

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

Thursday 14 November 2019 at 7.30 p.m.

in the Council Chamber, Runnymede Civic Centre, Addlestone.

**URGENT SUPPLEMENTARY AGENDA**

**PART I**

The Chairman has agreed that this item be admitted to the Agenda as an item of urgent business for the special circumstances and urgency as set out below:

Special Circumstances

The report was not able to be completed until after the despatch of the main agenda.

Urgency

To enable the Committee to be informed of the latest financial projections for the 2019/20 financial year for the General Fund, Housing Revenue Account and Capital Programme.

**10. BUDGET MONITORING REPORT - APRIL 2019 TO SEPTEMBER 2019  
(FINANCE – PAUL FRENCH)**

**Synopsis of report:**

**To report the latest financial projections for the 2019/20 financial year for the General Fund, Housing Revenue Account and Capital Programme.**

**Recommendation:**

**For information.**

**1. Context of report**

- 1.1 The Medium Term Financial Strategy (MTFS), the Capital Programme and the detailed General Fund budgets for 2019/20 were approved by the Corporate Management Committee on 24 January 2019 and subsequently by Full Council on 10 February 2019.
- 1.2 The detailed HRA budget for 2019/20 was approved by the Housing Committee on 9 January 2019 and subsequently by Full Council in February 2019.
- 1.3 Starting in July, all budget managers are provided with a monthly budgetary control statement showing total budget, profiled budget and spend to date (including commitments). A full salary listing is also provided on an ad-hoc basis to chief officers. Budget managers are expected to work with the accountancy team to report any variations and projected spend to 31 March.

- 1.4 Budget managers should constantly monitor their budgets and are accountable for their budget and service performance. The projected outturns shown in this report are managers' best estimates as at 30 September 2019.

## 2 General Fund Revenue Budget

- 2.1 The detailed General Fund budget for 2019/20 was approved in February 2019 along with the MTFS. Since then various changes have occurred and a summary of the current projected use of balances for the General Fund can be seen in table 1 below:

<b>Table 1 – Projected use of General Fund balances</b>			
	<b>Original Budget £'000</b>	<b>Forecast Outturn £'000</b>	
Net Expenditure/(income) on Services	(8,780)	(6,013)	Paragraph 2.3 below
Transfers and accounting adjustments	(3,244)	1,552	Paragraph 2.14 below
Treasury and financing	17,445	13,888	Paragraph 2.16 below
Government grants	(1,145)	(1,162)	Paragraph 2.20 below
Business Rates and Council Tax collection	(5,316)	(9,099)	Paragraph 2.21 below
<b>Projected contribution to balances in 2019/20</b>	<b>1,040</b>	<b>834</b>	

An updated General Fund Summary (in the Budget Book format) setting out these changes is set out at Appendix 1 and is explored in more detail in the following paragraphs.

- 2.2 Assuming the predictions for the forecast outturn shown in table 1 materialise at the year end, this will increase the General Fund working balance by £0.834m taking it from £3.878m at the start of the year to £4.712m at 31 March 2020. This is predominantly due to delays in the start of capital schemes funded by borrowing.

### Net Expenditure on Services

- 2.3 The General Fund Summary set out in Appendix 1 sets out the net expenditure for each service area against the forecast outturn as at 30 September 2019. The forecast outturn is made up of the original budget amended for any anticipated changes. A summary of the more significant changes at the Net Expenditure on Services level is set out in Appendix 2.
- 2.4 Appendix 2 shows that net expenditure/(surplus) on services is forecast to be (£6,013m), an increase in net expenditure of £2.767m on the original budget as seen at Appendix 1. This increase can be broken down as follows:

<b>Table 2 – Analysis of budget increases</b>	
	<b>£'000</b>
Increased Expenditure:	
- Planned underspends carried forward from 2018/19	554
- Approved supplementary estimates	645
- Other cost pressures	1,026
Reduced Expenditure	(885)
Increased Income	(424)
Reduced Income	1,851

- 2.5 Included in the reduced income line is an estimated reduction in income from the school yellow bus travel initiative (see paragraph 2.8), lower planning fees (paragraph 2.9) and reduced property related income (see paragraph 2.10). This includes a potential reduction of £200,000 for lost rental income from contracts with Achieve Lifestyle and Officers are currently liaising with the Trust to resolve this outstanding amount.
- 2.6 The table set out below shows the performance of the Council's key income drivers (excluding property). Where these are anticipated to vary significantly from the budget, an estimate of the year end effect has been included in table 2 above accordingly.

