



# Carlisle City Council

## Report to People Panel

Meeting Date:	6 October 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Policy and Budget Framework	Yes
Public / Private	Public
Title:	Revenue Budget Overview & Monitoring Report: April to June 2022
Report of:	Corporate Director of Finance and Resources
Report Number:	RD.31/22

### **Purpose / Summary:**

This report provides an overview of the Council's General Fund revenue budgetary position for the period April to June 2022 which was considered by the Executive on 30 August 2022.

### **Questions for / input required from Scrutiny:**

Members are asked to scrutinise the variances contained within this report.

### **Recommendations:**

Members of the People Panel are asked to scrutinise the overall budgetary position for the period April to June 2022.

### **Tracking**

Executive:	30 August 2022
Scrutiny:	6 October 2022 (People Panel)
Council:	n/a

# Carlisle City Council

## Report to Executive

Meeting Date:	30 August 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	No
Policy and Budget Framework	Yes
Public / Private	Public
Title:	Revenue Budget Overview & Monitoring Report: April to June 2022
Report of:	Corporate Director of Finance and Resources
Report Number:	RD 31/22

### **Purpose / Summary:**

This report provides an overview of the Council's overall budgetary position for the period April to June 2022 for revenue schemes only. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.

### **Recommendations:**

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2022;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

### **Tracking**

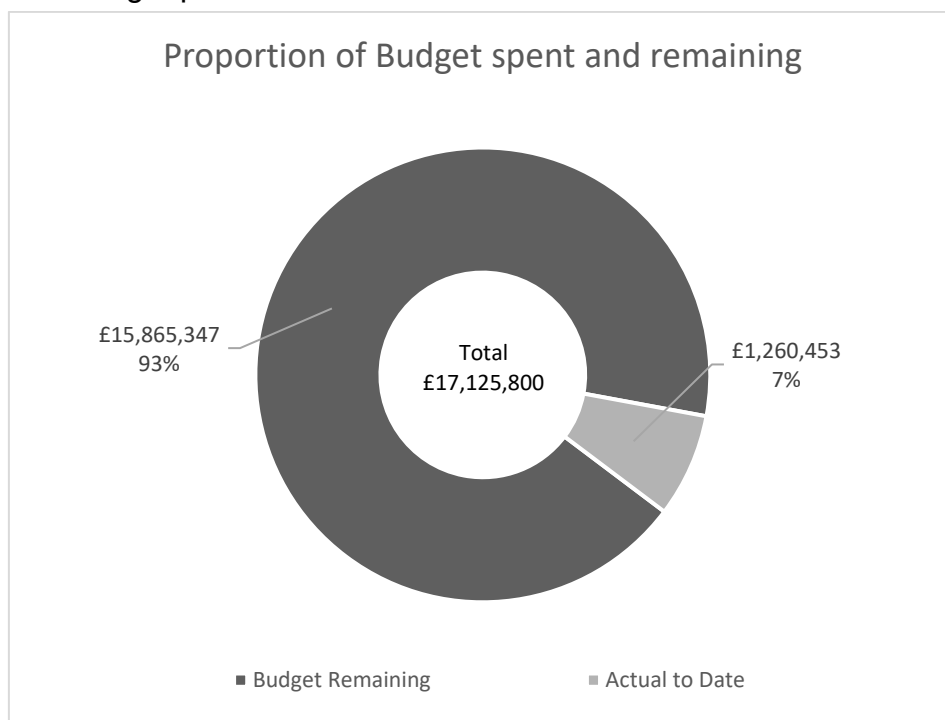
Executive:	30 August 2022
Scrutiny:	6 October 2022 (People Panel)
Council:	n/a

## 1. Background

- 1.1. In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2. All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.
- 1.3. Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

## 2. 2022/23 Revenue Budget Monitoring

- 2.1 The budget position of the Council as at June 2022 is as follows:



2.2 The summarised revenue budgetary position as at June 2022 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	11,263,900	11,611,200	1,839,670	1,693,139	(146,531)
Corporate Support	B2	143,600	209,200	477,065	482,984	5,919
Economic Development	B3	1,897,400	2,378,400	508,596	589,878	81,282
Finance & Resources	B4	2,859,600	2,820,100	(868,720)	(1,399,164)	(530,444)
Governance & Regulatory Services	B5	2,013,100	2,708,200	332,402	204,208	(128,194)
Corporate Management	B6	(3,474,000)	(3,510,900)	(209,384)	(373,696)	(164,312)
<b>Service Expenditure</b>		<b>14,703,600</b>	<b>16,216,200</b>	<b>2,079,629</b>	<b>1,197,349</b>	<b>(882,280)</b>
Exceptional Items	B7	215,400	909,600	171,153	63,104	(108,049)
<b>Service Expenditure</b>		<b>14,919,000</b>	<b>17,125,800</b>	<b>2,250,782</b>	<b>1,260,453</b>	<b>(990,329)</b>
Parish Precepts		731,500	731,500	731,500	731,304	(196)
<b>Total</b>		<b>15,650,500</b>	<b>17,857,300</b>	<b>2,982,282</b>	<b>1,991,757</b>	<b>(990,525)</b>
<b>Transfers to/(from) Reserves</b>						
Cremator Replacement Reserve		0	21,100			
Revenue Grants Reserve		0	(161,100)			
General Fund Reserve		166,100	(1,801,800)			
Planning Services Reserve		0	27,100			
Council Tax Income Reserve		0	(23,000)			
Carry Forward Reserve		0	(126,000)			
Operational Risk Reserve		(777,000)	(777,000)			
<b>Total Transfer to/(from) Reserves</b>		<b>(610,900)</b>	<b>(2,840,700)</b>	<b>771,868</b>	<b>2,727,957</b>	<b>1,956,089</b>
Financed by:						
Precept from Collection Fund		(8,663,000)	(8,640,000)	(2,160,000)	(2,165,753)	(5,753)
Revenue Support Grant		0	0	0	(143)	(143)
Business Rate Retention		(6,376,600)	(6,376,600)	(1,594,150)	(2,553,818)	(959,668)
<b>Total Grants</b>		<b>(15,039,600)</b>	<b>(15,016,600)</b>	<b>(3,754,150)</b>	<b>(4,719,714)</b>	<b>(965,564)</b>
<b>Total</b>		<b>(15,650,500)</b>	<b>(17,857,300)</b>	<b>(2,982,282)</b>	<b>(1,991,757)</b>	<b>990,525</b>

2.3 Further details for each directorate can be found in **Appendices B1 – B7**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. Although the net position is shown in the table above, the main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl. contracts)	B1	0	62,679
Bereavement Services	B1	0	52,021
Recycling and Waste Management	B1	(214,756)	0
Development Control Income	B3	0	76,410
Loan Interest (incl. new borrowing)	B4	(193,327)	0
Minimum Revenue Provision	B4	(199,479)	0
Revenues and Benefits	B4	(128,152)	0
Industrial Estates	B5	(53,622)	0
Asset Review Income	B5	(39,850)	0
Homeless Accommodation	B5	0	50,064
Salary Turnover Savings	B6	(138,963)	0

2.4 Some of the significant service expenditure and income variances are set out below:

- A shortfall in car parking income from tickets, permits and PCNs.
- A net overspend on Bereavement Services due to reduced income from Cremation fees.
- A net underspend in Recycling and Waste Services due to increased income from plastic and card recycling, sale of recyclates, garden waste and Bring Sites.
- A decrease in Development Control fee income received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2022/23 being entered into yet.
- A saving on Minimum Revenue Provision due to the year-end Capital Financing Requirement being lower than anticipated due to underspends and carry forwards in the 2021/22 capital programme.
- A net underspend in Revenues and Benefits mainly due to additional grant income received.
- Additional rental income from Industrial Estates.
- Additional income generated from completed rent reviews.
- An underspend of £15,126 on expenditure on Homeless Accommodation and a shortfall in income of £65,190. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff. A budget pressure however was included in the 2022/23 budget to reflect this.
- Additional salary turnover achieved against the budget to date.

2.5 A subjective analysis of the summarised budgetary position excluding exceptional items as at June is shown in **Appendix C**.

2.6 As usual the Council's virement procedures will be utilised in 2022/23 to accommodate new areas of spend outwith the current base budgets which can be

funded from underspends, as highlighted within this monitoring report, thus avoiding the additional use of reserves, or pressures on future years budgets.

