

Revenue Outturn 2020/21

| | |
|--|---|
| Relevant Portfolio Holder | Cllr Mike Rouse |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Chris Forrester |
| Report Author | Job Title: Head of Finance & Customer Services email:chris.forrester@bromsgroveandredditch.gov.uk Contact Tel: 0152764252 |
| Wards Affected | N/A |
| Ward Councillor(s) consulted | N/A |
| Relevant Strategic Purpose(s) | All |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |

1. Purpose and summary

The purpose of this report is to set out the Council's Revenue outturn position for the financial year April 2020 – March 2021 (subject to final accounts closedown procedures and audit).

2. Recommendations

The Executive is asked to RESOLVE that

- 2.1 the current financial position in relation to the revenue budgets for the year April 2020 – March 2021 as detailed in the report is noted; and**
- 2.2 the additional £120k of general covid grant that will be paid to Rubicon Leisure to balance the year end position, as agreed by the S 151 Officer under delegated authority, be noted.**

3. Revenue budgets

- 3.1 This report provides details of the revenue outturn position of the Council for 2020/21 and performance against budget.
- 3.2 This report presents the financial outturn position and performance against budget by service.
- 3.3 The table below sets out the revenue outturn position compared to budget:

REDDITCH BOROUGH COUNCIL

EXECUTIVE

11th January 2022

| Service | 2020/21 Original Budget | 2020/21 Revised Budget | 2020/21 Actuals | 2020/21 Variance |
|---|-------------------------------|------------------------------|--------------------|---------------------|
| | £ | £ | £ | £ |
| Business Transformation & Organisational Development | 1,667,517.00 | 1,576,921.95 | 1,569,282.09 | -7,639.86 |
| Chief Executive | -2,628,903.00 | -2,427,459.00 | -2,072,008.91 | 355,450.09 |
| Community & Housing GF Services | 2,000,756.00 | 1,738,238.53 | 1,531,780.83 | -206,457.70 |
| Corporate Financing | -9,702,415.00 | -9,057,990.12 | -9,240,653.08 | -182,662.96 |
| Environmental Services | 2,676,940.00 | 2,660,624.72 | 2,437,678.26 | -222,946.46 |
| Financial & Customer Services | 1,832,247.00 | 1,414,809.67 | 1,671,234.68 | 256,425.01 |
| Legal, Democratic & Property Services | 2,046,633.00 | 1,972,087.55 | 1,735,193.66 | -236,893.89 |
| Planning, Regeneration & Leisure Services | 1,138,274.00 | 1,153,815.70 | 1,006,645.15 | -147,170.55 |
| RBC Regulatory Client | 352,702.00 | 352,702.00 | 346,748.15 | -5,953.85 |
| RBC Rubicon Client | 648,249.00 | 648,249.00 | 671,315.55 | 23,066.55 |
| Starting Well - GF | -32,000.00 | -32,000.00 | -31,170.43 | 829.57 |
| Total | 0.00 | -0.00 | -373,954.05 | -373,954.05 |

- 3.4 The above table shows that the revenue outturn position was underspent by £373,954.05 in total.
- 3.5 The above table also clearly shows the impact of Covid-19 on the year's performance against budget. This report will now set out a financial commentary on this outturn position by service area (highlighting Covid-19 related impacts where applicable).

Business Transformation & Organisational Development (Total underspend of £8k)

- 3.6 The above table shows that in summary this service area was under by £8k. The main variations being as follows:
- £37k underspend due to salary vacancies in HR
 - £36k shortfall in income from street naming and numbering
 - £21k underspend on corporate training budget due to Covid 19 and the reduced ability to deliver training

Chief Executive (Total overspend of £355k)

- 3.7 The above table shows that in summary this service area was overspent by £355k. The main variations being as follows:

- £342k overspend on corporate services primarily due to higher than originally budgeted for pension costs (this being previously reported at Q3). This has now been factored into ongoing budgets.