<b>Table 3 – Performance of key income drivers</b>			
	<b>Original Budget £000</b>	<b>Profiled Budget £000</b>	<b>Actual to Date £000</b>
Halls income	138	95	112
Cemetery income	231	112	108
Community meals (Day Centre)	157	70	72
Community meals (Meals at Home)	172	87	78
Green Waste income	438	407	408
Trade waste income	545	392	363
Off street parking P&D income	677	318	343
Yellow bus service income	408	204	55
Planning fees	840	420	276
Local land charge search fees	235	118	130
<b>TOTALS</b>	<b>3,841</b>	<b>2,223</b>	<b>1,945</b>

- 2.7 Income from Green Waste was a little behind profile for the first quarter. Payment reminders were sent out to customers in early July which saw the income take an upward turn during the July reporting period and income is now back on track.
- 2.8 The yellow bus service income includes Sponsorship of £12,500 and Section106 planning development contributions of £199,000. As at the end of September no Section106 money was available and no sponsorship income had been received. Section106 money is heavily reliant on the activation of triggers in planning development agreements (e.g. completion of a scheme) and the receipt of it cannot be relied on with any certainty. On the basis that planning income is below target (see paragraph 2.9 below), it is assumed that no Section 106 money will be received in the current year.
- 2.9 Planning fee income is currently below expectations. Planning income is demand led and with uncertainties in the wider economy the larger applications that derive our planning income have stalled. At the current time it is assumed that there will be a shortfall of £248,000 for the year and this has been built into the figures in Tables 1 and 2 above.
- 2.10 One of the biggest areas of the Council's income and expenditure relates to investments in property and regeneration schemes. The following table sets out the original property related budgets, offset by the financing costs, against the revised figures estimated at 30 September.

<b>Table 4 – Property investment</b>		
	<b>Original Budget £000</b>	<b>Forecast Outturn £000</b>
Rental income from all commercial property	(25,546)	(24,626)
Less: Provision for Bad debts	650	325
Expenditure incurred in managing portfolio	2,829	3,224
Borrowing costs (Interest)	14,200	11,974
Minimum Revenue Provision (MRP)	4,460	3,868
<b>Net income</b>	<b>(3,407)</b>	<b>(5,235)</b>

- 2.11 For forecasting purposes, it is assumed in the above figures that the full capital allocation for the purchase of property held within the capital programme is spent on 1 January 2020. It should also be noted that these figures include the loss of income from properties in the Egham Gateway development area.
- 2.12 The Provision for Bad debts line in the above table is built in to the annual budget at approximately 2.5% of gross income. As at the 30 September the actual bad debts were as follows:

<b>Table 5 – Rental income debts</b>	
	<b>£000</b>
Over one month old	18
Over two months old	27
Over three months old	141
Greater than four months old	201
<b>Net income</b>	<b>(387)</b>

- 2.13 The Commercial Services and Financial Services teams actively manage these debts and hold regular monthly meetings to discuss collection strategies.

#### Transfers and accounting adjustments

- 2.14 As previously reported to Members, the Council benefitted significantly from being in the “Surrey Pilot” for Business Rate collection last year. By prudently managing the appeals process, the Collection Fund ended last year in a surplus. Of this surplus, £2.89 million is attributable to Runnymede and it will be released to the Council over the two financial years 2019/20 and 2020/21.
- 2.15 This additional income has meant that there is no need to release money into the General Fund from the Business Rates Equalisation Reserve as originally anticipated and there is additional income to pump-prime both the Property repairs and Renewals reserve and the Investment Property Income Equalisation Reserve to assist with any future unforeseen circumstances and level out income for any necessary rent free periods.

