

REPORT TO	ON
Cabinet	19 June 2019



TITLE	REPORT OF
South Ribble Borough Council Budget Out-turn Report 2018/19	Deputy Section 151 Officer

Is this report confidential?	No
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1. PURPOSE OF THE REPORT

This report has been prepared to inform members of the 2018/19 Budget Outturn position in relation to both Revenue and Capital expenditure.

2. RECOMMENDATIONS

That the Cabinet:

1. Note the contents of the report and appendices;
2. Note the final out turn position of £0.093m underspend against the revised revenue budget of £14.135m and the key variances;
3. Note the final out turn position on the capital budget of £0.476m underspend against an annual budget of £2.898m;
4. Note the financing of the capital programme for 2018/19 and approve the carry forward of £0.486m of capital re-phasing into 2018/19 as outlined in this report;
5. Note the end of year position on reserves as a result of the out turn position and note the contributions to and withdrawals from these reserves as detailed within this report.

3. EXECUTIVE SUMMARY

Revenue Service Budget

- 3.1 At quarter 3 of 2018/19, the revenue budget was revised to reflect an anticipated underspend of £0.219m against the original budget approved in February 2018. This £0.219m was transferred to the Capital Reserve to support the funding of the Capital programme. The council's end of year accounts have been finalised and are showing a further net budget saving of £0.093. The final outturn position means that no contribution from reserves is required and this surplus will be transferred to the council's general reserve.
- 1.2 The outturn variations are set out in Table 1 and these include: a reduction in net service expenditure of £0.098m, an increase in net interest earned of £0.075m, additional funding of £0.006m, reduction in capital financing and pensions costs £0.011m; offset by a reduction in contributions from earmarked reserves of £0.097m.

- 1.3 It is important to note that the 2018/19 revenue budget out-turn position is partly impacted upon by one-off occurrences. Their temporary nature should and will be considered in context when assessing their impact on the Council's Medium Term Financial Strategy (MTFS) to ensure that the budget is sustainable in future years.
- 1.4 The original budget for 2018/19 included budget savings and additional income targets of £0.628m; this target was achieved during the year.

4. CORPORATE PRIORITIES

The report relates to the following corporate priorities:

Excellence and Financial Sustainability	x
Health and Wellbeing	
Place	

Projects relating to People in the Corporate Plan:

People	
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5. BACKGROUND TO THE REPORT

- 5.1 This monitoring report sets out the final position for the council in relation to its 2018/19 revenue and capital budget.

6. DETAIL

REVENUE NET EXPENDITURE

- 6.1 In 2018/19, the council set a balanced annual budget of £14.128m which included efficiency savings of £0.628m and no budgeted contributions to or from general reserves. The revised budget for 2018/19 forecast a net surplus of £0.219m to be transferred to the capital reserve to support the 4 year Capital Strategy and Programme. At the end of the year, the council had underspent by a further £0.093m and this small surplus has been added to general reserves.
- 6.2 In achieving this position, the council had delivered on the implementation of the restructuring of its senior management structure, and generated additional fees and charges income through the introduction of new charges, such as Garden Waste and Pre-Planning Fees, and a review of existing fees and charges. The implementation of Garden Waste charges from April 2018 generated £0.789m in 2018/19. This made a significant contribution to the mitigation of the budget shortfall which resulted from the removal of waste cost-share income from Lancashire County Council of £0.909m from 2018/19 onwards.
- 6.3 The outturn position will be considered as part of the update of the Council's Medium Term Financial Strategy (MTFS) to ensure that ongoing additional income or reduced expenditure is fully reflected in the strategy.
- 6.4 In recent years austerity measures have been implemented by Central Government to reduce overall public sector spending. This has resulted in changes in the way the council is funded and has seen the withdrawal of central government grant (revenue support grant) and the

introduction of business rates locally. The council is part of the Lancashire Business Rate Pooling arrangement which allows increases in business rates to be retained locally but transfers the financial risk of maintaining and growing the tax base to local councils. These arrangements benefit South Ribble and therefore contribute positively to the Council's overall financial position. In September 2018 South Ribble participated in the Lancashire application for the Business Rates 75% pilot scheme. The Lancashire bid was successful and therefore, for 2019/20 only, South Ribble will benefit from retaining a higher proportion of any growth in business rates income. This increase in funding has been included in the 2019/20 budget forecast.

