

# Somerset West and Taunton Council

## Scrutiny Committee – 30 September 2020

### Financial Monitoring – Outturn Position 2019/20

**This matter is the responsibility of Executive Councillor Ross Henley, Portfolio Holder for Corporate Resources**

**Report Author: Emily Collacott, Finance Business Partner and Deputy S151 Officer**

#### **1 Executive Summary / Purpose of the Report**

- 1.1 This report contains information related to SWT's financial performance for the 2019/20 financial year. The outturn figures included are provisional subject to the completion of the external audit of the statutory financial statements. The audit is due to be completed between July and October with the findings to be reported to the Audit, Governance and Standards Committee on 2nd November this year.
- 1.2 Monitoring the budget is an important part of the Council's performance management framework.
- 1.3 2019/20 is the first financial year for this new Council, which was created on the 1 April 2019 and replaced the predecessor Councils – Taunton Deane Borough Council and West Somerset Council. The budget was set by the Shadow Council in February 2019, and this created to a large extent by mapping the two historic budgets of the old Councils into a single budget structure.
- 1.4 The past financial year was significant in terms of change in leadership, both senior management and political, and an ongoing period of organisational change and disruption. The year started with budgets reflecting the operating model designed through the transformation project. Changes through the year meant that this does not reflect the organisation structure as it is now. The organisational changes during the year has also led to changes in budget holders and budget responsibilities, and changes within the finance officer team too, with a loss of background knowledge of the previous Councils / budgets where experienced staff left during the year. All of these changes have presented some challenges within the budget monitoring process, meaning some variances now reported were not predicted or not identified sooner. The risk of budgets and costs/income not aligning was higher than normal due to the scale of continuous change through the year.
- 1.5 The budget for 2020/21 has been re-shaped to reflect the directorate structure. This should provide a solid foundation for financial management and reporting in the current year.
- 1.6 COVID-19 impact started to impact on service expenditure and income in March, therefore the financial consequences were not significant in the last financial year. However, it is evident that there are significant impacts in 2020/21 that were not expected or anticipated when the budget for 2020/21 was approved in February. This is covered within the separate financial strategy and financial monitoring reports.
- 1.7 The leadership team and S151 Officer have prudently considered the financial risks as

part of their year-end analysis and have prioritised strengthening the Council's reserves. For example, a robust review of earmarked reserves has been completed with £1.2m proposed to be released to general balances. Equally, SMT considered requests from services to carry forward £0.7m of budget underspend into the next financial year, however SMT took the prudent view that it is better to return the full reported underspend to increase General Reserves due to these financial risks. On this basis the full reported £1.8m underspend (see below) has also been added to the general reserves balance to provide greater flexibility and resilience in the new financial where the COVID impact is expected to be at its greatest. Overall, General Reserves have been boosted by £3m as a result of this action.

1.8 The **revenue outturn position** for the financial year 2019/20 is as follows:

1.8.1 The General Fund (GF) Revenue Outturn position for 2019/20 is a net underspend of £1.836m (8.2% of Net Budget), after reserve transfers. This is a relatively large underspend, and is as a result of several factors including general variances to budget, accounting provisions not fully required and thus released to the revenue account, and a decision not to approve carry forwards of underspends/surpluses into next year which would have reduced the reported net underspend.

1.8.2 The HRA is a ring-fenced 'Self-Financing' account used to manage the Council's Housing Landlord function, which is budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Revenue Outturn position for 2019/20 is a net underspend of £8k (0.03% of gross income).

1.9 The **capital outturn position** for 2019/20 is as follows:

1.9.1 The total General Fund Capital Programme budget in place in 2019/20, including schemes brought forward from previous years, is £65.832m. This relates to a combination of schemes to be delivered in the year and some that will span over more than one year. £20.073m has been spent during 2019/20. Of the remaining £45.759m, £30.567m will be carried forward for ongoing schemes, £11.567m has been included in the 2020/21 approved capital budget and is therefore not carried forward (to avoid duplication), and a £3.625m net underspend is reported overall.

1.9.2 The HRA approved Capital Programme at the end of 2019/20 was £32.356m. This relates to planned schemes and works during the year and some costs that are expected to span across financial years also. The actual expenditure on the Capital Programme during 2019/20 was £16.069m, with £15.857m of planned investment to implement approved schemes in future.

## 2 Recommendations

Scrutiny Committee is requested to review the report and support the following proposed recommendations to the Executive:

2.1 The Executive is recommended to:

2.1.1 Note the reported General Fund Revenue Budget underspend of £1.836m in 2019/20 and the General Reserves Balance of £4.522m as at 31 March 2020 which provides financial resilience and flexibility to meet increased financial pressures in 2020/21 and subsequent years.

2.1.2 Note the reported Housing Revenue Account Budget underspend of £8k in 2019/20 and

the HRA General Reserves Balance of £2.701m as at 31 March 2020.

- 2.1.3 Approve the transfer of £1.2m of General Fund Earmarked Reserves back into General Fund General Reserves, as set out in Appendix B.
- 2.1.4 Note the Capital Outturn position and approve the proposed carry forward of £29.996m approved budget to 2020/21 General Fund Capital Programme (as per Appendix C) and £15.822m to the 2020/21 Housing Revenue Account Capital Programme (as per Appendix D).

### **3 Risk Assessment**

- 3.1 This is a retrospective report therefore no risk assessment has been completed. Risk assessments regarding budget monitoring were carried out during the year and included with these reports. Financial risks and uncertainties are included in budget setting and budget monitoring reports presented to Members. It is evident that the Council faces the risk of increased costs and reduced income in 2020/21 and the strengthening of general reserves as set out in this report provides increased resilience and flexibility for management and members to mitigate short term pressures.

### **4 Background and Full details of the Report**

- 4.1 This report informs Members of SWT's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2019/20 for the council's General Funds (GF), Housing Revenue Account (HRA).
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's the Medium Term Financial Plans.
- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Statement of Accounts, which was approved by the Assistant Director – Finance (S151 Officer) on 13 August, and is now subject to review by the Council's External Auditor. Should the External Auditor identify any changes to the Accounts these will be reported to the Audit, Governance and Standards Committee on 2<sup>nd</sup> November this year.
- 4.4 The outturn position reported for the General Fund contains some estimated figures for government subsidies on housing benefit and the total of business rates retention funding. These are based on unaudited claims, and it is possible that final figures post-audit could change. Should the final figures differ significantly from those used in this report an updated position will be provided as part of 2020/21 budget monitoring reports.

### **5 2019/20 Financial Performance**

- 5.1 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a regular review of all budgets. Budget Holders, with support and advice from their accountants, review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that assumptions and estimates will differ from the eventual

outcome, and a number of risks and uncertainties have been highlighted in previous budget monitoring reports.

- 5.2 Forecasting for demand-led services has continued to be a challenge. Tracking of staff costs has been particularly volatile due the number of changes, vacancies and temporary agency arrangements throughout the year and the gradual realignment of the organisational structure into the new directorates. There have also been some significant budgets and accounting provisions related to the organisation changes under transformation and the transition to more efficient ways of working.
- 5.3 The Council has continued to operate within the framework of their Budget Strategy and the overall financial standing at the end of the financial year is sound. The Reserve balances for the General Fund and the HRA are above their respective recommended minimums.

## 6 Budget Outturn Summary

- 6.1 The General Fund Revenue Outturn position for 2019/20 is a net underspend of £1.836mk (8.2% of Net Budget).

