

2023/24 Year End Revenue Monitor



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**BOROUGH OF
BROXBOURNE**

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2023/24 Quarter Four Revenue Monitor

Introduction

This monitor summarises the forecast year end revenue position for the Council as at the end of the 2023/24 financial year (1 April 2023 to 31 March 2024).

The main body of the monitor combines the year end forecast position for the general fund and Broxbourne Sport and the Spotlight to provide an overview of the Council's financial position. Detailed figures and narrative for each area are contained within the appendices.

Financial Overview

The following table sets out the Council's overall financial outturn position as at 31 March 2024:

	2023/24 Revised Budget	Outturn as at 31 March 2024	(Under)/Over Spend
	£	£	£
Chief Executive	3,469,406	3,321,172	(148,234)
Environmental Services	5,889,093	6,148,918	259,825
Finance	(4,288,318)	(4,905,793)	(617,475)
Legal	14,238	0	(14,238)
Place	2,743,738	2,733,327	(10,411)
Capital Charges	4,818,709	8,784,312	3,965,603
Cost of Services (General Fund)	12,646,866	16,081,936	3,435,070
Reverse Capital Charges	(4,818,709)	(8,784,312)	(3,965,603)
Cost of Services	7,828,157	7,297,624	(530,533)
The Leisure Centres (Trading Position)			13,887
Cheshunt Park Golf Centre (Trading Position)			115,437
The Spotlight (Trading Position)			482,164
Total Sports and Leisure (Trading Position)			611,488
Combined Overall Position			80,955
Loan from General Fund Reserve to offset Sports and Leisure loss			(80,955)

The cost of services is £530,533 underspent. When combined with the outturn deficit position of Broxbourne Sport and the Spotlight of £611,488 there is an overspend of £80,955.

The underspend in cost of services of £530,533 will be used to fund the majority of the overspend in Sports and Leisure, the remaining £80,955 will be funded from the General Fund Reserve. Following this movement the balance on the General Fund Reserve will be £5,600,461.

The use of the general fund reserve to fund the £81k overspend in Sport and Leisure will be treated as a loan, to be paid back when the sites are generating a surplus.

A more detailed analysis of the variances on the cost of services is contained in Appendix A. Appendices B and C contain details of Broxbourne Sport and The Spotlight respectively.

Collection Fund

The Council collects council tax on behalf of Hertfordshire County Council and the Police and Crime Commissioner as well as on its own behalf and non-domestic rates on behalf of Hertfordshire County Council, central Government and itself. These transactions are accounted for within the Collection Fund, which is a separate ring-fenced account.

The Council monitors the percentage of council tax and business rates it collects within the year it is due. The table below shows the collection rates as at 31 March for the current year and the previous three financial years.

	2020/21	2021/22	2022/23	2023/24
	%	%	%	%
Council Tax	96.6	96.7	97.2	96.9
Business Rates	97.1	97.4	96.2	97.1

Commercial Rent Arrears Reporting

The table below shows the number of commercial units that are currently being charged rent and any action being taken with rental arrears. As at 31 March:

275	Number of commercial units charged rent
Number of units	Arrears and Action
20	Accounts are in arrears and are being chased
0	With enforcement agents
2	Legal action

Empty Homes Premium

The Council has discretionary powers, under the Local Government Finance Act 1992, to increase the council tax payable on properties that have been empty for two years or more. As of April 2020, the additional charge is 100% of the prevailing council tax charge, this means that owners of properties which have been empty for more than two years will pay double council tax. The table below shows the number of homes where this premium has been applied and the revenue that has been received.

	2023/24
Homes Charged the Premium	62
Income from applying the charge NB: Broxbourne's share is £7,123	£93,187

Assistant Director Resources June 2024

Appendix A – General Fund Monitor

This appendix provides more details on the final outturn for general fund services.

The following table sets out the general fund outturn position as at 31 March 2024 (excluding capital charges):

	2023/24 Revised Budget	Outturn as at 31 March 2024	(Under)/Overspend
	£	£	£
Chief Executive	3,469,406	3,321,172	(148,234)
Environmental Services	5,889,093	6,148,918	259,825
Finance	(4,288,318)	(4,905,793)	(617,475)
Legal	14,238	0	(14,238)
Place	2,743,738	2,733,327	(10,411)
Cost of Services excluding Capital charges (General Fund)	7,828,157	7,297,624	(530,533)

The cost of services for the general fund is showing an underspend of £530,533.

The table on the following page provides further details of the significant variances between the end of year forecast expenditure and the budget set at the start of the year across the service areas however key variances are explained below.

Significant underspends include employee costs of £293k, savings in the Liberata contract for provision of the revenues and benefits service of £119k and an underspend in the use of consultants for infrastructure and special projects of £515k.

A final Alternative Financial Model (AFM) payment from HCC linked to residual waste and recycling services has resulted in a net increase in income from recycling credits and sales of £78k.

