

REPORT TO EXECUTIVE



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PORTFOLIO	Resources & Performance Management
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Final Revenue Outturn Position 2019/20

PURPOSE

1. To report the provisional position on the Council's revenue accounts for 2019/20.

RECOMMENDATION

2. That the Executive Members are requested to recommend that Full Council approve:
 - a) The provisional final position on the Council's revenue account for 2019/20 shows a net deficit of £93k which has been funded from the Transformation Reserve. Of the £93k net deficit, £66k was due to Covid-19 related budget pressures incurred in March 2020 which reduces the true in year net deficit to £27k. The projected overspend from the outturn position estimated during quarter 3 budget monitoring was £140k.
 - b) The transfers to/from Earmarked Reserves totalling a net £0.888m increase to reserves (see Appendix 2).
 - c) The approval of additional revenue budget carry forward requests from Heads of Service totalling £0.047m (see Appendix 3).

REASONS FOR RECOMMENDATION

3. To conclude the revenue budget monitoring process for 2019/20 and report the final outturn position as outlined in the Council's Statement of Accounts for 2019/20.

SUMMARY OF KEY POINTS

Revenue Outturn position

4. Members will recall that there were three quarterly budget monitoring reports to the Executive during 2019/20. These reports disclosed that there were anticipated variations in spending and income compared with the revised budget. The third and most recent in-year monitoring report to Full Council, in February 2020, estimated a year end overspend of £140k on the revenue account.
5. Members will also be aware that the Government took the decision to close all schools, ban 'non-essential travel' and close 'non-essential' businesses towards the end of March 2020 to encourage social distancing and control the spread of Coronavirus. This has impacted on the 2019/20 provisional outturn, however the impact has not been significant and has mainly been focused around fees and charges income, for example, car parking income.
6. The final outturn on the Council's revenue account for 2019/20 has maintained the overspend position as estimated in the quarter 3 budget monitoring report. However, the overspend position has reduced from £140k as estimated at quarter 3 to an outturn overspend of £93k (see Appendix 1). Of the £93k overspend, £66k was due to additional expenditure and loss of income incurred in March due to the Coronavirus pandemic, for example, loss of car park income, purchase of IT equipment to facilitate homeworking and loss of council tax and business rates income. This reduces the true in year overspend to £27k.

Table 1 below shows actual spend compared to budget and the associated variance for each service department. Also shown is the variance to the forecast reported at quarter 3:

Table 1:

		REVISED BUDGET £000	ACTUAL £000	VARIANCE (Actual to Revised Budget) £000	FORECAST Q3 £000	VARIANCE (Actual to Forecast Q3) £000
a	Economy and Growth	995	1,035	39	1,012	23
b	Policy and Engagement	423	445	22	476	(31)
c	Management Team	339	335	(4)	340	(5)
d	Sport and Culture Leisure Client	637	650	13	609	41
e	Green Spaces and Amenities	897	953	56	893	61
f	Streetscene	3,188	3,086	(102)	3,048	38
g	Housing and Development Control	456	477	20	455	22
h	Strategic Partnership	3,882	3,747	(135)	3,882	(135)
i	Finance and Property	434	517	83	479	38
j	Revenues and Benefits Client	(1,330)	(1,421)	(91)	(1,332)	(89)
k	Legal and Democratic Services	1,005	912	(93)	972	(60)
l	People and Development	217	185	(32)	201	(16)
	NET SERVICE BUDGET	11,142	10,920	(222)	11,035	(115)
	Corporate Income & Expenditure	2,717	3,081	364	3,209	(128)
	Parish Precepts (<i>Disbursement to Parishes</i>)	154	154	0	154	0
	Treasury (<i>Investment Income & Expenditure</i>)	870	926	56	892	34
	Earmarked Reserves (to / (from))	1,085	980	(105)	819	162
	NET CORPORATE ITEMS	4,827	5,141	315	5,074	68
	Parish Precepts (Receipts from Council Tax Payers)	(154)	(154)	0	(154)	0
	Council Tax	(6,962)	(6,962)	0	(6,962)	0
	Prior Year Collection Fund (Surplus)/Deficit	32	32	0	32	0
	Business Rates: Retained Income	(8,277)	(8,277)	0	(8,277)	0
	Revenue Support Grant	0	0	0	0	0
	New Homes Bonus	(607)	(607)	0	(607)	0
	FUNDING	(15,968)	(15,968)	0	(15,968)	0
	BUDGET BALANCE	0	93	93	140	(47)

A summary of the significant variances is shown in the table below:

	Significant Variances £'000s
Underspend / Increased Income	
Increased housing benefit income mainly due to a reduction in the provision set aside for bad debts as a result of an in-year reduction in the number of outstanding debts. This has been partially offset by a reduced Administration Grant received than estimated and lower recovery of housing benefit overpayment.	(155)
Increased income from interest on temporary investments and property fund dividends.	(62)
Additional New Homes Bonus income.	(114)
Additional income from trade waste.	(44)
Increased Expenditure / Reduced Income	
Additional interest payable on borrowing costs. The Council has previously adopted a policy of 'under borrowing' against the Capital Financing Requirement, however due to low interest rates on external borrowing a decision was taken to borrow in accordance with our Capital Financing Requirement.	97
Increases to year end provisions.	227
Reduction in interment and cremation income.	39

7. Reserves Transfers

The Executive is asked to recommend to Full Council approval of the movements in earmarked reserves being a net overall increase in the year of £0.888m – see Appendix 2 – from £7.246m at the start of the year to an end position of £8.134m.

Of the transfers to reserves, a significant proportion are external grant monies received in year which have not been fully spent at year end. External grant monies received are conditional and cannot be spent on other purposes.

The balance of General Reserves has remained at £1.379m.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

8. As shown in the body of the report and appendices.

POLICY IMPLICATIONS

9. The provisional outturn position will be reflected in the draft Statement of Accounts which will show the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending. The final date for publication of the draft Statement of Accounts is 31st August 2020. In previous financial years this deadline was 31st May, however due to the Coronavirus pandemic the deadline has been delayed.

The draft Statement of Accounts will be subject to audit by the Council's external auditors, Grant Thornton UK LLP. There may be minor adjustments to the figures included within the provisional outturn as a result of the audit. The deadline for publication of the audited Statement of Accounts is 30th November 2020 (previously 31st August). The Accounts will be reported to the Audit and Standards Committee.

DETAILS OF CONSULTATION

10. None.

BACKGROUND PAPERS

11. None.

FURTHER INFORMATION

PLEASE CONTACT:

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