



REPORT of DIRECTOR OF RESOURCES

**to
COUNCIL
6 AUGUST 2020**

FINANCIAL OUTTURN 2019 / 20

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee the outturn position for the year ended 31 March 2020.
- 1.2 To inform Members of movements in relation to the Council's General Fund, Earmarked Reserves and Capital Commitments as at 31 March 2020.

2. RECOMMENDATIONS

- (i) That the outturn position for the 2019 / 20 financial year be noted;
- (ii) That the movement in earmarked reserves in **APPENDIX 2** be approved;
- (iii) That Revenue commitments in **APPENDIX 3** be approved to be brought forward to 2020 / 21;
- (iv) That the Capital commitment roll forwards into 2020 / 21 be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Outturn report provides financial results for Council for the year ending 31st March 2019. It shows performance against budget and is used for management purposes. The annual statement of accounts is prepared for statutory reporting purposes.
- 3.2 The draft statement of accounts has been published and the audit is due to conclude in August. As such the figures in the Outturn report are subject to change.

4. REVENUE OUTTURN

- 4.1 The Net Revenue Expenditure was £7.426m for 2019/20 against a Net Revenue Budget of £8.626m, leaving a Total Net Revenue Expenditure underspend of £1.2m. Total Funding of £9.642m exceeded Budgeted Funding of £8,837m by £0.805m, giving an overall surplus of £2.005m. **APPENDIX 1** provides an overview of this outturn position and the impact on Reserves.

- 4.2 The additional contribution of £0.7m to the General Fund during 2019 / 20 has increased it from £4.8m at the start of the year to £5.5m as at 31 March 2020. The current minimum level for the General Fund is £2.6m.
- 4.3 The following table below shows the area of underspends that make up the total £2.0m variance to budget.

Area	Description	Variance £000
Net Revenue Expenditure:		
Carry forwards	Underspends in the year which are committed for future years and transferred to reserves (APPENDIX 3)	602
Salaries	Various vacancies not included in the carry forwards.	241
Investment Income	Better than budgeted performance on investments and rental income.	184
Council Tax (CTAX) Sharing Agreement	CTAX collection better than budgeted for in the performance agreement with Essex County.	123
Planning Appeals	Lower than budgeted spend in relation to planning appeals.	88
Housing Benefit	Better performance than budgeted on overpayment recovery.	88
Digital Services	Underspend on Meritec digital services relating to Revenues and Benefits.	37
Community Safety	Underspend on goods and services, such as CCTV maintenance and events.	31
Other Variances	Net difference of smaller variances.	11
Parks Fees and Charges	Lower than budgeted income on prom car parks, splash park and other income, offset in part by reduced expenditure.	(38)
Planning Performance Application	Major application expected was not received.	(81)
Planning Development Income	12% under achievement of planning development income.	(86)
Total Net Revenue Expenditure Variance		1,200
Funding:		
General Grants	£205k business rates grants, £53k CTAX admin grant, £35k European Union (EU) exit, £31k rural service delivery, £36k various other grants.	360
Business Rate Income	£210k Levy savings from Essex NNDR pool, £70k higher renewable energy income, £177k previous year surplus.	457
Council Tax	Minor variance on CTAX surplus estimate.	(12)
Total Funding Variance		805
Total Underspend		2,005

5. EARMARKED RESERVES

- 5.1 Earmarked Reserves balances as at 31 March 2020 are £4.2m. This includes £602k of revenue commitments carried forward to spend in 2020 / 21.
- 5.2 **APPENDIX 2** provides a breakdown of the Earmarked Reserves that make up the £4.2m balance. During the 2019 / 20 financial year, the main use of Earmarked Reserves has been to fund the previous year's identified committed expenditure.
- 5.3 Revenue commitments as at 31 March 2019 total £602k. 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 2020 / 21.

6. CAPITAL COMMITMENTS

- 6.1 The Council's approved capital programme was £1.7m in 2019 / 20. This includes the prior year programme roll forwards, and supplementary estimates. During the year £1.1m was spent, leaving a Capital underspend of £0.6m.
- 6.2 As at 31 March 2020, a number of capital projects were still on-going and the following budget amounts, totalling £377k, are requested to be carried over into 2020 / 21:

Code / year	Capital Project	Budget 2019 / 20 £	2019 / 20 Expenditure £	2019 / 20 Balance £	Carry forward £
Future model	Network, Windows 10, Digital Platform	444,000	333,815	110,185	110,185
2019 / 20	New Accessible Playsite	48,000	0	48,000	48,000
2019 / 20	Splash Park New Elements	20,000	0	20,000	20,000
2019 / 20	Maldon Cemetery Foundation work	25,000	0	25,000	10,000
2019 / 20	PC and Printer Replacement Prog	35,000	0	35,000	35,000
2019 / 20	Parks Vehicles - Rolling replacement	107,000	101,127	5,873	2,000
2019 / 20	I.T Upgrades	130,000	64,245	65,755	65,000
2019 / 20	Email Upgrade	18,000	0	18,000	18,000
2018 / 19	CCTV Burnham-on-Crouch (B-O-C), Brickhouse Farm (BHF), West Maldon Community Centre (WMCC)	30,000	0	30,000	30,000

Code / year	Capital Project	Budget 2019 / 20 £	2019 / 20 Expenditure £	2019 / 20 Balance £	Carry forward £
Prior years capital projects	CCTV Upgrade Prom Park	9,000	0	9,000	9,000
Prior years capital projects	CCTV High St and Car Park	30,000	0	30,000	30,000
Total		896,000	499,187	396,813	377,185

7. CONCLUSIONS

- 7.1 Actual net expenditure for 2019 / 20 was below budget. This position will support the Medium-Term Financial Strategy (MTFS) positively.
- 7.2 A number of capital projects have been completed in year, however, some projects were unable to be completed by 31 March 2020 and budgets have therefore been committed at year end accordingly.

8. IMPACT ON CORPORATE GOALS

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

9. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risks** – None directly.
- (iv) **Impact on Resources (financial)** – These are outlined in the report.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None directly.

Background Papers: None.

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