

Eden District Council

Executive

21 July 2020

Provisional Outturn 2019/20

Portfolio:	Resources
Report from:	Interim Director of Corporate Services
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 This report summarises the Council's Revenue and Capital performance for the financial year 2019/20. The figures are still subject to finalisation and external audit.

2 Recommendation

It is recommended that the Executive:

- 2.1 Note the Revenue Outturn position for 2019/20 as set out in Appendix 1.
- 2.2 Note the capital out-turn position for 2019/20 as set out in Appendix 2.
- 2.3 Agree the balances on capital schemes which have slipped in 2019/20 to be carried forward into the 2020/21 capital programme as set out in Appendix 2.
- 2.4 Allocate the current revenue underspend to create an earmarked revenue reserve to support Covid19 of £200k the remaining £156k to be transferred to the transformation programme reserve.
- 2.5 Delegate responsibility to the Interim Director of Corporate Services in consultation with the Resources Portfolio Holder to consider and implement further changes relating to all aspects of the closedown of the accounts for 2019/20 including: realigning reserves; the transfer of costs from revenue to capital; amendments of the revenue and capital budgets; and implementation of a minimum revenue provision accordingly.

3 Report Details

- 3.1 The Executive has the responsibility for managing the Council's resources. A key element of this is budgetary monitoring, and the final outturn for the year is the measure of the accuracy of budgeting and budgetary control throughout the year.
- 3.2 The outturn is a fundamental part of the closure of the Council's Accounts. The Covid19 pandemic has had a significant impact upon all Local Authorities and their ability to complete the Statement of Accounts within the statutory timescales. This has been recognised and legislation put in place to amend these deadlines.

- 3.3 This has been undertaken through the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The impact of the change in legislation is to delay the two main closedown deadlines by three months. The table below sets out both the original and revised deadlines:

Approval	Approver	Deadline	
		Original	Revised
Draft Accounts	Section 151 Officer	31st May	31st August
Audited Accounts	Accounts and Governance Committee	31st July	30th November

- 3.4 Outturn 2019-20 is reported for Revenue and Capital and set out in detail in the paragraphs below. Work is ongoing to close the accounts and finalise the position, and there are likely to be changes to the figures before the final position is confirmed and signed off by the Interim Director of Corporate Services prior to the commencement of the audit in August.

4 Revenue Outturn 2019/20

- 4.1 The Council's outturn position for the General Fund is set out in Appendix 1.
- 4.2 During the course of 2019-20, a number of changes have been made to the original 2019-20 revenue and capital budgets. The adjusted full-year budget represents the original budget, as approved by the Council, the addition of supplementary revenue estimates approved during the year, agreed virements to existing budgets and the utilisation of appropriate reserves.
- 4.3 The draft outturn position at Service level is £2.4m below budget, this is reduced by budget adjustments and use of reserves of £2.2m which brings the draft revenue outturn position at a Total Cost of Services level to a surplus of £221k. Minor movements in funding bring the overall draft revenue outturn to a surplus of £356k.
- 4.4 This draft revenue outturn position will potentially be affected by a year-end review of reserves, a finalisation of provisions and de-minimis capital movements.
- 4.5 Making accurate comparisons for service variances is difficult due to a change in the way the outturn is reported and a fundamental change in how reserves are accounted for. Previously reserves have been included within the service rather being adjusted for below the Net Cost of Services line. This has the impact of showing an underspend in the Net Cost of Services, which is offset in budget adjustments and use of reserves.

4.6 The analysis of major variances is set out below:

	£
Professional Fees	394
Project Funding	436
Rent Allowances	(195)
Govt Grant – Housing Benefit Subsidy	874
S106 Agreements	261
Property Costs	153
Depreciation	539
Other Minor Variances	(8)
Net Cost of Services	2,454
Budget Adjustments/Use of Reserves	(2,233)
Total Cost of Services	221
S31 Grants for NNDR	135
Surplus/Deficit	356

- 4.7 The “real” variances relate to property costs and professional fees across a wide range of services. This is a reflection that the budgets need to be reviewed, which will be undertaken as an exercise when Quarter 2 Budget Monitoring is completed.

5 Capital Outturn 2019/20

- 5.1 The detailed Capital Outturn and slippage requests by Capital Scheme are shown in Appendix 2.
- 5.2 The draft capital outturn position shows a significant variance against budget. Whilst there were known major variances i.e. the Land and Property Acquisition (£2.3m) the majority of schemes have suffered some slippage and better budget management is needed.
- 5.3 This will be addressed through the setting up of an officer capital working group, which will monitor schemes through the year. The reporting on budget monitoring through Budget Planning Committee and Executive will also improve the scrutiny and monitoring of outturn.

6 Policy Framework

- 6.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative

- 6.2 The annual budget and outturn forms an essential part of the Council's budgetary and policy framework.

7 Consultation

- 7.1 The Executive have been consulted on the report and the Budget Scrutiny Group convened to consider a presentation on its content. The report forms the first part of the formal budget setting process and the budget will be consulted upon publicly once approved.

