Corporate Governance and Standards Report

Ward(s) affected: All

Report of Director of Finance

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Financial Monitoring 2019-20

Executive Summary

The report summarises the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April to September 2019.

Officers are projecting an increase in net expenditure on the general fund revenue account of £568,637, which includes a £171,280 reduction in the statutory Minimum Revenue Provision (MRP) charge to the general fund to make provision for the repayment of past capital debt reflecting a re-profiling of capital schemes and a reduction in the anticipated income received from investments of £336,865. At service level, the projected outturn is £403,052 higher than the latest estimate once adjusted for items either funded from reserve or transferred to reserve.

A surplus on the Housing Revenue Account will enable a projected transfer of £10.929 million to the new build reserve and the reserve for future capital at year-end. The transfer is projected to be £4,000 lower than budgeted assumption and reflects modest variations in rental income and repair and maintenance expenditure.

Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £68.95 million on its capital schemes by the end of the financial year. The expenditure is higher than it has been for many years and demonstrates progress in delivering the Council's capital programme.

The Council's underlying need to borrow to finance the capital programme is expected to be £43.82 million by 31 March 2020, against an estimated position of £53.35 million. The lower underlying need to borrow is a result of slippage on both the approved and provisional capital programme as detailed in paragraphs 7.3 to 7.6 of this report.

The Council held £114 million of investments and £206 million of external borrowing at 30 September 2019, which includes £192.9 million of HRA loans. Officers confirm that

the Council has complied with its Prudential indicators in the period, which were set in February 2019 as part of the Council's Capital Strategy.

Recommendation to Corporate Governance and Standards Committee

That the Committee notes the results of the Council's financial monitoring for the period April to September 2019 and makes any comments it feels appropriate.

Reason for Recommendation:
To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

1. Purpose of Report

1.1 The terms of reference of the Corporate Governance and Standards Committee include supporting the overview and scrutiny function through ongoing scrutiny of financial matters, including the treasury management function and budget monitoring.

1.2 This financial monitoring report covers the period April to September 2019.

2. Strategic Priorities

2.1 Councillors have reviewed and adopted an ambitious corporate plan for the period 2015-2020. The plan includes many significant projects and aspirations that will challenge us financially. Monitoring of our financial position during the course of the financial year is a critical part of our management of resources that will ultimately support delivery of the corporate plan.

3 Background

3.1 The Council undertakes regular financial monitoring in the following ways:

(a) reporting the General Fund and Housing Revenue Account position on a bi-monthly basis [periods 2, 4, 6, 8 and 10]. This report covers the period to September 2019 [period 6] and covers all Council services
(b) quarterly monitoring of the capital programme
(c) monthly and quarterly monitoring of its treasury management activity

3.2 The Council's Corporate Management Team (CMT), Chief Finance Officer and deputies, and officer capital programme monitoring group review monitoring reports. Financial monitoring for all services is reported to this committee on a regular basis.

3.3 We have amended the monitoring periods for 2019-20 to better align with scheduled dates for this committee. This change enables the committee to scrutinise the financial monitoring on five occasions rather than the previous four occasions.

3.4 This report sets out the financial monitoring and covers:

(a) general fund revenue monitoring (section 4)
(b) housing revenue account monitoring (section 5)
(c) treasury management (section 6)
(d) capital programmes (section 7)

4 General Fund Revenue Account monitoring

4.1 **Appendix 1** shows the summary monitoring report for the general fund revenue account. Officers have prepared the projected outturn on six months' actual and accrued data.

4.2 **Appendix 2** shows detailed information for each service split between direct expenditure and income and indirect costs. We monitor the projected outturn against the revised (or latest) budget as this takes into account any virement or supplementary estimates approved since the original budget was set in February 2019.

4.3 At total service level after adjustment for movements to and from reserve, the projected outturn is £403,052 higher than the latest estimate.

4.4 The reported position at month 4 forecasted an underspend at total service level of £513,802. It has since been discovered that this figure included an underspend against central overheads which was in respect of a year-end accrual that had not been reversed. The restated position at month 4 is an overspend of £461,677.

4.5 Net external interest receivable is currently projected to be £336,865 lower than our original estimate. This is due to an assumed increase in borrowing costs because of the increase in the PWLB margin on loans, and a lower than estimated projection of interest income.

4.6 The Minimum Revenue Provision (MRP), based on the Capital Financing Requirement (CFR) at 31 March 2019 for the purposes of this report is shown as £795,000. This is £171,280 lower than originally estimated. The reduction is due to slippage in the capital programme experienced during 2018-19.

