

RECOMMENDATIONS FROM CABINET – 7 JUNE 2021

FINANCIAL OUTTURN 2020/21

Cabinet considered the outturn position for the 2020/21 revenue and capital budgets.

Summary

1. Following closedown, the year-end position for 2020/21 showed a net overspend of £1,400,000 after allowing for transfers to Reserves outlined within the Cabinet report. This is a decrease of £525,000 since the last report to Cabinet 8 February 2021.
2. The main changes in the last quarter of the year relate to increased recovery in income levels in some areas (with the exception of car parking), together with expenditure savings relating to reduction in services required or delays in works due to the Covid restrictions.
3. Interest income during the year, totalling £170,306, was £185,694 less than the original estimate of £356,000. This was mainly due to the continued reduction in the rates available in the market throughout the year as well as due to timing differences between budgeted and actual capital receipts anticipated for the year. It was also depressed because of the policy to keep higher than usual liquid cash deposits, which was judged necessary due to the impact of Covid-19 on our revenue income streams. Of the total interest received for the year, £275 has been utilised (refer to paragraph 22 of the Cabinet report) leaving a balance of £170,031 to transfer to General Reserve.
4. Dividend income from investments in the Local Authorities Property Fund generated £248,529 in year, which exceeded the 2020/21 projection by £8,529. This overachievement of dividend income received will be transferred to General Reserve.
5. The capital outturn position shows a £3,428,000 increase in approved spending against the revised budget. This includes projects that came forward during the year totalling £4,728,000 which were unbudgeted at the start of the year but approved during the year. An analysis of this is shown in Table 2 of the Cabinet report. The total net expenditure from Specific Reserve and the General Reserve for 2020/21 is set out in Appendix C of the Cabinet report.

Recommendations

6. **That Council approve:**
 - (i) **that grant income as set out in paragraph 12 to 19 of the Cabinet report be transferred to Specific Reserves;**
 - (ii) **that requests totalling £108,000 be transferred to Specific Reserves as set out in Table 1 of the Cabinet report;**
 - (iii) **that £100,000 be transferred to the Community Development Fund Specific Reserve from General Reserve as detailed in paragraph 21 of the Cabinet report;**
 - (iv) **that balance of interest totalling £170,031 as set out in paragraph 22 of the Cabinet report is transferred to the General Reserve;**
 - (v) **that Dividend income totalling £8,529 as set out in paragraph 27 of the Cabinet report is transferred to the General Reserve;**

- (vi) that the 2021/22 capital programme be increased by £1,556,000 as a result of slippage of some 2020/21 capital projects as detailed in Table 2 of the Cabinet report;**
- (vii) that the revenue overspend in 2020/21, totalling £1,400,000, be met from General Reserve.**