

<b>DECISION-MAKER:</b>	CABINET COUNCIL		
<b>SUBJECT:</b>	REVENUE AND CAPITAL OUTTURN 2020/21		
<b>DATE OF DECISION:</b>	CABINET (19 JULY 2021) COUNCIL (21 JULY 2021)		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE & CAPITAL ASSETS		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
N/A
<b>BRIEF SUMMARY</b>
<p>This report is a combined outturn report for revenue and capital.</p> <p>The purpose of this report is to summarise the overall General Fund and Housing Revenue Account (HRA) revenue and capital programme outturn position for 2020/21 and that of the Collection Fund. This report also sets out the revised capital programme estimates for 2021/22 which take account of slippage and re-phasing.</p> <p>The statement of accounts is still under external audit scrutiny, which means this report is provisional, although no material changes are anticipated.</p>

**RECOMMENDATIONS:**

	<b><u>General Fund - Revenue</u></b>	
	It is recommended that Cabinet:	
i)	Notes the General Fund revenue outturn for 2020/21 is a balanced position after transfer of £8.63M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.	
ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.	
iii)	Recommends Council to approve the budget carry-forward requests totalling £6.06M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3.	
iv)	Recommends Council to note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.	
v)	Notes that the level of General Fund balances at 31 March 2021 was £10.07M and the level of earmarked reserves was £134.55M as detailed in paragraph 18 and 19 of Appendix 1 and Annex 1.5.	
vi)	Notes the accounts for the Collection Fund in 2020/21 detailed in paragraphs 24 to 29 of Appendix 1 and Annex 1.7.	

	vii)	Accepts the allocation of £1.011M Rough Sleeping Initiative funding for 2021/22 secured through the recent bidding round.
	<b><u>Housing Revenue Account</u></b>	
	It is recommended that Cabinet:	
	viii)	Notes the HRA revenue outturn for 2020/21 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	<b><u>Capital Programme</u></b>	
	It is recommended that Cabinet:	
	ix)	Notes the actual capital spending in 2020/21 for the General Fund was £50.20M and for the HRA was £33.97M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 3 to 6 of Appendix 2.
	x)	Notes the capital financing in 2020/21 as shown in table 3 of Appendix 2.
	xi)	Notes the revised capital programme for 2020/21 to 2025/26 and its financing as summarised in paragraph 11 of Appendix 2 and detailed in Annex 2.2.
	xii)	Notes the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.
	<b><u>General Fund – Revenue</u></b>	
	It is recommended that Council:	
	i)	Notes the General Fund revenue outturn for 2020/21 is a balanced position after transfer of £8.63M surplus to reserves, as outlined in paragraph 4 and in paragraph 2 of Appendix 1.
	ii)	Notes the performance of individual Portfolios in managing their budgets as set out in paragraphs 3 to 6 of Appendix 1 and Annex 1.1.
	iii)	Agrees the budget carry-forward requests totalling £6.06M as outlined in paragraph 8 of Appendix 1 and detailed in Annex 1.3.
	iv)	Notes the performance of the Property Investment Fund (PIF) as detailed in paragraphs 9 to 11 of Appendix 1 and Annex 1.4.
	<b><u>Housing Revenue Account</u></b>	
	It is recommended that Council:	
	v)	Notes the HRA revenue outturn for 2020/21 as outlined in paragraph 6 and paragraphs 21 to 23 of Appendix 1 and Annex 1.6.
	<b><u>Capital Programme</u></b>	
	It is recommended that Council:	
	vi)	Notes the actual capital spending in 2020/21 for the General Fund was £50.20M and for the HRA was £33.97M, as outlined in paragraphs 10 and 11 below and detailed in paragraphs 3 to 6 of Appendix 2.
	vii)	Notes the capital financing in 2020/21 as shown in table 3 of Appendix 2.
	viii)	Approves the revised capital programme for 2020/21 to 2025/26 and its financing as summarised in paragraph 11 of Appendix 2 and detailed in Annex 2.2.
	ix)	Approves the latest prudential indicators for the revised capital programme as detailed in Annex 2.3.