- 6.5 Another core funding stream is New Homes Bonus (NHB) which relates to growth in housing supply in the borough. The NHB scheme was changed in 2017/18 when the benefit receivable was reduced from 6 to 4 years and a growth threshold was also introduced. South Ribble has committed to pay its receipts into City Deal and therefore, because of these changes, less funding will be available for City Deal and the council's element will cease after 2019/20.
- 6.6 There is risk and uncertainty in relation to future years funding, not only because it is directly linked to growth in the borough, but also pending the outcome of Central Government's Fair Funding review and any potential reset to the business rates retention system. In light of this, and the fact that Council tax is the major source of funding for local services, it is essential that councils monitor their collection rates and raise as much income as possible. Any under recovery of income can have a significant impact on the ability of a council to fund its service delivery. South Ribble continues to perform well in this area with collection rates of 97.42% for council tax and 98.81% for business rates. Comparative information on Council Tax and Business Rates Collection is set out in more detail in Appendix B.
- 6.7 In July 2018, Council approved to transfer the 2017/18 underspend against the 2017/18 original budget of £0.770m from General Balances to the Borough Investment earmarked reserve. Total reserves for the council increased by £0.531m to £19.519m by the end of the financial year of which £4.680m is held in a general reserve. The remaining reserves are earmarked for specific programmes of work or costs that are known to the council. The plans within the council's Medium Term Financial Strategy will see reserves reduce to an estimated £11.4m by the end of the 2022/2023 financial year. Monitoring of reserves will continue to ensure they remain appropriate and reflect the level of risk that exists around unplanned/unforeseen expenditure or loss of income.

The in-year underspend was made up of a number of variances that are set out in Table 1 below:

Table 1: Summary of Revenue Outturn Variations

Details	Current Budget	Outturn	Reserves Movements	Final Outturn	Outturn Variances (Under) / Overspend
	£000	£000	£000	£000	£000
Directorate					
Chief Executive	844	867	0	867	23
Neighbourhoods and Development	6,015	5,668	132	5,800	(215)
Planning and Property	609	397	291	688	79
Customer Experience and Operations	1,881	1,694	153	1,847	(34)
Finance and Assurance	1,693	1,686	60	1,746	53
Legal, HR & democratic	1,379	1,348	27	1,375	(4)
Budgets Not in Directorates					
Capital financed From Revenue	0	518	(518)	0	0
Debt Repayment	886	884	0	884	(2)
Interest	(100)	(175)	0	(175)	(75)
Parish Precepts	365	365	0	365	0
Pensions Costs	563	554	0	554	(9)
Funding					
Council Tax	(8,054)	(8,054)	0	(8,054)	0
New Homes Bonus	(1,391)	(1,399)	0	(1,399)	(8)
Business Rates s31 grant	(1,099)	(1,291)	190	(1,101)	(2)
Retained Business Rates	(3,508)	(3,504)	0	(3,504)	4
Reserves	(83)	349	(335)	14	97
TOTAL OUTTURN VARIANCE 18/19	0	(93)	0	(93)	(93)
Plus:					
Contribution of underspend in 2017/18 to Borough Investment Reserve (Council decision July 2018)					770
Net Deficit in Year					677
Contribution to/(from) General Reserve					(677)
Movement on General Fund as per Expenditure and Funding Analysis					(531)
Net Transfer to Earmarked Reserves					1,208
(Increase)/Decrease in General Reserves					677