8 Implications

8.1 Financial and Resources

- 8.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.
- 8.1.2 The nature of the report means that Financial and Resources implications are dealt with throughout the body of the report.

8.2 Legal

- 8.2.1 There are no direct Legal implications.

8.3 Human Resources

- 8.3.1 There are no direct Human Resources implications.

8.4 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no implications
Health, Social Environmental and Economic Impact	There are no implications
Crime and Disorder	There are no implications
Children and Safeguarding	There are no implications

8.5 Risk Management

Risk	Consequence	Controls Required
Completion of the Statement of Accounts not within statutory timescales. Specific risks are dealt with throughout the report	Reputational risk.	Accounts and Audit timetables in place reports to Accounts and Governance Committee

9 Other Options Considered

9.1 No other options have been considered.

10 Reasons for the Decision/Recommendation

10.1 To keep Members updated on the work of the External Auditor.

Background Papers: **None**

Appendices: **Appendix 1 – Projected Revenue Outturn 2019/20**
 Appendix 2 – Projected Capital Outturn 2019/20

**Contact Officer: Paul Sutton, Interim Director of Corporate Services,
01768 212207**

PROVISIONAL OUTTURN 2019/20

	Current Budget	Projected Outturn	Variance
	£000	£000	£000
Chief Executive			
Executive & Support	253	251	(2)
Policy, Performance & HR	336	328	(8)
Transformation & Customers	497	482	(15)
Total - Chief Executive	1,086	1,061	(25)
Director of Corporate Services			
Corporate Services	168	217	49
Finance	215	287	72
ICT	641	642	1
Legal & Governance	1,015	923	(92)
Revenues & Benefits	570	(109)	(679)
Total - Corporate Services	2,609	1,960	(649)
Director of People & Place			
Commissioning & Tech Services	3,939	3,570	(369)
Community Services	1,975	1,039	(936)
People & Place	117	104	(13)
Planning & Economic Development	558	96	(462)
Total - People & Place	6,589	4,809	(1,780)
Net Cost of Services	10,284	7,830	(2,454)
Budget Adjustments & Use of Reserves	(2,605)	(372)	2,233
Total Cost of Services/Net Budget Req.	7,679	7,458	(221)
FUNDING			
Settlement Funding Assessment	(2,409)	(2,510)	(101)
Cumbria Business Rates Pool	(394)	(426)	(32)
Rural Services Delivery Grant	(678)	(678)	0
Collection Fund Deficit/(Surplus)	228	228	0
	(3,253)	(3,386)	(133)
Transfer to Parish Councils - CTRS	15	13	(2)
New Homes Bonus	(611)	(611)	0
	(596)	(598)	(2)

	Current Budget	Projected Outturn	Variance
Council Tax Income			
Baseline	(3,932)	(3,932)	0
Collection Fund Deficit / (Surplus)	102	102	0
	(3,830)	(3,830)	0
Total Funding	(7,679)	(7,814)	(135)
SURPLUS / DEFICIT	0	(356)	(356)

Provisional Capital Outturn 2019/20

Scheme	Owner	Current Budget	Spend	Slippage	Projected Outturn	Projected Variance
		£000	£000	£000	£000	£000
EXPENDITURE						
IT Renewals	Ben Wright	101	95		95	6
Eden Business Park Ph1	Jane Langston	59	0	59	59	0
Castle Park Vision	Jane Langston	187	0	187	187	0
Old London Rd - Depot site development	Jane Langston	65	21	0	21	44
Parish Footway Lighting	Jane Langston	703	264	439	703	0
Mansion House staff facilities	Jane Langston	35	3	32	35	0
Leisure Centre Equipment & Maintenance	Jane Langston	137	39	98	137	0
Appleby Leisure Centre Refurbishment	Jane Langston	212	224	0	224	(12)
Land and Property Acquisition	Les Clark	2,300	0	2,300	2,300	0
Loans to Heart of Cumbria	Paul Sutton	535	510	25	535	0
Cash Receipting system	Paul Sutton	36	30	0	30	6
Delivering Digital Innovation	Paul Sutton	79	58	0	58	21
Discretionary Renovation Grants	Robert Docherty	160	15	100	115	45
Disabled Facility Grants	Robert Docherty	478	354	124	478	0
Housing Innovation fund	Robert Docherty	358		358	358	0
Newton Rd Extra Care Facility	Robert Docherty	288	0	288	288	0
Total		5,733	1,613	4,010	5,623	110
FUNDING		Current Budget	YTD Spend	Slippage	Projected Outturn	Projected Variance
		£000	£000	£000	£000	£000
Capital Receipts		1,022	303	630	933	89
Direct Revenue/Reserves		1,933	956	956	1,912	21
Capital Grants		478	354	124	478	0
Borrowing		2,300	0	2,300	2,300	0
		5,733	1,613	4,010	5,623	110