Significant overspends include the non-payment of the Broxbourne Sport and Leisure budgeted management fee of £200k due to the services not having made a profit to cover the payment. A net decrease in parking income of £142k (pay and display £118k and PCNs £24k) and increased rental cost of the Lido car park (£12k) are partly offset by £126k income received for hiring the Council's car parks for film crew vehicles and buses for rail replacement services. Further overspends are as a result of a net reduction in hostel income of £225k.

Significant variances from budget

Change	Chief Executive £000	Environmental Services £000	Finance £000	Legal £000	Place £000	Q4 Total £000
Over/(under)spend in employee costs	42	(105)	(291)		61	(293)
Government grant received to fund housing posts for specific projects			(221)			(221)
Net increase in recycling credits and sales income. Higher income from plastic (£16k), glass (£105k) and textiles (£29k) and final Alternative Financial Model (AFM) payment from HCC related to residual waste and recycling services (£159k) offset by reduced income from paper and cardboard of £232k		(78)				(78)
Savings from the Liberata contract in respect of the revenues and benefits service			(119)			(119)
Net reduction in rental income received from hostel accommodation and service charges			225			225
(Decreased)/increased utility costs for Council owned properties		(32)	(148)		18	(162)

Change	Chief Executive £000	Environmental Services £000	Finance £000	Legal £000	Place £000	Q4 Total £000
Decrease in cemetery income		29				29
Income received from Council's car parks in respect of hires for use by film crew vehicles and buses for rail replacement services (£126k) offset by a reduction in car park pay and display income (£118k), PCN income (£24k) and the increase in the cost of rent at the Lido car park (£12k) and leasing charges for parking control vehicles (£13k)					41	41
External consultancy fees and feasibility works allocated to the Pavilions Shopping Centre is not planned to be utilised in this financial year (£515k) and a reduction in property valuation fees (£53k).	(94)	29		(22)	(515)	(602)
An increase in insurance liabilities due to increased premiums and uninsured losses (£23k), repairs and maintenance (£48k), equipment purchases (£7k), software licences (£3k) and business rates (£10k)		91				91
Increase in green waste collection income		(16)				(16)