6.8 Explanations for the key variances are as follows:

Table 2: Revenue Variations by Directorate

Directorate	Description
Chief Executive <i>Overspend £23k</i>	The £23k net overspend is mainly due to higher than forecast external staff recruitment costs.
Neighbourhoods and Development <i>Underspend £215k</i>	<p>The underspending includes the following savings against budget: repairs and maintenance of buildings £57k, car parks repairs and maintenance £15k, more efficiencies on vehicle maintenance due to new vehicle/plant purchases in year £17k, equipment and materials £15k, energy performance certificates budget £20k, publicity and promotion £11k, external catering £11k, utilities costs (electricity, gas, oil, water) £14k saving.</p> <p>With regard to income variations in this Directorate; prior-year costs in relation to default and other housing enforcement works were recovered £25k and Civic Centre income increased by £14k.</p>
Planning and Property <i>Overspend £79k</i>	<p>The net budget overspend is mainly as a result of the following: Agency staff costs to cover vacant senior planner higher than forecast £11k; Leisure Partnership manager one-off costs £13k; Planning applications income less than forecast £26k: this is a timing difference on anticipated application received dates; Pre-planning income shortfall due to take-up lower than anticipated £30k; Investment Property rental income overall shortfall £10k.</p> <p>This is partly offset by Building Control fees exceeding the forecast by £37k. The team have pro-actively won new business, including for a new housing development for which the service has been paid up-front, rather than on a plot-by plot basis.</p>
Customer Experience and Operations <i>Underspend £34k</i>	The underspending was achieved through a reduction in Housing Benefits costs £10k, lower than anticipated staff training expenditure £10k, and £12k saving in IT costs.
Finance and Assurance <i>Overspend £53k</i>	This budget overspend includes a one-off increase in the provision for bad debts of £62k.
Legal, HR and Democratic <i>Underspend £4k</i>	The net underspend is mainly due to actual licensing income exceeding the budget forecast.
Budgets not in Directorates <i>Underspend £86k</i>	Short-term investment interest increase of £83k as a result of having higher cash balances (£303k) than forecast (£220k) and higher rates being achieved on the re-investment of funds during the year. Comparatives for the previous financial year are set out in Table 3 below. The actual average rate of return achieved in 2018/19 was 0.755% which compares favourably to 0.495% achieved in 2017/18.

Table 3: Short-term investment interest

Comparison of interest earned 2017/18 and 2018/19			
	Average Balance	Average Rate	Interest Earned
2017/18	£36,164,564	0.495%	£179,120
2018/19	£40,054,734	0.755%	£302,594

Income

6.9 A key element of financial performance for the Council is the out-turn position achieved in respect of its higher value key income streams which are subject to external factors as well as being demand led. Due to the element of risk involved performance is specifically reported throughout the year and the final position is set out in Appendix A.

Funding variations

6.10 Additional government grant funding of £10k was received during 2018/19. The £97k reduction in net contributions from earmarked reserves was due to the specific expenditure being funded from reserves being less than forecast.

Core Income Fund Collection

6.11 The Council's performance on income collection is a critical factor in respect of its financial matters. As per **Appendix B** there has been little change in the in-year collection statistics for Council Tax, Business Rates and general Sundry Debtor accounts compared to the previous year (2017/18). Performance continues to be strong with a slight decrease in the Council Tax Collection Rate (0.08%) and an increase in the Business Rates Collection Rate (0.59%). Sundry debtors' arrears outstanding shows a reduction however this is due to several large debts being invoiced towards the end of the previous financial year for which payment was received in 2018/19. It should be noted that prime reasons for the reduction in the value of Business Rates collected from 2017/18 to 2018/19 is the impact of refunds in relation to appeals, reductions in rateable values and the introduction of new reliefs. With regard to the introduction of new business rate reliefs, these will be offset by compensatory payments from central government (s31 grant income).

6.12 Also set out at Appendix B is a summary position to show the amount of Council Tax and Business Rates arrears collected in 2018/19 relating to previous years. £0.101m was collected which is a reduction of £1.100m compared to 2017/18. The arrears collected figures take account of council tax and business rates that have been refunded following changes to liabilities. With regard to Business Rates, refunds issued were greater than income collected in relation to previous years which resulted in a net reduction of £0.960m.

Business Rates Retention (BRR)

6.13 The current BRR regime has been in existence since 2013/14. The rationale for this scheme is that the local retention of Business Rates income incentivizes Local Authorities to generate additional income by growing the tax base. The scheme does indeed provide a vehicle to generate additional receipts, however, it also transfers the financial risk associated with maintaining and growing the tax base, and the collection of monies due, from Central Government to Local Government.

