

Item: 5

Asset Management Sub-committee:1 September 2020.

Revenue Expenditure Outturn.

Report by Head of Finance.

1. Purpose of Report

To advise of the revenue outturn position for financial year 2019 to 2020 across each of the service areas for which the Sub-committee is responsible.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The revenue expenditure outturn statement in respect of service areas for which the Asset Management Sub-committee is responsible for financial year 2019 to 2020, attached as Annex 1 to this report, indicating an overspend of £85,600.

The Sub-committee is invited to scrutinise:

2.2.

The explanations given, and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to this report, in order to obtain assurance that action is being taken with regard to significant budget variances.

3. Background

3.1.

On 5 March 2019, the Council set its overall revenue budget for financial year 2019 to 2020. On 23 April 2019, the Policy and Resources Committee received the detailed revenue budgets which form the basis of the individual revenue expenditure monitoring reports.

3.2.

Individual revenue expenditure monitoring reports are circulated as briefing reports every month to inform Elected Members of the up to date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees, replacing the need for a monthly budget briefing this reporting period.

3.3.

In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.

3.4.

Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:

- £10,000 and 10% more or less than Anticipated position (1b).
- £50,000 more or less than Anticipated position (1c).

3.5.

Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.

3.6.

The details have been provided following consultation with the relevant Executive Directors and their staff.

4. Financial Summary

4.1.

The revenue expenditure outturn statement is attached as Annex 1 to this report.

4.2.

The Budget Action Plan, attached as Annex 2 to this report, provides an explanation and proposed corrective action for each of the Priority Actions identified.

5. Corporate Governance

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

6.2.

Additional expenditure requirements identified during the financial year can only be approved by means of a spending recommendation to the Policy and Resources Committee, subject to the use of emergency powers.

6.3.

The outturn statements include a number of accounting entries required to comply with proper accounting practice, including International Financial Reporting Standards. This includes accounting for the use of fixed assets, for example depreciation and revaluations, current service cost of pensions and accumulated staff absences.

7. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

8. Contact Officer

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9. Annexes

Annex 1: Revenue Expenditure Outturn Statement.

Annex 2: Budget Action Plan.

Annex 1: Revenue Expenditure Outturn Statement for Financial Year 2019 to 2020

	Spend £000	Budget £000	Over/Under Spend		Annual Budget £000
			£000	%	
General Fund Services					
Repairs and Maintenance	2,025.3	2,085.5	-60.2	97.1	2,085.5
Sundry Accounts	4,135.2	3,989.4	145.8	103.7	3,989.4
Service Totals	6,160.5	6,074.9	85.6	101.4	6,074.9

	PA	Spend £000	Budget £000	Over/Under Spend		Annual Budget £000
				£000	%	
Repairs and Maintenance						
Repairs and Maintenance General Fund		1,661.5	1,709.8	-48.3	97.2	1,709.8
Ground Maintenance		363.8	375.7	-11.9	96.8	375.7
Service Totals		2,025.3	2,085.5	-60.2	194.0	2,085.5

Budget Summary

Original Net Budget	2,035.5
Contribution from Early Learning & Childcare in Respect of Works at Keelylang	50.0
Revised Budget	2,085.5

Property Maintenance Fund (Part of Repairs & Renewals Fund)

Opening Balance 1 April 2019	-55.0
Financial Year 2019/20 Surplus	-48.3
Closing Balance as at 31 March 2020	-103.3

	PA	Spend £000	Budget £000	Spend		Budget £000
				£000	%	
Sundry Accounts						
Utilities Holding A/C	1c	3,283.5	3,126.3	157.2	105.0	3,126.3
Insurance Holding A/C		669.4	665.9	3.5	100.5	665.9
Telephones Holding A/C		68.3	76.1	-7.8	89.8	76.1
Photocopiers Holding A/C		47.2	47.6	-0.4	99.2	47.6
Postages Holding A/C		66.8	73.5	-6.7	90.9	73.5
Service Totals		4,135.2	3,989.4	145.8	103.7	3,989.4

Budget Summary

Original Net Budget	4,004.4
Photocopiers 2020/21 Savings Taken in 2019/20	-5.0
Postages Re-align 2019/20 Budget	-10.0
Revised Budget	3,989.4

Annex 2: Budget Action Plan

Repairs and Maintenance			
Function	Function Description / Explanation	Action Category/ Action Description	Responsible Officer
R45C	Utilities Holding Account More than anticipated expenditure by £157.2K There has been an increase in Electricity, Oil and Water charges compared to the previous financial year.	The utilities account has been consistently showing an underspend throughout the year, noting that costs for utilities services have increased by inflation. It was expected that a significant underspend would have been reported at the year end. This is now subject of a detailed review to understand how this has changed in the final weeks to settling the annual position to be reported in 2020/21.	D Richardson