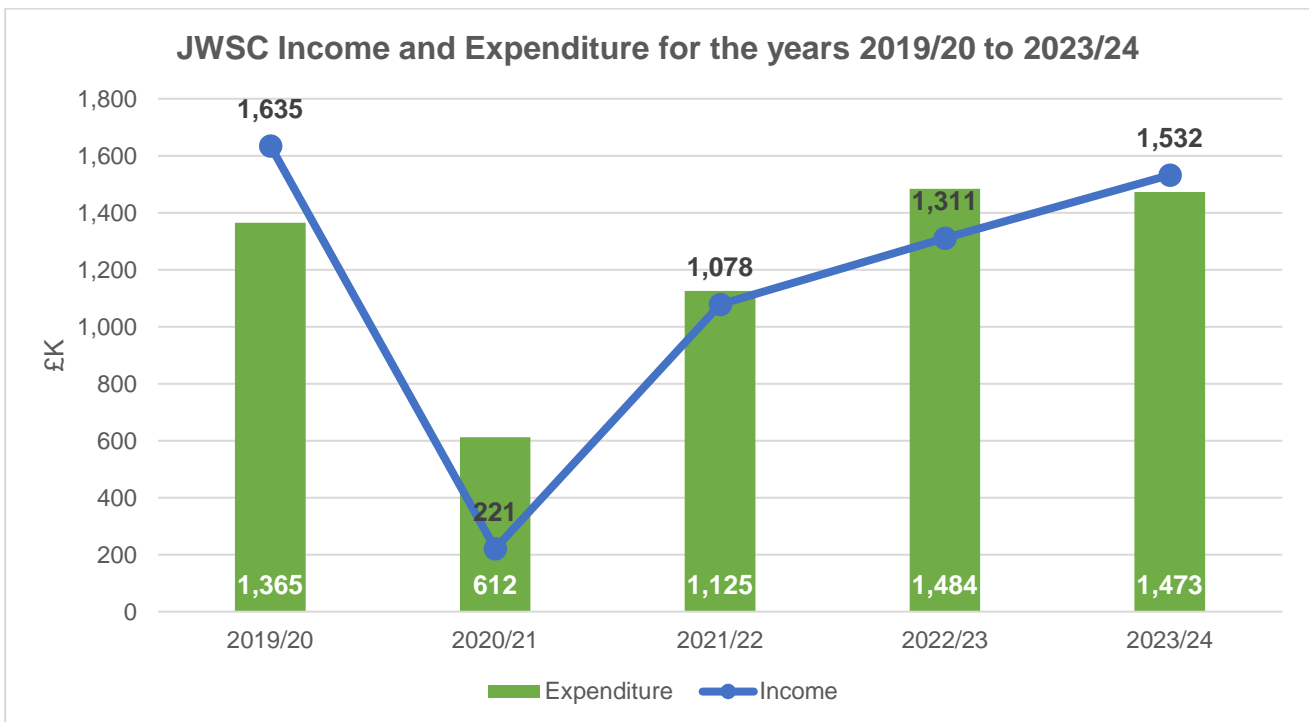
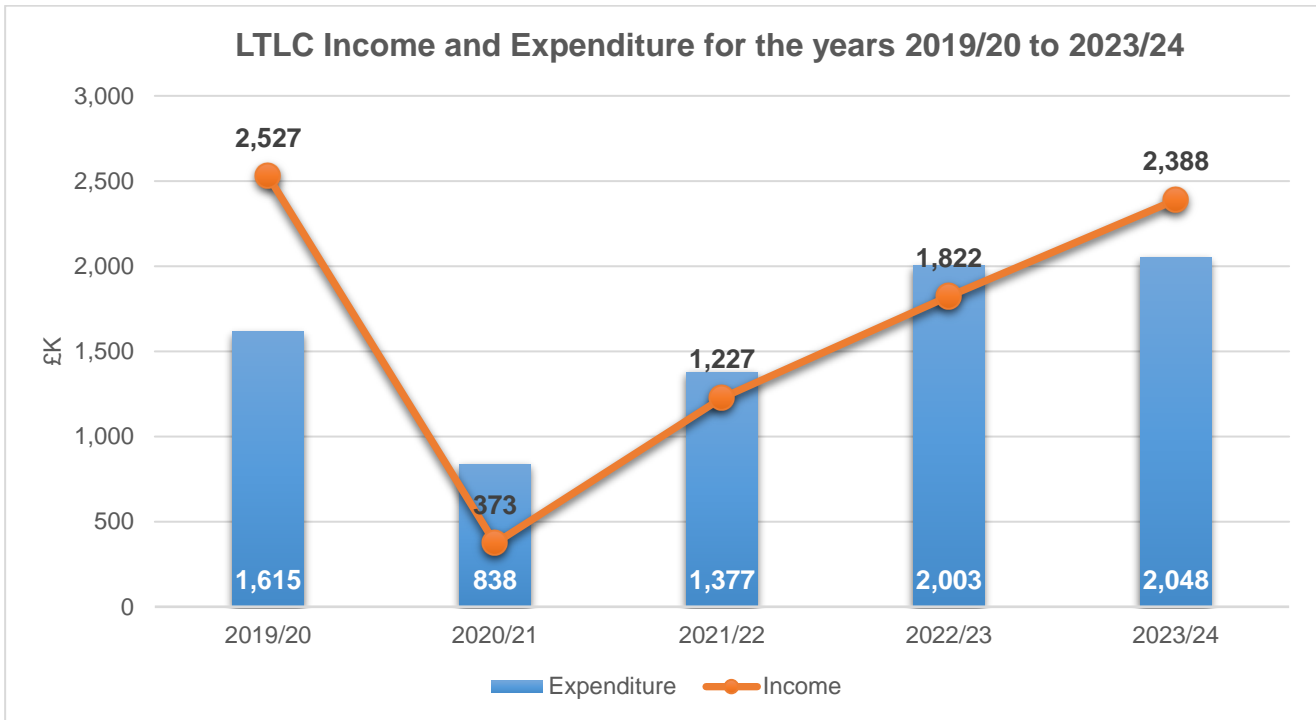
Change	Chief Executive £000	Environmental Services £000	Finance £000	Legal £000	Place £000	Q4 Total £000
Income received from vehicle crossovers is less than expected following a reduction in demand (£59k). Increase in the cost to supply and install public right of way signs (£5k).					64	64
Increase in tipping and waste transportation fees, offset by recharges to BEST		107				107
Reduction in income from hired outdoor sports facilities (£49k) and an increase in marketing and safety campaign costs. Offset by more income from Council run play schemes (£26k) and Active Herts initiatives (£9k). Reduction in contribution from John Warner school (£25k)		49	25		48	122
Management fee income from sports sites not paid in 2023/24			200			200
Underspend in debt recovery legal, court costs and enforcement fees			(163)			(163)
Reduction in street cleansing income and litter fixed penalty income		34				34
Unspent revenue contingency budget			(143)			(143)