- 6.14 When the new regime was introduced, South Ribble entered into a pooling arrangement with the wider Lancashire councils. Within the Lancashire pooling arrangements, the Council receives 90% of the Levy funds released from the arrangements (10% are passed to LCC). Outside of a Pooling arrangement only 50% of the Levy would be retained by the Council. The Levy is based on business rate growth over and above the baseline funding level determined by the Government. In 2018/19, the additional levy retained by South Ribble due to being in the Lancashire business rate pool was over £1.0m and therefore the pooling arrangement continues to be beneficial to the council. This is reflected in the annual budget.
- 6.15 The total net income from business rates and s31 grant funding in respect of business rates in 2018/19 was £4.8m. The details are set out in Table 4 below:

Table 4: Summary of Business Rates Retention 2018/19

BRR Budget	Budget	Outturn	Variance
	£000	£000	£000
South Ribble Share of business rates income	(13,586)	(13,586)	
Renewable Energy	(15)	(25)	
Less Tariff paid to Central Government	9,934	9,934	
Plus share of Collection Fund Deficit 2017/18	54	54	
Less Levy Paid to Lancashire Business Rates Pool	105	119	
Retained Business Rates Income	(3,508)	(3,504)	4
Plus: S31 Grant re NNDR Reliefs	(1,099)	(1,291)	(192)
Total income re Business Rates in 2018/19	(4,607)	(4,795)	(188)
Transfer to Business Rates Retention Reserve			188

- 6.16 The total business rates funding at the end of the year was £0.188m higher than the original budget due to additional s31 grant funding received. S31 grant is a compensatory payment for Central Government changes which resulted in a reduction in income for local authorities. When the budget was being revised in December 2018 there was uncertainty in relation to the basis of the calculation of s31 grant funding for 2018/19 in relation to small business rate relief. The amount of funding received is £0.188m higher than had been budgeted for. The council has a business rates equalisation reserve to manage the risk of changes in business rate income and the additional £0.188m has been transferred to that reserve in line with previous practice.

7 CAPITAL BUDGET OUTTURN

- 7.1 The final capital programme budget for 2018/19 was £9.882m which was subsequently revised to £2.898m in February 2019 to take account of slippage in the programme. In revising the 2018/19 budget, the council took the decision to carry forward £6.654m into 2019/20 so that projects that were underway could be completed. The carry forward has been reflected in the 2019/20 budget.
- 7.2 The Council spent £2.422m against the revised budget of £2.898m, which equates to 83.6% and gives an overall variance of £0.476m. Of this, £0.486m has been carried forward into 2019/20 to enable projects to be completed and the remaining £0.010m is a net overspend. This is

summarised in table 5 below. With regard to the £0.486m carried forward, £0.136m relates to Disabled Facilities Grants work approved but not carried out before 31 March 2019 and £0.236m relates to vehicle and plant replacements procured in 2009/10. This is mainly due to a long delay in the delivery of 9 replacement vans. The original delivery date quoted was in November but the vehicles did not arrive until May. In addition, the mayoral car replacement was in the capital programme for 2018/19 but is now planned to be procured in the current financial year, subject to Cabinet approval (see separate report on this agenda).

There are further details on funding and capital spend in 7.3 and 7.4 below and **Appendix C**.

Table 5: Capital budget outturn summary

Programme	Budget £000	Revised Budget (A) £000	Expend- iture (B) £000	Variance (B) – (A) £000	Re- phased into 2019-20 £000	Over / (Under) spend £000
Health, Leisure and Well Being	2,595	919	829	(90)	(88)	(2)
Place	2,058	920	768	(151)	(156)	5
Excellence & Financial Sustainability	5,229	1,059	825	(234)	(242)	8
TOTAL	9,882	2,898	2,422	(476)	(486)	10

7.3 The capital expenditure in 2018/19 was funded as follows:-

Capital Financing	£'000
Capital receipts	1,151
Earmarked reserves	518
Government Grants	615
Developers' Contributions - Section 106	73
City Deal	51
Other external contributions	14
Total financing of capital expenditure	2,422

- 7.4 The significant areas of capital spend (over £20,000) and major schemes completed in the 2018/19 capital programme are as follows:

