

Council Finances as at 31st December 2016

Summary

To inform Executive of the position of the Council Finances as at 31st December 2016

Portfolio - Finance

Date Signed Off: 10 February 2017

Wards Affected - All

Recommendation

The Executive is advised to NOTE the Revenue, Treasury and Capital Position as at 31st December 2016.

1. Key Issues

- 1.1 This is the third quarter monitoring report against the 2016/17 approved budget, which provides an update on the Revenue, Treasury and Capital budget position as at 31st December 2016.

2. Resource Implications

Revenue Budget

- 2.1 Actuals against budget for the 3rd quarter are shown in the attached annex. The Council is anticipated to come in approximately £100k under budget excluding the £200k overall savings target. Once the income from the Mall and associated properties, which was not budgeted for, is taken account of there is likely to be a surplus

Capital Budget

- 2.2 Up to the third quarter almost £123m has been spent or committed on capital projects of which £122m has been spent on property acquisition principally the Mall, House of Fraser Building and Albany Park. This is support of the Council's Key Priorities 1 and 2 and has been done to enable regeneration and to generate income to support services going forward.

Treasury Investments

- 2.3 The Council currently has £34m invested in a variety of banks, building societies and funds. From analysis done by our advisors the Council has managed to achieve a combined 4.06% return for the last quarter which puts it well above the LA average of 0.90%. This means that the investment income is likely to be £100k higher than budgeted.

A list of investments held at the 31st December 2016 is shown in Annex B

Borrowing

- 2.4 The Council has borrowed £130.7m to fund property acquisitions. Based on the advice of our Treasury advisors this is made up of a mixture of longer term loans from the Public Works Loans Board and shorter loans from other local authorities.

3. Debtors

Sundry Debts

- 3.1 Sundry debts include all debts except those relating to benefits. At 31 December 2016 these amounted to £1.149m compared with £1.002m for the same period last year. Debtors have risen due to property rents from recent acquisitions being invoiced in December, £164K, for the quarter but paid in January.

Housing Benefit Debts

- 3.2 These debts arise when an overpayment in housing benefit has been made and thus has to be recovered. At 31st December 2016 the balance was £649k, compared with £669k at the end of the last quarter. During the last 3 months £88k was collected and £68k of new were debts raised.

4. Options

- 4.1 The report is for noting only.

5. Proposals

- 5.1 It is proposed that the Executive is advised to NOTE the Revenue, Treasury and Capital Position for the period to 31st December 2016.

6. Supporting Information

- 6.1 None

7. Corporate Objectives and Key Priorities

- 7.1 This item addresses the Council's Objective of delivering services efficiently, effectively and economically.

8. Sustainability

- 8.1 Budget monitoring and financial control are important tools in monitoring the financial sustainability of the Council.

8.2 Key services are being maintained despite financial constraints

9. Risk Management

9.1 Regular financial monitoring enables risks to be highlighted at an early stage so that mitigating actions can be taken.

Background Papers	None
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Consultations, Implications and Issues Addressed

	Required	Consulted	Date
Resources			
Revenue	✓		
Capital	✓		
Human Resources			
Asset Management			
IT			
Other Issues			
Corporate Objectives & Key Priorities			
Policy Framework			
Legal			
Governance			
Sustainability			
Risk Management			
Equalities Impact Assessment			
Community Safety			
Human Rights			
Consultation			
P R & Marketing			

Review Date:

Version:

Detail on the Revenue Budget Position at 31st December 2016

Services are asked to explain budget page variances greater than £25k between their profiled budget and actual expenditure to date and also what impact this could have at the year-end if any.

The statements below show the actual position against profiled budget as at the 31st December 2016 excluding pension and asset recharges. These have been excluded as they are not in the control of the services themselves.

Corporate Service

Budget for period £1,156k, Actual for Period £1,133k. predicted Year end impact - £14k favourable.

Savings due to sale of Website software to another Authority and IER Grant offset in part by increase in postage costs.

Legal and Property Service

Budget for period £129k, actual for period £-171k. Predicted year end impact £Nil

The reported surplus is due to the phasing of the 2016/17 maintenance and repairs programme which will be commenced before the end of the year and the phasing of rents. Although the vacant unit in Ashwood House has created a shortfall against budget this will be offset by the rent from Albany park which was not budgeted for.

Regulatory

Budget for period £2,051k, actual for period £1,823k. Predicted year end impact £Nil

The actuals includes £40k grant from One Public estate which will be spent by the end of the year. Homelessness current underspend of £35k but likely to be carried forward. Local plan underspend of £26k due to timing of work. There is also a risk that the costs of appeals may exceed the budget but it is too early to predict this with any certainty. There are also a number of smaller under/overspends that will be cleared by the end of the financial year.

Transformation

Budget for period £1,331k, actual for period £1,304k, Predicted year end impact £nil

Grants underspent in Community safety and economic development which will be placed in reserves at the year end for 2017/18.