#### Treasury and Financing

- 2.16 The 2019/20 Treasury Management Strategy report was presented to this Committee in January 2019.
- 2.17 One major factor affecting the treasury operations and budgets of the Council is the timing of borrowings required to fund capital schemes. Borrowing is usually undertaken at the most opportune time where it can be planned in advance. However, this is not always

possible (e.g. when a property required for a future development scheme comes to the market, money is often required at short notice to fund the purchase).

2.18 The 2019/20 treasury and financing budget was based on the Council having borrowed an additional £60m at the end of 2018/19 to fund some more property purchases. However, this scheme was put on hold. The Capital Programme for 2019/20 contains that unspent £60m. It also assumed that the Egham Gateway and Ashdene developments would have been started in the first quarter of the year. For this reason the Council has borrowed far less at the current time than it had anticipated and the figures in Table 1 above have been amended to reflect this.

2.19 A full report on all treasury activity during the first six months of the year is at agenda item 8 for this Committee's meeting.

#### Government Grants

2.20 Government Grants encompass the New Homes Bonus Grant and any other non-service specific grants that the government release during the year. At the current time there has been one additional grant received towards Local Authority EU Exit preparation.

#### Business Rates and Council Tax Collection

2.21 A significant income stream for the Council is the income from taxation. Collection rates for both business rates and council tax are monitored on a monthly basis. Collection rates for the period (as at 30 September) were as follows:

<b>Table 6 – Collection rates</b>		
	<b>Council Tax £'000</b>	<b>Business Rates £'000</b>
Collectable debit for the year*	65,181	58,829
Cash received for period	38,026	33,769
% of cash received for the year – Target	98.60%	98.80%
% of cash received to date – Actual	58.34%	57.40%
% of collectable debit written off	0.00%	0.00%

\* The collectable debit for the year will vary throughout the year as houses/businesses are added or removed from the list and revaluation appeals are settled.

### **3. Housing Revenue Account (HRA)**

3.1 The detailed HRA budget for 2019/20 was approved in February 2019. Since then various changes have occurred and a summary of the current projected use of balances for the HRA can be seen in table 7 on the next page:

<b>Table 7 – Projected use of HRA balances</b>			
	<b>Original Budget £'000</b>	<b>Forecast Outturn £'000</b>	
HRA Working Balance (as per the budget book)	(21,472)	-	
Actual HRA Working Balance @ 1 April 2019	-	(22,645)	
Surplus in year	(4,532)	(3,596)	Paragraph 3.2 below
Capital expenditure - new purchases	910	910	Paragraph 3.3 below
Capital expenditure - new build programme	1,522	0	Paragraph 3.3 below
Capital expenditure - further potential	2,555	0	Paragraph 3.3 below
<b>Projected HRA balance at 31 March</b>	<b>(21,017)</b>	<b>(25,331)</b>	

3.2 An updated HRA summary (in the Budget Book format) setting out these changes is set out at Appendix 3. This summary sets out the net expenditure for each service area against the forecast outturn as at 30 September 2019. The forecast outturn is made up of the original budget amended for any anticipated changes. A summary of the more significant changes (over £5,000) at the Surplus in year level is set out in Appendix 4.

3.3 The Housing Revenue Account usually funds (70%) of the costs of new housing property acquisitions, and new build costs and these are funded from the HRA working balances. The reduction in the HRA spend is predominantly down to delays in major capital schemes. These delays bring with them their own set of problems whereby money set aside for 1-4-1 housing replacement will need to be repaid to Central Government meaning less future provision and penalty interest being incurred. A separate report on this issue has been presented to the Housing Committee in November.

3.4 In addition to the HRA working balances (shown above) it is currently estimated that there will be around £1.441m of balances in the Housing Major Repairs Reserve at 31 March 2020.

#### **4. Capital Expenditure and Receipts**

##### Capital expenditure

4.1 The detailed Capital budget for 2019/20 was approved in February 2019. It is important to remember that the timing of capital expenditure can sometimes be difficult to predict and can be spread over several financial years.

