

Financial Position Quarter Four 2019/20

1. General Fund Revenue Budget

- 1.1 The Council approved a General Fund Revenue Budget of £13.050m on 20 February 2019. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

2. Capital Programme

- 2.1 A Capital Programme totalling £5,606,298 was approved for 2019/20. Of this total £3,606,298 relates to the total cost of new schemes for 2019/20 together with £1,000,000 for schemes funded by external sources (Disabled Facilities Grants), £1,000,000 contingency. In addition £1,326,573 was brought forward from the 2018/19 Capital Programme, resulting in a total Capital Programme of £6,947,871 for 2019/20.

3. Revenue Budget Position

- 3.1 At this point in the financial year, we would have expected to have spent the approved General Fund Revenue Budget amount of £13.050m; we have actually spent £13.258m. Therefore, as at the end of the fourth quarter, the general fund budget shows an adverse variance of £208,000. It should be noted that this is the position as at period 12 and further work is being completed in order to inform the final outturn position for the year.

- 3.2 The main reasons for the overall adverse variance to date are:

- a. Jubilee 2 is operating at a net overspend. This is predominately in relation to high levels of staff sickness which are required to be covered for and a shortfall in income received by the centre. Due to Covid-19 the Centre closed on 21 March in line with Central Government guidance which further impacted on the financial losses of the Centre.
- b. Income from car parking is below the budgeted amount, this is due to a drop in off street parking. Again due to Covid-19 and the restrictions placed on the public's movements by Central Government, this further impacted on the income losses.
- c. Income from planning application fees is below the budgeted amount, this is due to the number of major planning applications received to date– this may fluctuate during the final quarter of the financial year.
- d. The provision of temporary cover for Senior Management posts.

- 3.3 An action plan to address the adverse variance was devised to mitigate this variance and it was forecast that the actions identified would reduce the adverse variance to a balanced year end outturn, however due to Covid-19 further work is having to be completed regarding the financial impact this will have.

4. Capital Programme Position

4.1 The Capital Programme approved by Council in February 2019 has been updated to take account of amounts brought forward from 2018/19 where planned expenditure did not occur. This has been added to the budget for 2019/20 (apart from cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2019/20 totals £6,947,871.

4.2 The Capital Funding required for the 2019/20 programme includes £3,508,298 of capital receipts. The receipts received during the year amounted to £763,000, £2,290,000 expected to be received during 2019/20 will now be received in 2020/21 due to completions delays and Covid-19. The remaining £455,298 relates to two assets which will need to be re-listed due to withdrawal of interest from the purchaser and change in circumstances.

4.3 The position at the end of the fourth quarter is expected to be as follows:-

	£
Budget	6,947,871
Actual Expenditure	2,709,470
Committed orders and carry forwards for existing projects	3,233,460
Capital Contingency Reserve	1,000,000
Variance	4,941

It should be noted that this is the position at period 12 and further work is being completed to inform the final outturn position for the year together with the impact of Covid-19.

5. 2019/20 Outturn Position

5.1 Work is currently being completed on the final outturn position in respect of both the revenue and capital budgets. This year end work has been impacted by the Covid-19 crisis, therefore full details on the outturn will be provided at the next meeting.