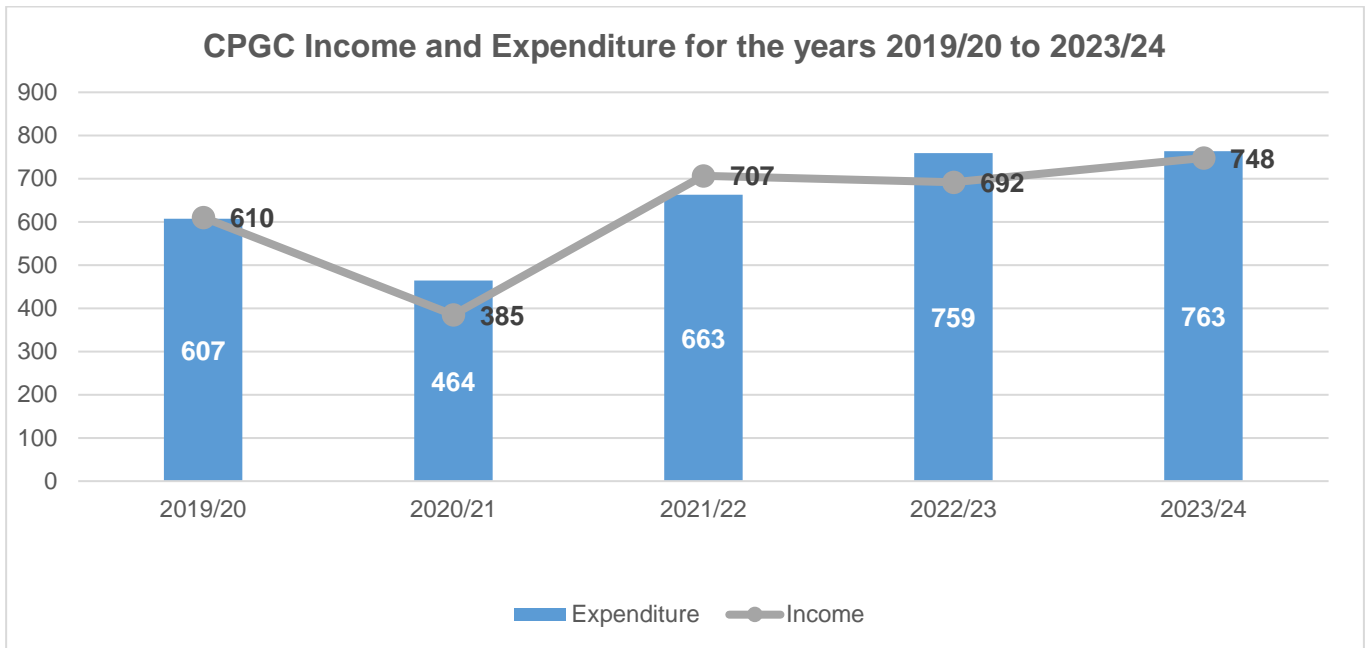
Change	Chief Executive £000	Environmental Services £000	Finance £000	Legal £000	Place £000	Q4 Total £000
Other (under)/overspends	(53)	65	(63)	(12)	(64)	(127)
Technical and year-end adjustments						
Impact of internal recharge movements	(43)	88	(224)	20	337	177
Movement in bad debt provision			83			83
Total movement	(148)	260	(618)	(14)	(10)	(530)

Appendix B – Broxbourne Sport Monitor

The following table shows the outturn position as at 31 March for the Laura Trott Leisure Centre (LTLC), the John Warner Sports Centre (JWSC) and Cheshunt Park Golf Centre (CPGC).

Trading operations (£000)	LTLC	JWSC	CPGC	Total	Budget 2023/24	Variance
Food and Beverage Income	0	0	(271)	(271)	(319)	48
Income	(2,388)	(1,532)	(477)	(4,397)	(3,884)	(513)
Total trading income	(2,388)	(1,532)	(748)	(4,668)	(4,203)	(465)
Employee costs	1,265	867	306	2,438	2,418	20
Premises costs	477	406	243	1,126	1,522	(396)
Travel costs	0	0	1	1	2	(1)
Supplies and services	306	200	213	719	763	(44)
Total trading costs	2,048	1,473	763	4,284	4,705	(421)
Trading (surplus)/deficit before management fee	(340)	(59)	15	(384)	503	(887)
Management fee	0	0	0	0	200	(200)
Trading (surplus)/subsidy	(340)	(59)	15	(384)	703	(1,087)
Council	LTLC	JWSC	CPGC	Total	Budget 2023/24	Variance
Employee costs	3	0	0	3	5	(2)
Supplies and services	24	0	0	24	1	23
Business rates	0	42	30	72	83	(11)
Planned and preventative maintenance	76	51	53	180	112	68
Management fee	0	0	0	0	(200)	200
Miscellaneous Income	0	(13)	0	(13)	0	(13)
Council subsidy	103	80	83	266	1	265
Combined (surplus)/subsidy before recharges and depreciation	(237)	21	98	(118)	704	(822)
Trading support service charges	226	184	100	510	510	0
Trading internal costs	2	1	0	3	3	0
Council support service charges	4	4	0	8	8	0
Council internal costs	112	62	27	201	201	0
Depreciation	748	46	60	854	910	(56)
Combined trading and client subsidy	855	318	285	1,458	2,336	(878)
Total trading position (surplus)/subsidy	(112)	126	115	129	1,216	(1,087)





The three graphs above set out the year end position for 2023/24.

Income for all three sites is £465k above budget. This is a combination of the change in the way VAT is accounted for and increased membership sales.

Trading costs for all three sites are £421k below budget. The main underspend is due to lower than budgeted utility costs and vacant posts at JWSC.