**Table 1: General Fund Revenue Outturn Summary**

General Fund Outturn 2019/20	Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Performance and Governance	14,019	12,177	-1,842	-8.2
Communication and Engagement	562	567	5	0.0
Customer	-3,454	-3,173	281	1.3
Localities	4,026	4,352	326	1.5
Commercial Investment	2,107	2,257	150	0.7
Strategy	606	628	22	0.1
<b>Net Cost of Services</b>	<b>17,866</b>	<b>16,808</b>	<b>-1,058</b>	<b>-4.8</b>
Interest and Investment Income	-473	-993	-520	-2.3
Investment Properties	-496	-514	-18	-0.1
Transfers to/from Earmarked Reserves	7,124	7,529	405	1.8
Transfers from General Reserves	-171	-171	0	0
Capital and Other Adjustments	-1,471	-1,677	-206	-0.9
<b>Net Budget</b>	<b>22,379</b>	<b>20,981</b>	<b>-1,398</b>	<b>-6.2</b>
Funding	-22,379	-22,817	-438	-2.0
<b>Variance</b>	<b>0</b>	<b>-1,836</b>	<b>-1,836</b>	<b>-8.2</b>

Note: Negative figures represent income / underspend

- 6.2 The Forecast Outturn as at Month 8 (November 2019), was a projected £36k net overspend within the General Fund Revenue Budget, reflecting known differences reported at that stage and budget holders' plans and assumptions about the costs and income anticipated in the remainder of the year. The variances reported at the end of the financial year indicate some significant changes since that time, reflecting more recent information and a degree of caution and/or optimism in previous forecasts. The main differences between the reported variances at Month 8 and the year-end Outturn are summarised in Table 2 below. Explanations are provided in 6.3 below.

**Table 2: Main Differences between Month 8 and Outturn Variances**

	Month 8 £000	Change £000	Outturn £000	Para No.
Asset Management and Facilities Management	161	-55	106	6.3.1
Planning		-237	-237	6.3.2
B&B/Homelessness	130	-459	-329	6.3.3
Environmental Health/Pollution control	12	39	51	6.3.4
Shopmobility	-20	-6	-26	6.3.5
Car parking	47	-53	-6	6.3.6
Council Tax Collection	-100	-71	-171	6.3.7
Customer Contact Centre/Deane Helpline	29	3	32	6.3.8
Housing Partnership	69	-33	36	6.3.9
Localities Operational Costs		56	56	6.3.10
Grounds Maintenance/Open Spaces/Nursery		795	795	6.3.11
Bereavement Services		-138	-138	6.3.12
Operation Clean Sweep	50	-24	26	6.3.13
Pest Control	29	7	36	6.3.14
Members Allowances	21	-13	8	6.3.15
Performance & Governance operational costs	50	15	65	6.3.16
Elections		62	62	6.3.17
Learning and Development		-116	-116	6.3.18
Building Control	-40	-40	-80	6.3.19
Leisure Partnership		-349	-349	6.3.20
Corporate Management		-133	-133	6.3.21
IT Comms	170	-33	137	6.3.22
IT Infrastructure/Systems		-161	-161	6.3.22
Insurance	-295	-44	-339	6.3.23
Non distributed costs – Pension past service costs		-237	-237	6.3.24
Interest Income	-61	-153	-214	6.3.25
Interest Costs	-297	-10	-307	6.3.26
Other minor variances	81	106	187	
<b>Sub-total – Budget Monitoring Variances</b>	<b>36</b>	<b>-1,282</b>	<b>-1,246</b>	
<b>Year End Adjustments:</b>				
Transformation – redundancy accrual		-153	-153	6.4.1
Transformation – redundancy provision		-258	-258	6.4.2
Revenue funding of capital costs (“RCCO”)		-179	-179	6.4.3
<b>Sub-total: Year End Adjustments</b>		<b>-590</b>	<b>-590</b>	
<b>TOTAL Overspend / (-) Underspend</b>	<b>36</b>	<b>-1,872</b>	<b>-1,836</b>	

6.3 The main variances to budget and significant changes to the Month 8 position are explained as follows:

6.3.1 **Asset Management:** The outturn overspend falls into two broad themes. First, an increase in professional fees associated with the survey, lease, sale and valuation of the Council’s assets following the coming together of the two former authority’s holdings. Second, to a lesser degree, were services associated with securing assets. The position from Month 8 reporting was improved as some of the planned maintenance items were deferred to 2020/21.

- 6.3.2 **Planning:** The underspend is due to planning fee income exceeding the budget where a number of high paying planning fees were received, the timing of which has been challenging to predict. It was also assumed that any surplus at year-end would be transferred to a reserve to fund future anticipated planning guarantee refunds and appeal costs, however this has not been approved with those risks to be managed within the 2020/21 budget.
- 6.3.3 **Homelessness:** The Homelessness budget is complex, with different sources of grant funding coming into the service from the set budget, annual grants (which are never confirmed until they are paid) alongside opportunistic grants we apply for in year (such as cold weather funding and rough sleeper initiatives). There was a carry forward of grant from the previous year which, due to staff changes during transformation, had anticipated spend against it. However, later in the year it became apparent this grant would not be spent. It was also previously assumed any underspend / surplus income would be carried forward however this has not been approved on the assumption costs can be managed within the 2020/21 budget and future successful grant bidding.
- 6.3.4 **Environmental Health:** Post transformation the need to respond to the Food Standard Agency standing protocols resulted in resource being diverted to non-income generating activities. Specifically a reduction in the number of Private Water Supply Inspections; offset in part by routine sampling being delivered by a contracted provider.
- 6.3.5 **Shopmobility:** The contract is below the amount provided in the budget, providing a net underspend for the year. The budget in future years will be realigned to reflect actual costs.
- 6.3.6 **Car parking:** The nature of a demand led service means that forecasts are available but in year variations will year on year impact monthly monitoring. The underperformance against income target was offset by improvements associated with reduced business rate payments and maintenance being re-scheduled.
- 6.3.7 **Council Tax Collection:** An increase in court activity held this year has resulted in a £170k over achievement against annual budget for recoverable costs. Activity increased this year due in part due to catching up on a backlog from the previous year when fewer courts were held whilst Transformation took place. The income forecast at month 8 was a conservative estimate.
- 6.3.8 **Customer Contact Centre/Deane Helpline:** Customer numbers are remaining constant and charges have been increased in line with RPI. However, the income target has been increased by £94k from 18/19, whereas the actual income in 18/19 was only £23k above target
- 6.3.9 **Housing Partnership:** The overspend at outturn is the result of charges relating to 18/19 that had not been accrued for. The position improved from month 8 due to a correction to the percentage split of charges between the HRA and the General Fund
- 6.3.10 **Localities Operational Costs:** Due to safety matters maintenance work was authorised which led to costs for the year being over and above the budget. In addition the Council implemented a new vehicle management system to ensure systems were compliant – this was an unbudgeted purchase captured within the service area, albeit a corporate system.

- 6.3.11 **Grounds Maintenance/Open Spaces:** This overspend is due to a number of factors, many did not crystallise until Q4 and as such they did not feature in earlier budget monitoring reports. However, the general theme is that the commercial operation of the service was directly impacted by the voluntary redundancy programme aligned with Transformation. The significant number of staff exiting the organisation within a compressed time frame meant that it was unsustainable to provide a level of service that met pre-existing contractual obligations. In detail:
- Somerset West and Taunton Council negotiated a contract termination with Somerset County Council associated with the grounds maintenance of its assets (schools) as the contract income was insufficient to fully cover the costs of delivering the service.
  - With a reduced workforce to service existing contracts, contract variations were negotiated to reduce service levels. That had a direct and immediate impact on income generated.
- 6.3.12 **Bereavement Services:** In year there was considerable investment in the service; specifically the waiting room refurbishment and that impacted capacity for a full quarter. That work meant we were unable to offer morning service bookings for 3 months. The significant variance lied outside the control of the service as it relates to a legacy 2017 refund on Business Rates. That refund accounting for the bulk of the reported underspend.
- 6.3.13 **Operation Clean Sweep:** The in-year focus on the district's open space was in the main absorbed within existing budget. However, there was a need to identify an 'Operation Clean Sweep' budget for activity that could not be captured within existing budgeted activity.
- 6.3.14 **Pest Control:** The legacy discretionary Pest Control service had an historic income budget of £29k. That was carried forward in the budget. This has been removed from future budgets.
- 6.3.15 **Members Allowances:** The allowance scheme agreed in March 2019 and executive arrangements approved by Members in May 2019 costs more than was assumed when budget estimates were prepared for 2019/20. This was mitigated to some extent by a net underspend in travel and subsistence which was not included in the Month 8 forecast.
- 6.3.16 **Performance & Governance:** As previously reported, a budget error of £50k was identified early in 2019/20, and has subsequently been corrected for 2020/21 base budget position. Annual fees were also over budget - these included LGA, Southwest Councils, copyright licensing, and Rural Services Network.
- 6.3.17 **Elections:** There was a European, a General and District elections in the year, as well as several district by-elections. A claim has been made for the costs of the European election and expected income has been accrued for both the European and the General election. However, the General election was held very late in the year which meant that not all claimable costs had been identified at the year end. Hence a prudent assessment was made of the costs and the income that can be claimed for.
- 6.3.18 **Learning and Development:** The central budget for training was £239k for the year, with spend of £123k. During the year expected costs were coded to other areas and nominal codes within the organisation which caused an underspend in the central

training budget. Additionally, the budget holder had planned to carry forward the underspend to spend in 2020/21 however in view of COVID financial pressures this proposal was withdrawn to enable the underspend to increase general reserves, with priority training costs to be met within the 2020/21 training budget.

