

## **RECOMMENDATIONS FROM CABINET – 1 June 2020**

### **FINANCIAL OUTTURN 2019-20**

1. Cabinet considered the outturn position for the 2019/20 revenue and capital budgets.

#### **Summary**

2. Following closedown, the year-end position for 2019/20 showed a net underspend of £247,000 before allowing for transfers to Reserves outlined within the Cabinet report and those previously approved at Council on 25 September 2020, totalling £457,000. However, as these previously approved transfers to Reserves included £300,000 to top-up the JE/VR Reserve of which only £100,000 was required, transfers to Reserves totalling £257,000 have been actioned at year-end. The position after these transfers shows a year-end net overspend of £10,000 which is an increase of £21,000 since the last report to Cabinet 10<sup>th</sup> February 2020.
3. The main changes in the last quarter of the year relate to reduced income levels in some areas (car parking and outdoor facilities). These were starting to decline in March 2020 as a result of the Coronavirus pandemic. In addition, investment property supplementary rents, tenant service charges, recycling credit income and revenues enforcement income were also reducing and there was increased expenditure for tree maintenance and outdoor facilities.
4. Interest income during the year, totalling £335,222, was £22,778 less than the original estimate of £358,000. This is mainly due to a lower than forecast average balance, due to timing differences between budgeted and actual capital receipts anticipated for the year. Of the total interest received for the year, £531 has been utilised (refer to paragraph 21 of the Cabinet report) leaving a balance of £334,691 to transfer to General Reserve.
5. Dividend income from investments in the Local Authorities Property Fund generated £256,962 in year, which exceeded the 2019/20 projection by £16,962. This overachievement of dividend income received will be transferred to General Reserve.
6. The capital outturn position shows a £3,501,000 increase in approved spending against the revised budget. This includes projects that came forward during the year totalling £4,566,000 which were unbudgeted at the start of the year but approved by Members during the year. 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 2019/20 is set out in Appendix C of the Cabinet report.

#### **Recommendations**

7. **Council is recommended to approve:**
  - (i) **that grant income as set out in paragraph 12 of the Cabinet report be transferred to General Reserve;**
  - (ii) **that grant income as set out in paragraph 13 to 18 of the Cabinet report be transferred to Specific Reserves;**
  - (iii) **that requests totalling £38,000 be transferred to Specific Reserves as set out in Table 1 of the Cabinet report;**

- (iv) that £50,000 be transferred to the Community Development Fund Specific Reserve from General Reserve as detailed in paragraph 20 of the Cabinet report;**
- (v) that balance of interest totalling £334,691 as set out in paragraph 21 of the Cabinet report is transferred to the General Reserve;**
- (vi) that Dividend income totalling £16,962 as set out in paragraph 24 of the Cabinet report is transferred to the General Reserve;**
- (vii) that the 2020/21 capital programme be increased by £1,291,000 as a result of slippage of some 2019/20 capital projects as detailed in Table 2 of the Cabinet report;**
- (viii) that the revenue overspend in 2020/21, totalling £10,000, be met from General Reserve.**