

RECOMMENDATIONS FROM THE CABINET MEETING OF 3 JUNE 2019

FINANCIAL OUTTURN 2018/19

Background

1. Cabinet reviewed the outturn position for the 2018/19 revenue and capital budgets.

Summary

2. Following closedown, the year-end position for 2018/19 now shows a net underspend of £799,000 before allowing for transfers to Reserves outlined within the Cabinet report and those previously actioned of £340,000.
3. The majority of this relates to over performance on income. In the last quarter of the year, most of this extra income relates to increased rents for Corporate Estates as well as additional income for Revenues Enforcement, Car Park Charges, Licencing, Recycling Credits, Legal, Land Charges and Outdoor Facilities. Savings on some expenditure budgets (£118,000) across the Council, in particular, staff salaries, consultants and pension payments gives us a further opportunity to earmark the 2018/19 underspend as detailed in paragraph 26 of the Cabinet report. If approved, this fully utilises the net underspend for the year.
4. Interest income during the year, totalling £367,472, was £102,472 greater than the original estimate of £265,000. This is mainly due to the higher interest rates that have been achieved on short term investments together with an increase in the number of short term investments, following a reduction in the funds required for proposed capital spending during the year. Of the total interest received for the year, £7,345 has been utilised (refer to paragraph 27 of the Cabinet report) leaving a balance of £360,127 to transfer to General Reserve.
5. Dividend income from investments in the Local Authorities Property Fund generated £257,369 in year, which exceeded the 2018/19 projection by £17,369. This overachievement of dividend income received will be transferred to General Reserve.
6. The capital outturn position shows a £8,004,000 increase in approved spending against the revised budget but this includes projects that came forward during the year totalling £8,972,000 which were unbudgeted at the time. An analysis of this is shown in Table 2 of the Cabinet report. The total net expenditure on the Specific Items financed from Specific Reserve and the General Reserve for 2018/19 is set out in Appendix C of the Cabinet report.

Recommendations

That Council Approve

- (i) that grant income as set out in paragraph 13 to 18 and 20 to 25 of the Cabinet report be transferred to Specific Reserves;
- (ii) that grant income as set out in paragraph 19 of the Cabinet report be transferred to General Reserve;
- (iii) that balance of interest totalling £360,127 as set out in paragraph 27 of the Cabinet report is transferred to the General Reserve;

- (iv) that Dividend income totalling £17,369 as set out in paragraph 30 of the Cabinet report is transferred to the General Reserve;**
- (v) that the 2019/20 capital programme be increased by £966,000 as a result of slippage of some 2018/19 capital projects as detailed in Table 2 of the Cabinet report;**
- (vi) that £14,823 be transferred to the Car Parking Strategy Specific Reserve as detailed in Appendix C note 32 of the Cabinet report;**
- (vii) that £3,177 be transferred to Burgess Hill Growth Specific Reserve as detailed in Appendix C note 17 of the Cabinet report;**
- (viii) that the revenue underspending in 2018/19, totalling £459,000, be transferred to Specific Reserves as set out in Table 1 of the Cabinet report.**