Laura Trott Leisure Centre (LTLC) and John Warner Sports Centre (JWSC)

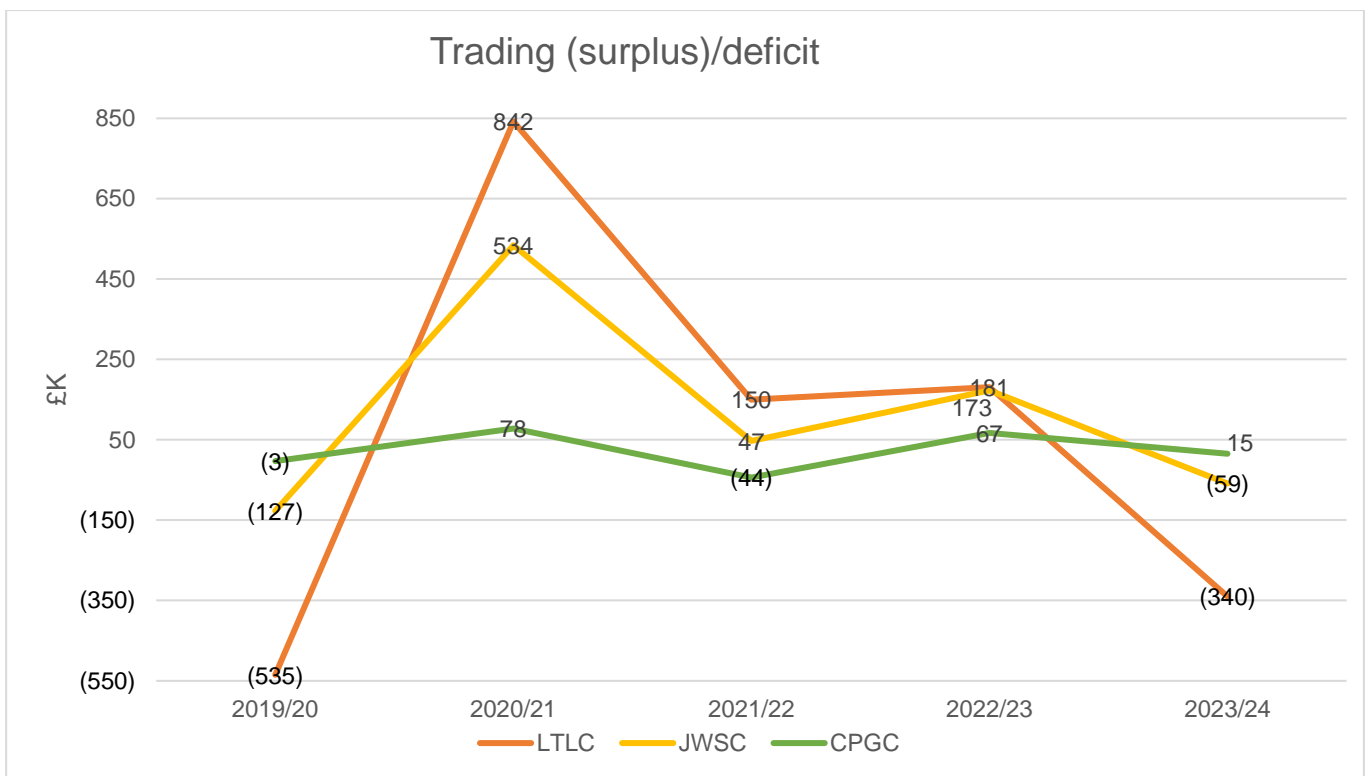
LTLC has finished the year with an operating surplus of £340k and JWSC has an operating surplus of £59K. Both sites have an improved year-end position compared to budget, mainly due to membership numbers being back to pre-Covid levels and changes in the VAT legislation.

Cheshunt Park Golf Course (CPGC)

CPGC has finished the year with an operating deficit of £15k.

The table below shows the combined outturn for 2023/24 compared to previous years' outturns.

Trading operations (£000)	Total Actual 2021/22	Total Actual 2022/23	Total Actual 2023/24
Income	(3,012)	(3,825)	(4,668)
Employee costs	2,194	2,132	2,438
Premises costs	713	1,320	1,126
Travel costs	3	1	1
Supplies and services	720	793	719
Total trading costs	3,164	4,246	4,284
Trading (surplus)/deficit before management fee	152	421	(384)
Management fee	0	0	0
Trading subsidy/(surplus)	152	421	(384)
Council	Total Actual 2021/22	Total Actual 2022/23	Total Actual 2023/24
Employee costs	4	4	3
Supplies and services	1	40	24
Business rates	80	80	72
Planned and preventative maintenance	87	137	180
Management fee	0	0	0
Miscellaneous Income	(38)	(38)	(13)
Council subsidy	133	223	266
Combined subsidy/(surplus) before recharges and depreciation	286	644	(118)
Trading support service charges	580	539	510
Trading internal costs	0	0	3
Council support service charges	13	7	8
Council internal costs	201	201	201
Depreciation	941	952	854
Combined trading and client subsidy	2,020	2,343	1,458
Total trading position subsidy	732	960	129