Table 6: Major Capital scheme spend in 2018/19

Scheme Name	Spend £'000
Green Infrastructure:	
Central Parks Network	53
Shruggs Wood	32
Penwortham Holme Rec Centre drainage	128
Existing Built Assets:	
Farmyard Cottages roofing and cladding	43
Worden Park toilet facilities improvements	175
Open Spaces and recreational areas:	
New Leisure Campus Facility	175
Worden Park replacement conservatory	134
Master-planning and regeneration:	
City Deal - St Catherine's Park and Central Parks	46
Disabled Facilities Grants	621
Private Sector home improvement grants	63
ICT systems and technology:	
Civic Centre audio visual equipment	40
Civica EDRMS Data Retention Module	23
Moss Side Depot Networking	21
SAN hosts replacement	81
Wi-Fi upgrade	35
Vehicles and plant replacement	420
Corporate Buildings:	
Civic Centre Banqueting Suite	80
Moss Side Depot building works	54
Moss Side Depot server room works	35

8. USABLE RESERVES

Revenue Reserves

- 8.1 The Council's accounting policies were approved by Governance Committee on 14th March 2019. The approved accounting policy on reserves is included in the accounting policies contained in the draft Statement of Accounts which was approved by the Chief Finance Officer (CFO) by the statutory deadline of 31st May 2019 and post external audit inspection to the Governance Committee on 25th July 2019.
- 8.2 In July 2018, Council approved to transfer the 2017/18 underspend against the 2017/18 original budget of £0.770m from General Balances to the Borough Investment earmarked reserve. Total

reserves for the council increased by £0.531m to £19.519m by the end of the financial year of which £4.680m is held in a general reserve

- 8.3 The following table shows the Council's overall level of revenue reserves as at 31st March 2018 and 31st March 2019.

REVENUE RESERVES	31/03/18 £000	31/03/19 £000	Movement £000
General Fund Balance	5,357	4,680	(677)
Earmarked and Other Reserves	13,631	14,839	1,208
Total General Fund Reserves	18,988	19,519	531

- 8.4 This shows a General Fund balance of £4.680 million at 31st March 2019. The overall level of reserves has increased by £0.531 million, comprising of a reduction in General Reserves of £0.677 million offset by an increase of £1.208million in Earmarked Reserves. These movements include the £0.770m surplus in the General Fund Balance brought forward, transferred to earmarked reserves during 2018/19. Further detail is provided in Appendix C.

General Fund Balance

- 8.5 The general reserve is needed to deal with unplanned/unforeseen expenditure or losses in income. The General Fund Balance should be viewed in context of the funding uncertainty facing the Council and indeed all councils across the country.

Earmarked and Other Reserves

- 8.6 Earmarked reserves have been established to meet 'known or predicted liabilities' where the impact of the expenditure would otherwise cause a significant variation to the Council's annual expenditure. The reserves at the end of the year reflect some decisions that were made as part of the budget setting process which resulted in the creation of some new reserves and the consolidation of some existing reserves. For earmarked reserves the Committee should take into consideration the specific comments set out below in considering whether the reserves are appropriate. A summary of each reserve is listed below:

- My Neighbourhoods

The balance on the My Neighbourhoods reserve as at the 31st March 2019 is £0.054m and this represents unspent core funding carried forward into 2019/20 to fund My Neighbourhoods expenditure.

- Borough Council Elections

This reserve is used to meet the costs associated with the Council's elections held once every four years.

- Housing Needs Survey

This reserve is used to meet the costs of carrying out a detailed housing needs survey. A contribution of £20k was made into the reserve in 2018/19 and £34k was released to fund the cost of a Private Sector Housing Survey undertaken during the year.

- Local Development Framework (LDF)

The purpose of this reserve is to meet the predicted fluctuating expenditure requirements in relation to the LDF. The closing balance on this reserve at 31st March 2019 was £0.255m. This is earmarked to fund the Council's share of costs in relation to the Central Lancashire Local Plan which will be adopted in 2022.