- 6.3.19 **Building Control:** The partnership agreement has a standing business plan; over performance against that plan led to an increased dividend from the partnership.
- 6.3.20 **Leisure Partnership:** In year negotiations around the delivery of a new and improved leisure contract resulted in budgeted costs being negotiated out. A strong commercial approach delivered savings against budget for all elements of cost originally assumed for the transition to the new provider.
- 6.3.21 **Corporate Management:** As part of the year end accounting work, the apportionment of strategic management, central costs and democratic costs resulted in a higher contribution from the Housing Revenue Accounts than was included in the original budget estimates. The budget estimates for 2020/21 will need to be reviewed in light of this up to date information. In previous budget monitoring reports the forecast was in line with budget pending the review at year end.
- 6.3.22 **IT Comms/Infrastructure/Systems:** An anticipated overspend on IT communications of £137k occurred as increased staff resulted in 200 more mobile phone contracts and 150 more 8\*8 user licences than originally budgeted. Officers have reviewed mobile phone usage and worked with Vodafone to review contracts and control costs going forward. Policies on the use of mobile phones for different roles and on ICT usage generally are being reviewed in order to further control costs. This overspend has been offset by an underspend on IT Infrastructure and systems.
- 6.3.23 **Insurance:** As reported in early budget monitoring reports, following procurement of new insurance arrangements for the new authority, premiums have significantly reduced compared to the combined costs of the two predecessor councils. The significant reduction in costs is likely to reflect the fact that it is a single entity, insurers' up to date assessment of risk, insurance fund and market performance at the time of procurement. Insurance cover levels have been maintained so this represents a significant saving for both the General Fund and Housing Revenue Account. The total savings for the General fund are £339k.
- 6.3.24 **Pension past service costs:** This budget relates to costs for the pension fund relating to previous decision taken by WSC and TDBC. The underspend within this budget was only identified late in the financial year once the full year costs were known. The ongoing budget requirement will be reviewed in 2020/21.
- 6.3.25 **Interest Receivable:** the increase since the forecast in month 8 is due to the receipt of unexpected dividends at year end (including the redemption of the Federated Cash Plus fund and the LAMIT (Local Authorities Mutual Investment Fund) which runs the CCLA property fund
- 6.3.26 **Interest Payable:** As previously reported the General Fund has had minimal need to externalise its borrowing requirement this year and continued to prioritise use of 'internal borrowing'.
- 6.4 As well as variances identified against operating budgets, there were some larger variances identified at the end of the financial year in respect of accounting adjustments

and provisions related to redundancy costs and the financing of the capital programme.

- 6.4.1 **Transformation:** There is an underspend against the transformation budget related to redundancy costs, as the actual final costs in the year were less than the accrual made in the previous year's accounts. The costs were eventually less where, for example, some staff with the option decided to stay in role rather than opt for redundancy.
- 6.4.2 **Redundancy provision:** As well as an accrual for expected costs of redundancy (see 6.3.31 above), a provision was also set aside at the end of last financial year for an estimate of the potential exit costs for staff who remained within the recruitment process and had not at that stage either secured a role or finalised their option for redundancy. In the end, not all of the provision was needed, resulting in a credit to the revenue budget as the surplus provision has been released. This was actioned towards the end of the financial year.
- 6.4.3 **Revenue funding of capital costs ("RCCO"):** As part of the end of year accounting work programme, the finance team accounts for the financing of the capital programme, reflecting how the capital outturn has been funded. Within the capital programme a number of schemes due to be funded by a contribution from the revenue budget have reported an underspend, leading to an underspend in the RCCO budget. In previous years any RCCO underspend has been transferred to earmarked reserves, however in view of COVID financial pressures it is proposed instead to include this underspend within the outturn underspend that is to be transferred to general reserves.

## 7 Revenue Budget Carry Forwards

- 7.1 It is usual practice to consider requests for budget carry forwards at the year end, where a budget holder wishes to retain an underspend for use by the service in the following year. The Council has delegated authority to the S151 Officer to approve. There were £694k carried forwards requested this year end. These were considered by SMT and the S151 Officer and none were agreed. This decision was determined on the basis of the following principles:
- Planned spending by services should be considered and prioritised against the 2020/21 approved budgets and earmarked reserves.
  - There is a planned review of base budgets during 2020/21, following the completion of the moves to the directorate organisation and budget structure.
  - In view of COVID financial risks in 2020/21, it is appropriate to maximise the funds available within general reserves to ensure flexibility and financial resilience.
- 7.2 A list of requested carry forwards is included in Appendix A for information.

## 8 Business Rates

- 8.1 The Business Rates Retention (BRR) funding system is both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some 'timing differences' which can skew the funding position across financial years.
- 8.2 SWTC, together with Somerset County Council and Mendip, Sedgemoor and Mendip district councils, operate as a business rates pool, enabling a higher proportion of business rates growth to be retained by the Councils. In 2019/20, the Pool has operated as a Pilot for 75% Business Rates Retention – which has enabled an even greater proportion of business rates income to be retained by the Councils.

- 8.3 Within the agreed distribution of funding between the councils and Government under the 75% Pilot, SWTC's standard share of net rates income is 44%. Under the 50% BRR scheme our share would be 40%. When the original budget was set based on the 75% BRR Pilot, it was assumed there would be a levy payment in the same way as with the 50% BRR system, and that the majority of this would be returned in the form of a pooling gain 'dividend'. The accounting arrangements were clarified during the year, confirming that no levy payment is made. SWTC therefore gains by the additional 4% standard share plus the removal of the levy.
- 8.4 The following table summarises the net position in respect of retained business rates funding for Somerset West and Taunton in 2019/20 based on required accounting entries.

**Table 4: Business Rates Funding Outturn 2019/20**

	Budget £000	Outturn £000	Difference £000
44% Share of Business Rates Income	-25,098	-25,098	0
Tariff to Government (fixed amount)	20,047	20,047	0
Section 31 Grant funding for enhanced Small Business Rates Relief/Flooding Relief/Retail Reliefs	-3,116	-3,200	-4
Renewable Energy Rates – 100% retained by SWT	-205	-205	0
50% Levy Payment	1,595	0	-1,595
Business Rates Pilot Dividend	-1,200	0	1,200
Levy Surplus Distribution	-59	-13	46
<b>Sub Total</b>	<b>-8,036</b>	<b>-8,469</b>	<b>-433</b>
Previous Year's Collection Fund Surplus	-1,332	-1,332	0
<b>Total Retained Business Rates Funding 2019/20</b>	<b>-9,368</b>	<b>-9,801</b>	<b>-433</b>

- 8.5 The Council maintains Business Rates Volatility Reserve, which enables the council to 'smooth out' accounting timing differences within the BRR system, and provide a prudent contingency to protect the revenue budget from large reductions in business rates income – e.g. through larger than estimated appeal refunds and large variances in S31 grant income – and collection fund deficits. £405k has been transferred to this reserve at the end of 2019/20, and the Reserve balance as at March 2020 is £3.3m.