Community & Housing GF Services (Total under £206k)

3.8 The above table shows that in summary this service area was under by £206k. The main variations being as follows:

- £138k underspend on underspend is due to staff restructure in anti-social behaviour team - however this is recharged to HRA (so is not a general fund saving).

Corporate Financing (Total under £183k)

3.9 The above table shows that in summary this service area was under £183k. The main variations being as follows:

- £183k underspend driven largely by interest payable being lower due to a lower than forecast borrowing requirement (due to Covid-19 monies being paid in advance into our accounts) and lower interest rates (cut to historically low levels due to Covid-19), as well as a lower than budgeted MRP charge for the year due to previous year underspend on capital programme (partially Covid impacted).

Environmental Services (Total underspend of £223k)

3.10 The above table shows that in summary this service area was underspent by £223k. The main variations being as follows:

- £112k additional income from bereavement services (due to Covid pandemic).
- £63k savings on hedge cutting team due to the success of the trial of using less agency workers and vehicles.

Financial & Customer Services (Total over of £256k)

3.11 The above table shows that in summary this service area was over by £256k. The main variations being as follows:

- £256k under recovery in benefits as there have not been any court recoveries taking place due to the pandemic (the rules not allowing for this action). This has been projected through the year.

Legal, Democratic & Property Services (Total under of £237k)

3.12 The above table shows that in summary this service area was under by £237k. The main variations being as follows:

- £332k underspend in assets and facilities management due to savings on utility budgets and other premise based operational budgets within some of our public buildings including the Town Hall. These savings were due to the pandemic's impact re reduced opening hours during the year and reflect the usual operational costs of heating and operating our assets.
- £54k overspend in business development predominantly due to the loss of income from Learning online & civic suite hire due to current circumstances.

Planning, Regeneration & Leisure Services (Total underspend of £147k)

3.13 The above table shows that in summary this service area was underspent by £147k. The main variations being as follows:

- Parks and events were underspent by £127k as events have not taken place also due to COVID-19 along with some temporary salary savings
- £90k overspend on economic and tourism development due to some additional costs following the closure of the Rubicon Business centre. There is also a shortfall in income at the other business centres projected.

RBC Regulatory Client (Total underspent £6k)

- There were no material variances

RBC Rubicon Client (Total overspend £23k)

- The additional amounts paid to Rubicon Leisure were paid from general covid grant, and so are not shown in this service line

Starting Well (Total overspend £829)

- There were no material variances

Covid grant

3.14 The council received significant un-ringfenced covid grant during the year to support service delivery and mitigate the impact of covid. It has been applied as follows:

| General Covid Funding | £ |
|--|---------------------|
| Amount Received (four initial tranches) | 1,455,981 |
| Amount spent 19/20 | 12,657.32 |
| Amount spent 20/21 | 862,884.57 |
| Remaining balance at 31/3/21 | 580,439.11 |
| Fifth tranche of grant | 496,389 |
| Total remaining covid grant | 1,076,828.11 |

3.15 It is important to note that of the £863k applied in 20/21 year, £543k was paid over to Rubicon Leisure to support them due to the reduction in leisure income as covid forced the closure of leisure facilities. A further £120k has been requested in this report.

4. Treasury and Cash Management

Borrowing

As at 31st March 2020 the council had no short term borrowing, and £104m long term borrowing.

Investments

At 31st March 2020 we had placed £4.5m in investment accounts to generate an income for the Council.

5. General Fund Balances

Due to the (non-recurring) savings during the year identified above, including the impact of Covid-19, an underspend of £374k has been achieved. This will increase the general fund balance by that amount.

6. LEGAL IMPLICATIONS

No legal implications have been identified.

7. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

7.1 This relates to all strategic purposes.

Climate Change Implications

7.2 No direct climate change implications were identified.

8. OTHER IMPLICATIONS

Equalities and Diversity Implications

8.1 No equalities and diversity implications were identified.

Operational Implications

8.2 Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

9. RISK MANAGEMENT

9.1 The financial monitoring is included in the corporate risk register for the authority.