4.2 The Exempt Appendix to this report (circulated separately to all Members with this Supplementary Agenda) summarises the current capital programme to the end of June 2019 updated for predicted movements in payment profiles and forecast under/overspends on the schemes as a whole. Included in the 2019/20 figures are £82.7m of budgets that have been carried forward from 2018/19 where schemes and or payments were delayed.

##### Capital receipts

4.3 The Council started the year with £5.151m in available capital receipts which can be used to fund future acquisition of assets. However, £4.581m of these receipts have been

generated from the sale of dwellings under right-to-buy legislation or sales of land and legislation requires this is set aside for specific purposes. In Runnymede's case this is principally:

- Future funding of new affordable housing
- Repayment of housing debt over the next 30 years

4.4 Table 8 sets out the anticipated capital receipts position as at the 31 March 2019 based on the current forecast outturn in capital spend and receipts as set out in the Exempt Appendix:

<b>Table 8 – Capital receipts</b>				
	<b>Debt Repayment £'000</b>	<b>Housing replacement £'000</b>	<b>General use £'000</b>	<b>Total Receipts £'000</b>
<b>Total Capital Receipts at 1 April 2019</b>	<b>2,655</b>	<b>1,926</b>	<b>570</b>	<b>5,151</b>
Capital Receipts generated in the Year	33	0	3,064	<b>3,097</b>
Use of Receipts in year	(33)	0	(435)	<b>(550)</b>
<b>Projected Receipts at 31 March 2020</b>	<b>2,655</b>	<b>1,926</b>	<b>3,199</b>	<b>7,698</b>

4.5 The original estimate for the generation of Capital Receipts in the year included income from both the sale of properties in the Addlestone One and Edwards Close (Marshall Place) developments and from the sale of properties/land in Englefield Green (Ashdene House). As at 30 September progress has been as follows:

<b>Table 9 – Progress on Sales</b>			
	<b>Original Estimate £'000</b>	<b>Receipts Generated £'000</b>	<b>Sales under negotiation £'000</b>
<b>Addlestone One</b>	<b>6,000</b>	<b>1,110</b>	<b>3,340</b>
Ashdene House	6,000	0	0
Edwards Close	3,000	1,814	2,222

## 5. Legal Implications

5.1 Section 28 of the Local Government Act 2003 requires authorities to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or the authority might decide to take no action but to finance the shortfall from reserves.

## 6. Conclusion

6.1 The projected contribution to General Fund balances shown in table 1 of the report shows an reduction from £1.040m to £0.834m based on information at 30 September 2019. The HRA surplus for the year shown in table 7 of the report is expected to drop by £936,000 from £4.532m to £3.596m.

6.2 The projected reduction in the General Fund balance this year includes several underlying large additional cost pressures and reductions in income as set out in table 2 of the report. Some of these pressures are ongoing and will place a strain on the Council's balances until the Egham Gateway project is up, running and substantially let.

- 6.3 The reduction in the HRA spend is predominantly down to delays in major capital schemes (which are part funded by HRA balances). These delays bring with them they're own set of problems whereby money set aside for 1-4-1 housing replacement will need to be repaid to Central Government meaning less future provision and penalty interest being incurred. A separate report on this issue has been presented to the Housing Committee in November.
- 6.4 The financing of the Capital Programme remains heavily reliant on income from the sale of development properties. Should sales activity not be forthcoming over the next few months, it may be necessary to delay some capital schemes and/or temporarily borrow money to fund the developments.