<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	None, as the outturn position for 2020/21 has been prepared in accordance with statutory accounting requirements.
<b>DETAIL (including consultation carried out)</b>	
	<b><u>Revenue</u></b>
3.	The outturn positions for the General Fund Revenue Account, Housing Revenue Account (HRA) and Collection Fund for the Council are summarised in Appendix 1.
4.	The overall outturn on the General Fund was a year end surplus of £8.63M which was transferred to reserves to give a final balanced position. This surplus comprised a favourable variance of £7.56M on General Fund business as usual activities, an improvement of £2.94M from the quarter 3 forecast, and a favourable variance of £1.07M on General Fund COVID-19 pressures, an improvement of £7.42M from the quarter 3 forecast. Details of the significant movements since the last quarter are provided in Annex 1.1.
5.	The level of General Fund balance at 31 March 2021 remained at £10.07M, which is in line with the Medium Term Financial Forecast as agreed at the 24 February 2021 Council meeting. Earmarked reserves totalled £134.55M at the end of 2020/21, of which £4.17M relates to schools' balances. Included within reserves is the carry forward of £32.06M of COVID-19 grant funding, of which £24.67M relates to additional business rates reliefs introduced by the government during the pandemic. The funding is being carried forward via reserves to meet the Council's share of the deficit on the Collection Fund arising from these reliefs, which will be charged to the General Fund in 2021/22. The negative reserve relating to the carry forward of the deficit on the Dedicated Schools Grant (DSG), which at outturn was a cumulative deficit of £8.94M, has been transferred into an unusable reserve so that it does not impact on the revenue account in accordance with new regulations. Reserves (excluding schools' balances) are £28.60M higher than the estimated position at quarter 3. More detail is provided in paragraph 18 to 20 of Appendix 1.
6.	The outturn position for the HRA was a balanced position. This is in line with the budget approved by Council in February 2020. This comprised a favourable variance of £0.17M on HRA business as usual activities, a worsening of £0.01M from the quarter 3 forecast, and an adverse variance of £0.17M on HRA COVID-19 pressures, an improvement of £1.12M from the quarter 3 forecast. Details of the significant movements since the last quarter are provided in Annex 1.6.
7.	At the year end the Collection Fund had a deficit of £51.86M, of which £50.19M relates to the additional business rates reliefs mentioned above. The Council's share of the deficit is £25.79M. £25.80M of government grant funding (£24.67M for rates reliefs and £1.13M compensation for irrecoverable tax losses) have been carried forward via reserves to offset the deficit that will be charged to the General Fund in 2021/22.
8.	The Council has been successful in securing £1.011M of funding through the recent bidding round for the Rough Sleeping Initiative. This funding covers the period 1 July 2021 to 31 March 2022. In order to progress with service delivery the Cabinet is being

	asked to accept this external funding bid.
	<b><u>Capital</u></b>
9.	The General Fund and HRA capital expenditure and its financing for 2020/21 and the revised Capital Programme are summarised in Appendix 2.
10.	The total General Fund capital expenditure in 2020/21 was £50.20M compared to the agreed programme of £83.53M, giving a variance of £33.33M (£32.16M net slippage and £1.17M of underspend).
11.	The total HRA capital expenditure in 2020/21 was £33.97M compared to the agreed programme of £47.36M, giving a variance of £13.39M (£7.98M net slippage and £5.41M of underspend).
	<b><u>Statement of Accounts 2020/21</u></b>
12.	The statutory timetable for the 2020/21 annual accounts has been amended in response to the Redmond Review. The draft statement of accounts will be presented to Governance Committee on 26 July 2021.
13.	The annual audit, carried out by our auditors Ernst & Young LLP, commenced on 5 July 2021. The audit is expected to be completed in September 2021. Any major changes to the statement of accounts arising from the annual audit are expected to be reported to the 27 September 2021 Governance Committee.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
14.	The revenue and capital implications are contained in the report.
<b><u>Property/Other</u></b>	
15.	There are no specific property implications arising from this report other than the schemes already referred to within Appendix 2 of the report.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
16.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.
<b><u>Other Legal Implications:</u></b>	
17.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
18.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
19.	The proposals contained in the report are in accordance with the Council's Policy Framework Plan.

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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## SUPPORTING DOCUMENTATION

### Appendices

1.	Revenue Outturn 2020/21
2.	Capital Outturn 2020/21

### Documents In Members' Rooms

1.	None
2.	

### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	No
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### Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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### Other Background Documents

#### Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	The Medium Term Financial Strategy, Budget and Capital Programme 2020/21 to 2022/23 (Approved by Council February 2020)
2.	