



**REPORT of
INTERIM SECTION 151 OFFICER**

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
24 SEPTEMBER 2019**

FINANCIAL OUTTURN 2018 / 19

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee the indicative outturn position for the year ended 31 March 2019.
- 1.2 To inform Members of movements in relation to the Council's General Fund / Earmarked Reserves and Capital Commitments as at 31 March 2019.

2. RECOMMENDATIONS

- (i) That the outturn position for the 2018 / 19 financial year be noted;
- (ii) That the movement in earmarked reserves in **APPENDIX 2** be reviewed and noted;
- (iii) That Revenue commitments in **APPENDIX 3** be approved to be brought forward to 2019/20;
- (iv) That the Capital commitment roll forwards into 2019/20 be approved.

3. SUMMARY OF KEY ISSUES

3.1 Performance against the net revenue budget

3.1.1 Outturn position

3.1.1.1 The Draft Statement of Accounts is currently being prepared. These are still subject to finalisation and audit by the external auditors, and therefore figures may be subject to change.

3.1.1.2 The revised 2018 / 19 estimates of the Net Cost of Services is £12,035,000. The table overleaf provides an overview of the outturn position for 2018 / 19, comparing the estimated actual controllable expenditure and income to the revised budget estimates:

General Fund Revenue Account	2018/19 Original Budget	2018/19 Revised Budget	2018/19 Actual Expenditure	Variance Actual to Revised Budget
	£000	£000	£000	£000
Expenditure by Directorate:				
Chief Executive	1,045	2,706	1,988	718
Resources Directorate	2,770	3,125	3,225	(100)
Customers and Community Directorate	3,525	3,963	3,088	875
Planning and Regulatory Directorate	2,175	2,241	2,065	176
Net Cost of Services by Directorate	9,515	12,035	10,367	1,669
Central Items:				
Investment, Trading & Rental Income	(228)	(270)	(458)	188
Statutory Adjustments	(1,335)	(2,348)	(1,840)	(508)
General Grants & Other Income	(455)	(505)	(871)	366
Business Rates Renewable Energy	(704)	(432)	(719)	-
Parish Precepts	1,436	1,436	1,436	0
Contribution To/(From) Earmarked Reserves	228	(1,511)	(932)	(579)
Net Revenue Expenditure	8,457	8,406	6,983	1,136
Financed by:				
Council Tax Receipts	(6,104)	(6,104)	(6,104)	-
Revenue Support Grant	-	-	-	-
Business Rate Income	(2,123)	(2,121)	(1,804)	(30)
Council Tax (Surplu)/Deficit	(159)	(159)	(159)	-
Business Rates (Surplus)/Deficit	(71)	(71)	(71)	-
Collection Fund Adjustments		-	(390)	390
Total Financing	(8,457)	(8,455)	(8,528)	360
Contribution To/(From) General Fund Balances	-	(50)	(1,545)	1,495

3.1.1.3 This shows an indicative underspend of £1,545,000

3.1.1.4 Taking the above into consideration, the indicative Net General Fund Position at 31 March 2019 is £4,728,000. The prior year's balance was £3,227,000 therefore the year end outturn was a £1,495,000 contribution to General Fund Reserves.

3.2 Salaries

3.2.1 **APPENDIX 1** provides details of the salary budgets and actual expenditure as at the end of the 2018 / 19 financial year. This shows an underspend of £192,061 against a revised budget of £7,126,100.

3.2.2 The underspend relates to a number of vacancies during 2018/19, the largest savings are in the Planning and Regulatory Directorate which have had vacancies within Housing Services and Development Control.

3.3 Major Sources of Income

3.3.1 The Council is dependent upon a number of large income sources in order to balance the budget. The table below details the main income budgets and income received for the 2018 / 19 financial year.