**(For information)**

**Background papers**

None stated

## General Fund Financial Monitoring Statement

### April 2019 to September 2019

Service Area	Original Budget	Forecast Outturn	Variance
	£000	£000	£000
Housing Committee	2,299	2,302	3
Community Services Committee	4,966	5,356	390
Environment & Sustainability Committee	3,728	3,951	223
Licensing Committee	26	26	0
Regulatory Committee	49	49	0
Planning Committee	1,238	2,322	1,084
Corporate and Business Services	(21,663)	(20,260)	1,403
Estimates in the MTF5 yet to be agreed	577	241	(336)
<b>Net expenditure/(surplus) on services</b>	<b>(8,780)</b>	<b>(6,013)</b>	<b>2,767</b>
Accounting and other adjustments:			
Reversal of depreciation charges	(2,640)	(2,640)	0
Cost of capital charge to HRA	(43)	(43)	0
Revenue contributions to capital expenditure	235	235	0
Transfer to/(from) reserves:			
Business Rates Equalisation Reserve	(2,296)	0	2,296 (a)
Equipment Repairs and renewals reserve	1,000	1,000	0
Property repairs and renewals reserve	500	1,500	1,000 (b)
Investment Property income equalisation reserve	0	1,500	1,500 (b)
Financing and investment income			
Investment income - General	(252)	(305)	(53)
Dividends and Loan interest	(1,414)	(1,436)	(22)
Capital financing costs	14,535	11,646	(2,889)
Minimum Revenue Provision	4,576	3,983	(593)
Taxation and Non-specific grant income:			
Council Tax	(5,499)	(5,499)	0
Business rates retention	183	(3,600)	(3,783) (a)
New Homes Bonus	(1,145)	(1,145)	0
Other Grants	0	(17)	(17)
<b>(Contribution to) / Use of Working Balance</b>	<b>(1,040)</b>	<b>(834)</b>	<b>206</b>

## Key:

Original Budget - Approved at Full Council on 12 February 2019

Forecast Outturn - Officer prediction of the year end position based on activity in the year to date

## Notes:

(a) Funding from Business Rates Equalisation Fund no longer required as additional Business Rates income expected following transactions undertaken during last years Pilot scheme

(b) Additional sums set aside from Business Rate pilot scheme used to bolster the Commercial property based reserves for future unseen circumstances

## APPENDIX 2

### GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2019

( ) = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
<b>Housing Committee</b>								
Benefits reorganisation - termination costs				51				51
Homelessness Costs - There is a significant saving on temporary B& B costs in the first six months of the year, which will also result in reduced rents collected.					(100)		52	(48)
								0
<b>Community Services Committee</b>								0
Day centres - Woodham – P/U – strategic maintenance	16							16
Day centres - Woodham – vacancy resulting in saving to wages					(8)			(8)
Community services admin - P/U - short courses	3							3
Community services - Proposed contract with Surrey Heath delayed until 2020/21							100	100
Community services specials - P/U - F&E equipment	6							6
Community services - To increase hours within the social prescribing service	9							9
Community services - Travel initiative - Sponsorship no longer received							13	13
Community services - Travel initiative - S106 income not forthcoming							199	199
Halls – Thorpe Village - P/U – strategic maintenance	32							32
Halls – Chertsey - P/U – strategic maintenance	40							40
Halls - Amendments to pricing structure (CS Cttee - 14/3/19)		6				(19)		(13)
Sports Development – P/U – SSSYC training and contribution to sportability festival	2							2
Museum – P/U – in house exhibitions -Chertsey Abbey	1							1
Allotments – P/U – Grounds maintenance	7							7
Parks - General – P/U – maintenace of sports equipment	15							15
Parks - Chertsey – P/U – strategic maintenance	15							15
Parks - General – P/U – Major tree works	5							5
Parks - Wages covered by SANGS funding					(12)			(12)
Parks - Increased staffing (CMC - July 2018)			28					28
Parks Travellers - Reduced costs of Bailiffs due to less incursions					(5)			(5)
Parks - Increased income and costs from camping at Barrsbrook Farm open space				13		(28)		(15)
Parks - Increased rental income at minor recreation grounds						(12)		(12)
Cemeteries - additional income from Purchase of Grave space at Englefield green						(7)		(7)
Cemeteries - Savings from outsourcing (CMC - July 2018)			(28)		(12)			(40)
Grant Aid - Increase in Rent abatement grants (offset by increased income elsewhere)					11			11
								0
<b>Environment and Sustainability Committee</b>								0
Contaminated land - £10,000 provision (E&S 21 March 2019) £7,000 deferred until 2020/21		10			(7)			3
Pollution - P/U - General - Technical Equipment	1							1
Air quality £10,000 provision - subject to committee report - £5,000 deferred until 2020/21					(5)			(5)
Animal welfare licence - reduced income - 3 year licences introduced instead of assumed 1 year							12	12
Refuse and recycling - additional agency based staffing costs				24				24
Recycling Initiatives - P/U - recycling initiatives	4							4
Domestic refuse - income - additional collections for Addlestone One have not commenced yet							7	7
Trade Waste - income - reduced customer numbers offset by lower disposal costs					(40)		40	0

## GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2019

( ) = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Street cleansing - increased flytipping of hazardous waste				10				10
Street cleansing - litter and dog fouling fines - reduced fine income partially offset by lower costs					(73)		85	12
Energy Management - P/U - Advertising - Public	1							1
Energy Management - P/U - Advertising - Promotion	1							1
Car parks - permit income less than estimated offset by increased pay & display income							5	5
Car parks - loss of income - recharge to RPG - parking section no longer managing car park							6	6
Markets - P/U - provision for Englefield Green market	2							2
A320 Study - Contributions expected covering additional expenditure				200		(200)		0
Infrastructure Feasibility Fund (CMC - April 2019)		100						100
Environmental services - estimated increase in vehicle costs				40				40
								0
<b>Planning Services</b>								0
Planning Policy - Staffing - S042 June 2019		68						68
Planning Policy - P/U - Counsel - Local Plan	1							1
Planning Policy - P/U - Conservation Advice	22							22
Planning Policy - P/U - Planning Advice	4							4
Planning Policy - Other professional fees - sustainability appraisal and viability work (CMC March 2019)		13						13
Planning Policy - Planning and development advice (CMC March 2019)		79						79
Planning Policy - General Office expenses				2				2
Planning Policy - Neighbourhood planning grant lower than anticipated							13	13
Development Management - CIL staffing and income delayed until after Local Plan adoption					(70)		70	0
Development Management - P/U - Padd Farm enforcement - Court Costs	49							49
Development Management - Padd Farm - Task force costs (SO42 - 20 June 2019)		20						20
Development Management - Padd Farm - Task Force costs (CMC - 5 Sept 2019)		10						10
Development Management - P/U - Design Quality - Conservation Advice	81							81
Development Management - Staffing - SO42 29 August 2019		64						64
Development Management - Planning Performance Agreement - Longcross (depends on agreement)						(45)		(45)
Development Management - Staffing - Agency staff contract extension				50				50
Development Management - Staffing - Post entry training				4				4
Development Management - Staffing - Placement/Transfer Fees				12				12
Development Management - General office expenditure				4				4
Development Management - Land registry fees cost reduction					(1)			(1)
Development Management - Counsel and legal fees combined - expected increase in legal fees				13				13
Development Management - Adas Farm Counsel and legal fees combined				50				50
Development Management - Padd Farm legal cost recovered (deferred to 2020/21)							300	300
Development Management - Planning application fees - lower demand							248	248
Development Management - Planning trees advice - lower demand							23	23
								0
<b>Corporate Management Committee - Corporate Management</b>								0
Economic Dev Strategy - P/U - Promotional costs	11							11
Economic Dev Strategy - P/U - Other Professional	29							29
Economic Dev Strategy - maintenance and support provision deferred					(56)			(56)

## GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2019

( ) = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Economic Dev Strategy - Pipeline (CMC Sept 2019) - provision deferred to 2020/21		20			(20)			0
Economic Dev Strategy - costs recovered						(7)		(7)
Enterprise Zone - P/U - Marketing	10							10
Enterprise Zone - support & marketing expenditure deferred					(25)			(25)
Corporate business plan expenditure deferred					(5)			(5)
Members Allowances - increased number of allowances			90	8				98
Elections - extension of temporary staffing to 31 Dec 2019 - financed from Reorganisation funds			15					15
Elections - staffing - CMC report Sept 2019		6						6
Elections - By election provision no longer required in 2019/20					(5)			(5)
Public relations - additional staffing - (CMC May 2019) - financed from Reorganisation funds			4					4
Public relations - Xmas decorations - financed from CE initiatives fund			9					9
Council tax - staffing changes - financed from Reorganisation funds			3					3
Council tax - increase in costs recovered offset by Business rates reduced collection allowance						(27)	16	(11)
								0
<b>Corporate Management Committee - Other</b>								0
Civic Centre – P/U – strategic maintenance	17							17
Civic Centre – strategic planned maintenance - savings					(25)			(25)
Salaries - Initiatives funds vired to other services			(9)					(9)
Salaries - Provision for restructure (CMC April 2019)			122					122
Salaries - Provision for restructure (CMC April 2019) - used/vired to other services			(60)					(60)
Financial services Accountancy - P/U - Computer maintenance & Development	4							4
Financial services Income - P/U - Computer development	6							6
Financial services Income - Income Management System running costs - CMC March 2019		11						11
Financial services - Cover for long term sickness				5				5
Financial services - Increase in credit card transaction fees				5				5
Computer services - P/U - Project training	3							3
Computer services - P/U - Computer development - now deferred to 2020/21	5			(5)				0
Computer services - Windows licences				44				44
Computer services - ICT Restructure and Spec writing			124					124
Runnymede web - P/U - Promotions	5							5
Runnymede web - Promotion expenses deferred				(8)				(8)
Document Management - Computer development deferred to 2020/21				(15)				(15)
Customer services - P/U - Computer development	3							3
Customer services - Computer development deferred to 2020/21				(16)				(16)
Customer services - P/U - Search fees	3							3
Projects & procurement - P/U - Temporary staffing costs rechargeable to HRA	15					(19)		(4)
Human resources - P/U - Other professional fees	6							6
Human resources - Fees - financed from reorganisation funds			12					12
Law & governance - Committee services additional staffing - financed from Reorganisation funds			26					26
Law & governance - Temporary staffing (maternity) cover (SO42) - CMC March 2019		12						12
Law & governance - Legal staffing - CMC Sept 2019		49						49
Legal & governance - Legal services reduction in costs recovered				10				10

## GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2019

( ) = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
<b>Sub Total – General Fund net growth (Excluding Commercial Property)</b>	<b>434</b>	<b>468</b>	<b>336</b>	<b>501</b>	<b>(458)</b>	<b>(364)</b>	<b>1,189</b>	<b>2,106</b>
<b>Corporate Management Committee – Commercial Property related</b>								
Staffing costs in excess of established budget - Commercial Services Restructuring Report awaited				200				200
Property Services - asset valuations		5						5
Addlestone One - Compensation for lease termination						(60)		(60)
Addlestone One - Vacant units costs in excess of budget (NNDR, Service Chg, energy)				250				250
Ashdene/Edwards Close - 2018-19 costs not able to be capitalised				75				75
Egham Car Park compensation part agreed					(157)			(157)
Egham Gateway to be capitalised in 2019/20 so no additional revenue costs					(270)			(270)
Laser House - P/U - Surveyors fees	15							15
Laser House - refurbishment - S/E (CMC May 2019)		172						172
Pine Trees - P/U - Surveyors fees	105							105
Rental income - Chertsey Metrode - Delayed purchase - no income to be received this year							153	153
Rental income - Other income variations							509	509
<b>Sub Total – Commercial Property</b>	<b>120</b>	<b>177</b>	<b>0</b>	<b>525</b>	<b>(427)</b>	<b>(60)</b>	<b>662</b>	<b>997</b>
<b>Total changes in net expenditure</b>	<b>554</b>	<b>645</b>	<b>336</b>	<b>1,026</b>	<b>(885)</b>	<b>(424)</b>	<b>1,851</b>	<b>3,103</b>

	<b>£'000</b>
Original Net Expenditure on Services (as per the 2019/20 Budget Book)	<b>(8,780)</b>
Total changes in net expenditure	<b>3,103</b>
Virements from Estimates in the MTFS yet to be agreed on GF Sum Page	<b>(336)</b>
Forecast Net Expenditure on Services	<b>(6,013)</b>