4.7 The overall projected position for net expenditure is £568,637 higher than estimate. Officers have been asked to draw up an action plan to identify in year savings; this will include reducing non-essential expenditure, reducing the use of agency staff and increasing income where possible.

4.8 The table shows the supplementary estimates and virements approved to date.

Supplementary Estimates 2019-20

Service/Description	Approval Date	Committee	Value
Watts Gallery Grant	27 August 2019	Executive	40,000
Stoke Masterplan	24 September 2019	Executive	380,000
TOTAL			**£420,000**

Virement Record 2019-20

Service/Description	Nature of Virement	Approved by	Date of Approval	Value £
Constant Power – Business Continuity [budget responsibility change]	Recurrent	V Worsfold	14 May	4,250
Web Team Salary Account [alignment of general ledger coding]	Recurrent	V Worsfold	29 May	33,680
Repairs and maintenance Holding Account [alignment of general ledger coding]	Recurrent	V Worsfold	7 June	1,400,000
Electric Theatre [budget responsibility change]	Non-Recurrent	V Worsfold	19 June	5,730
Surrey Police Domestic Abuse Grant [transfer of funding]	Non-Recurrent	J Whiteman	11 July	6,000
Transfer of training budgets [allocation of budgets across services from holding account]	Non-Recurrent	V Worsfold	12 July	209,860
CIL consultancy spend [alignment of general ledger coding]	Non-Recurrent	V Worsfold	1 August	53,969
Water Fountains - bottle refill points – at Tunsgate and North Street WC sites	Non-Recurrent	CMT	13 August	3,000
Training budgets [alignment of general ledger coding]	Non-Recurrent	V Worsfold	13 Sept	1,550
TOTAL				**1,718,039**

4.9 **Appendix 2** provides detailed information on variances at service level. The table below summarises the main components of the higher than budgeted service level expenditure referred to in paragraph 4.3.

Service/Budget heading	Variance to revised estimate £000	Explanation
Industrial Estates	200	Business rates for void units in Midleton Industrial Estate and Thornberry Way amount to £124,000 and £90,000 respectively. This is partially offset by higher than budgeted income. Officers are investigating if these costs can be reduced following the demolition of Midleton Industrial Estate.
Investment Properties	136	Rental income overall is down due to void properties. Increased indirect expenditure on consultants' fees for advice in relation to lease agreements. Officers are seeking alternative tenants to try and mitigate this loss of income

Planning – Development Control	315	Use of short-term staff, lower than budgeted income from major applications and planning appeal costs (the largest being in respect of Manor Farm, now settled at £162k, The Quadrant and the Royal Surrey Hospital Car park). The outcome of all these appeals is not yet known so this figure may reduce. A supplementary estimate requesting funding for planning appeal costs will be considered by the Executive in November, this will request funding from the budget pressures reserve, officers are currently monitoring the position and continue to seek to recover costs where appeals are upheld.
Crematorium fees	(230)	Reduction in assumed level of disruption and no requirement to repay non recoverable VAT as originally anticipated
Town Centre Management	189	Income from Public Realm Enhancements has been delayed resulting in an adverse variance of £51,000. The decision has been made to move away from a WIFI concession and in its place to run a mini competition for a larger scale WIFI joint venture. Planned sponsorship income has taken longer to establish than initially anticipated and as a result will achieve £50,000 this financial year, £138,000 lower than the budgeted level. Every effort is being made to increase income from sponsorship. Meetings are being arranged with all departments to look at how we can use the assets we own to generate more sponsorship income.
Off-Street Car Parking	340	Projection for income at Bedford Rd, Castle and York Rd MSCP less than budgeted. The reduction in use (possibly due to the rise in internet shopping) has meant that it is unlikely that the income targets will be achieved.
Salary Costs	(458)	Salary savings net of assumed vacancy level across the organisation.
Building Control	164	Vacant post savings are being used to part-fund three agency surveyors although there is an overall shortfall in funding from this arrangement of £44,200. Building control fees will not now achieve budget; approved inspectors have now been able to obtain insurance and the additional work anticipated will not materialise Posts have been held vacant ahead of the FG programme and potential shared service with Woking and it has therefore been necessary to cover these posts with agency staff. Permanent staff will be recruited once the outcome of these projects are known. Officers are looking at increasing fees and charges in January 2020 to try and mitigate the income shortfall.
Refuse Collection	104	Staffing costs will be over budget in 2019-20 but in line with 2018-19 expenditure. Garden waste green bin sales are now expected to be under budget and less than in 2018-19.
Major Projects	(182)	There is a projected underspend on consultants' fees on a number of projects including Guildford Gyratory (£50,000), Blackwell Farm (£33,000), Spectrum 2.0 (£88.500) and Millbrook Decking (£80,000) which has been partially offset by unbudgeted Museum consultants fees of £26,000 and LEP fees of £6,000 for Bike Share Scheme.
Corporate Inflation	(180)	Current working assumption on cost pressures will produce a