Business

Budget for period £427k, actual for period £665k. Predicted year end impact £200k adverse.

The Theatre is performing better than last year with a particularly successfully pantomime however this is still short of the challenging budget set for 2016/17 which was higher than that in the original business case and will be corrected in the 2017/18 budget. Steps have been taken to reduce costs and increase income through changes to the staffing structure and programming policy which will have a positive impact in the future.

Community

Budget for period £3,148m, Actual for period £2,921m, predicted year end impact £80k favourable.

The council is anticipating to receive £30k for a recycling award due to good recycling performance. Street cleaning is forecast to be £50k under budget due to savings in the delivery of the service and lower than expected inflationary increases. £36k underspend on PPP fund but this will be returned to reserves at the end of the year for use in 2017/18

Finance

Budget for period £1,921m, actual for period £1,198m Predicted year end impact £30k favourable.

There are a number of small savings reported including Audit Fees, Insurance, Improved Council Tax arrears an additional NDR legal fee income. The big variance of £723k favourable is as a result of the timing of Housing Benefit payments against grant received.

Payroll

Salaries are now showing a favourable variance of £70k favourable. This includes the £192k vacancy factor and the £235k Star Chamber savings target. In addition there are one off reorganisation salary costs of £125k which were not budgeted for as they arise when the reorganisation is done and will be recovered from future savings.

Investment Interest

Due to the performance of the Councils investments this is likely to end the year with £100k additional income.

Town Centre

Income was not included within the budgets at the start of the year in relation to Town Centre investments as this was not envisaged at that time. Based on

the business plan submitted by the councils' advisors this should generate at least £500k in the period to the end of the year

INVESTMENTS as at 31st December 2016

	£
Lloyds Bank Call Account	600,023
Goldman Sachs Bank	2,000,000
Total Banks	2,600,023
Coventry Building Society	2,000,000
National Counties Building Society	1,000,000
Nationwide Building Society	2,000,000
Total Building Society	5,000,000
Debt Management Office	3,000,000
Total Banks, Building Societies and DMO	10,600,023
Glasgow City Council	2,000,000
Lancashire County Council	2,000,000
Total Local Authorities	4,000,000
AAA Rated MM Fund - Aberdeen (SWIP)	2,989,369
AAA Rated MM Fund - Blackrock	2,900,000
AAA Rated MM Fund - Insight	1,013,528
AAA Rated MM Fund - Standard Life (Ignis)	3,000,000
Total Money Market Funds	9,902,897
CCLA Property Fund	2,068,730
M & G Investments - Global Dividend Fund	1,194,921
M & G Investments - Strategic Corp Bond Fund	2,045,351
Threadneedle - Global Equity Income Fund	1,224,035
Threadneedle - Strategic Bond Fund	1,996,849
Total Longer Term Investments	8,529,887
Total Invested (excluding the NatWest SIBA)	33,032,807
NatWest SIBA	996,109
NatWest International Account	606,940
Total Invested (including NatWest SIBA)	34,635,856
Total Invested (Including SIBA & War Stock)	34,635,856

Annex C

CAPITAL MONITORING 2016/17 QUARTER 3

	B/Fwd From 2015/16	General Fund Adjustments	Approved Bids 2016/17	Total 2016/17 Programme	Current Spend & Commitments	Funds Available
	£'000	£'000	£'000	£'000	£'000	£'000
Legal						
Property Acquisition Strategy	1,035	-	-	1,035	483	552
Ashwood House	47	-	375	422	473	51
C & R Camberley TC	-	-	85,906	85,906	85,906	0
House of Fraser	-	-	18,713	18,713	18,713	0
Albany Road	-	-	15,925	15,925	15,925	0
Sub Total	1,082	-	120,919	122,001	121,500	501
Transformation						
Civica Financial System	30	-	-	30	2	28
Wifi Surrey Heath House	-	-	35	35	35	0
Cloud server system	-	37	75	112	112	-
Sub Total	30	37	110	177	149	28
Business						
Main Square Refurbishments	-	-	165	165	165	-
PIC Monies	127	-	-	127	30	97
Camberley Park & Obelisk	42	-	-	42	-	42
Wellington Park	20	-	-	20	-	20
Deanside Diamond Ridge Woods Picnic Area	35	-	-	35	-	35
Lightwater CP Visitor Centre	29	-	-	29	17	12
Theatre Seating	-	-	90	90	92	2
Sub Total	253	-	255	508	305	203
Community						
Disabled Grants	-	-	600	600	583	17
Maintenance	-	-	20	20	26	6
Adaptions	-	-	5	5	3	2
Sub Total	-	-	625	625	612	13
Corporate						
Public Web Portal	12	-	-	12	-	12
Telephone System	25	-	-	25	-	25
Sub Total	37	-	-	37	-	37
Regulatory						
Openspace works	259	-	-	259	100	159
Sub Total	259	-	-	259	100	159
GRAND TOTAL OF ALL SCHEMES	1,661	37	121,909	123,607	122,666	941