## HRA Financial Monitoring Statement

### 1 April 2019 to 30 September 2019

Service Area	Original Budget	Forecast Outturn	Variance
	£000	£000	£000
<b>Expenditure</b>			
General management	1,737	2,187	(450)
Special services management	753	781	(28)
Supporting people for Council tenants	132	132	0
Mobile home site (Net)	(66)	(153)	87
Housing repairs	8,233	8,681	(448)
Less funded from major repairs reserve	(4,915)	(4,975)	60
Other HRA Expenditure	482	559	(77)
Debt charges	3,426	3,426	0
Depreciation charges	2,055	2,055	0
	<b>11,837</b>	<b>12,693</b>	<b>(856)</b>
<b>Income</b>			
Rent from dwellings	15,949	15,849	100
Non-dwelling rents and income	187	187	0
Interest on balances	233	253	(20)
	<b>16,369</b>	<b>16,289</b>	<b>80</b>
<b>Revenue Surplus / (deficit) in the year</b>	<b>4,532</b>	<b>3,596</b>	<b>936</b>
<b>Less Capital Contributions</b>			
Strategic purchases	(910)	(910)	0
New Build programme	(1,522)	0	(1,522)
Further potential schemes (not yet approved)	(2,555)	0	(2,555)
<b>Overall Surplus / (deficit) in year</b>	<b>(455)</b>	<b>2,686</b>	<b>(3,141)</b>
<b>Major Repairs Reserve</b>			
Opening balance 1 April 2019	4,714	4,714	0
Annual contribution	2,055	2,055	0
Expenditure funded from Reserve	(5,388)	(5,328)	(60)
<b>Closing balance 31 March 2020</b>	<b>1,381</b>	<b>1,441</b>	<b>(60)</b>

## Key:

Original Budget - Approved at Full Council on 12 February 2019

Forecast Outturn - Officer prediction of the year end position based on activity in the year to date

## APPENDIX 4

### HRA - Changes in Revenue Account Working Balance as at 30 September 2019

( ) = reduced expend or increased income

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
<b>Revenue Expenditure &amp; Income</b>								
General Management - Planned Underspend for costs (IT & Consultancy) deferred from 2018/19	55							55
General Management - Tenancy Management restructuring report (Hsg Ctee - March 2019)		125						125
General Management - New development consultancy / Feasibility study (Hsg Ctee - March 2019)		270						270
Special Services Management - Planned Underspend for Housing estates works deferred from 2018/19	28							28
Mobile Home Site - Caravan Renewal budget unlikely to be used this year & probable Planned Underspend @ March 2020					(87)			(87)
Housing Repairs - Surrey Towers refurbishment, consultants (Hsg Ctee - Sept 2019, Council October 2019)		350						350
Housing Repairs - Gas Maintenance works no longer covered by annual contract, so not budgeted for, therefore required sums to be transferred from Major Works likely underspend			60					60
Housing Repairs - Major Works likely to be underspent in 2019/20 - virement to cover Gas Maintenance costs			(60)					(60)
Housing Repairs - Cost of External Decorations during 2019, higher than estimate				38				38
Potential interest penalty on returned unspent RTB 1-4-1 receipts				77				77
Increased rent loss arising from an increase in void property numbers during 2019/20						100		100
Potential increase in investment income (0.65%) as a consequence of revenue & Capital changes detailed						(20)		(20)
								0
<b>Housing Capital Schemes</b>								0
Capital schemes - Slippage in redevelopment of St Georges					(1,522)			(1,522)
Capital schemes - Planned developments (Dunkirk & Garage adaptations Eng Green) not yet ready to proceed					(2,555)			(2,555)
								0
<b>Total changes in net expenditure</b>	<b>83</b>	<b>745</b>	<b>0</b>	<b>115</b>	<b>(4,164)</b>	<b>(20)</b>	<b>100</b>	<b>(3,141)</b>

	<b>£'000</b>
Original revenue surplus in year (as per the 2019/20 Budget Book)	<b>(4,532)</b>
Original rcapital contributions in year (as per the 2019/20 Budget Book)	<b>4,987</b>
Total changes in net expenditure	<b>(3,141)</b>
Forecast Net Expenditure on Services	<b>(2,686)</b>