## 9 General Fund Earmarked Reserves

- 9.1 The Council sets aside funds for specific purposes in earmarked reserves to be used in future years to meet planned spend on services not yet incurred, and specific contingencies for material financial risks. A robust review of current reserves has been undertaken at the end of the financial year, to ensure funds are still required for their original purpose but also in particular this year with a view to releasing funds to general reserves in view of the financial risks due to COVID. Following this review by the S151 Officer and Senior Management Team, it is recommended that £1.2m from earmarked balances is returned to General Reserves.
- 9.2 **Appendix B** provides a summary of the earmarked reserves and their movement during the year. The total balance of General Fund earmarked reserves at the end of the financial year is £20.586m. The approval of the proposed £1.2m transfers to general reserves will reduce this balance to £19.367m. This balance is relatively high compared with many district councils, and provides a good level of financial resilience for SWTC.

## 10 General Reserves

- 10.1 The following table summarises the movement on the General Reserves Balance during the year.

**Table 5: General Reserve Balance**

	£'000
<b>Balance Brought Forward 1 April 2019</b>	<b>2,857</b>
Approved Transfers – Supplementary Budgets in 2019/20	-171
Outturn 2019/20 revenue budget underspend	1,836
<b>Balance Carried Forward 31 March 2020</b>	<b>4,522</b>
Balances to be released from earmarked reserves	1,218
Projected Balance 1 April 2020	<b>5,740</b>
Operational Minimum Balance	3,000
Balance above recommended minimum	2,740
Financial Resilience Minimum Balance	2,400
Balance above recommended minimum	3,340

- 10.2 The balance as at 31 March 2020 (subject to audit) is £4.522m. If Executive approve the proposed transfers from earmarked reserves this balance will increase to £5.74m, which provides £2.74m of flexible 'headroom' to mitigate financial pressures in 2020/21 due to COVID and other unexpected costs. If pressures exceed this amount there is a risk that reserves will fall to or below the adequate resilience target, and the Council would need to plan to increase general reserves at the earliest opportunity.

## 11 Land Charges, Licensing and Taxi Licensing

- 11.1 Under regulations the Council needs to report how its Licensing and Land Charges services perform in the financial year. These services set fees and charges based on estimated reasonable costs, and aim to break even each year. However, due to fluctuations in demand and costs the services may report an under- or over-recovery in any one year and the Council therefore transfers any surplus/deficit to a self-financing reserve. The Council has under-recovered its costs in 2019/20. During the next round of fees and charges setting adjustments will be made with the view achieving a break-even position on a three year rolling basis.

**Table 8: Licensing and Land Charges Self-Financing Reserves**

	Balance Brought Forward £	Under/(over)- recovery £	Balance Carried Forward £
Land Charges	7,970	3,090	11,060
Licensing	36,790	32,020	68,810
Taxi-Licensing	25,000	23,540	48,540

## 12 Taunton Unparished Area Fund (Special Expenses)

- 12.1 During 2019/20 and previous years the Council set an annual budget for the Unparished Area of Taunton, which was funded through a "Special Expenses" Council Tax charge to households in the area plus funding provided towards the impact of Council Tax Support on the Unparished area tax base. The Council agreed to transfer the management of these funds to the Charter Trustees in 2019/20. The following table summarises the income and expenditure for the Fund in 2019/20.

**Table 9: Unparished Area Fund Income and Expenditure**

	£	£
<b>Fund balance brought forward 1 April</b>		<b>-85,952</b>
<b>Special Expenses Precept 2019/20</b>		<b>-46,983</b>
<i>Expenditure funded in the year:</i>		
Electronic bingo machine Moorland Place meeting hall	145	
Victoria Park Action Group refurbish and new information boards	250	
Taunton East Development Trust storage shed	920	
Friends of Taunton Library	17,000	
Freize Hill Community Orchard	2,500	
Turners Allotments Association	2,500	
Trident Youth Centre	2,000	
North Taunton Partnership	2,500	
Fuse Performance/Halcon Youth Club	3,000	
Take Art	2,000	
Unique Events SW CIC	3,500	
YMCA Taunton	2,150	
On Your Bike moving premises to Coach House	5,000	
Go Create CIC	5,000	
Prune hedge Wordsworth Drive	500	
Taunton Area Parenting Support	2,400	
TACC Cycling map	1,135	
Friends of Konigslutter	3,500	
Taunton- Lisieux Civic Link	3,500	
Taunton Armed Forces Day	1,000	
Eat: Taunton	3,000	
<b>Total Expenditure</b>		<b>64,500</b>
<b>Fund Balance in hand carried forward 31 March</b>		<b>-69,435</b>

Note: minus (-) = funds in hand

12.2 The Fund was generally used to support minor works, worthwhile community activities and individual projects. The balance of funds at the end of the year remain as held by SWTC. For 2020/21, the Charter Trustees as raised its own precept for civic and mayoralty costs, and SWTC has continued to raise special expenses for supporting initiatives and projects in the unparished area. These funds are distinct from the Charter Trustees precept.

### 13 General Fund Capital Programme

13.1 The total General Fund Capital Programme budget in place in 2019/20, including schemes brought forward from previous years, is £65.832m. This relates to a combination of schemes to be delivered in the year and some that will span over more than one year. £20.073m has been spent during 2019/20. Of the remaining £45.759m, £30.567m will be carried forward for ongoing schemes, £11.567m has been included in the 2020/21 approved capital budget and is therefore not carried forward (to avoid duplication), and a £3.625m net underspend is reported overall. A summary of the outturn for the year is included in **Appendix C**.

13.2 As with the revenue budget, this year represents the first capital programme for SWTC, and included a significant amount for legacy schemes rolled forward from the predecessor Councils. Where underspends have been reported at year end and schemes were either not active or not fully committed, the S151 Officer and SMT

concluded it was appropriate to write-off the unused budget balances as underspends, and commit to any firm spending commitments to be subject to new business cases and capital bids during 2020/21 or in later years as required.

13.3 The main areas of capital investment during the year includes:

- £1.0m on the ex-Taunton Bus Station site
- £3.9m on the Coal Orchard construction work in progress
- £4.1m was provided to Somerset County Council as loan funding for the Somerset Waste Partnership vehicle replacement to support the Recycle More initiative
- £1.6m on the mixed use development site at Seaward Way, Minehead
- £2.2m on an investment property
- £0.4m on infrastructure development on Firepool in Taunton
- £0.8m on Hinkley Impact Mitigation Projects
- £0.9m on General S106 Capital Schemes

## 14 Housing Revenue Account (HRA)

14.1 The HRA is a ring-fenced account used to manage the Council's housing stock of approximately 5,700 properties, with the Council acting as the Landlord. The HRA operates as a 'self-financing' service, with costs of the properties and associated services funded by housing rents and specific fees and charges. The HRA is working within a 30 year business plan, reflecting the long-term nature of the housing assets, and plans to break-even each year.

14.2 Revenue Outturn Position: The revenue outturn position for the financial year 2019/20 for the HRA is a very small net underspend of £8k (0.03% of gross income). Table 10 below shows a high level summary of the revenue outturn against budget.

