

Extract from the minutes of the Joint Strategic Committee - 13 July 2021

JSC/013/21-22 Financial Performance 2020/21 - Revenue outturn

This report outlined the revenue financial monitoring position for the end of the 2020/21 financial year for the Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statements of Accounts were completed and with the audit scheduled to commence in August 2021. Any adjustments that emerge as the audit proceeds will be reported to members later in the year.

The final position for operational services were overspends in Adur District Council £876k and in Worthing Borough Council £3.7m. This was a variation to the projections reported at quarter 3 when operational outturns were predicted to be an overspend of £1.1m in Adur and £3.9m in Worthing.

Overall outturn positions were underspends of £641k in Adur District Council and £1.1m in Worthing Borough Council which are due largely to the level of government support received for the impact of Covid 19. After allowance for proposed carry forward of budgets in 2020/21, this represented a 5% underspend against the budget for Adur and 6.7% for Worthing. Significant variations in the last quarter of the year included lower than estimated expenditure on reactive maintenance and the receipt of additional emergency government funding.

The table at 4.6 below sets out the components contributing to the underspend in 2020/21, the most significant being lower capital borrowing costs, additional income from government funding and some changes in maintenance requirements and scheduling. Within this there are some clearly identifiable items which can be attributed to the impact of the pandemic.

The outturn figures included proposed carry forward requests, detailed in appendix 6, that would need to be met from these underspends. The budgets related to committed spend that was planned for delivery in 2021/22: Adur District Council £189,000 and Worthing Borough Council £242,000.

This outcome was an improvement overall than what was forecasted in the quarter 3 monitoring report '3rd Revenue Budget Monitoring Report (Q3)' when net

underspends of £223,000 and £13,000 were being projected in Adur and Worthing respectively. The main movements in the last quarter are set out in appendix 5b, with additional emergency funding and lower maintenance expenditure being the significant factors. The outturn position did help to assist the Councils in managing a difficult financial position in 2021/22 particularly in light of the budget pressures identified elsewhere on the agenda.

The following appendices have been attached to this report:

Appendix 1

Joint Summary of 2020/21 Outturn

Appendix 2

(a) Adur Summary of 2020/21 Outturn

(b) Adur Use of Earmarked Reserves

Appendix 3

(a) Worthing Summary of 2020/21 Outturn

(b) Worthing Use of Earmarked Reserves

Appendix 4

HRA Summary

Appendix 5

(a) Table of Variations over £20,000

(b) Table of movements over £50,000 between quarter 3 and 4

(c) HRA Major Variations - Budget to Outturn

Appendix 6

Budgets Carried Forward to 2021/22

The recommendations were proposed by Councillor Elizabeth Sparkes, seconded by Councillor Angus Dunn and unanimously supported.

Decision

The Joint Strategic Committee:

2.1 recommended that Adur District Council, at its meeting on 22nd July 2021 and Worthing Borough Council at its meeting on 20th July 2021:-

(a) NOTED the overall final outturn for 2020/21;

(b) APPROVED the net appropriations to General Fund Reserves in the year as detailed in section 6 of the report totalling: Adur District Council £5,326,227, Worthing Borough Council £8,700,773;

(c) AGREED the net carry over of revenue budget to 2021/22 funded from reserves as detailed in appendix 6: Adur District Council £189,000 Worthing Borough Council £242,000.

2.2 delegated authority to the Executive Members for Resources in consultation with the Leaders and the Chief Executive the ability to release up to £250k from the Capacity Issues Reserve and the Building Maintenance Reserve to fund post pandemic recovery measures for the Councils' communities and businesses as well as supporting preparations for important national events such as the Platinum Jubilee.

2.3 Asked the Joint Overview and Scrutiny Committee to note:

(i) the contents of the report and consider whether it needs to scrutinise any budget area in detail.