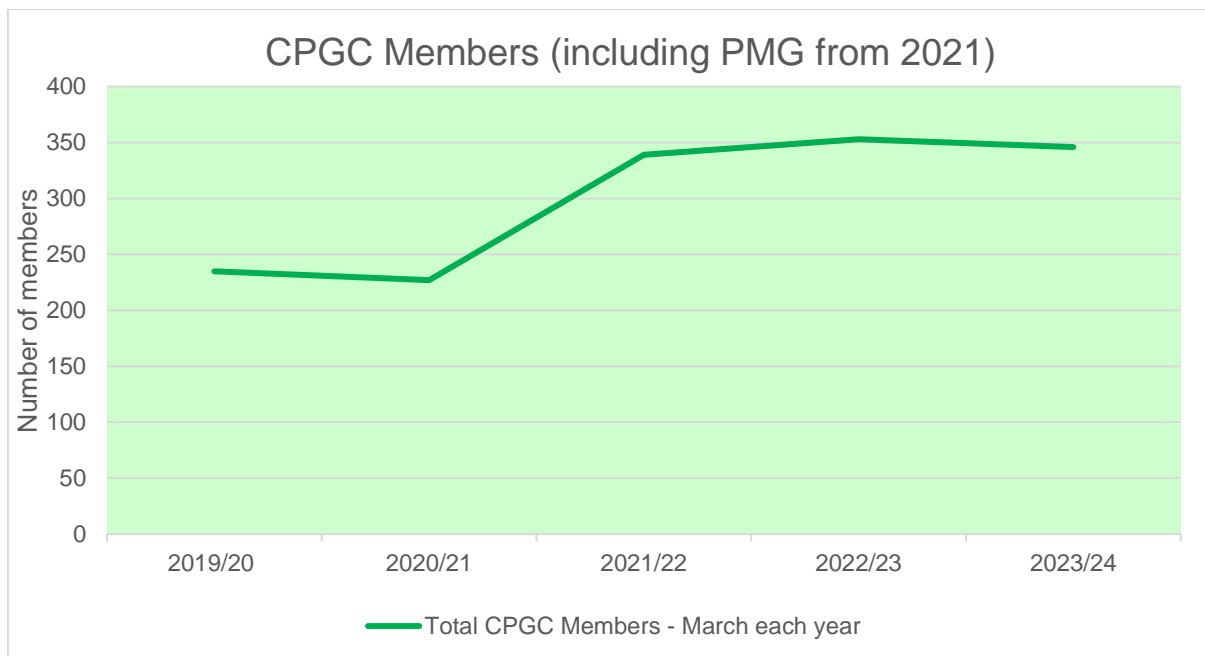
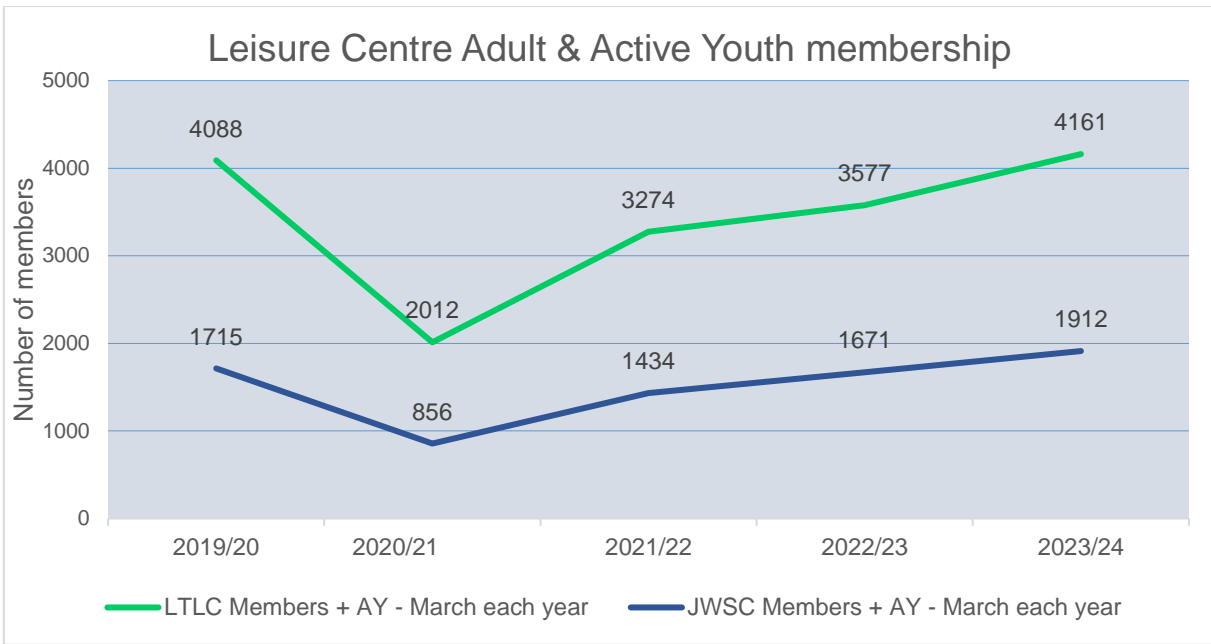