**Table 10: HRA Revenue Outturn Summary**

	Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Gross Income	(26,475)	(26,718)	(243)	0.92
Service Expenditure	14,102	14,071	(31)	-0.22
Other Operating Costs and Income	9,382	9,852	470	5.01
Unearmarked Reserve Transfers	0	26	26	0
Capital Financing and Debt Repayment	2,991	2,761	(230)	-7.69
<b>Total</b>	<b>0</b>	<b>(8)</b>	<b>(8)</b>	<b>-0.03</b>

14.3 The main variances to budget are shown in Table 11, with explanations for the larger variances set out below.

**Table 11: Main Outturn Variances**

Service	Budget (£'000)	Actuals (£'000)	Variance (£'000)
<b>Gross Income:</b>			
Dwelling Rents	(24,013)	(24,050)	(37)
Non-Dwelling Rents	(649)	(672)	(23)
Charges for Services / Facilities	(1,423)	(1,584)	(161)
Other Income	(390)	(412)	(22)
<b>Sub-Total Gross Income</b>	<b>(26,475)</b>	<b>(26,718)</b>	<b>(243)</b>

Service	Budget (£'000)	Actuals (£'000)	Variance (£'000)
<b>Service Expenditure:</b>			
Housing Management	9,727	9,652	(75)
Insurance	233	73	(160)
Scheme Leaseholders	85	45	(40)
Tenancy Management	251	149	(102)
Repairs & Maintenance	3,759	4,129	370
Other	47	49	2
<b>Sub-Total Service Expenditure</b>	<b>14,102</b>	<b>14,097</b>	<b>(5)</b>
<b>Central Costs / Movement in Reserves:</b>			
Revenue Contribution to Capital	1,170	940	(230)
Interest Payable	2,619	2,625	6
Interest Receivable	(70)	0	70
Voluntary Repayment of Provision	1,821	1,821	0
Change in Provision for Bad Debt	60	333	273
Depreciation	6,773	6,894	121
<b>Sub-Total Central Costs / Movement in Reserves:</b>	<b>12,373</b>	<b>12,613</b>	<b>240</b>
<b>Net Surplus/Deficit for the Year</b>	<b>0</b>	<b>(8)</b>	<b>(8)</b>

#### 14.4 Income

14.4.1 **Dwelling Rents:** the budgeted income for 2019/20 is £24.013m, which reflects an assumption of 1.25% void losses and applying a 53-week year. During the year tenants were invoiced £24.050m which exceeds the budget estimate by £37k (0.1%). This mainly relates to a reduction in void loss seen in general needs tenants, and equates to approximately 450 weeks or 8 properties.

14.4.2 **Non-Dwelling Rents:** the over recovery of income of £23k relates to a lower than budget void rate seen within garages for £10k, a review of tenancy agreements resulting in an uplift in rent for commercial units backdated to prior years for £20k and an under recovery of land access income of £7k.

14.4.3 **Charges for Services / Facilities:** The budgeted income for 2019/20 for the Service Charge Income for Dwellings (after discounts have been applied to tenants such as Piper Charge to Sheltered Housing and Extra Care) less an average 10% void loss and applying a 53 week year, is £1.249m. The over recovery of £82k is the difference between the budget assumptions made and the actuals incurred during the year.

14.4.4 The Service Charge Income for Leaseholders income for non-scheme holders is invoiced in arrears and therefore the actual income received relates to expenses incurred in the previous financial year. The budget was estimated at £163,700. There was an over-recovery of income of £78k compared to budget, reflecting the total of actual costs recharged.

#### 14.5 Expenditure

- 14.5.1 **Housing Management:** the underspend of £75k is a combination of a refund of £99k from the redundancy provision made during 2018/19, a return of £199k as the transition savings set aside for 2019/20 were double counted, a general service underspend of £157k, a contribution towards the authority salary overspend of the original £339k (as reported to Full Council on the 3 Dec 2019) and an extra £41k on the final year end position on staffing costs.
- 14.5.2 **Insurance:** following an authority wide re-tender exercise for insurance premiums the new authority has been successful at significantly reducing their annual premiums. The authority is also re-aligning the accruals concept for this charge resulting in one-off savings against budget of approximately £160k across the HRA.
- 14.5.3 **Scheme Leaseholders:** the underspend of £40k relates to budgeted costs that were also budgeted elsewhere e.g. cost of case manager and contribution to management costs. This has been rectified in the 2020/21 budgets.
- 14.5.4 **Tenancy Management:** The underspend of £102k in general across the Tenancy Management budgets is attributable to the impact of transformation and staff getting to know and understand their roles, as well as a more active approach of utilising charitable support was also undertaken. This also includes an underspend of £69k on the tenants forum / empowerment budget as a result of reduced tenant engagement activities throughout a period of review.
- 14.5.5 The majority of these underspends mentioned above were identified early within the financial year and retained as underspends to fund the additional £339k required for Transitional and Service Resilience as identified to Members on the 3 December 2019 in the Financial Monitoring Report.
- 14.5.6 **Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. cold winters causing burst pipes), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required. The outturn position was an overspend of £370k which is 9.84% against a budget of £3.379m.

## 14.6 Central Costs and Movement in Reserves

- 14.6.1 **Revenue Contribution to Capital:** a revenue contribution of £1.17m has previously been used to help fund the Social Housing Development Capital Schemes. Due to the final outturn position for 2019/20 showing an overspend in Repairs & Maintenance, that could not be offset by any other service underspend, a revenue contribution to capital of only £940k has been made during 2019/20, which is an underspend of £230k against budget. The carry forwards within the HRA capital programme have been reduced to offset this reduction in funding for capital. The approved budget for 2020/21 onwards has removed this budgeted revenue allocation entirely as a source of funding for capital schemes, in order to provide more revenue resources for direct service delivery capacity.
- 14.6.2 **Interest Payable:** interest payable on external borrowing of £82.5m equated to £2.452m during 2019/20, and internal borrowing of £24m equated to £0.173m. The year-end position against budget of £2.619m will be a small overspend of £6k.
- 14.6.3 **Interest Receivable:** The final outturn position was that no interest receivable was received due to a reduction in investments and an increase in spending. Therefore a

variance against budget of £70k is being reported. This budget has been removed in 2020/21.

- 14.6.4 **Bad Debt Provision:** The total outstanding debt for dwelling rents, services charges and garage rents has increased from £736k at the end of 2018/19 to £770k at the end of 2019/20, which is an increase of £34k. The debt under 90 days has decreased by £103k, however the debt over 90 days has increased by £137k, and therefore the bad debt provision has increased by £106k to reflect that the risk of non-collection of older debt is higher. The authority has also decided to prudently increase the rates of provision for each range of aged debts due to COVID-19 impacting the financial economic environment, which has increased the provision by a further £55k. Therefore the total increase in provision for dwelling rents, services charges and garage rent debts is £161k.
- 14.7 The total outstanding debt for former tenant debts and shop rental income has increased from £300k at the end of 2018/19 to £402k at the end of 2019/20, which is an increase of £102k. The debt over 90 days has increased by £90k and therefore the bad debt provision has been increased by £73k. The authority has also decided to prudently increase the rates of provision for each range of aged debts due to COVID-19 impacting the financial economic environment, which has increased the provision by a further £51k. There was also an error in last year's provision where this was under accounted for by £48k. Therefore the total increase in provision for former tenant debts and debts related to shop rental income is £172k.
- 14.8 Table 12 below summarises the total change in bad debt provision of £333k against £60k budget; an overspend of £273k.

**Table 12: Summary of Change in Bad Debt Provision**

	Increase In Bad Debt Provision			Total
	Due to Age of Debts	Due to COVID	Prior Year Adjustment	
Current Tenants	106	55	0	<b>161</b>
Former Tenants	73	51	48	<b>172</b>
	<b>179</b>	<b>106</b>	<b>48</b>	<b>333</b>

- 14.9 **Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and must be used to fund the capital programme and/or repay capital debt. Depreciation is calculated at the end of the financial year and is based on each of the major components of each property e.g. kitchen, bathroom, roof, etc. For 2019/20 the dwelling depreciation charge was £6.8m and the other land and buildings depreciation charge was £90k; a total of £6.894m against a budget of £6.773m which has resulted in an overspend of £121k compared to the original budget.
- 15 **HRA Earmarked Reserves:**
- 15.1 The Council is able to set aside HRA funds for specific purposes to be used in future years. Table 13 below provides a summary of the HRA earmarked reserves and the movements during the year.
- 15.2 The balance as at 31 March 2020 committed to support spending in future years is £1.648m. The Social Housing Development Fund will be used as required to fund social housing development feasibility studies and usage approved through the Housing Programme Board. The remainder of the earmarked reserves have been specifically committed to be spent within the next three financial years.