Budget		saving.
Other minor variations	5	
Total	**403**	

Use of Reserves

4.10 As part of the budget setting process for 2019-20 we assumed that £2.6 million would be transferred from earmarked reserves during the year. It is currently assumed that the amount to be transferred from earmarked reserves will increase by £1.7 million to £4.3 million. The table below highlights the major movement along with supporting narrative

Reserve Transfer to (from)	**Original Estimate £000**	**Projected Outturn £000**	**Variance £000**	**Explanation**
Budget Pressures	(200)	0	200	In 2017-18 Council approved the use of this reserve to offset the potential loss of income during the crematorium rebuild project of £846,000 in 2018-19 and £200,000 in 2019-20. The disruption has been less than anticipated and consequently it is not currently proposed to use this reserve. As this funding is not required to offset the revenue loss of income, a report to Council is currently being prepared to seek approval to use the funding that was set aside in 18/19 and 19/20, to offset the overspend on the crematorium capital project.
Car Parks Maintenance Reserve	(1,004)	(1,468)	(464)	Profiling of repair and maintenance expenditure at our MSCP's.
Business Rates Equalisation reserve	(2,345)	(2,570)	(225)	Additional costs of feasibility studies for transport and infrastructure projects to be funded from this reserve.
Election costs Reserve	62	(124)	(186)	An annual contribution is budgeted as part of the budget process to equalise the cost of Borough Elections held on a four-year cycle. The expenditure shown relates to Borough elections held in May 2019.
Invest to Save	814	(94)	(908)	Funding to support the ICT and Future Guildford transformation programme and ICT cloud migration.
Recycling Reserve	0	(150)	(150)	This reserve equalises the impact in the revenue account of adverse market movements in the income generated from recyclate materials. It is proposed to use the reserve to support £150,000 of costs in 2019-20.
Carry Forward Items	0	(1,527)	(1,527)	Approved and budgeted projects that were ongoing at the end of the financial year. By allowing unspent project budgets to be

Reserve Transfer to (from)	Original Estimate £000	Projected Outturn £000	Variance £000	Explanation
				carried forward to the next budget period, the pressure to use it or lose it is reduced. Budget managers are given more time to purchase goods or services that contribute to the achievement of objectives, which in turn promotes efficient use of resources.
Other Reserves	17	1554	1,537	The large increase is due to Special Protection Area income received for the future development and maintenance of green spaces. This has been received following the approval of the Local plan.
TOTAL	**(2,656)**	**(4,378)**	**(1,722)**	

5 Housing Revenue Account

5.1 **Appendix 3** shows the budget monitoring report for the Housing Revenue Account (HRA) for the period April to September 2019. The report shows that HRA gross service expenditure is projected to outturn at 99.96**%** of the budgeted level, whilst income is projected to be 99.92% of the budgeted level. The projected outturn would enable a transfer of around £10.929 million to the new build reserve and the reserve for future capital, compared to the budgeted transfer of £10.933 million.

- The rental income estimate for 2019-20 incorporated a prudent allowance for Right to Buy (RTB) sales and the re-commissioning of units, along with an estimate for the additional income from new units. Based on data from April to September, rental income is projected to be just shy of the annual estimate, being 0.25% below the budget of £29.736 million.

- Current projections indicate that salary related expenditure; net of temporary staffing and a vacancy allowance of £77,630, will be in line with the budget.

- Emphasis continues to be on planned rather than responsive maintenance, but as the budget provides for both planned and responsive repairs, an element of demand driven cost is inherent in the expenditure. The previous financial year saw an increase in void levels and the service continues to experience higher levels of repair costs in a large part due to voids. Whilst the service returns a property to use as soon as possible, void units typically incur additional repair and improvement expenditure in order to prepare them for subsequent tenants.