- Performance Reward Grant

As the accountable body, the Council received Performance Reward Grant on behalf of the South Ribble Partnership. The funding is for both capital and revenue projects. The balance in the reserve represents the revenue grant which has been set aside to be spent in future years. The capital element is shown in the balance sheet as a capital grant unapplied.

- Organisational Restructure costs

Funding from this reserve is taken to revenue to fund any one-off costs in relation to reorganisation and restructure costs. £0.063m was used to fund redundancy costs in 2018/19.

- Borough Investment Account

To facilitate income generation schemes and create a diverse and self-sustaining income portfolio to enable the Council to bridge the funding gap. This was increased by £770,000 in 2018/19, following the Council decision to transfer the 2017/18 surplus into the reserve.

- Business Rates Retention

The equalisation reserve was created in order to meet potential collection fund deficit liabilities commitments, the impact of tax base re-valuation and also unplanned Central Government Levy payments. This reserve should mitigate the potential risk to the Council's MTFS by providing funds to smooth out the inherent fluctuations that will occur as the three year time period characteristic of the system overlays and offsets each other in future years. The net £0.494m paid into the reserve comprises:

- 1) £504k surplus from collection fund and s31 receipts
- 2) £10k release to match fund the external cost of the business rates rateable value finder support service in 2018/19. As the fee is only payable on additional rateable properties found, the fee is paid from the Council's share of the business rates growth retained as income to the Council

- City Deal Fund

This reserve is used to fund additional costs in relation to the delivery of City Deal projects and outcomes.

- New Burdens Funding

New Burdens grant income is received from Central Government to off-set additional implementation costs of government new initiatives. New Burdens funding carried forward is now included in the 'Other' earmarked reserves.

- Capital Strategy Reserve ; Repairs and Maintenance Fund

- 1) Capital Strategy reserve to fund capital expenditure in line with the Council's Corporate Plan priorities, as set out in the approved Capital Strategy for 2018/19 to 2022/23; and
- 2) Repairs and Maintenance Fund. The revenue budget includes an annual provision for the costs of routine repairs and maintenance of the Council's property assets. This new

reserve has been created to meet the costs of any major repairs and maintenance or improvement works to the Council's properties which cannot be met from this base budget.

- Transformation Fund

The purpose of this reserve is to provide funding for projects which will generate a payback into the Council's revenue budget through sustainable income generation and/or recurring cost savings. There has been no call on this budget in 2018/19.

- Apprenticeship Reserve

This reserve relates to funding set aside in previous years to fund Apprenticeship Costs such as salaries and training.

- Other Earmarked Reserves

The balances on 'Other' earmarked reserves represent amounts carried forward from one financial year to the next, mainly where the timing of spending has been later than planned and it needs to be matched, for example, monies are specifically raised to fund the Sport Development Team and therefore unspent receipts need to be carried forward into future years in order that the function has continued funding. It also includes funds set aside to ensure the Council can meet any liabilities which may arise.

The opening balance for 'Other' reserves at 1st April 2018 was £0.606m. £0.143m has been released to revenue to match expenditure incurred and £0.401m has been added to the reserve in respect of amounts carried forward into 2018/19, including grant funding received.

8.7 Members are asked to note the level of reserves as set out at **Appendix D**.

Capital Reserves

8.8 Reserves held to finance the Capital Programme are set out in the table below. Capital Reserves were committed within the 5 year Capital Strategy for 2018/19 to 2022/23 as approved in the 2019/20 Budget and MTFS report.

Capital Reserve	Balance c/f 31 March 2018 £000	Out-turn Balance 31 March 2019 £000
Capital Receipts Reserve	596	0
Earmarked Receipts	448	0
Preserved Right to Buy Receipts	889	826
Total	1,933	826

9 CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

9.1 This report is for information only and therefore there has been no consultation undertaken.

10 FINANCIAL IMPLICATIONS

10.1 As set out in the report.

11 LEGAL IMPLICATIONS

11.1 Please see comments of the Monitoring Officer below.

12 COMMENTS OF THE STATUTORY FINANCE OFFICER

12.1 The final out turn position shows an overall underspend on revenue, which has resulted in a reduction in the use of earmarked reserves and a contribution to general reserves. The approach to managing the council's reserves is to mitigate any risks to the council of managing unplanned expenditure and changes in funding. The position on the capital programme shows an underspending against budget which is almost entirely related to the planned completion of projects in the next financial year. The approach set out in the report enables these projects to be completed. Where appropriate, the variances in 2018/19 will be incorporated into the medium term financial strategy for 2019/20 and future years.

