

DECISION-MAKER:	CABINET COUNCIL
SUBJECT:	REVENUE AND CAPITAL OUTTURN 2019/20
DATE OF DECISION:	CABINET (14 JULY 2020) COUNCIL (15 JULY 2020)
REPORT OF:	CABINET MEMBER FOR FINANCE AND INCOME GENERATION, CLLR BARNES-ANDREWS

CONTACT DETAILS

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STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

This report is a combined outturn report for revenue and capital.

The purpose of this report is to summarise the overall General Fund, Housing Revenue Account (HRA) revenue and capital programme outturn position for 2019/20. This report also sets out the revised capital programme estimates for 2020/21 which take account of slippage and re-phasing.

The financial statements are still under external audit scrutiny, which means this report is provisional, although no material changes are anticipated.

RECOMMENDATIONS:

<u>General Revenue Fund</u>	
	It is recommended that Cabinet:
i)	Notes the General Fund outturn for 2019/20 is a balanced position as outlined in paragraph 4 and in paragraph 1 of appendix 1.
ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 2 to 4 of appendix 1 and annex 1.1.
iii)	Recommends Council to approve the budget carry-forward requests totalling £2.36M as outlined in paragraph 5 of appendix 1 and detailed in annex 1.2.
iv)	Recommends Council to note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 7 to 9 of appendix 1 and annex 1.3.
v)	Notes that the level of General Fund balances at 31 March 2020 was £10.07M and the level of earmarked reserves was £87.76M as detailed in paragraph 15 and 16 of appendix 1 and annex 1.4.
vi)	Notes the accounts for the Collection Fund in 2019/20 detailed in

	paragraphs 20 to 21 of appendix 1 and annex 1.6.
	<u>Housing Revenue Account</u> It is recommended that Cabinet:
vii)	Notes the HRA outturn for 2019/20 as outlined in paragraph 6 and paragraphs 18 and 19 of appendix 1 and annex 1.5.
	<u>Capital Programme</u> It is recommended that Cabinet:
viii)	Notes the actual capital spending in 2019/20 for the General Fund was £56.03M and for the HRA was £41.05M, as outlined in paragraphs 9 and 10 below and detailed in paragraphs 2 to 4 of Appendix 2.
ix)	Notes the proposed capital financing in 2019/20 as shown in table 3 of Appendix 2.
x)	Notes that £0.09M has been added to the programme with approval to spend, with relevant approvals. These additions are detailed in paragraph 11 of Appendix 2 and Annex 2.2.
xi)	Notes that £0.54M has been added to the programme which requires approval by full Council. These additions are detailed in paragraph 12 of Appendix 2 and Annex 2.3.
xii)	Notes the difference to the amended programme, allowing for slippage, re-phasing and amendments as outlined in the report and set out in table 4 of appendix 2.
	<u>General Revenue Fund</u> It is recommended that Council:
i)	Notes the General Fund outturn for 2019/20 is a balanced position as outlined in paragraph 4 and in paragraph 1 of appendix 1.
ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 2 to 4 of appendix 1 and annex 1.1.
iii)	Agrees the budget carry-forward requests totalling £2.36M as outlined in paragraph 5 of appendix 1 and detailed in annex 1.2.
iv)	Notes the performance of the Property Investment Fund (PIF) as detailed in paragraphs 7 to 9 of appendix 1 and annex 1.3.
	<u>Housing Revenue Account</u> It is recommended that Council:
v)	Notes the HRA outturn for 2019/20 as outlined in paragraph 6 and paragraphs 18 and 19 of appendix 1 and annex 1.5.
	<u>Capital Programme</u> It is recommended that Council:
vi)	Notes the actual capital spending in 2019/20 for the General Fund was £56.03M and for the HRA was £41.05M, as outlined in paragraphs 9 and 10 below and detailed in paragraphs 2 to 4 of Appendix 2.
vii)	Approves the proposed capital financing in 2019/20 as shown in table 3 of Appendix 2.

	viii)	Approves the addition of £0.54M to the Children & Learning programme in 2020/21 as detailed in annex 2.3
	ix)	Notes the difference to the amended programme, allowing for slippage, re-phasing and amendments as outlined in the report and set out in table 4 of appendix 2.