- At this point of the year, expenditure on direct repairs and maintenance (R&M) is projected to be 4% (£182,580) above the equivalent outturn figure for 2018-19. R&M expenditure above the 2019-20 estimate can be accommodated within the overall budget primarily due to a reduction in the contribution to the bad debt provision (see paragraph 5.3 below).

- With the exception of receipts from RTB sales, the estimates for the year do not provide for any repayment of HRA debt principal or for setting aside any amounts towards the repayment of debt. This is consistent with the HRA Business Plan, which prioritised the provision of additional housing. This approach will be subject to regular review and an updated business plan will be submitted reflecting constraints placed on the HRA by the prevailing legislation.

5.2 Tenancy arrears presently remain stable. Particular attention is paid to tenants of introductory tenancies (tenants of less than 12 months), as they often have no previous experience of managing a household budget or of renting a property.

5.3 Although rent arrears currently remain at consistent levels, this is in contrast to the overall housing sector, which has seen an increase in the level of arrears. A number of welfare reform changes have now taken effect, but the delay in the roll out of universal credit has so far deferred any potential impact on arrears levels locally. As a result, the budgeted contribution to the bad debt provision of £300,000 has been reduced by £250,000.

6 Treasury Management

6.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management ("the Code") recommends that Councillors are informed of treasury management activities at least twice a year. This report therefore ensures the Council is embracing best practice in accordance with CIPFA's recommendations by reporting quarterly to Councillors.

Debt management

6.2 We have a substantial long-term Public Works Loan Board debt portfolio for the HRA totalling £193 million. Currently, the general fund is only borrowing short-term for cash flow purposes. There is no cost of carry on our short-term borrowing.

6.3 The following table summarises the current borrowing position of the Council and the activity to month 6.

Loan type		Balance 31 Mar 19 £000	New loans £000	Loans repaid £000	Balance 30 September	Weighted average rate of
PWLB						3.20%
Variable		45,000	0	0	45,000	
Fixed	Maturity	147,435	0	0	147,435	
	EIP	575	0	(115)	460	
Total long-term Loans		**193,010**	**0**	**(115)**	**192,895**	
Temporary Loans		20,000	5,000	(12,000)	13,000	0.83%
Total Loans		**213,010**	**5,000**	**(12,115)**	**205,895**	

Investment activity

6.4 During the period, we have continued with the diversification of our in-house investment portfolio into secure instruments such as bonds and secure bank deposits (not subject to bail-in) in line with our Treasury Management Strategy.

6.5 The Council's budgeted and projected investment income for 2019-20 is £1.17 million. The gross cash balances representing the Council's reserves and working balances at 30 September 2019 available for investment were £114 million and net of short-term borrowing £66.7 million.

6.6 The Council's budgeted, and projection of external interest cost, which relates to short and long-term borrowing, for the year is £0.6 million.

6.7 The original net interest receivable budget was £877,355. As at 30 September, we are projecting that the outturn will be lower than budget.

6.8 The Council's annualised weighted return on investments for the period to September 2019 was 1.33% against an estimate of 1.629%.

6.9 The table below summarises the Council's investment activity for April to September 2019.

Investment	Principal invested £000	Balance 31 Mar 19 £000	Movement in investment £000	Change in capital value £000	Balance 30 September 19 £000	Weighted average rate of interest
Investment Funds						
CCLA	5,000	6,756	0	(63)	6,693	9.86%
M&G	1,008	1,395	0	40	1,435	1.83%
Royal London	2,500	0	2,500	(32)	2,468	7.97%
Schroders	1,000	856	0	(67)	789	4.00%
Funding Circle	490	511	0	11	523	1.51%
UBS	2,500	2,312	0	32	2,344	2.31%
In- House Investments:						
Call Accounts		0	(0)		0	0.40%
Money Market Funds		13,229	1,712		14,941	0.74%
Notice Accounts		8,000	0		8,000	0.92%
Temporary Fixed Deposits		6,000	14,000		20,000	1.05%
Unsecured bonds		2,300	3,360		5,660	1.27%
Covered Bonds		18,850	(2,000)		16,850	1.30%
Long Term Fixed Deposits		27,500	0		27,500	0.55%
Revolving Credit Facility		7,500	(7,500)		0	1.31%
Total Investments		**95,209**	**12,072**	**(79)**	**107,202**	

6.10 Some of our externally managed funds have seen a fall in their capital values since inception. The falls are indicative of wider financial market movements over the same period. The Council's external investments are held for long-term purposes and are invested to generate an income for the Council over the longer term. Any loss in investment value will not be realised unless the investment is sold. The Council has an earmarked reserve available to utilise in the event of a loss, thus minimising the impact on the general fund.

