



Carlisle City Council

Report to Business and Transformation Scrutiny Panel

Meeting Date: 7 December 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Revenue Budget Overview & Monitoring Report: April to September 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD 50/21

Purpose / Summary:

This report provides an overview of the Council's General Fund revenue budgetary position for the period April to September 2021 which was considered by the Executive on 22 November 2021.

Questions for / input from Scrutiny:

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

Recommendations:

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise the overall budgetary position for the period April to September 2021.

Tracking

Executive:	22 November 2021
Scrutiny:	7 December 2021
Council:	n/a



Carlisle City Council

Report to Executive

Meeting Date: 22 November 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Revenue Budget Overview & Monitoring Report: April to September 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD 50/21

Purpose / Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. 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 September 2021;
- (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

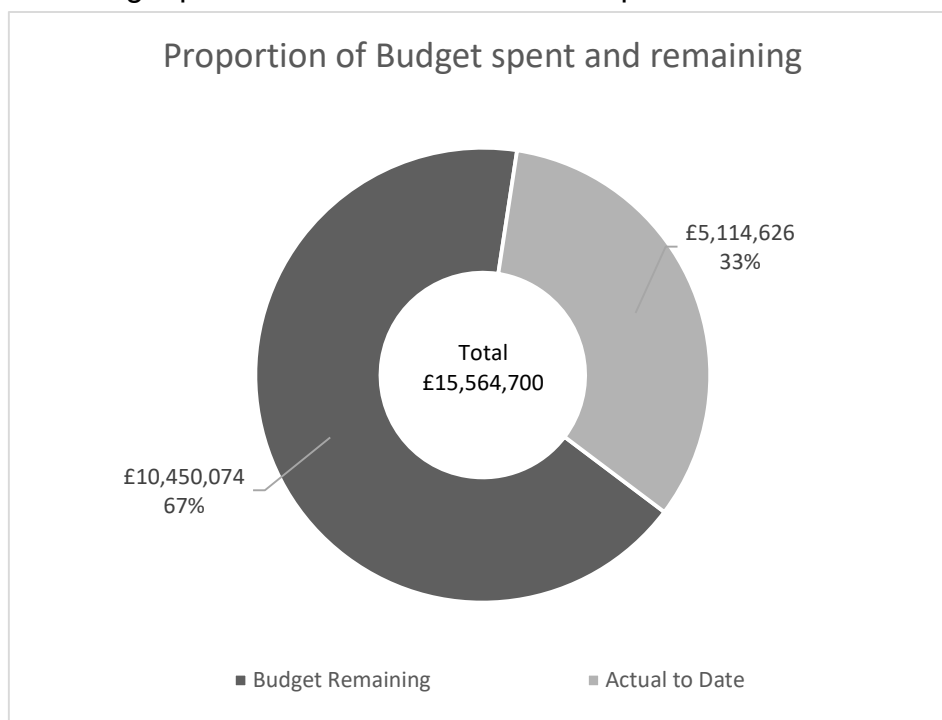
Executive:	22 November 2021
Scrutiny:	7 December 2021
Council:	n/a

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. 2021/22 Revenue Budget Monitoring

- 2.1 The budget position of the Council as at September 2021 is as follows:



2.2 The summarised revenue budgetary position as at September 2021 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	9,480,600	11,472,900	4,350,147	4,113,393	(236,754)
Corporate Support	B2	2,632,600	276,700	364,332	364,405	73
Economic Development	B3	974,700	2,116,900	869,020	679,455	(189,565)
Finance & Resources	B4	2,054,500	1,893,700	791,856	567,018	(224,838)
Governance & Regulatory Services	B5	1,305,800	2,330,700	942,246	793,978	(148,268)
Corporate Management	B6	(3,042,200)	(2,584,000)	(498,729)	(362,451)	136,278
Service Expenditure		13,406,000	15,506,900	6,818,872	6,155,798	(663,074)
Exceptional Items	B7	(25,000)	57,800	(466,904)	(1,041,172)	(574,268)
Service Expenditure		13,381,000	15,564,700	6,351,968	5,114,626	(1,237,342)
Parish Precepts		708,300	708,300	708,300	708,056	(244)
Total		14,089,300	16,273,000	7,060,268	5,822,682	(1,237,586)
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	41,000			
Revenue Grants Reserve		0	(380,300)			
General Fund Reserve		466,600	(1,346,700)			
Planning Services Reserve		0	18,900			
Economic Recovery Reserve		0	(50,000)			
Total Transfer to/(from) Reserves		466,600	(1,717,100)	217,682	1,803,471	1,585,789
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(4,173,450)	(4,173,433)	17
Business Rate Retention		(6,209,000)	(6,209,000)	(3,104,500)	(3,452,720)	(348,220)
Total Grants		(14,555,900)	(14,555,900)	(7,277,950)	(7,626,153)	(348,203)
Total		(14,089,300)	(16,273,000)	(7,060,268)	(5,822,682)	1,237,586

