

## Budget Monitoring and Forecast Outturn – April to March 2020

Highlight report – 21 May 2020

**Summary:** The revenue net expenditure outturn results in a £246k surplus for 2019/20, after allowing for the carry forward of six 2019/20 budgets for projects still to be delivered into 2020/21 which total £165k (£201k last year). Of this surplus, Housing Benefit payments makes up £39k of the surplus, so the ‘controllable’ surplus is a £208k surplus. The smaller surplus than in previous years is the result of tighter budgets being set, fewer additional efficiencies and income generation coming on stream during the year, and also the impact of COVID-19 during March. There have been a higher level of budget overspend areas which have netted down the surpluses more than in previous years. Note that the impact of Covid-19 will affect 2020/21 much more than 2019/20.

### Revenue Outturn:

£000	2019/20	2018/19
Chief Executive	(78)	(103)
Resources	30	(417)
Community and Culture	(38)	173
Place	(122)	(482)
<b>Total overspend / (surplus)</b>	<b>(208)</b>	<b>(828)</b>
Housing Benefit payments	(39)	0
<b>Grant total budget overspend / (surplus)</b>	<b>(246)</b>	<b>(828)</b>

### Outturn significant variances from budget

#### Top five areas of overspend totalling £1.1m

The Capitol was affected by Everyman on film income, setting up and refurbishing the bar and café, higher casual salaries due to the year of culture, changes to the daytime staffing presence and the impact of Covid-19 in March.

Legal and Democratic services overspent on staff due to two unplanned elections in the year and employing a consultant as there was no elections manager in post, and the difficulties in recruiting qualified solicitors.

Parking was impacted by the building of Piries Place car park, higher repairs and maintenance and Covid-19 in March.

Parks had a lower level of income and higher staff costs including Southwater County Park wardens to help control overcrowding in peak periods.

Building control income was also down throughout the year but also March from the impact of Covid-19, albeit partially offset from some staff savings.

### Capital Expenditure:

Spend of £9.8m, 45% of the programmed £21.7m, including £4m on car parks. Budgets for continuing projects will be rolled into 2020/21, but some projects e.g. £2m running track will not be rolled forward.

The largest areas of underspend in addition to the running track include commercial property, Highwood community centre, Housing enabling grants to Registered Providers and the vehicle replacement programme. These six projects didn’t spend £7.2m (33%) of the capital programme.

The Swan Walk capital contributions are accrued figures based on the late invoices received in early 2020. These invoices were considerably larger than the estimated budgets. The Head of Property and Facilities is currently discussing this contested amount with the supplier as the cause of this has not been fully explained. Should any ‘overspend’ be required, any additional capital budget will be requested before payment is made. The Head of Property and Facilities is intending to resolve the whole issue soon, but has been delayed by Covid-19.

### Outturn significant variances from budget

#### Top five areas of surpluses totalling £1.2m

Street Scene & Fleet had staff savings and less vehicle maintenance, whilst Waste & Recycling generated more net income from garden and business waste.

Corporately, the Council benefited from lower insurance premiums following a retender and fewer redundancies.

Development received fees higher and used less consultancy and Spatial Planning reduced both spend on some projects and the number of projects.