Prudential Indicators

6.11 Officers confirm that the Council has complied with its Prudential indicators in the period, which were set in February 2019 as part of the Council's Treasury Management Strategy Statement.

Authorised limit and Operational Boundary for External Debt

6.12 The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit, which we should not breach.

6.13 The Council's authorised borrowing limit was set at £464 million for 2019-20.

6.14 The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst-case scenario without the additional headroom included in the Authorised Limit.

6.15 The operational boundary was set at £404 million for 2019-20.

6.16 The Chief Finance Officer confirms that there have been no breaches to the authorised limit and operational boundary during the year. Borrowing, at its peak, was £213 million.

7 Capital Programmes

7.1 **Appendices 4 to 9** of this report set out the following for each scheme on the Council's capital programme

- the gross estimate for the scheme approved by the Executive
- the cumulative expenditure to 31 March 2019 for each scheme
- the estimate for 2019-20 as approved by Council in February 2019
- the 2019-20 revised estimate which takes into account the approved estimate, any project under spends up to 31 March 2019, and any virement or supplementary estimates
- 2019-20 current expenditure
- 2019-20 projected expenditure estimated by the project officer

7.2 The table below summarises the current position on the various strands of the Council's capital programme. Detailed explanation is provided in paragraphs 7.3 to 7.11 below.

CAPITAL EXPENDITURE SUMMARY	2019-20 Approved £000	2019-20 Revised £000	2019-20 Outturn £000	2019-20 Variance £000
General Fund Capital Expenditure				
- Main Programme	62,054	71,116	59,748	(11,368)
- Provisional schemes	17,926	28,359	2,352	(26,007)
- Schemes funded by reserves	6,769	8,194	6,730	(1,464)
- S106 Projects	36	150	150	0
- Affordable Housing (General Fund)	0	0	0	0
Total Expenditure	**86,785**	**107,820**	**68,980**	**(38,839)**
Housing Revenue Account Capital Expenditure				
Approved programme	8,567	13,267	11,739	(1,529)
Provisional programme	406	1,106	1,106	0
Total Expenditure	**8,973**	**14,373**	**12,845**	**(1,529)**

Approved (main) programme (Appendix 4)

7.3 Expenditure is expected to be £59.748 million representing a £11.368 million variance to the revised estimate of £71.116 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by the Executive. Whilst actual expenditure for the period of £27.097 million may seem low, a number of significant projects are in progress. These include:

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- ED6 – Slyfield area Regeneration Project (SaRP) (£6 million) - work is progressing on the detailed design, pre-planning and site investigation work for this scheme to inform the final business case. Report is scheduled to go to Council in February 2020. Pre-agreement invoices (Thames Water) have been signed off with post-agreement in pipeline

- PL9 – Crematorium rebuild (£7.26million) – work is progressing on this scheme which is scheduled for completion in 2019-20

- ED32 – Internal Estate Road Clay Lane Link Road Phase 1 (£8.85 million) - a bid for LEP funding has been submitted with decision pending. Building work on this scheme has now started

- ED49 – Midleton Industrial Estate redevelopment (£3.64 million) – work on design and planning is progressing

7.4 In addition to the schemes outlined above, the re-profiling of the following significant amounts that were due to be spent on schemes or projects in 2019-20 will now be carried forward into 2020-21.:

- Town Centre Gateway Regeneration (£3.48 million) – spend now expected in 2020-21

- ED25 – Guildford Park infrastructure works (£3.76 million) - this scheme received planning consent in November 2016 and initial works are progressing. A significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval

- SMC – (£1.31 million) – spend of £625k is expected in 1920 with the majority of spend now expected in 2020-21

- A331 hotspots (1.18 million) – spend now expected in 2020-21

Provisional programme (Appendix 5)

7.5 Expenditure on the provisional programme is expected to be £2.35 million, against the revised estimate of £28.359 million, representing a variance of £26.007 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can start. Monitoring progress of these projects is key to identifying project timescales.

The re-profiling of schemes has resulted in a significantly lower level of expenditure than planned in 2019-20.

