

Extract from Joint Strategic Committee - 10 July 2018

JSC/016/18-19 Financial Performance 2017/18 - (B) Revenue Outturn

Purpose

- 1.1 This report outlines the revenue financial monitoring position for the end of the 2017/18 financial year for Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statements of Accounts are in the process of being audited. Any adjustments that emerge as the audit proceeds will be reported to members later in the year.

The outturn positions are underspends of £495,023 in Adur District Council, and £812,788 in Worthing Borough Council. After allowance for proposed carry forward of budgets in 2018/19, this represents a 4% underspend against budget for both Councils.

The outturn figures include revenue savings that have been factored into the 2018/19 budget that have crystallised in 2017/18, earlier than projected. These include ICT maintenance costs, pension contributions and the capitalisation of staff costs. Also there are proposed carry forward requests, detailed in section 6.1, that will need to be met from these underspends which relate to committed spend that is to now planned for 2018/19; Adur District Council £88,680 and Worthing Borough Council £231,330 (including the Joint Services proposals).

In addition there are some variances that relate specifically to 2017/18, some of which occurred in the last quarter of the year. In Adur District Council these include planning application fees and market income. Worthing Borough Council received additional income from commercial properties and theatres had a successful fourth quarter. There was also an improvement on some of the underachievements previously forecast; such as homelessness, bereavement services and Parks and Open Spaces.

This is an improved outcome to what was projected in the quarter 3 monitoring report when underspends of £14,000 and £46,100 were being forecast in Adur and Worthing respectively. The areas that have contributed to the net movement are highlighted in the report and appendix 5(a) and in addition to the above

include; External borrowing costs, investment income, Minimum Revenue Provision, and income from Environmental Services, Building Control, and property investments.

1.2 The following appendices have been attached to this report:

- Appendix 1 (a) Joint Summary of 2017/18 Outturn
- Appendix 2 (a) Adur District Council – Summary of 2017/18 Outturn
(b) Adur District Council - Use of Earmarked Reserves
- Appendix 3 (a) Worthing Borough Council – Summary of 2017/18 Outturn
(b) Worthing Borough Council - Use of Earmarked Reserves
- Appendix 4 HRA Summary
- Appendix 5 (a) Major Variations – Budget to Outturn (over £20,000)
(b) Major Variations – Quarter 3 to Quarter 4
(c) HRA Major Variations – Budget to Outturn

Summary of Discussion

Before the Committee was a report by the Director for Digital & Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these Minutes as Item 7(B).

The report outlined the revenue financial monitoring position for the end of the 2017/18 financial year for Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of the report, the Statements of Accounts were in the process of being audited. Any adjustments that emerged as the audit proceeded would be reported to members later in the year.

The outturn positions were underspends of £495,023 in Adur District Council, and £812,788 in Worthing Borough Council. After allowance for proposed carry forward of budgets in 2018/19, this represented a 4% underspend against budget for both Councils.

The outturn figures included revenue savings that had been factored into the 2018/19 budget and had crystallised in 2017/18, earlier than projected. These included ICT maintenance costs, pension contributions and the capitalisation of staff costs.

There were proposed carry forward requests, detailed in section 6.1, that would need to be met from underspends, which related to committed spend that was planned for 2018/19; Adur District Council £88,680 and Worthing Borough Council £231,330 (including the Joint Services proposals).

In addition there were some variances that related specifically to 2017/18, some of which occurred in the last quarter of the year. In Adur District Council these included planning application fees and market income. Worthing Borough Council received additional income from commercial properties and theatres had a successful fourth quarter.

The Committee noted that there was an improved outcome to that projected in the quarter 3 monitoring report when underspends of £14,000 and £46,100 had been forecast in Adur and Worthing respectively. The areas which had contributed to the net movement were highlighted in the report in Appendix 5(a) and included; External borrowing costs, investment

income, Minimum Revenue Provision, and income from Environmental Services, Building Control and Property Investments.

Resolution from Committee

That the Joint Strategic Committee recommended that Adur District Council, at its meeting on 19 July 2018 and Worthing Borough Council at its meeting on 17 July 2018:-

- a. noted the overall final outturn for 2017/18.
- b. agreed to the net carry over of an approval to use reserves where the original approval for 2017/18 was not utilised in-year as set out in paragraph 6.2 (General Fund) totalling:
 - i. **Worthing Borough Council £10,000**
- c. approved the net appropriations to General Fund Reserves in the year as detailed in paragraph 6.3 totalling:
 - i. Adur District Council £655,819
 - ii. **Worthing Borough Council £1,315,127**
- d. agreed the net carry over of revenue budget to 2018/19 funded from reserves as detailed in paragraph 6.1:
 - i. Adur District Council £88,680
 - ii. **Worthing Borough Council £231,330**
- e. approved the establishment of a new Business Rates Smoothing Reserve for Adur District Council and Worthing Borough Council as detailed in paragraph 4.12; to earmark funds to address the timing difference between the Business Rates income received in the General Fund in year (net of reliefs), and the grant income paid from Central Government to reimburse lost revenue as a consequence of Government policy decisions on reliefs.

(Link to the report on the website

<https://www.adur-worthing.gov.uk/media/media.149798.en.pdf>)