Budget Heading	2018 / 19 Budget £	2018 / 19 Actual £	2018 / 19 Variance £	2017 / 18 Actual £
Land Charges	121,900	109,744	12,156	115,100
Planning Development Fees	763,000	683,700	79,300	506,837
Pre-Application Advice	63,700	54,750	8,950	69,382
Building Control	135,300	130,531	4,769	149,696
Investment Income	278,800	291,867	(13,067)	237,138
Town Centre Car Parks	704,300	688,487	15,813	700,804
Prom Car Parks	380,000	387,751	(7,751)	371,034
Splash Park	127,000	127,738	(738)	94,955
TOTAL	2,574,000	2,474,568	99,432	2,244,946

3.3.2 Actual income has fallen below budgeted estimations by £99,432 (equivalent to 3.86%). This is largely due to a significant drop in Development Control income, major planning applications that had been budgeted for but have not yet commenced planning proceedings.

3.3.3 Under the Business Rate Retention scheme, the Council is able to retain 100% of business rates sourced from Renewable Energy; in 2018 / 19 this income totalled £719,513.

3.4 Movement in Earmarked Reserves

3.4.1 Indicative Earmarked Reserves balances as at 31 March 2019 are £2,559,000.

3.4.2 **APPENDIX 2** provides information in relation to the purposes of the various Earmarked Reserves and the movements in 2018 / 19.

3.4.3 During the 2018/19 financial year, the main use of Earmarked Reserves has been to fund the previous year's identified committed expenditure.

3.4.4 Revenue commitments as at 31 March 2019 total £326,046. This reserve recognises that there are timing differences between monies being earmarked to fund expenditure from the annual revenue budget and the expenditure being incurred. **APPENDIX 3** provides information on Commitments and seeks members approval for these to be carried forward into 2019/20.

3.5 Capital Commitments

- 3.5.1 The Council's approved capital programme was £1,722,000 in 2018 / 19. This includes the prior year programme roll forwards, and supplementary estimates. The largest projects in the year related to Car park machines at the Prom and Town Centre and the Future Model I.T project.
- 3.5.2 As at 31 March 2019, a number of capital projects were still on-going and the following budget amounts were requested to be carried over into 2019 / 20:

Capital Project	2018/19 Budget £	2018 / 19 Expenditure £	2018/19 Balance £	Amount requested to carry forward £
All weather Car Parking	98,200	79,049	19,151	19,100
New Accessible play site	48,000	5,000	43,000	43,000
Riverside Park Information boards	20,000	8,864	11,136	11,100
Rangers new vehicle	9,200	0	9,200	9,200
Tip Road Resurfacing	80,000	0	80,000	80,000
Heybridge Cemetery Chapel roof	24,000	0	24,000	24,000
Splash Park New Elements	10,000	0	10,000	10,000
CCTV Burnham-on-Crouch, BHF, WMCC	30,000	0	30,000	30,000
CCTV High Street and Car park system upgrade 16/17	30,000	0	30,000	30,000
CCTV Prom upgrade 16/18	9,000	0	9,000	9,000
Car Park Machines - Prom & Town Centre	115,000	3,766	111,234	111,200
Email replacement Upgrade	17,500	0	17,500	17,500
I.T Future model	732,000	288,412	443,588	443,600
Total	1,222,900	385,091	837,809	837,700

4. CONCLUSIONS

- 4.1 Income and expenditure levels came in under the revised budget. This was as a result of salary savings, goods and services underspends and improved income and contributions.

- 4.2 The net outturn position will support the Medium Term Financial Strategy (MTFS) positively however, the future shape and basis of the system of local government finance continues to be uncertain over the term of the MTFS.
- 4.3 A number of capital projects have been completed in year, however, some projects were unable to be completed by 31 March 2019 and budgets have therefore been committed at year end accordingly.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risks** – There is a Corporate risk on the delivery of a balanced budget. The actual outturn position is in line with the approved budget approved by the Council in January 2019, therefore no impact on the risk.
- (iv) **Impact on Resources (financial)** – The net outturn position is in line with the budget forecast therefore the financial impact is in line with the medium term financial strategy.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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