2.7 The following table provides a summary position of the income and expenditure within Exceptional Items:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Covid-19 Related Expenditure	B7	56,300	56,300	14,092	27,912	13,820
Covid-19 Specific Grants	B7	0	(8,900)	(81,690)	(81,631)	59
Local Government Reorganisation	B7	159,100	862,200	238,751	116,823	(121,928)
<b>Total Exceptional Items</b>		<b>215,400</b>	<b>909,600</b>	<b>171,153</b>	<b>63,104</b>	<b>(108,049)</b>

2.8 Further details for this directorate can be found in **Appendix B7**. The main variances are also summarised below.

- A net overspend position on Council related expenditure as a result of Covid-19.
- Any costs associated with Local Government Reorganisation should either be covered through the City Council's own budget approved or reimbursed from the Implementation Reserve.

### 3. Forecast Outturn Position 2022/23

3.1 The Council's financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end.

These include:

- The general effect of local economic activity on the Council's income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector and especially economic recovery following Covid-19.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
- The impact of the delay to the Fair Funding Review and Business Rates Retention Review.
- The impact of Covid-19 on Council's budgetary position.

3.2 The Council's financial position will continue to be closely monitored and the projected year end position will be reported more fully in a future monitoring report. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.

3.3 The areas of significant variance noted in this report have been scrutinised fully and incorporated into the 2022/23 budget process for Cumberland Council where the position is deemed to be recurring in nature.

#### **4. Funding**

4.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the DLUHC announced a 3-year deficit recovery period for any arrears as at 31st March 2021.

4.2 Business Rates Income is largely prescribed by the amounts submitted to DLUHC on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.

4.3 The current estimates of Business Rates income for the quarter to the end of June are shown in **Appendix D**.

The figures show that based on the first quarter the Council may receive an extra £959,668 in business rates income over and above what it has budgeted for. However, it is anticipated that this position could change significantly throughout the year depending upon the performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported later in the year. A 3-year deficit period was permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by DLUHC.

The previous 2-years saw government provide rating support to the retail leisure and hospitality sectors as a response to the COVID-19 pandemic. This resulted in larger deficits on the collection fund, however, for 2022/23 there is no such support so there should be no exceptional deficits on the collection fund and any surpluses or deficits reported at the end of the year will be as a result of actual collection rates.

#### **5. Balance Sheet Management**

5.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2022	Balance at Jun 2022	Note
Investments	£25.87m	£29.83m	(i)
Loans	£12.83m	£12.83m	(ii)
Debtors System	£1.74m	£1.20m	(iii)
Creditors System	£0.007m	£0.403m	

- (i) The anticipated annual return on these investments is estimated at £198,200 for 2022/23 with current forecasts anticipated to be slightly above these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt (including any new debt budgeted for from 2022/23 onwards), in terms of interest payable, is budgeted at £980,500 in 2022/23 with costs currently showing a saving against budget due to new borrowing not entered into yet.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.
- (iv) The Council's VAT partial exemption calculation for the period ending June 2022 is currently 1.67%, well below the 5% limit.

## 6. Bad Debt Write-Offs

- 6.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £95,239.10 have been written off during Quarter 1 to the end of June 2022. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	15,208.79
Council Tax (Collection Fund)	74,563.05
NNDR	5,467.26
<b>Total Write-offs</b>	<b>95,239.10</b>



6.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £11,853.94 are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	14.95
Council Tax (Collection Fund)	10,925.86
NNDR	913.13
<b>Total Write-ons</b>	<b>11,853.94</b>

6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

6.4 The level of outstanding debt has increased during the pandemic and although a ‘soft’ debt recovery process was initially agreed whereby letters were issued asking debtors to contact the Council to discuss flexible repayment terms, and a signpost to the CTRS scheme for council taxpayers, the formal debt recovery procedures are now in place in order to safeguard the Council’s cash position.

## **7. Risks**

7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

7.2 The main risk to the Council is the impact of energy and other cost of living inflationary pressures and also any on-going impact of COVID-19 in terms of additional costs and shortfalls of income.

## **8. Consultation**

8.1 Consultation to date.

SMT and JMT have considered the issues raised in this report.

8.2 Consultation Proposed

People Panel will consider the report on 6 October 2022.

## **9. Conclusion and reasons for recommendations**

9.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to June 2022;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;

- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A.

## **10. Contribution to the Carlisle Plan Priorities**

10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the third quarter of 2022/23 shows the delivery of these priorities within budget.

