

Cabinet

15 July 2020



Title	2019/20 Provisional Revenue Outturn Report		
Purpose of the report	To note		
Report Author	Laurence Woolven, Chief Accountant		
Cabinet Member	Councillor Sati Buttar	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	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 c) Approve the transfers to reserves for 2019/20		
Reason for Recommendation	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, it is proposed that this is put into the General Fund Reserve. 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, £7.7m 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 Carry forwards totalling £0.204m have been put forward for approval. These Schemes are identified in appendix D.
- 1.9 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

- 1.10 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)

- 1.11 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
Total	249,282

- 1.12 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

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

Property	Budget Income	Actual Income	Variance	Interest Payable	Minimum Revenue Provision Payable	Cont. to Sinking Fund
	£'000	£'000	£'000	£'000	£'000	£'000
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
Total	-50,629	-51,624	-995	23,082	11,052	7,344

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