



REPORT TO:	COUNCIL
DATE:	10 SEPTEMBER 2020
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	REVENUE AND CAPITAL BUDGET MONITORING – Outturn 2019-20
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The revenue budget for 2019-20 was approved by Council on 21 February 2019. This report and associated appendix present the financial performance against the budget. This summary shows the draft outturn position which is part of the Draft Accounts which were sent to external auditors at the beginning of July, well before the statutory deadline of 31 August. Normally this deadline is 31 May, but it was changed as a result of impact of the Coronavirus pandemic. The final audited accounts will be brought back to the Policy and Resources and Audit Committees in November for final approval.

2.0 RECOMMENDATION

2.1 It is recommended that:

- i) The Council notes the contents of the report and that the Surplus Balance of £32k has been transferred to the General Reserve.
- ii) The Council approves a carry forward of £1.301m from the Capital Programme.

3.0 REASON FOR RECOMMENDATION(S)

3.1 To ensure that budget exceptions are brought to the attention of the Council in order to approve remedial action where necessary.

3.2 To note the treatment of the surplus.

4.0 POLICY CONTEXT AND CONSULTATION

- 4.1 The financial position and performance against budget is fundamental to delivery of the Council's Plan, achieving value for money and ensuring financial stability.

5.0 REPORT DETAILS

5.1 Summary

General Fund (Appendix A)

The year-end position was a surplus of £32k. Further details are set out below. Planned savings and efficiencies of £528k for the year, identified as part of the 2019/20 budget setting process, were built into the base budgets and are reflected in the numbers below and appendix A. Most of these came about following the review of budgets to ensure that they more realistically reflected expected costs and had no impact on service.

Capital (Appendix B)

The year-end position showed much less spend than originally envisaged. Most of this spend will have been funded from the Capital Reserve and therefore this has impacted on the reserves figures shown at section 5.4 below

5.2 Revenue

The table below sets out the summary position, with details of forecast variances included in **Appendix A**.

General Fund Account – Q4 2019/20	Budget	Actual	Variance
	£000's	£000's	£000's
Net Revenue Budget	8,238	8,202	(36)
Settlement Funding RSG/NDR	(3,981)	(3,976)	5
Amount to be met from Council Tax	4,149	4,226	(32)
Council Tax	(4,271)	(4,271)	0
Collection Fund Deficit	13	13	0
Net Revenue Budget (Surplus) / Deficit	0	(32)	(32)

The main variances are:

Expenditure

- **All Employee-related costs (excluding consultants).** Overall overspend of £183k, including funding for pay review. The largest area of overspend is in StreetScene due to overtime and agency staff. This is being addressed in 2020/21 and a review has been commissioned to look at remedial actions.
- **Supplies and Services** – A net underspend of £210k which is an increase on the Q3 position of £80k. One-off savings of £91k have arisen in waste disposal services as a result of the delays to the WTS. An on-going £7k agreed external audit fees, £8k new car park transaction fees. An on-going saving of £8k is expected due to a reduction in court fees for Council Tax cases. Printing was

also underspent – and this has been reflected in the 2020/21 budget. The remainder a primarily expected one-off in year underspends.

- **Vehicles and Transport** – An underspend of £79k is shown against vehicles and transport related costs with the increase from Q3 (£39k) due mainly to reduced diesel costs. This variance also includes underspending on Officer mileage expenses.
- **Premises related** – An overspend of £132k, which is partly related to the move to the new Waste Transfer Station and offsets the underspend within supplies and services. The overspend also includes additional repairs and maintenance costs at Ryedale House.

Income

- **Income from Housing Benefit** – Housing benefit subsidy has been less than expected – but this is offset by reduced payments and overall the position is a surplus of £98k. There a various factors that impact on the amount of subsidy recoverable against payments.
- **Waste Collection & Recycling** – £56k surplus due to additional income from the sale of recyclable materials.

5.3 Capital Programme

The Year-End position shows, as projected through the Quarterly monitoring reports, significant slippage.

Capital Programme – 2019/20	Budget	Actual	Variance
	£000's	£000's	£000's
Asset Management	1,216	331	885
Housing	1,262	832	430
Other Schemes	1,351	-	1,351
Total Programme	3,829	1,163	(2,666)

The original capital budget for the financial year 2019/20 totalled £3.051m. The initial plans were revised to incorporate expenditure re-profiled from the previous year of £0.487m, along with an additional supplementary estimate of £0.291m. This resulted in a revised total revised budget of £3.829m.

The total final outturn position against the capital programme was £1.163m, of which the major items relate to £647k invested in Housing Grants and Loans, primarily funded by capital grants, along with the purchase of property for re-development as affordable housing £0.185m, and waste and recycling vehicles and equipment £0.139m.

Project slippage includes Property Condition Survey (£0.590m), Waste & Recycling projects (£0.237m), IT Infrastructure Strategy (£0.061m), Vehicle replacement programme (£0.186m), Community led housing fund (£0.289m) and purchase of affordable housing exception sites (£0.100m). Funds have been de-committed for Helmsley CPO (£1.011m) and Assembly & Milton Rooms works (£0.340m).

A carry forward of £1.301m is requested to support delays in programme delivery in 2020/21.

Of the £1.163m capital expenditure incurred some £0.059m was funded through capital receipts, £0.265m from Earmarked Reserves with a further £0.776m being financed by external grants and contributions, and £0.063m from revenue.

Further details can be found at Appendix B.

5.4 Reserves

As a result of planned activity, lower than expected capital costs and the transfer of the surplus to reserves, the position as at 31.03.20 is shown below with reserves of **£15.8m**. This is an increase from the previous year's position by £834k. the bulk of which is either from planned contributions or are earmarked for costs delayed from 2019-20. Figures below are £000s/

	31.03.19	31.03.20	change	Notes
General Reserve	3,981	3,981	0	
Capital Fund	5,524	5,547	23	
Collection Fund Equalisation Reserve	964	996	32	
New Homes Bonus Reserve	2,087	2,760	673	1
Strategic Reserve	2,323	2,527	204	2
Election Reserve	55	-23	-78	3
	14,934	15,788	854	

Notes:

1. Planned allocation to reserves from New Homes Bonus grant
2. Includes £168k for costs expected in 2019-20, now expected in 2020-21
3. Reflects spend every four years, with annual contribution from revenue. Therefore this reserve will occasionally show a negative balance

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial
Included in the body of the report
- b) Legal
There are no legal implications identified as part of this report

c) Other

None to report, although in any report to Committee and Council, it will be noted that any proposals which may impact on Equalities, Staffing, Planning, Health & Safety, Climate Change, Environmental, Crime & Disorder will be assessed as part of the budget process.

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Background Papers:

None

Background Papers are available for inspection at:

N/A