### **Contact details:**

Contact Officer: Emma Gillespie Ext: 7289

### **Appendices attached to report:**

- A, B1 to B7, C to E

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

### **Corporate Implications:**

Legal - The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

Property Services - Property asset implications are contained within the main body of the report.

Finance - Financial implications are contained within the main body of the report.

Equality - This report raises no explicit issues relating to the public sector Equality Duty.

Information Governance - There are no information governance implications.

## REVENUE BUDGET MONITORING 2022/23

## VIREMENTS PROCESSED FOR PERIOD APRIL TO JUNE 2022

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
<b>Requested by Officers (under £35,000 or delegated authority)</b>				
09/05/2022	Release of Council Tax Income Guarantee to offset the deficit on the Collection Fund as a result of loss of Council Tax income in 2020/21 due to the Covid-19 pandemic	Non-recurring	23,000	OD.58/22 Corporate Director of Finance and Resources
07/06/2022 & 08/07/2022	Release of funding from Revenue Grant Reserve for Partnerships Place Co-ordinator	Non-recurring	9,300	Corporate Director of Finance and Resources
07/06/2022	Release of funding from Revenue Grant Reserve for Sustainable Food City Co-ordinator	Non-recurring	6,000	Corporate Director of Finance and Resources
07/06/2022 & 04/07/2022	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	16,100	Corporate Director of Finance and Resources
07/06/2022 & 08/07/2022	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	135,100	Corporate Director of Finance and Resources
16/05/2022	Release of Carry Forward Reserve in respect of phase 1 site investigation work on land at Grearhill	Non-recurring	60,000	OD.64/22 Corporate Director of Finance and Resources
16/05/2022	Release of Carry Forward Reserve in respect of phase 1 site investigation work on land at Morton	Non-recurring	60,000	OD.65/22 Corporate Director of Finance and Resources
08/07/2022	Release of funding from Revenue Grant Reserve for Gas Safety Measures	Non-recurring	600	Corporate Director of Finance and Resources
<b>Approved by Executive (£35,000 to £70,000 or delegated authority)</b>				
21/02/2022	Additional non-recurring funding provided to support mental health provision in Carlisle and the continuation of the existing environmental clean-up and enforcement scheme.	Non-recurring	100,000	Executive RD.75/21
<b>Approved by Council (over £70,000)</b>				
19/07/2022	Revenue Carry Forwards from 2021/22 into 2022/23	Non-recurring	1,967,900	Council RD.23/22

## REVENUE BUDGET MONITORING 2022/23

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	20,648,000	(5,305,000)	(3,731,800)	<b>11,611,200</b>
Budget to date	4,414,474	(1,513,975)	(1,060,829)	<b>1,839,670</b>
Total Actual	4,500,686	(1,754,688)	(1,052,859)	<b>1,693,139</b>
<b>Variance</b>	<b>86,212</b>	<b>(240,713)</b>	<b>7,970</b>	<b>(146,531)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>86,212</b>	<b>(240,713)</b>	<b>7,970</b>	<b>(146,531)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	20,354	51,390	43	<b>71,787</b>
Bereavement Services	2	18,047	33,878	96	<b>52,021</b>
Healthy Cities	3	(43,413)	(8,714)	0	<b>(52,127)</b>
Other Green Spaces	4	33,271	(53,887)	62	<b>(20,554)</b>
Recycling and Waste Services	5	44,160	(256,695)	(2,220)	<b>(214,756)</b>
Miscellaneous	6	13,794	(6,686)	9,989	<b>17,097</b>
<b>Total Variance to date</b>		<b>86,212</b>	<b>(240,713)</b>	<b>7,970</b>	<b>(146,531)</b>