**Table 13: Balance of HRA Earmarked Reserves held at 31 March 2020**

Description	Balance b/f (£'000)	Transfer In	Transfer Out	Balance c/f (£'000)
Carry Forwards	186	0	(186)	0
Electrical Testing	474	0	(474)	0
Employment and Skills Development	102	0	0	102
Asbestos Surveys	0	170	(68)	102
One Teams	50	0	(13)	37
Leasehold Schemes Advanced Payments	9	0	(9)	0
Social Housing Development Fund	1,340	0	(108)	1,232
Contribution to Transformation	380	0	(205)	175
Contribution to Transition	178	0	(178)	0
<b>Total</b>	<b>2,719</b>	<b>170</b>	<b>(1,241)</b>	<b>1,648</b>

**16 HRA Unearmarked Reserves:**

- 16.1 Under the Council's wider Financial Strategy the Executive agreed a new minimum Operational Target of £2.4m and a new minimum Financial Resilience Target of £1.8m, for the HRA General Reserve balance. Remaining at or above these targets provides added financial resilience.
- 16.2 Table 14 below summarises the movement on the HRA unearmarked reserves during 2019/20. The approved in-year transfers relate to the Structural Change to the Senior Leadership Team and one-off additional funding of £26k from HRA general balances for 2019/20 as agreed by Full Council on the 30 July 2019.
- 16.3 The balance as at 31 March 2020 (subject to audit) is £2.7m, which is £300k above the recommended minimum Operational Target of £2.4m.

**Table 14: HRA Unearmarked Reserves Balance**

	£k
Balance Brought Forward 1 April 2019	2,718
Approved In-Year Transfers	-25
Provision Outturn 2019/20	8
<b>Balance Carried Forward 31 March 2020</b>	<b>2,701</b>
Recommended Minimum Financial Resilience Target	1,800
Recommended Minimum Operational Target	2,400
Balance above recommended Minimum Financial Resilience Target	901
Balance above recommended Minimum Operational Target	301

**17 HRA Capital Outturn Position:**

- 17.1 The HRA approved Capital Programme for 2019/20 was £23.058m. This consisted of £9.586m of new schemes approved for 2019/20 plus £13.472m of slippage from prior years. The HRA Capital Programme relates to schemes which will be completed over the next five years.
- 17.2 In addition, £9.262m of supplementary budgets were approved by Full Council on (a) 16 July 2019 for Laxton Road for £331k funded by RTB Receipts, (b) 3 December 2019 for

North Taunton Woolaway Project of £1.5m for Phase A and £5.7m for Phase B-E funded by borrowing, and (c) the 27 January 2020 for the acquisition of 10 properties at Pyrland Fields for £1,731,200 to be funded £519,360 from RTB capital receipts and £1,211,840 from borrowing.

17.3 The Council is supporting this investment through the use of the Major Repairs Reserve, Capital Receipts, Revenue Funding and Borrowing.

17.4 The actual spend on the HRA Capital Programme during 2019/20 was £16.069m with £15.822m being carried forward to be spent in future years. The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development and acquisition of new stock. The HRA Capital Programme and outturn for the year is included in Appendix D.

## **18 HRA Right To Buy (RTB) Capital Receipts:**

18.1 The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. During 2019/20 the Council sold 45 homes through the RTB Scheme.

18.2 Through a “1-4-1 Agreement” with the Treasury / MHCLG, the Council is able to retain a small proportion of these RTB receipts and use them to fund new social housing. These receipts can only account for up to 30% spend on new social housing costs, with the remaining 70% coming from other funds such as revenue funding or borrowing.

18.3 These receipts must be spent within three years of the capital receipt, or returned to Government with interest at 4% over base rate from the date of the original receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts with no returns being made to the Treasury / MHCLG.

18.4 During the financial year 2019/20 the total attributable spend on eligible RTB schemes was £7.748m. This was a combination of the Council’s own new build development works plus 10 new build acquisitions at Pyrland Fields and 29 buybacks (re-purchase or previously sold properties).

## **19 Links to Corporate Strategy**

19.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

## **20 Scrutiny Comments / Recommendation(s)**

20.1 A summary of comments and recommendations from the Scrutiny Committee will be included in the report to the Executive on 28 October 2020.

### **Democratic Path:**

- **Scrutiny – 30 September 2020**
- **Executive – 28 October 2020**
- **Full Council – No**

**Reporting Frequency: Annually**

### **List of Appendices**

Appendix A	List of GF Requested Carry Forwards
Appendix B	GF Earmarked Reserves
Appendix C	2019/20 Capital Outturn
Appendix D	HRA Capital Outturn 2019/20

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## Appendix A: List of Requested Carry Forwards

Requests Considered:

Heading	Service	Amount Initially Requested £	SMT Decision (17 June) £	Notes
Civic Event in May	Economic Development	10,000	0	Event cancelled due to COVID. If rearranged later in this financial year, costs to be prioritised within 2020/21 budget.
Swimming Pool Maintenance and Lift Replacement	Leisure	60,000	0	Maintenance costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve. New capital bid required with business case for lift replacement.
Ashe Farm drainage works	Asset Management	10,000	0	Maintenance costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve.
Somerfest 2020	Economic Development	20,000	0	Event cancelled due to COVID. Budget requirement for 2021 event to be considered through budget setting for 2021/22.
Comms and Engagement	Comms and Engagement	18,500	0	Service to be delivered within approved budget in 2020/21, with business case required for any additional budget requirement.
EPC Works The Esplanade, Watchet	Asset Management	15,000	0	Maintenance costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve.
ED Grant	Economic Development	5,500	0	Proposed grant to Halcon Charitable Trust. Costs to be managed within 2020/21 budget.
River Tone pontoon maintenance	Asset Management	20,000	0	Maintenance costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve.
Land purchase legal costs	Asset Management	3,000	0	Costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve.
Training	People	100,074	0	Training budget underspend – carry forward bid withdrawn by Director of Internal Operations to enable funds to increase General Reserves in view of COVID financial risks
Car park maintenance and capital works	Parking services	190,000	0	Maintenance costs to be prioritised within 2020/21 asset maintenance budget / earmarked reserve. Capital works to be subject to up to date business case, but plan to meet from existing car parks capital budget.
Homelessness contingency	Homelessness	238,262	0	Request based on provisional underspend estimate in April. Service costs have been managed within budget and related grant income. Homelessness base budget increased in 20/21, therefore monitor and mitigate contingency risk through general reserves.
	<b>TOTAL</b>	<b>690,336</b>	<b>0</b>	