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	180,574
Healthy Cities	B1	(104,745)	0
Recycling and Waste Management	B1	(249,056)	0
Building Control Income	B3	(55,787)	0
Development Control Income	B3	(100,564)	0
Loan Interest (incl. new borrowing)	B4	(188,962)	0
Building & Facilities	B5	(76,359)	0
The Lanes Income	B5	0	127,586
Asset Review Income	B5	(99,244)	0
Homeless Accommodation	B5	0	38,908
Profiled Budget Savings to Find	B6	0	211,904
Salary Turnover Savings	B6	(84,262)	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 due to Covid-19.
- A net underspend in Healthy Cities mainly due to savings at the Art Centre, Small Scale Community Projects and the GLL contract.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from garden waste, plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Building Control Income including Inspection Fee income, Building Notice fee income and Plan Deposit fee income
- An increase in Development Control fee income due to a significant application fee being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into as yet.
- A net underspend on Buildings and Facilities due to reduced costs for Building Cleaning, Civic Centre and Public Conveniences.
- Rental income losses from the Lanes to date. Projections for 2021/22 are being prepared and reviewed on a regular basis and the likely year end position will be reported more fully in a future monitoring report.
- Additional income generated from completed rent reviews.
- An underspend of £65,959 on expenditure on Homeless Accommodation and a shortfall in income of £104,868. 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.
- An overspend due to profiled budget savings to end of September for 2021/22 of £211,904. The annual position is reported more fully in paragraph 2.9.
- Additional salary turnover achieved against the budget to date.

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

2.6 As usual the Council's virement procedures will be utilised in 2021/22 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 £
Flood Related	B7	0	(10,500)	0	0	0
Covid-19 Related Expenditure	B7	0	93,300	46,669	148,534	101,865
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(701,138)	(676,138)
Covid-19 Government Grants	B7	0	0	(484,289)	(484,342)	(53)
Covid-19 Specific Grants	B7	0	0	(4,284)	(4,226)	58
Total Exceptional Items		0	57,800	(466,904)	(1,041,172)	(574,268)

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

- A net underspend position on Council related expenditure as a result of Covid-19. However, the balance will be required to support other pressures/shortfalls in income (reported above) that are currently reported against individual service areas but are as a direct result of Covid-19 e.g. car parking income, and therefore will reduce the current reported underspend. The current Covid-19 position is as follows:

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	98,735	98,735
Reopening the High Street	29,740	0	29,740
Elections	18,353	0	18,353
Compliance and Enforcement	0	23,700	23,700
RBS New Burdens Expenditure	0	3,145	3,145
Rough Sleeping	14,297	0	14,297
Sales Fees & Charges Income Shortfalls	243,209	0	243,209
Sales Fees & Charges Reduction in Expenditure	(61,515)	0	(61,515)
Other Income Shortfalls	116,947	0	116,947
Commercial Income	128,543	0	128,543
Total Covid Pressures	489,574	125,580	615,154
Funding Received	0	(616,032)	(616,032)
Sales Fees and Charges Compensation accrued	0	(51,376)	(51,376)
Compliance and Enforcement Funding Applied	0	(23,700)	(23,700)
Test & Trace Funding Received	0	(33,729)	(33,729)
Reopening the High Street Funding Applied (to be claimed)	(29,740)	0	(29,740)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Surplus September 2021	451,838	(599,257)	(147,419)
Accommodation and Support Charges	0	46,653	46,653
Government Grants to Businesses & Individuals	0	(484,342)	(484,342)
Covid-19 Specific Grants	0	(4,226)	(4,226)
Revised Net Position on Covid-19	451,838	(1,041,172)	(589,334)

Note: Government grants to businesses and individuals are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government on completion of the schemes.

- 2.9 The following table shows the position as at September 2021 of savings achieved against the budget savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	21,900	48,300	(26,400)
Energy Savings	20,000	0	20,000
To be found from 2021/22 onwards	500,000	0	500,000
Net Recurring position 2021/22	541,900	48,300	493,600
Found in 2021/22 on non-recurring basis	0	21,800	(21,800)
Total Non-Recurring position 2021/22	541,900	70,100	471,800

The recurring savings targets will need to be achieved in accordance with the three current strands contained within the approved Savings Strategy i.e. Asset Strategy;

Service Reviews; Core Budgets. £1.6million has been set aside in an earmarked reserve as part of the 2020/21 outturn which can be used on a non-recurring basis to fund any savings unachieved in year subject to approval to release funds by the Executive. However, the required savings as at the end of September 2021 (£211,904) can be accommodated from other underspends in the revenue budget.