Note	Community Services - Comments
1.	Various minor overspends including budget savings to be found; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Overspends on premises related costs; reduced income from cremation fees partly offset by increased income from Cemeteries fees.
3.	Underspends in relation to Leisure contract payments and Old Fire Station.
4.	Increased car parking income at Talkin Tarn County Park & sales of meals and refreshments at Boathouse Tearoom.
5.	Overspend on employee and transport costs. Surplus income from Plastic and Card recycling, Garden Waste, Sale of recyclates and Bring Sites income.
6.	Minor overspends, increased income and reduced trading income (recharges) across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	3,972,100	(307,500)	(3,455,400)	<b>209,200</b>
Budget to date	1,542,891	(200,949)	(864,877)	<b>477,065</b>
Total Actual	1,527,903	(180,982)	(863,937)	<b>482,984</b>
<b>Variance</b>	<b>(14,988)</b>	<b>19,967</b>	<b>940</b>	<b>5,919</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(14,988)</b>	<b>19,967</b>	<b>940</b>	<b>5,919</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact	1	(13,823)	20,042	272	<b>6,490</b>
Miscellaneous	2	(1,165)	(75)	668	<b>(571)</b>
<b>Total Variance to date</b>		<b>(14,988)</b>	<b>19,967</b>	<b>940</b>	<b>5,919</b>

Note	Corporate Support - Comments
1.	Underspends on employee related costs, shortfall in reception service fee income.
2.	Minor underspends and additional income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	3,867,400	(1,072,600)	(416,400)	<b>2,378,400</b>
Budget to date	927,254	(314,432)	(104,226)	<b>508,596</b>
Total Actual	954,145	(260,167)	(104,100)	<b>589,878</b>
<b>Variance</b>	<b>26,891</b>	<b>54,265</b>	<b>126</b>	<b>81,282</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>26,891</b>	<b>54,265</b>	<b>126</b>	<b>81,282</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Development Control	1	17,325	76,410	0	<b>93,735</b>
Miscellaneous	2	9,566	(22,145)	126	<b>(12,453)</b>
<b>Total Variance to date</b>		<b>26,891</b>	<b>54,265</b>	<b>126</b>	<b>81,282</b>

Note	Economic Development - Comments
1.	Overspend on employee related costs; shortfall in fee income received.
2.	Minor overspends and increased income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	32,618,300	(26,908,700)	(2,889,500)	<b>2,820,100</b>
Budget to date	12,477,026	(12,833,327)	(512,419)	<b>(868,720)</b>
Total Actual	12,076,608	(12,963,972)	(511,800)	<b>(1,399,164)</b>
<b>Variance</b>	<b>(400,418)</b>	<b>(130,645)</b>	<b>619</b>	<b>(530,444)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(400,418)</b>	<b>(130,645)</b>	<b>619</b>	<b>(530,444)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(391,681)	(20,772)	0	<b>(412,453)</b>
Revenues and Benefits	2	(18,440)	(109,837)	126	<b>(128,152)</b>
Miscellaneous	3	9,703	(35)	493	<b>10,161</b>
<b>Total Variance to date</b>		<b>(400,418)</b>	<b>(130,645)</b>	<b>619</b>	<b>(530,444)</b>

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet & savings on Minimum Revenue Provision; improved levels of investment interest achieved.
2.	Various minor underspends; Increased level of Government Grants received.
3.	Minor overspends and increased income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	12,452,900	(5,919,900)	(3,824,800)	<b>2,708,200</b>
Budget to date	3,324,506	(2,034,803)	(957,301)	<b>332,402</b>
Total Actual	3,265,002	(2,111,903)	(948,891)	<b>204,208</b>
<b>Variance</b>	<b>(59,504)</b>	<b>(77,100)</b>	<b>8,410</b>	<b>(128,194)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(59,504)</b>	<b>(77,100)</b>	<b>8,410</b>	<b>(128,194)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Industrial Estates	1	24,449	(78,071)	0	<b>(53,622)</b>
Strategic Asset Investment	2	(38,676)	(4,242)	140	<b>(42,778)</b>
Homeless Accommodation	3	(15,126)	65,190	0	<b>50,064</b>
Miscellaneous	4	(30,151)	(59,977)	8,270	<b>(81,858)</b>
<b>Total Variance to date</b>		<b>(59,504)</b>	<b>(77,100)</b>	<b>8,410</b>	<b>(128,194)</b>

Note	Governance & Regulatory Services - Comments
1.	Overspend on third party payments; increased rental income as a result of backdated rent reviews.
2.	Additional income generated from completed rent reviews; increased level of valuation fees received.
3.	Underspend on employee related expenditure and supplies and services, overspend on premises expenditure; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
4.	Minor underspends and increased income across other services within the Directorate.



