior Management and GDPR recharge	9,394
Finance recharge	10,626
Housing recharge	11,442
Legal recharge	18,400
Total recharge for work completed by Spelthorne BC staff	101,751
<i>Loan Financing Payments</i>	
Repayment of Principal	45,554
Payment of Interest	101,977

<b>Total</b>	<b>249,282</b>
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- 1.13 The KGE accounts are separately audited before being fed into the consolidated Group Accounts as part of Spelthorne's Statement of Accounts process.

### Asset Management

- 1.14 The table below sets out the detail of the property transactions for 19/20:

<b>Property</b>	<b>Budget Income</b>	<b>Actual Income</b>	<b>Variance</b>	<b>Interest Payable</b>	<b>MRP Payable</b>	<b>Cont. to Sinking Fund</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
BP Main Site	-15,666	-15,651	15	7,445	4,340	500
BP SW Corner	-1,905	-1,905	-	754	278	150
Elmbrook House	-477	-477	-	38	73	50
Hanover House	-	-	-	96	46	-
Stockley Park	-1,426	-1,431	-5	572	226	100
WBC4	-2,447	-2,399	48	1,151	539	200
12 HSG	-9,531	-9,575	-44	4,269	2,025	900
Comms House	-1,232	-1,180	52	275	122	500
Thames Tower	-6,329	-6,329	-	3,197	1,290	840
Charter	-7,926	-7,923	3	3,398	1,373	2,480
Porter	-3,690	-3,690	-	1,833	740	685
Summit Centre	-	-502	-502	54	-	391
119-121a High St	-	-14	-14	-	-	-
Elmsleigh	-	-548	-548	-	-	548
<b>Total</b>	<b>-50,629</b>	<b>-51,624</b>	<b>-995</b>	<b>23,082</b>	<b>11,052</b>	<b>7,344</b>

## 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**