7.6 A number of other projects, that were also anticipated to start in 2019-20 have been re-profiled into future years including:

- PL21(p) – Ash Road Bridge (£18.44 million)
- ED25(p) – Guildford Park new MSCP and infrastructure works (£4.38 million)
- P11(p) – Guildford West (PB) station (£0.65 million)

S106 (Appendix 6)

7.7 Capital schemes funded from s106 developer contributions are expected to total £150,000.

Reserves (Appendix 7)

7.8 Capital schemes funded from the Council's specific reserves. The outturn is anticipated to be £6.73 million. The main projects are:

- expenditure on car parks £2.5 million
- ICT renewals and infrastructure improvements £2 million

Capital resources (Appendix 8)

7.9 When the Council approved the budget, the estimated underlying need to borrow for 2019-20 was £53.35 million. The current estimated underlying need to borrow is £43.824 million. The reduction is due to slippage in the programme where schemes are re-profiled into future years.

Housing Investment Programme Approval Capital (Appendix 9)

7.10 The HRA approved capital programme is expected to outturn at £11.739 million against a revised estimate of £13.26 million. A number of projects are in progress. These include:

- Guildford Park - initial works are progressing, a significant amount of the cost of this project is still on the provisional capital programme awaiting final business case approval.
- Ladymead/Fire Station – works started on site in Autumn 2018.

Housing Investment Programme Provisional Capital (Appendix 10)

7.11 The provisional programme revised estimate is £1.10 million with expenditure anticipated this financial year of £1.10 million. This programme includes provision for the opportunity purchase of land and housing for development, which is dependent on the availability of suitable sites.

8 Consultations

8.1 The accountants prepare the budget monitor in consultation with the relevant service managers.

9 Equality and Diversity Implications

9.1 There are no direct equality and diversity implications as a result of this report. Each service manager will consider these issues when providing their services and monitoring their budgets.

10 Financial Implications

10.1 The financial implications are contained throughout the report.

11 Legal Implications

11.1 The Local Government Act 1972, Section 151 states that each local authority has a statutory duty to make arrangements for the proper administration of their financial affairs. In addition, the Accounts and Audit Regulations 2015 impose an explicit duty on the Council to ensure that financial management is adequate and effective and that they have a sound system of internal control, including arrangements for the management of risk.

11.2 Proper administration is not statutorily defined; however, there is guidance, issued by the Charted Institute of Public Finance and Accountancy (CIPFA) on the responsibilities of the Chief Finance Officer (CFO). This states that local authorities have a corporate responsibility to operate within available resources and the CFO should support the effective governance of the authority through development of corporate governance arrangements, risk management and reporting framework. Regular monitoring of the Council's actual expenditure to budget and forecasting of the expenditure for the full year is part of the proper administration and governance of the Council.

11.3 There are no further direct legal implications because of this report.

12 Human Resource Implications

12.1 There are no human resource implications arising from this report.

13 Summary of Options

13.1 This report outlines the anticipated outturn position for the 2019-20 financial year based on six months actual data. There are no specific recommendations and therefore no options to consider.

14 Conclusion

14.1 The report summarises the financial monitoring position for the period April to September 2019 for the 2019-20 financial year.

14.2 Officers are currently projecting an increase in net income and expenditure of £568,637 on the general fund revenue account.

14.3 The Chief Finance Officer in consultation with the Lead Councillor for Finance and Customer Service will determine the treatment of any balance as part of closing the 2019-20 accounts.

14.4 The surplus on the Housing Revenue Account will enable a transfer of £10.929 million to the new build reserve and the reserve for future capital at year-end.

14.5 Actual expenditure incurred on our general fund capital programme for the period has been comparatively low against the programme envisaged at the 1 April 2019. Officers are making progress against significant capital projects on the approved programme as outlined in section 7. The Council expects to spend £68.95 million on its capital schemes by the end of the financial year.

14.6 It is anticipated that the Council's underlying need to borrow to finance the capital programme will be £43.824 million by 31 March 2020. The Council has complied with Prudential Indicators during the period with the exception of the upper limit on variable interest rates.

14.7 At the end of September 2019, the Council had £114 million of investment balances, and £206 million of external borrowing.

15 Background Papers

None

16 Appendices

Appendix 1: General fund revenue account summary
Appendix 2: General fund services - revenue detail
Appendix 3: Housing Revenue Account summary
Appendix 4: Approved capital programme
Appendix 5: Provisional capital programme

Appendix 6: Schemes funded from S106
Appendix 7: Capital reserves
Appendix 8: Capital resources
Appendix 9: Housing Revenue Account approved capital programme
Appendix 10: Housing Revenue Account provisional capital programme