## REVENUE BUDGET MONITORING 2022/23

CORPORATE MANAGEMENT		Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022		£	£	£	£
Annual Budget		(1,541,200)	(1,969,700)	0	<b>(3,510,900)</b>
Budget to date		234,893	(444,277)	0	<b>(209,384)</b>
Total Actual		69,805	(443,501)	0	<b>(373,696)</b>
<b>Variance</b>		<b>(165,088)</b>	<b>776</b>	<b>0</b>	<b>(164,312)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>					<b>0</b>
<b>Adjusted Variance</b>		<b>(165,088)</b>	<b>776</b>	<b>0</b>	<b>(164,312)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	(178,419)	775	0	<b>(177,644)</b>
Miscellaneous	2	13,331	1	0	<b>13,332</b>
<b>Total Variance to date</b>		<b>(165,088)</b>	<b>776</b>	<b>0</b>	<b>(164,312)</b>

Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£138,963) and additional savings found (£38,800).
2.	Minor overspends across other services within the Directorate.

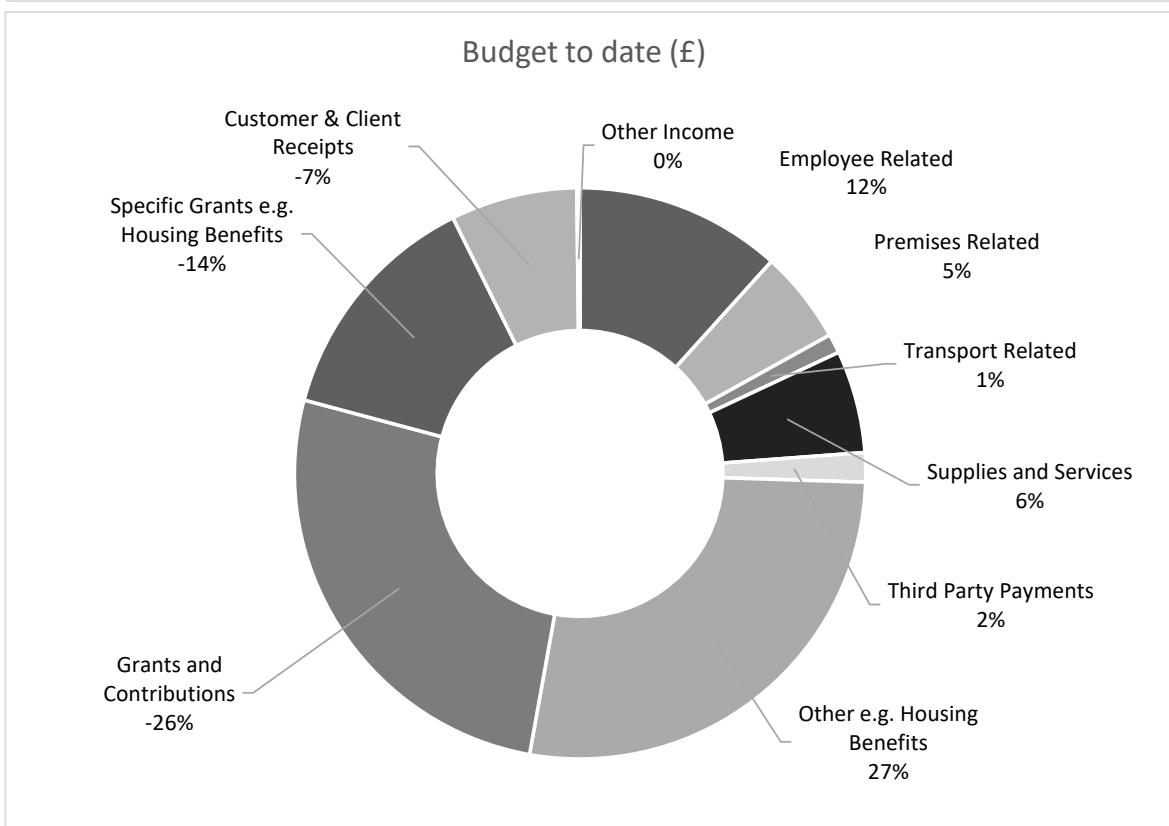
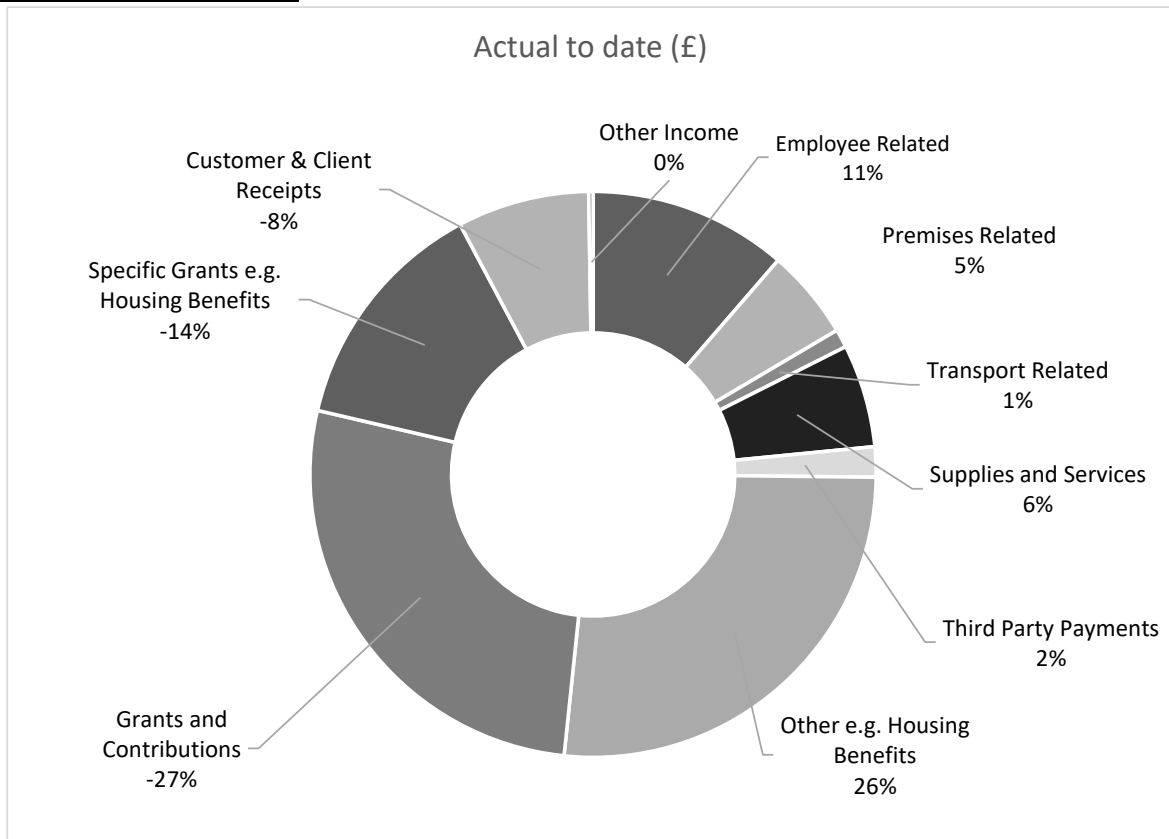
## REVENUE BUDGET MONITORING 2022/23