13 COMMENTS OF THE MONITORING OFFICER

13.1 Clearly it is imperative that the council should report openly and comprehensively on its budget out-turn. Residents have a right to know how we spend our money. Likewise they need to know how much revenue we generate. This is in an age where great emphasis is (quite rightly) placed on transparency.

14 OTHER IMPLICATIONS:

<ul style="list-style-type: none">▶ HR & Organisational Development▶ ICT / Technology▶ Property & Asset Management▶ Risk▶ Equality & Diversity	<p><i>The report is for information only and therefore there are no other implications</i></p>
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15 BACKGROUND DOCUMENTS

- 2018/19 Budget and Medium Term Financial Strategy – Cabinet, 14th February 2018
- 2019/20 Budget and Medium Term Financial Strategy – Cabinet, 27th February 2019

16 APPENDICES

APPENDICES

Appendix A Summary of Key Income (Fees and Charges) Outturn

Appendix B Council Tax, Business Rates and Sundry Debtor Collection

Appendix C Capital Outturn 2018/19

Appendix D Summary of Revenue Reserves and Balances

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Summary of Key Income (Fees and Charges) Outturn Position

Key Income (Fees and Charges) Budgets	Actual Previous Year (2017/18) £000	Budget 2018/19 £000	Actual Outturn 2018/19 £000	Variance (Over) / Under budget £000
Investment Property Rentals	(1,052)	(1,084)	(1,074)	10
Market rents	(131)	(135)	(131)	4
Civic Centre rental / room hire	(48)	(62)	(83)	(21)
Worden Craft Units	(12)	(12)	(13)	(1)
Planning Fees	(643)	(480)	(454)	26
Building Control Fees	(185)	(183)	(220)	(37)
Interest on Investments	(179)	(220)	(303)	(83)
Pest Control Fees/contracts	(34)	(40)	(40)	-
Environmental Permits	(19)	(19)	(21)	(2)
Car Parking Charges/Permits	(117)	(112)	(113)	(1)
Car Parking PCN fines	(30)	(25)	(23)	2
Land Charges Fees	(99)	(100)	(95)	5
Taxi Licensing Fees	(75)	(74)	(74)	-
Licensing - Premises	(62)	(63)	(68)	(5)
Licensing – street traders	(26)	(27)	(28)	(1)
Licensing - other	(19)	(19)	(25)	(6)
Community Coaching income	(228)	(236)	(234)	2
Court summons costs recovered	(208)	(228)	(207)	21
Public realm (LCC)	(123)	(161)	(161)	-
Trade Waste Charges	(463)	(450)	(453)	(3)
Waste - Cost sharing	(909)	0	0	-
Waste – Garden Waste	0	(791)	(789)	2
Waste – new bin charges	(29)	(75)	(46)	29
Waste - special collections	(40)	(40)	(41)	(1)
TOTAL	(4,731)	(4,636)	(4,696)	(60)

Council Tax, Business Rates and Sundry Debtor Collection

In-Year Collection

The table below sets out the in-year collection statistics for Council Tax and Business Rates compared to 2017/18.

	2017/18 Collection Rate %	2017/18 Amount Collected (£000)	2018/19 Collection Rate %	2018/19 Amount Collected (£000)
Council Tax	97.50	58,725	97.42	61,780
Business Rates	98.22	37,379	98.81	36,755
Sundry Debtors		7,701		6,401

Previous Years Collection and Arrears Information

The following table sets out the amount of arrears collected in 2018/19 that related to previous years. For comparative purposes, the information for 2017/18 is also provided. The table also sets out the level of arrears at the end of 2018/19 and 2017/18.

