

Budget Monitoring and Forecast Outturn – April to March 2019

Highlight report – June 2019

Summary:

The revenue net expenditure outturn results in a £828k surplus, after allowing for the carry forward of 2018/19 budgets into 2019/20 which totalled £201k (£158k last year). We received much more income than expected; particularly in the latter half of the year from unanticipated government grants. Investment income was higher than budgeted due to the slippage in the capital expenditure. Property and Facilities received more income from successful rent reviews, some of which were backdated. Planning income exceeded budget due to more applications.

Revenue Outturn Forecast and Surplus

| £000 | 2018/19 outturn | 2017/18 comparison |
|--|--------------------|-----------------------|
| Corporate Management | (67) | (60) |
| Chief Executive | (36) | - |
| Resources | (417) | (1,030) |
| Community and Culture | 173 | 529 |
| Place | (482) | (60) |
| Total overspend / (surplus) | (828) | (621) |

Revenue Spend and Income (exc. Benefits)

Net expenditure at £8,954k amounted to 91% of budget and is 85% of that in 2017/18. Gross expenditure ended the year ahead of budget by 7% but income exceeded expected levels by 14% contributing significantly to the overall position. The higher levels of income reflects additional grants received to recompense the Council for new burdens and the use of reserves to fund in year expenditure, including the transformation fund and the new homes bonus. Within investment properties, back-dated rent reviews have generated significant extra income in the year and Planning income has exceeded budget. Maintenance overspent as we caught up on repairs, and due to the pressures of the Homeless Act and B&B demand, Housing overspent as previously described. Car parking income overall was slightly behind budget; partly due to the impact of Piries Place car-park.

Capital Outturn:

Final spend was £14.5m of the £27.4m budget (53%). The major spends were the BBH leisure centre (£5.8m), Pirie's car park (£3.6m), Disabled Facilities (£1.4m), Peary Close temporary Housing (£1m), affordable rented homes south of Broadbridge Heath (£0.5m) and Billingshurst High St investment property (£0.5m)

Significant budgets slipping to 2019/20 are Piries CP (£4m), Rowan Drive temp housing (£1.3m), Swan Walk capital contributions (£1.1m), BBH leisure centre (£0.8m), and Housing enabling grants (£0.5m). A number of other smaller projects will also slip. In addition, £2.5m of the £3m commercial investment fund was unspent in 2018/19.

By comparison, capital spend in 2017/18 was £12.7m (41%) of the £31.1m (when excluding the Forum).

Staffing costs

Staff costs finished the year behind the profiled budget by £172k.

| £000 April to March | Actual | Budget | Variance |
|---------------------|---------------|---------------|--------------|
| Salaries & Wages | 15,579 | 16,745 | (1,166) |
| Overtime | 248 | 123 | 125 |
| Casual Staff | 480 | 206 | 274 |
| Temporary Staff | 824 | 195 | 629 |
| Redundancy | 217 | 250 | (33) |
| Total | 17,348 | 17,520 | (172) |

Transformation Fund

| | 2018/19 |
|--|------------------|
| Balance brought forward | 94,865 |
| In year addition | 500,000 |
| | 594,865 |
| Unlocking the ICT strategy | (30,190) |
| Implementation of new legal case management system | (27,000) |
| Changes to waste collection service | (8,400) |
| Implementation of new HR system | (55,180) |
| E-learning pool system and online appraisal function | (11,140) |
| Feasibility study for income generation opportunity | (12,800) |
| Cataloguing of the museum collection | (3,950) |
| Growing our own staff - project | (17,300) |
| Housing allocations and rent accounting system | (17,000) |
| Affordable Housing Company - full business case | (15,100) |
| Staff survey | (4,900) |
| Supporting income generation | (36,000) |
| Total expenditure in year | (238,960) |
| Outturn balance carried forward | 355,905 |

Proposing using £144k of the surplus to top up the transformation fund up to £0.5m for 2019/20.