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 June 2022	£	£	£	£
Annual Budget	1,035,100	(125,500)	0	<b>909,600</b>
Budget to date	296,653	(125,500)	0	<b>171,153</b>
Total Actual	191,604	(128,500)	0	<b>63,104</b>
<b>Variance</b>	<b>(105,049)</b>	<b>(3,000)</b>	<b>0</b>	<b>(108,049)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(105,049)</b>	<b>(3,000)</b>	<b>0</b>	<b>(108,049)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	16,879	(3,000)	0	<b>13,879</b>
Local Government Reorganisation	2	(121,928)	0	0	<b>(121,928)</b>
<b>Total Variance to date</b>		<b>(105,049)</b>	<b>(3,000)</b>	<b>0</b>	<b>(108,049)</b>

Note	Exceptional Items - Comments
1.	A net overspend position on Council related expenditure as a result of Covid-19.
2.	A net underspend position on Local Government Reorganisation expenditure. The balance will be required to support the ongoing process.

**SUBJECTIVE ANALYSIS**



**BUSINESS RATES INCOME**

	2021/22 Outturn	2022/23 NNDR1	2022/23 Q1
Local Share of Income (Per NNDR1)	(17,415,961)	(16,489,930)	(16,489,930)
Renewables (Per NNDR1)	(378,052)	(412,335)	(412,335)
Renewables Bfwd (NNDR3 Previous Year)	4,122	0	0
Enterprise Zone (Per NNDR1)	(418,227)	(225,003)	(225,003)
Tariff (Per Final Settlement)	12,569,244	12,568,847	12,568,847
Section 31 Grants (reimbursement of funded reliefs)			
Section 31 Grants (Flooding)	(5,055,072)	(3,206,585)	(3,394,817)
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper			
Estimated Collection Fund Deficit/(Surplus) per NNDR1	9,462,618	2,958,134	2,958,134
Spreading of Deficit	0	197,036	197,036
Levy Payable to Pool	1,349,235	1,660,000	1,430,000
Pool Redistribution	(700,000)	(940,000)	(813,000)
<b>Total Income</b>	<b>(582,093)</b>	<b>(3,889,836)</b>	<b>(4,181,068)</b>
<b>Budget</b>			
Section 31 Grant B/Fwd (Earmarked Reserve)	9,462,618	3,155,200	3,155,200
Baseline Funding	(3,335,200)	(3,335,700)	(3,335,700)
Business Rates Multiplier Grant	(173,800)	(340,900)	(340,900)
Additional Rates Income - Pooling/Growth	(2,700,000)	(2,700,000)	(2,700,000)
<b>Total Budget</b>	<b>3,253,618</b>	<b>(3,221,400)</b>	<b>(3,221,400)</b>
<b>Additional Income retained</b>	<b>(3,835,711)</b>	<b>(668,436)</b>	<b>(959,668)</b>

**BAD DEBT PROVISION**

TABLE 1 Type of Debt	Write-Offs June 2022		Comments
	No.	£	
NNDR (General)	4	5,467.26	01/04/22 to 30/06/22
Council Tax	63	74,563.05	01/04/22 to 30/06/22
Debtors:			
Private Tenants	0	0.00	01/04/22 to 30/06/22
Housing Benefit Overpayments	17	6,977.48	01/04/22 to 30/06/22
General Fund	15	8,231.31	01/04/22 to 30/06/22
Penalty Charge Notices:			
On Street	0	0.00	01/04/22 to 30/06/22
Off Street	0	0.00	01/04/22 to 30/06/22
<b>TOTAL</b>	<b>99</b>	<b>95,239.10</b>	

TABLE 2 Type of Debt	Write-Ons June 2022		Comments
	No.	£	
NNDR (General)	6	913.13	01/04/22 to 30/06/22
Council Tax	18	10,925.86	01/04/22 to 30/06/22
Debtors:			
Private Tenants	0	0.00	01/04/22 to 30/06/22
Housing Benefit Overpayments	1	13.01	01/04/22 to 30/06/22
General Fund	6	1.94	01/04/22 to 30/06/22
<b>TOTAL</b>	<b>31</b>	<b>11,853.94</b>	

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 30 AUGUST 2022**

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### **EX.112/22 REVENUE BUDGET OVERVIEW & MONITORING REPORT - APRIL TO JUNE 2022**

(Non Key Decision)

**Portfolio** Finance, Governance and Resources

**Relevant Scrutiny Panel** People Panel

#### **Subject Matter:**

The Leader submitted report RD.31/22 the purpose of which was to provide an overview of the Council's overall budgetary position for the period April to June 2022 for revenue schemes only.

The Leader highlighted, in particular, some of the significant service expenditure and income variances identified at paragraph 2.4. Section 3 recorded that the Council's financial position was affected by a number of external factors which would have a financial impact during the course of the year and ultimately at the year-end. The Council's financial position would continue to be closely monitored and the likely year end position would be reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable position for future years and to avoid any significant variance at the year end.

In conclusion, the Leader moved the recommendations set out in the report, which were seconded by the Communities, Health and Wellbeing Portfolio Holder.

**Summary of Options rejected** none

#### **DECISION**

That the Executive:

- (i) noted the budgetary performance position of the Council to June 2022;
- (ii) noted the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6 of Report RD.31/22;
- (iii) noted the release of reserves as set out in the table at paragraph 2.2, and noted the virements approved as detailed in Appendix A of Report RD.31/22.

#### **Reasons for Decision**

To show that the Executive had been informed of the Council's actual financial position compared with the budgeted position and to bring to their attention any areas of concern