3. Forecast Outturn Position 2021/22

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 Spending Review, 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 will be scrutinised fully and incorporated into the 2022/23 budget process where necessary.

3.4 Members should note that the impact of Covid-19 on the Council's revenue budget and the level of funding received to date makes forecasting the outturn position particularly difficult.

4. Impact of Covid

4.1 Emergency Funding

4.1.1. The MHCLG allocated emergency funding to local authorities to meet pressures across council services, as a result of reduced income, rising costs or increased demand. Monthly returns are submitted through DELTA to the MHCLG to report additional costs and loss of income. An assessment of the annual impact is very difficult to predict but as more data is collected each month, the position will become clearer and therefore the estimates of lost income and additional costs incurred may change.

- 4.1.2 Government funding was also received to distribute Covid-19 grants to businesses in the area and these have been distributed as quickly as possible. All grants paid are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government.

4.2 Collection Fund

- 4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector for the 1st quarter of 2021/22 and a 66% reduction from July 2021 to March 2022, the net business rates payable for 2021/22 has reduced by approximately £8.676million from £45.023million to £36.347million.
- 4.2.2 The Council will be recompensed during the year for the additional reliefs granted through a Section 31 grant so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £36million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported elsewhere on the agenda (RD49/21) and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

5. **Funding**

- 5.1 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 MHCLG announced a 3-year deficit recovery period for any arrears as at 31st March 2021.
- 5.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG 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.
- 5.3 The current estimates of Business Rates income for the quarter to the end of September compared to the initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on 2021/22 NNDR1 (prepared in January 2021), the Council may receive an extra £348,220 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, the implications of Covid-19 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 is now permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by MHCLG. There is likely to be a further deficit on the Business Rates Collection Fund in 2021/22 due to the continuation of business rate reliefs to retail, leisure and hospitality sectors for the first quarter of 2021/22 and reduced rates liabilities beyond that not being announced until after the NNDR1 estimates were submitted to MHCLG. Government is, however, compensating local authorities for this loss of income in the form of additional Section 31 grant and this will need to be set aside at the end of the year to match the deficit falling on general fund in 2022/23.

6. Balance Sheet Management

- 6.1 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 31/03/2021	Balance at Sep 2021	Note
Investments	£14.29m	£28.40m	(i)
Loans	£13.30m	£13.06m	(ii)
Debtors System	£1.38m	£1.24m	(iii)
Creditors System	£0.007m	£0.352m	

- (i) The anticipated annual return on these investments is estimated at £166,800 for 2021/22 with current forecasts anticipated to be in line with 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 2021/22 onwards), in terms of interest payable, is budgeted at £589,900 in 2021/22 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 September 2021 is currently 1.89%, well below the 5% limit.

7. Bad Debt Write-Offs

- 7.1 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 £29,434.77 have been written off during Quarter 2 to the end of September 2021. 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	1,103.84
Council Tax (Collection Fund)	24,903.73
NNDR	3,427.20
Total Write-offs	29,434.77

- 7.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £3,948.22, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	29.85
Council Tax (Collection Fund)	3,799.99
NNDR	118.38
Total Write-ons	3,948.22

- 7.3 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.
- 7.4 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 tax payers, more formal debt recovery procedures are now in place in order to safeguard the Council's cash position.

8. Risks

- 8.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.
- 8.2 The main risk to the Council is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any future funding package. The economic recovery of

the city and surrounding areas is part of the Recovery Strategy and any financial impact will need to be closely monitored.

9. Consultation

9.1 Consultation to date.

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

9.2 Consultation Proposed

Business and Transformation Scrutiny Panel will consider the report on 7 December 2021.

10. Conclusion and reasons for recommendations

10.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2021;
- (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.

