

## Appendix L – St Edmundsbury Borough Council Financial Outturn – Revenue, Capital & Reserves

### Revenue Outturn Position

The year end revenue outturn position shows an **overall underspend of £10,000** (0.01% of the gross budget). A summary by Assistant Director can be found in **Appendix M** with comments for variances by cost centre in **Appendix N**.

This net underspend includes several budgets that have been earmarked to carry forward as a result of timing of spend, which amounts to £118,000.

The revenue underspend is comprised of a number of positive and negative variances, the most significant of which are detailed in the table below. The majority of these variances have been reported throughout the year and have been taken into consideration when setting the 2019/20 budget.

Further detail on the remainder of areas is available in **Appendix N**.

### **St Edmundsbury Borough Council Major Variances over £50,000.**

<b>2018/19 Outturn variance: Over / (under)  £000s</b>	<b>SEBC Details / proposed action</b>
	<p><b><u>Interest and Capital Project Financing</u></b></p> <p>This includes a number of different items relating to the revenue elements around Capital Financing as well as investment income.</p> <p>As business cases come forward the financing of those business cases make provision for borrowing costs (minimum revenue provision and external borrowing costs). However, actual external borrowing would only take place when the Council’s treasury management activities identify such a need. For example, this could be when the Council’s cash flow management activities anticipate that an external cash injection is required to maintain the appropriate level of cash balances for the Council to operate and fulfil its budget and service delivery requirements.</p> <p>The variance below includes assumptions around the timing of our Investing in our Growth Agenda capital fund’s overall performance, that is intended to generate a net income stream of around £200,000 per annum, after allowing for the cost of borrowing and the minimum revenue provision.</p>

2018/19 Outturn variance: Over / (under)  £000s	SEBC Details / proposed action
	<p><b><u>Interest and Capital Project Financing (continued)</u></b></p> <p>As projects from this fund are confirmed the budgets will be updated accordingly, and the figures shown assume that we will utilise the monies set aside for savings in external borrowing in order to offset the timing of this fund's performance.</p> <p>The variances are shown below:</p> <p>(77) Interest Receivable  (540) Interest Payable on Borrowing  (555) Minimum Revenue Provision  1107 Income Assumptions  (27) Dividend Income and Share Revaluations  6 Contributions to Earmarked Reserves</p> <p><b><u>(86)</u></b> <b>Total underspend</b></p>
(64)	<p><b><u>Resources &amp; Performance: Council Tax Administration</u></b></p> <p>Income from court costs was higher than originally budgeted, and in addition to this the service has also received additional grant funding.</p>
61	<p><b><u>Operations: Markets</u></b></p> <p>Market Income lower than budgeted, as well as some overspends, however the final net position remains positive. There has been a reduction in permanent traders, however Market layout is to be reviewed as part of longer term planning to increase income.</p>
140	<p><b><u>Operations: Recycling Collection (Blue Bin)</u></b></p> <p>The Recycling Performance Payment (RPP) income received net of the gate fee from SCC has decreased to £30.61 from £44.21 (figure used to budget) for approx. 7,500 tonnes collected annually.</p> <p>This is due to significant movement in the global commodity market for the materials collected. There is also a 17/18 residual balance as February and March 2018 tonnage estimates were higher than actual.</p>

<b>2018/19 Outturn variance: Over / (under)  £000s</b>	<b>SEBC Details / proposed action</b>
(89)	<p><b><u>Operations: Compostable Collection (Brown Bin)</u></b></p> <p>Garden Waste income is in line with the budget. The underspend is mainly due to supplies and services, and a slightly lower payment to SCC than anticipated.</p> <p>The service is currently on track to achieve the budgeted break-even position by 2019/20, given that there is still some uncertainty around the impact of the revised agreement with SCC.</p>
(57)	<p><b><u>Operations: Trade Waste</u></b></p> <p>Income from the Trade Waste and Rolonof service continues to exceed the budgeted levels. To be kept under review as part of the ongoing budget setting process.</p>
57	<p><b><u>Operations: Haverhill House</u></b></p> <p>Income from rentals and reimbursement of costs from SCC lower than budgeted, plus additional facilities management contract variations of £21,000. Income budget has been overstated for the last 3 financial years, but has been reduced from 2019/20.</p>
73	<p><b><u>Operations: CCTV</u></b></p> <p>Staffing costs were higher than budgeted in part due to staff turnover and ensuring our data compliance processes are robust. In addition to this income was not as high as forecast.</p> <p>To be kept under review as part of the ongoing budget process.</p>
245	<p><b><u>Off Street Car Parks</u></b></p> <p>Income from Car Parking for the year was around £158,000 lower than the budgeted amount of £4,635,000 which is in line with the income levels achieved in 2017/18. To put this into context, it equates to around 3.4% of the budgeted income. In addition to this, Third party payments were £77,000 higher than budgeted.</p> <p>Car parking income has been on a downward path since December 2017. This is supported by recent footfall data particularly in Bury St Edmunds town centre which has seen some recovery.</p>

<b>2018/19 Outturn variance: Over / (under)  £000s</b>	<b>SEBC Details / proposed action</b>
	Recent car parking occupancy analysis has shown that peak time car parking transactions remain strong and seen growth in comparison to the 2015 car parking review. However mid-week occupancy has declined and is the cause of the lower than estimated income receipts. Nationally, town centres are facing a challenging and unpredictable time, and therefore it is difficult to predict with any certainty on-going trends.

### **Capital Programme**

The Council has spent **£17.5m** of its capital budget of £50.7m for 2018/19. Around £28.7m is requested to be re-profiled into 2019/20 onwards as a result of project timings and updated project spend profiling.

The following table gives a high level summary of capital expenditure against budget for 2018/19. Further detail by individual capital project can be found in **Appendix O**.

<b>Assistant Director:</b>	<b>2018/19 Revised Full Year Budget</b>	<b>2018/19 Actual Spend to Date</b>	<b>2018/19 External Grant Funded</b>	<b>2018/19 Carry Forward Requested</b>	<b>2018/19 Over / (under) Spend</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Resources & Performance	1,839	1,601	0	119	(118)
Human Resources	26	17	0	0	(9)
Families & Communities	96	31	0	65	0
Planning & Regulatory	2,451	916	0	1,251	(284)
Operations	13,369	6,646	148	6,586	(235)
Growth	32,969	8,251	400	20,689	(4,028)
<b>Totals:</b>	<b>50,750</b>	<b>17,462</b>	<b>548</b>	<b>28,710</b>	<b>(4,674)</b>

### **Forecast Earmarked Reserves**

The council's balance on Earmarked Revenue Reserves at the end of the financial year is **£22.8m**. Details of the individual reserve balances and movements during the year can be found in **Appendix P**.