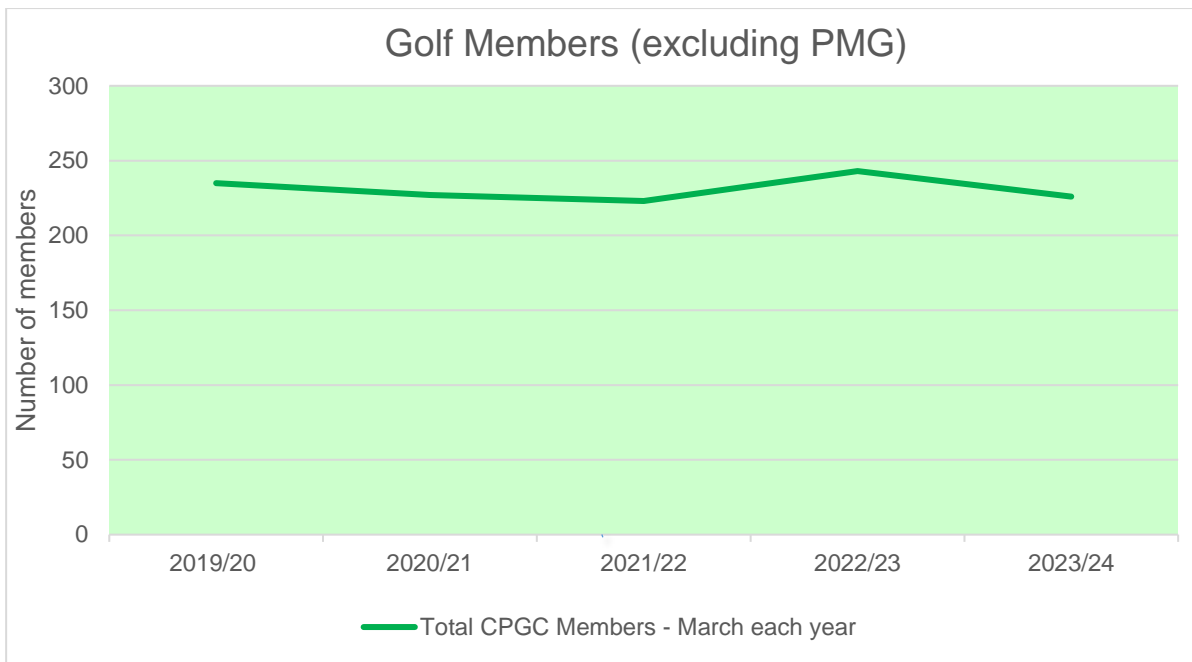
The above graph shows the trading (surplus)/deficit.

At the end of 2019/20 all three sites made a trading surplus after paying the Council a management fee. At the end of 2020/21 all three sites were significantly affected by the Covid-19 pandemic with multiple forced closures throughout the year. The overall trading deficit totalled £1.45m. There has been a steady improvement over the last two years with the year-end position showing a surplus at LTLC and JWSC.

Memberships

	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024	Total Increase from March 2023	% Increase
Laura Trott Leisure Centre	3,839	4,088	2,019	3,274	3,577	4,161	584	16%
John Warner Sports Centre	1,518	1,715	860	1,434	1,671	1,912	241	14%
Cheshunt Park Golf Centre	257	235	219	223	243	226	(17)	(7%)
CPGC Play More Golf members				116	110	120		





The three graphs above show the membership numbers for Sport as at 31 March 2024. Laura Trott Leisure Centre and John Warner Sports Centre have both recovered membership number and are above pre-Covid numbers for the first time. This has resulted in a positive variance in income compared to budget.

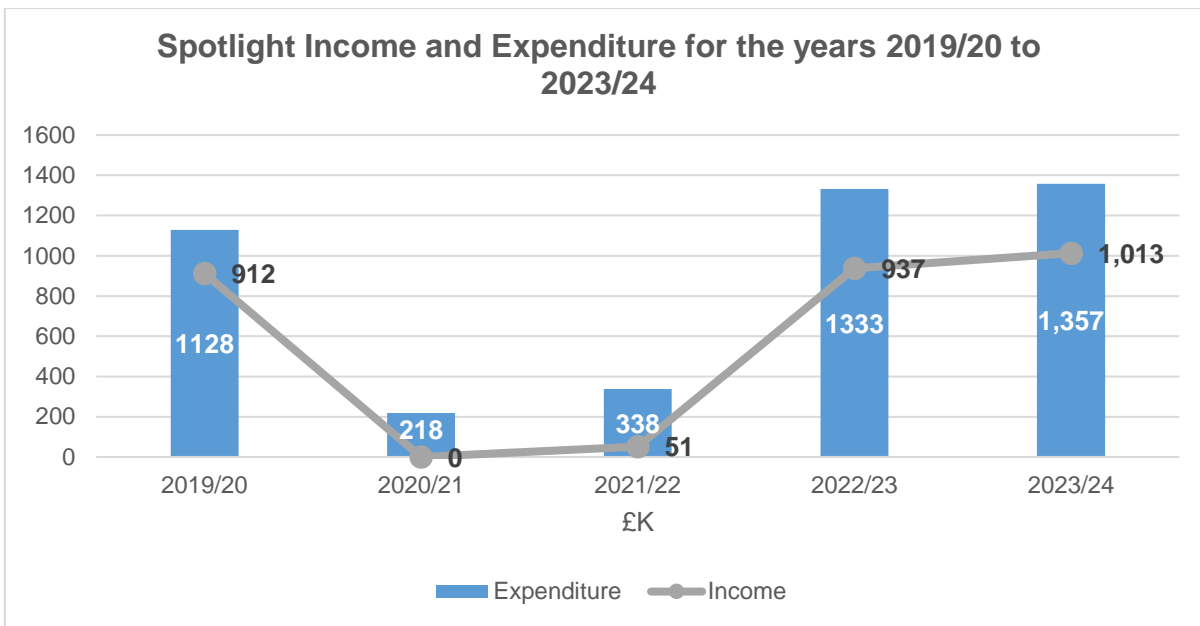
Appendix C – The Spotlight Monitor

The following table shows the outturn as at 31 March for The Spotlight.