	2017/18 Previous Years Amount Collected (£000)	2018/19 Previous Years Amount Collected (£000)	Arrears at 31 st March 2018 (£000)	Arrears at 31 st March 2019 (including 2018/19 arrears) (£000)	Change to Arrears (£000)
Council Tax	983	1,061	3,782	4,073	291
Business Rates	146	(960)	1,222	1,214	-8
Sundry Debtors			1,343	532	-811

The arrears collected figures take account of council tax and business rates that have been refunded following changes to liabilities. The Valuation Office are continuing to reduce council tax bands and rateable values, which results in charges being reduced for previous years and refunds being issued, which then reduces the Previous Years Amount Collected figures. With regard to Business Rates collected in relation to previous years, this resulted in a net reduction as follows:

1990/91 – 2017/18

	£
Collected	1,237
Refunds issued	<u>(2,197)</u>
Net	(960)

The reduction in the amount of sundry debtors' arrears outstanding at 31st March 2019 was due to several large debts being invoiced late in the financial year 2017/18. These debts were subsequently collected early in April 2018.

Capital Outturn 2018/19

Description	Budget £000	Revised Budget (A) £000	Expend- iture (B) £000	Variance (B) – (A) £000	Re-phased into 2019-20 £000	Over / (Under) spend £000
Health, Leisure and Well Being						
Green Infrastructure	400	255	212	(43)	(43)	0
Existing Built Assets	655	249	249	0	0	0
Open Spaces and recreational areas	1,540	415	368	(47)	(45)	(2)
Place						
Master-planning and regeneration	427	89	78	(11)	(16)	5
Disabled Facilities Grants	848	757	621	(136)	(136)	0
Housing Grants	200	63	63	0	0	0
Affordable Housing	583	10	6	(4)	(4)	0
Excellence and Financial Sustainability						
ICT systems and technology	233	227	231	4	0	4
Vehicles and plant replacement	1,018	656	420	(236)	(236)	0
Corporate buildings	430	176	174	(2)	(6)	4
Investment Property	3,548	0	0	0	0	0
TOTAL	9,882	2,898	2,422	(476)	(486)	10

Summary of Revenue Reserves as at 31 March 2019

	Balance 31 March 2017	Transfers In 2017/18	Transfers Out 2017/18	Balance 31 March 2018	Transfers In 2018/19	Transfers Out 2018/19	Balance 31 March 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
My Neighbourhoods	(45)	(6)	0	(51)	(3)		(54)
Asset Management	(1,494)	(500)	1,994	0			0
Borough Council Elections	(82)	(30)	0	(112)	(30)	28	(114)
Building Control Reserve	(22)	0	22	0			0
Housing Needs Survey	(87)	(20)	10	(97)	(20)	34	(83)
ICT Strategy Reserve	(988)	0	988	0			0
Local Development Framework	(80)	0	0	(80)	(175)		(255)
Performance Reward Grant	(68)	0	20	(48)	(24)	26	(46)
Public Open Space Funds	(1,535)	(96)	1,631	0			0
Organisation Restructure Costs	(385)	0	295	(90)		63	(27)
Vehicle and Plant replacement	(21)	0	21	0			0
Leisure sites repair and maintenance	(160)	0	160	0			0
Borough Investment Account	(3,824)	0	0	(3,824)	(770)		(4,594)
Business Rates Retention	(3,250)	(516)	1,509	(2,257)	(504)	10	(2,751)
City Deal Reserve	0	(1,811)	140	(1,671)	(40)		(1,711)
New Burdens Funding Reserve	(222)	(59)	281	0			0
Capital Funding Reserve	0	(3,460)	0	(3,460)	(177)	564	(3,073)
Repairs and Maintenance Fund	0	(500)	0	(500)			(500)
Transformation Fund	0	(500)	0	(500)			(500)
Apprenticeship Reserve	0	(335)	0	(335)	(2)	70	(267)
Other Earmarked Reserves	(1,733)	(120)	1,247	(606)	(401)	143	(864)
Total Earmarked Reserves	(13,996)	(7,953)	8,318	(13,631)	(2,146)	938	(14,839)
General Reserve	(4,597)	(760)	0	(5,357)	(93)	770	(4,680)
Total General Fund Reserves	(18,593)	(8,713)	8,318	(18,988)	(2,239)	1,708	(19,519)