



Policy, Finance and Development Committee	Tuesday, 11 June 2019	Matter for Information and Decision
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Report Title: Provisional Financial Outturn Position (2018/19)

Report Author(s): Chris Raymakers (Head of Finance, Revenues and Benefits)

Purpose of Report:	This report gives a summary of the overall Council outturn position for the financial year 2018/19 including the effect on reserves as at 31 March 2018.
Report Summary:	The Council retains a solid financial base on which to operate with the General Fund Balance at £0.6m, which is around 10% of its net Budget and the HRA increasing its general reserve to £1.083. Other earmarked revenue reserves have fallen slightly to £2.6m.
Recommendation(s):	<p>A. That the report and overall provisional outturn positions for the financial year 2018/19 for both the General Fund and Housing Revenue Account be noted; and</p> <p>B. That all approved capital schemes from 2018/19 which are still ongoing be carried forward to be completed in 2019/20.</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Anne Court (Chief Executive / Head of Paid Service) (0116) 257 2602 anne.court1@oadby-wigston.gov.uk</p> <p>Stephen Hinds (Deputy Chief Executive) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	<p>Accountability (V1)</p> <p>Respect (V2)</p> <p>Teamwork (V3)</p> <p>Innovation (V4)</p> <p>Customer Focus (V5)</p>
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out at paragraphs 2-5 of this report.
Corporate Risk Management:	<p>Decreasing Financial Resources / Increasing Financial Pressures (CR1)</p> <p>Reputation Damage (CR4)</p> <p>Regulatory Governance (CR6)</p>
Equalities and Equalities	There are no implications arising from this report.

Assessment (EA):	EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	None.

1. Introduction

- 1.1 The provisional outturn for the year shows the Council's General Fund has broken even during the year, while the Housing Revenue Account (HRA) is underspent against the budget. The draft annual financial statements have been prepared and signed off by the Section 151 Officer before the statutory deadline of 31 May. The final audit process carried out by the Council's external auditors, Grant Thornton LLP, has not yet started and the accounts will be subject to a report by them at the meeting of this committee in July.

2. The General Fund

- 2.1 The Council's provisional outturn on the General Fund is £6,186,000. This was against a budget of £6,834,000 and revised budget of £6,529,000. Overall funding was £5,913,145 which was less than originally budgeted, and which was due to slower growth in business rates than expected.

2.2 Outturn Table

(Continued overleaf)

	Original Budget 2018/19	Revised Budget 2018/19	Actual Spent 2018/19	Variance Under /(Over) Spend 2018/19
Services	£000's	£000's	£000's	£000's
Finance Revenues and Benefits	1,573	158	(363)	521
Corporate Services	104	419	445	(26)
Customer Services	0	1,173	1,180	(7)
Planning and Regeneration	1,228	1,337	1,365	(28)
Operational Services and Street Scene	1,644	1,403	1,443	(40)
Leisure and Well Being	348	121	(23)	144
Law and Governance	1,084	840	890	(50)
Senior Management Team	0	332	546	(214)
Net Service Expenditure	5,981	5,783	5,483	300
Capital Financing	853	746	703	43
Total Net Expenditure	6,834	6,529	6,186	343
Transfer to/(from) Reserves	(435)	(130)	(273)	143
Net Expenditure	6,399	6,399	5,913	486
Financing	6,399	6,399	5,913	486
Transfer (from)/to Balances	0	0	0	0

- 2.3 The budget that Council approved in February 2018 set an ambitious savings target totalling £435,000 in order to bring expenditure down to funding levels and to mitigate the amount coming out of balances. Considerable savings have been made as follows:

Expenditure Type	Service	£'000
Salaries	All Services	250
Garden Waste Income	Operations and Street Scene	137
Non Domestic Rates at Oadby Pool	Leisure and Wellbeing	25
Swimming Pool Contract	Leisure and Wellbeing	61
Good Debt collection Performance	Finance Revenues and Benefits	70

3. Housing Revenue Account

- 3.1. The Housing Revenue Account has made a surplus in 2018/19. This is principally due to a smaller capital programme than budgeted for, meaning that the revenue contributions to capital funding which were expected to be applied were not required this year.

(Continued overleaf)

	2018/19				
	Original Budget	Revised Budget	Outturn	Variance Under/(over)	
	£'000	£'000	£'000	£'000	
Supervision and Management	1,568	1,568	1,634	(66)	
Repairs and Maintenance	1,414	1,414	1,016	398	
Depreciation	1,273	1,273	1,287	(14)	
Total Expenditure	4,255	4,255	3,937	318	
Rental Income	(4,881)	(4,881)	(4,929)	48	
Net Expenditure	(626)	(626)	(992)	366	
Capital Charges and Appropriations	626	961	544	417	
(Surplus)/Deficit on the HRA	0	335	(448)	783	
Balance on the HRA b/f	(635)	(635)	(635)	0	
Balance on the HRA c/f	(635)	(300)	(1,083)	783	

3.2. The other main areas of savings are as follows:

- 3.2.1. Staffing - The Housing Department have also made savings within the salaries budget which has yielded £80,000 in 2018/19
- 3.2.2. Debt collection – Despite the commencement of the 'full service' for Universal Credit rent arrears have been kept under control resulting in savings on bad debts of £65,000
- 3.2.3. Rental Income – rental income is higher than budgeted for due to good practice in a number of areas;
 - Void turnaround has been improved from previous years resulting in shorter periods when houses are not let.
 - Good practice in debt collection has meant fewer write-offs than anticipated
 - Also there have been two fewer Right to Buy Sales than originally budgeted.

3.3. This puts the Housing Revenue Account in a solid position at the end of 2018/19 despite recent pressures from Government policy which have reduced rents in each of the last 3 years.

4. Reserves Position

4.1. The following table sets out the resources available to the Council to meet its expenditure plans and other financial commitments as at 31 March 2019.

(Continued overleaf)

		<u>2018/19</u>	<u>2017/18</u>
		<u>£'000</u>	<u>£'000</u>
Revenue Reserves			
	General Fund	600	600
	Housing Revenue Account	1,083	635
Other Resources			
	Usable Capital Receipts	1,326	1,018
	General Earmarked Reserves	1,450	1,948
	HRA Earmarked Reserves	1,179	719

- 4.2. Overall the level of reserves has remained stable however this is principally due to underspends within the HRA Capital Programme. Overall the Council has a solid reserve base and is in a stable position to move forward.

5. Capital Programme

	<u>2018/19</u>		
Capital Programme	Total Budget	Outturn	Variance
	£'000	£'000	Under/(over)
General Fund	4,170	3,040	1,130
HRA	1,882	838	1,044
Total Expenditure	6,052	3,878	2,174
Funded by			
Capital Receipts		201	
Government Grants		0	
Borrowing		2,396	
External Funding		417	
Revenue & Reserves		26	
Major Repairs Allowance		838	
Total Funding		3,878	

- 5.1 Any Schemes which are ongoing and unfinished will be completed in 2019/20 and members are asked to approve the carry forward of these at this committee. A full updated capital programme will be brought before this committee at the next meeting.