Appendix B: Summary of Earmarked Reserves						
Description	Opening Balance	Transfers In	Transfers Out	Closing Balance	Proposed Transfers to General Reserves	Balance 1 April 2020 after Transfers to General Reserves
New Homes Bonus	(6,167,873)	(3,116,889)	2,424,471	(6,860,292)		(6,860,292)
Business Rates Retention Volatility	(3,546,621)	(4,010,078)	4,254,000	(3,302,699)		(3,302,699)
General Carry Forwards (GF)	(1,135,111)	(60,918)	1,135,111	(60,918)		(60,918)
Garden Town Fund	(944,417)	(696,886)	827,084	(814,219)		(814,219)
Capital Funding Reserve (RCCO)	(649,599)	(288,392)	481,982	(456,009)	313,000	(143,009)
Community Housing Fund – DCLG monies	(575,760)	0	7,130	(568,631)		(568,631)
Transformation (now Internal Change)	(564,000)	(164,000)	402,398	(325,601)		(325,601)
Community Safety	(399,533)	0	386,000	(13,533)		(13,533)
Monkton Heathfield Capacity Fund	(347,411)	(198,825)	357,302	(188,934)		(188,934)
Local Plan Development and Inspection Costs	(311,056)	(32,446)	165,744	(177,758)		(177,758)
Transition Costs (Staffing)	(262,000)	(386,000)	507,000	(141,000)	141,000	0
Asset Management - Car Parks	(242,800)	0	75,000	(167,800)		(167,800)
Vehicle Replacement Fund	(239,083)	0	0	(239,083)	239,083	0
S106 Flood Alleviation	(237,902)	(90,000)	90,000	(237,902)		(237,902)
Asset Management - Compliance Costs	(206,751)	0	0	(206,751)		(206,751)
Self Insurance Fund	(200,000)	0	0	(200,000)		(200,000)
Ec Dev Initiatives (BRR Pool Gain)	(192,717)	(1,200,000)	125,000	(1,267,717)		(1,267,717)
Travel Plan Initiatives	(191,968)	(30)	30	(191,968)	141,968	(50,000)
DCMS Scrutiny Grant	(164,000)	0	164,000	0		0
Asset Management - Brewhouse	(149,700)	0	0	(149,700)		(149,700)
Asset Management - Leisure	(137,016)	(61,582)	62,414	(136,184)		(136,184)
Elections Costs	(135,726)	0	115,726	(20,000)		(20,000)
Neighbourhood Planning Grant	(121,836)	(41,000)	87,335	(75,501)		(75,501)
Waste Service Costs	(105,606)	(88,765)	128,815	(65,556)		(65,556)
Corporate Training	(98,541)	0	0	(98,541)	98,541	(0)
Steam Coast Trail Project	(92,609)	0	0	(92,609)		(92,609)
Financial Planning Contingency	(84,240)	0	0	(84,240)	48,240	(36,000)
Sustainability Reserve	(78,371)	0	0	(78,371)	78,371	(0)
Enterprising Minehead	(63,729)	(7,124)	45,566	(25,287)		(25,287)
Minehead Esplanade	(59,426)	(50,000)	64,046	(45,380)		(45,380)
SWP Recycle More	(55,148)	0	55,148	0		0
CEO Initiatives	(50,001)	0	50,001	0		0
Planning Service Costs	(50,000)	0	0	(50,000)		(50,000)
Hurlestone Bothy	(50,000)	(50,000)	50,000	(50,000)		(50,000)
Homelessness Prevention	(43,620)	(120,000)	0	(163,620)		(163,620)
Planning Delivery Revenue Grant	(40,475)	0	40,475	0		0
S106 National Grid PPA	(37,299)	0	0	(37,299)		(37,299)
Waste Service - Vehicles	(33,617)	0	33,617	0		0
Resources Services Costs	(33,058)	0	0	(33,058)		(33,058)
Streetscene	(30,000)	0	0	(30,000)	30,000	0
Asset Management - Compliance Costs	(26,736)	0	0	(26,736)		(26,736)
Preventing Repossessions Fund	(25,632)	0	0	(25,632)		(25,632)
West Somerset Employment Hub	(24,081)	0	6,866	(17,215)		(17,215)
Non-District Election Reserve	(20,356)	0	20,356	0		0
Housing Enabling Fund	(19,898)	(147,360)	137,360	(29,898)		(29,898)
Cuckoo Meadow	(14,462)	(13,097)	0	(27,559)		(27,559)
CCTV	(10,000)	0	0	(10,000)		(10,000)
Legal Civica Hosting Costs	(7,500)	0	0	(7,500)	7,500	0
Health and Safety Costs	(7,000)	0	0	(7,000)		(7,000)
Online DHP Implementation Costs	(5,375)	0	0	(5,375)	5,375	0
Designated Public Spaces Order	(5,000)	0	0	(5,000)	5,000	0
Healthy Workplace	(4,095)	0	0	(4,095)	4,095	0
Youth Homelessness Fund	(3,936)	0	0	(3,936)	3,936	(0)
Inspire Implementation Costs	(3,391)	0	0	(3,391)	3,391	0
Water Bathing Signs	(3,316)	0	0	(3,316)	3,316	(0)
Voluntary and Community Grants Fund	(2,519)	0	2,519	0		0
Housing Benefit Grant	(1,575)	0	0	(1,575)	1,575	(0)
Strategy Service Costs	(400)	(19,857)	0	(20,257)	400	(19,857)
Minehead Events	(396)	0	0	(396)	396	(0)
Cordwest Invest. Bequest Accounts	(190)	0	0	(190)		(190)
Cordwest Revenue Bequest Accounts	(164)	0	0	(164)		(164)
Minehead Town Centre Signage	(115)	0	115	0		0
Strategy - Future High Street	0	(80,143)	0	(80,143)		(80,143)
Rough Sleepers Initiative	0	(80,604)	0	(80,604)		(80,604)
Contingency (Negative RSG)	0	(127,940)	20,000	(107,940)	92,940	(15,000)
EU Exit Preparation	0	(34,960)	0	(34,960)		(34,960)
Investment Risk Reserve	0	(3,500,000)	0	(3,500,000)		(3,500,000)
Climate Change	0	(16,334)	0	(16,334)		(16,334)
West Somerset Opportunity Area	0	(35,438)	0	(35,438)		(35,438)
Porlock Coastal Community Fund	0	(3,916)	0	(3,916)		(3,916)
Food Inspections	2,555	(2,555)	0	0		0
Land Charges Rolling Fund	7,970	(8,926)	12,020	11,064		11,064
Taxi Licensing Rolling Fund	25,000	(3,211)	26,753	48,542		48,542
Licensing Rolling Fund	36,794	0	32,017	68,811		68,811
	<b>(18,242,440)</b>	<b>(14,737,275)</b>	<b>12,393,401</b>	<b>(20,586,314)</b>	<b>1,218,127</b>	<b>(19,368,187)</b>

## Appendix C: General Fund Capital Outturn Position 2019/20

2019/20 Capital Outturn  Description	2019/20 Budget V Actual			Variance Action		
	Capital Budget 2019/20	Actual Costs 2019/20	Variance under/(over) spend	2019/20 Budget superseded by 20/21 budget	Under/(over) spend Write-off 19/20 Year End	20/21 budget carry forward
<b>General Fund</b>						
Members IT Equipment	7,205	5,994	1,211		1,211	
Special Expenses grants	11,000	0	11,000			11,000
Wellington Rail Station	0	10,388	(10,388)		(10,388)	
Youth Project Cap Grants	20,030	0	20,030		20,030	
Grants to Registered Social Landlords	1,673,811	48,430	1,625,381			1,625,381
Gypsy Site	108,502	0	108,502			108,502
Energy Efficiency	0	5,665	(5,665)		(5,665)	
Landlord Accreditation Scheme	0	20,250	(20,250)		(20,250)	
Disabled Facilities Grant (DFG)	2,646,861	267,219	2,379,642			2,379,642
Longrun Meadow Bridge	4,200	0	4,200		4,200	
Investment Property Gaumont	2,277,000	2,204,886	72,114		72,114	
Taunton Bus Station	1,081,750	1,004,682	77,068			77,068
Town Centre Improvements	170,360	92,164	78,196		78,196	
Microsoft 365 Migration	100,000	0	100,000		100,000	
Coal Orchard Construction	13,003,637	3,956,611	9,047,026			9,047,026
Taunton Tech. Park	957,212	943,977	13,235		13,235	
Firepool Land Assembly	38,157	31,385	6,772		6,772	
DLO Vehicles Acquisition	290,143	24,500	265,643		265,643	
Waste Containers	108,590	100,000	8,590		8,590	
Blackbrook Swimming Pool	62,869	0	62,869		62,869	
Grants to Halls & Sports	17,867	7,038	10,829		10,829	
Grants to Parishes Play	42,830	0	42,830		42,830	
Replacement Play Equipment	84,048	5,682	78,366		78,366	
Community Alarms	48,982	18,401	30,581		30,581	
SWP Waste Vehicle Loan	7,000,000	4,125,205	2,874,795		2,000,000	874,795
PC Refresh Project	50,000	33,500	16,500		16,500	
IT Infrastructure Project	0	9,418	(9,418)		(9,418)	
Cemetery IT System	24,950	25,050	(100)		(100)	
DLO Plant	23,000	0	23,000		23,000	
Paul Street Car Park Maj	346,779	0	346,779		346,779	
Major Transport Schemes	1,693,910	0	1,693,910	1,693,910		
Flooding Alleviation	982,846	0	982,846	982,846		
Transformation	753,738	170,550	583,188		583,188	
Brewhouse	37,328	0	37,328		37,328	
Creech Castle Improvement	375,000	0	375,000			375,000
Deane House Accommodation	75,000	119,014	(44,014)		(44,014)	
Town Centre Regeneration	1,021,000	21,843	999,157	999,157	0	
Employment Site Enabling	1,891,000	0	1,891,000	1,891,000		
Superfast Broadband	380,000	0	380,000			380,000
CIL Grant	0	373,909	(373,909)		(373,909)	
Crematorium Project	6,991	0	6,991		6,991	
Parking & Access & Signage	9,577	10,774	(1,197)		(1,197)	
CIL-Cycle & Pedestrian Improvements	1,000,000	0	1,000,000	1,000,000		
CIL - Education Provision	4,000,000	0	4,000,000	4,000,000		
Firepool Hotel	7,101	0	7,101		7,101	
Waiting Room	205,616	140,884	64,732		34,732	30,000
Norton Fitzwarren Hillfort	17,472	2,104	15,368		15,368	
West Monkton Country Park	50,726	0	50,726		50,726	