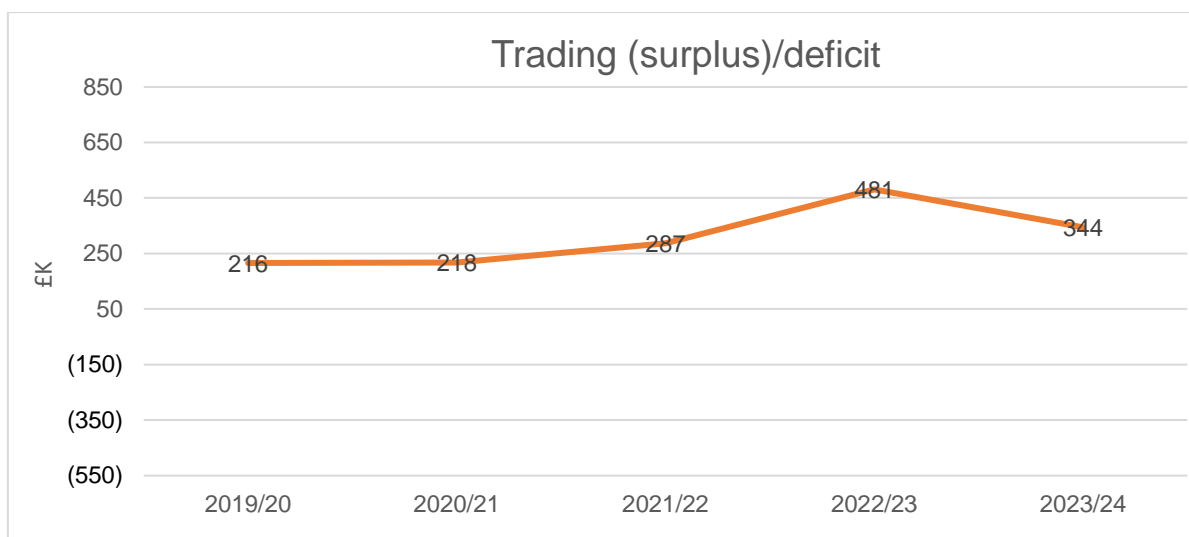
Trading operations (£000)	Spotlight 2023/24	Budget 2023/24	Variance
Income	(1,013)	(1,055)	42
Employee costs	548	481	67
Premises costs	145	176	(31)
Supplies and services	664	630	34
Total trading costs	1,357	1,287	70
Trading deficit	344	232	112
Trading subsidy	344	232	112
Council	Spotlight 2023/24	Budget 2023/24	Variance
Business rates	18	23	(5)
Planned and preventative maintenance	52	29	23
Council subsidy	70	52	18
Combined subsidy before recharges and depreciation	414	284	18
Trading central recharges	138	159	(21)
Trading internal costs	0	1	(1)
Council support service charges	2	1	1
Council internal costs	27	27	0
Depreciation	394	394	0
Combined trading and client subsidy	975	866	109
Total trading position subsidy	482	392	90

The table below shows the outturn for 2023/24 compared to previous years actual outturns.

Trading operations (£000)	Total Actual 2021/22	Total Actual 2022/23	Total Actual 2023/24
Income	(51)	(937)	(1,013)
Employee costs	139	498	548
Premises costs	51	153	145
Travel costs	148	0	0
Supplies and services	338	681	664
Total trading costs	287	1,332	1,357
Trading (surplus)/deficit before management fee	287	395	344
Trading (surplus)/subsidy	287	395	344
Council	Total Actual 2021/22	Total Actual 2022/23	Total Actual 2023/24
Business rates	23	23	18
Planned and preventative maintenance	10	67	52
Income from hire	(100)	0	0
Council (surplus)/subsidy	(11)	90	70
Combined (surplus)/subsidy before recharges & depreciation	276	485	414
Trading central recharges	161	151	138
Trading internal costs	0	0	0
Council support service charges	3	1	2
Council internal costs	27	27	27
Depreciation	384	393	394
Combined trading and client subsidy	851	1,057	975
Total trading position (surplus)/subsidy	448	546	482



The above graph shows the closing position for the Spotlight as at the end of March 2024. Income shows an improvement on the previous year and it is the first time that Spotlight income has exceeded £1m. Expenditure is slightly over budget, the underspend in premise costs offset the overspend in supplies and services. The overspend in salaries is a result of additional casual staff costs.



The graph above shows the trading deficit reducing from the previous year.