REASONS FOR REPORT RECOMMENDATIONS

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| 1. | To ensure that Cabinet and Council fulfils its responsibilities for the overall financial management of the Council's resources. |
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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| 2. | None, as the outturn position for 2019/20 has been prepared in accordance with statutory accounting requirements. |
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DETAIL (including consultation carried out)

Revenue

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| 3. | The outturn positions for the General Fund Revenue Account, Housing Revenue Account (HRA) and Collection Fund for the Council are summarised in Appendix 1. |
| 4. | The surplus on the General Fund increased by £5.17M from the balanced position forecast at quarter 3. The surplus was transferred to reserves to give an overall balanced position for the year on the General Fund. |
| 5. | The level of General Fund balance at 31 March 2020 remained at £10.07M, which is in line with the Medium Term Financial Strategy as agreed at 26 February 2020 Council meeting. Earmarked reserves totalled £87.76M at the end of 2019/20, of which £1.56M relates to schools' balances. Included within reserves is a carry forward of £6.87M of COVID-19 Emergency Funding received at the end of March 2020 and a negative reserve of £7.42M relating to the carry forward of the Dedicated Schools Grant (DSG) overspend. Reserves (excluding schools' balances) are £18.86M higher than the estimated position at quarter 3. More detail is provided in paragraph 15 to 17 of Appendix 1. |
| 6. | The outturn position for the HRA was a balanced position. This is in line with the budget approved by Council in February 2019. |
| 7. | At the year end the Collection Fund had a deficit of £1.95M, the Council's share of which is £1.16M. |

Capital

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| 8. | The General Fund and HRA capital expenditure and its financing for 2019/20 and the revised Capital Programme are summarised in Appendix 2. |
| 9. | The total General Fund capital expenditure in 2019/20 was £56.03M compared to the agreed programme of £88.10M. This variance of £32.07M at year-end, compares with £0.90M as reported at quarter 3, a difference of £31.17M. The key factor arises from the non-application of any funds for the Property Investment Fund, where £20M was allowed for in the final quarter. |
| 10. | The total HRA capital expenditure in 2019/20 was £41.05M compared to the agreed programme of £47.35M. This variance of £6.30M less than the agreed programme at year-end compares with £0.42M overspend reported at quarter 3, a difference of £6.72M. Key factors have been slippage with Estate Regeneration Woodside/Wimpson (£1.17M), the re-phasing of the Oaklands site (£1.27M), slippage |

	with the Right to Buy Satisfactory Purchase Scheme (£1.33M) and the Townhill Park regeneration (£1.49M).
	<u>Financial Statements 2019/20</u>
11.	The statutory timetable for the 2019/20 annual accounts has been amended in response to the coronavirus outbreak. The draft financial statements will be presented to Governance Committee on 27 July 2020.
12.	The annual audit, carried out by our auditors Ernst & Young LLP, commenced on 29 June 2020. The audit is expected to be completed in September 2020. Any major changes to the Financial Statements arising from the annual audit will be reported to the 28 September 2020 Governance Committee.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	The revenue and capital implications are contained in the report.
<u>Property/Other</u>	
14.	There are no specific property implications arising from this report other than the schemes already referred to within Appendix 2 of the report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
15.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
<u>Other Legal Implications:</u>	
16.	None.
RISK MANAGEMENT IMPLICATIONS	
17.	None.
POLICY FRAMEWORK IMPLICATIONS	
18.	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Revenue Outturn 2019/20
2.	Capital Outturn 2019/20 and revised Capital Programme

Documents In Members' Rooms

1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	General Fund Revenue Budget Report 2019/20 to 2022/23 (Approved by Council February 2019)	