2019/20 Capital Outturn	2019/20 Budget V Actual			Variance Action		
Description	Capital Budget 2019/20	Actual Costs 2019/20	Variance under/(over) spend	2019/20 Budget superseded by 20/21 budget	Under/(over) spend Write-off 19/20 Year End	20/21 budget carry forward
East Wharf	66,611	0	66,611		66,611	
Loan Facility Watchet East Quay Development	1,500,000	0	1,500,000			1,500,000
Superfast Broadband	170,000	0	170,000			170,000
The Esplanade	15,000	0	15,000		15,000	
IT Offsite Backup Facility	11,861	0	11,861		11,861	
IT Annual Hardware Replacement	8,857	8,857	0		0	
IT Server Refresh	20,000	0	20,000			20,000
Steam Coast Trail	114,604	12,419	102,185			102,185
Seaward Way	3,673,074	1,616,760	2,056,314			2,056,314
Cuckoo Meadow Play Area	1,103	0	1,103			1,103
Stogursey Victory Hall	1,301,125	663,229	637,896			637,896
Enterprising Minehead	187,672	263,238	(75,566)		(75,566)	0
CASA	78,165	0	78,165		78,165	
Minehead Esplanade	17,563	2,416	15,147			15,147
Firepool Development	880,543	404,648	475,895			475,895
Lisieux Way Site Masterplan	9,750	0	9,750		9,750	
Committee Rooms AV Kit	75,000	0	75,000		75,000	
Great Western Railway	5,000,000	0	5,000,000		0	5,000,000
Leisure	1,000,000	0	1,000,000			1,000,000
CIL - Public Transport Improvements	1,000,000	0	1,000,000	1,000,000		
Firepool Master Planning	825,000	70,755	754,245			754,245
Coal Orchard Development costs	1,407,013	103,415	1,303,598			1,303,598
Finance System	0	6,233	(6,233)		(6,233)	
SIP	0	2,321	(2,321)		(2,321)	
Toneworks Wellington	12,500	12,500	0		0	
Watchet Splashpoint Sea Defence Repairs	1,000,000	295,904	704,096			704,096
J25 Improvement Scheme Contribution	1,500,000	0	1,500,000			1,500,000
Onion Collective Grant	1,210,947	1,210,947	0		0	
East Quay Wall	100,000	0	100,000		0	100,000
Resources for Change Programme						
CIL - Town centre regeneration						
Hinkley Impact Mitigation Projects	1,083,475	765,238	318,237			318,237
General S106 Capital Schemes	854,702	854,702	0			
<b>General Fund Total</b>	<b>65,831,653</b>	<b>20,073,105</b>	<b>45,758,548</b>	<b>11,566,913</b>	<b>3,624,505</b>	<b>30,567,130</b>

## Appendix D: HRA Capital Outturn Position 2019/20

Capital Outturn 2019/20	2019/20 Budget V Actual			Variance Action		
Capital Scheme	Capital Budget 2019/20	Actual Costs 2019/20	Variance under/(over) spend	2019/20 Budget superseded by 20/21 budget	Under/(over) spend Write-off 19/20 Year End	20/21 budget carry forward
<b>Major Works</b>						
HRA C Major Repairs Capital Programme					545,675	2,974,300
HRA C Major Repairs & Improvem	1,371,470	24,715	1,346,755			
HRA C Kitchens	350,000	74,548	275,452			
HRA C Bathrooms	322,000	12,670	309,330			
HRA C Roofing	55,000	50,576	4,424			
HRA C Windows	100,000	113,371	(13,371)			
HRA C Heating Improvements	1,860,000	916,129	943,871			
HRA C Doors		14,428	(14,428)			
HRA C Fire Safety Works Commun	310,000	316,972	(6,972)			
HRA C Cladding						
HRA C Fascias and Soffits	750,000	769,870	(19,870)			
HRA C Air Source Heat Pumps	60,000	54,133	5,867			
HRA C Door Entry Systems	437,000	432,859	4,141			
HRA C Community Alarms						
HRA C Insulation	550,000	613,003	(63,003)			
HRA C Ventilation	90,000	73,565	16,435			
HRA C Kitchen rep'd due to dam	318,000	303,541	14,459			
HRA C Bathroom rep'd due to da	150,000	102,006	47,994			
HRA C Underground Drainage	15,000	10,073	4,927			
<b>Total Major Works</b>	<b>6,738,470</b>	<b>3,882,458</b>	<b>2,856,012</b>	<b>0</b>	<b>545,675</b>	<b>2,974,300</b>
<b>Improvements</b>						
HRA C Building Services Vehicl	226,880	73	226,807			226,800
HRA C Environmental Improvemen	305,000	324,756	(19,756)			
HRA C Extensions	540,930	3,588	537,342			
HRA C Electrical Testing	300,000	67,073	232,927			
HRA C Parks	52,000	51,909	91			
HRA C Meeting Halls	22,000	20,302	1,698			
HRA C Garages	110,000	105,304	4,696			
HRA C Sewerage Treatment Plant						
HRA C Unadopted Areas						
HRA C Related Assets						
HRA C Scaffolding	200,000	282,293	(82,293)			
HRA C Asbestos Works	450,000	460,777	(10,777)			
HRA C Aids and Adaptations	89,270	30,461	58,809			58,800
HRA C DFGs	626,790	356,501	270,289			270,290
HRA C IT Development	371,050	61,933	309,117			309,110
<b>Total Improvements</b>	<b>3,293,920</b>	<b>1,764,969</b>	<b>1,528,951</b>	<b>0</b>	<b>0</b>	<b>865,000</b>
<b>Sub-Total Majors &amp; Improvements</b>	<b>10,032,390</b>	<b>5,647,427</b>	<b>4,384,963</b>	<b>0</b>	<b>545,675</b>	<b>3,839,300</b>
<b>Social Housing Development Programme</b>						
HRA C Social Housing Development		2,984	(2,984)		(2,984)	
HRA C Creechbarrow Road	246,200	(1,596)	247,796		247,796	
HRA C Buybacks	5,976,600	6,638,812	(662,212)		(662,212)	
HRA C Buybacks Refurbishment		358,905	(358,905)		(358,905)	
HRA C Weavers Arms	493,800	(1,200)	495,000		448,000	47,000
HRA C TD North Taunton Phase A	8,388,370	1,049,406	7,338,964		0	7,338,960
HRA C North Taunton Phases B-E	5,700,000	1,815,938	3,884,062		0	3,884,060
HRA C 12 Moorland Close	227,950		227,950		227,950	
HRA C Outer Circle	147,750	138,133	9,617		9,117	500
HRA C Laxton Road	1,104,160	392,184	711,976		0	711,970
HRA C Oake	3,600	27,999	(24,399)		(24,399)	
<b>Total Social Housing Development Program</b>	<b>22,288,430</b>	<b>10,421,565</b>	<b>11,866,865</b>	<b>0</b>	<b>(115,637)</b>	<b>11,982,490</b>
<b>HRA TOTAL</b>	<b>32,320,820</b>	<b>16,068,992</b>	<b>16,251,828</b>	<b>0</b>	<b>430,038</b>	<b>15,821,790</b>