11. Contribution to the Carlisle Plan Priorities

11.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2021/22 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 2021/22

VIREMENTS PROCESSED FOR PERIOD JULY TO SEPTEMBER 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
23/07/2021 & 07/10/2021	Direct Revenue Financing to fund replacement of Waste Receptacles	Non-recurring	19,000	Neighbourhood Services Manager
09/08/2021 & 03/09/2021 & 11/10/2021	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	(1,500)	Corporate Director of Finance and Resources
09/08/2021	Release of funding from Revenue Grant Reserve for Gas Safe	Non-recurring	100	Corporate Director of Finance and Resources
09/08/2021 & 03/09/2021 & 11/10/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	34,800	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Electoral Registration	Non-recurring	5,100	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Warm Homes Fund	Non-recurring	4,000	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	1,300	Corporate Director of Finance and Resources
20/08/2021	Release of Economic Recovery Reserve for Restarting Communities Fund	Non-recurring	50,000	OD.86/21 Corporate Director of Economic Development
01/10/2021	Release of Planning Services Reserve to fund Improvements in Development Management	Non-recurring	56,100	OD.95/21 Chief Executive
24/09/2021	Direct Revenue Financing to fund Financials Upgrade	Non-recurring	68,500	OD.92/21 Corporate Director of Finance and Resources
24/09/2021	Provision of revenue budgets for costs associated with Financials Upgrade	Non-recurring	1,400	OD.92/21 Corporate Director of Finance and Resources
11/10/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	600	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
20/07/2021	Release of General Fund Reserves for Programme Management Office	Non-recurring	91,500	Council ED.22/21

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	20,932,200	(5,739,600)	(3,719,700)	11,472,900
Budget to date	9,389,820	(2,968,186)	(2,071,487)	4,350,147
Total Actual	9,109,176	(3,001,094)	(1,994,689)	4,113,393
Variance	(280,644)	(32,908)	76,798	(236,754)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(280,644)	(32,908)	76,798	(236,754)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(26,605)	199,855	56	173,305
Garage Services	2	(33,548)	6,012	70,872	43,336
Healthy Cities	3	(147,816)	43,072	0	(104,745)
Recycling and Waste Services	4	24,363	(268,641)	(4,778)	(249,056)
Miscellaneous	5	(97,037)	(13,206)	10,648	(99,595)
Total Variance to date		(280,644)	(32,908)	76,798	(236,754)

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Underspend on employee costs and supplies & services; shortfall in trading income (recharges).
3.	Main underspend relates to expenditure at the Art Centre; shortfall in income due to the venue being closed as a result of Covid-19 restrictions
4.	Underspend on transport costs, overspend on employee costs and savings not yet achieved. Surplus income from Plastic and Card recycling, Garden Waste, sale of recyclates and Bring Sites income.
5.	Minor underspends, increased income and reduced trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	3,769,300	(334,900)	(3,157,700)	276,700
Budget to date	2,213,251	(269,441)	(1,579,478)	364,332
Total Actual	2,173,346	(229,884)	(1,579,057)	364,405
Variance	(39,905)	39,557	421	73
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(39,905)	39,557	421	73

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact Centre	1	(42,828)	39,721	169	(2,937)
Miscellaneous	2	2,923	(164)	252	3,010
Total Variance to date		(39,905)	39,557	421	73

Note	Corporate Support - Comments
1.	Underspends on employee related costs; offset by shortfall in income. The loss of income is been factored into the sales, fees & charges compensation claims to Government.
2.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	3,745,900	(1,121,600)	(507,400)	2,116,900
Budget to date	1,764,964	(642,141)	(253,803)	869,020
Total Actual	1,730,039	(796,849)	(253,735)	679,455
Variance	(34,925)	(154,708)	68	(189,565)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(34,925)	(154,708)	68	(189,565)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Regeneration	1	57,139	114	0	57,254
Development Control	2	(30,044)	(100,564)	0	(130,608)
Building Control	3	(21,260)	(55,787)	0	(77,047)
Miscellaneous	4	(40,760)	1,529	68	(39,163)
Total Variance to date		(34,925)	(154,708)	68	(189,565)

Note	Economic Development - Comments
1.	Overspend in relation to revenue costs of Paton House which is now being demolition; overspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on employee related costs, supplies and services & consultants fees; increased fee income received.
3.	Underspend on employee related costs; increased fee income received.
4.	Minor underspends and shortfalls in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	24,645,700	(19,759,500)	(2,992,500)	1,893,700
Budget to date	12,636,505	(9,944,809)	(1,899,840)	791,856
Total Actual	12,440,877	(9,974,389)	(1,899,470)	567,018
Variance	(195,628)	(29,580)	370	(224,838)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(195,628)	(29,580)	370	(224,838)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(188,328)	(8,060)	0	(196,387)
Miscellaneous	2	(7,300)	(21,520)	370	(28,451)
Total Variance to date		(195,628)	(29,580)	370	(224,838)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet.
2.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	12,177,900	(6,074,200)	(3,773,000)	2,330,700
Budget to date	6,061,347	(3,231,893)	(1,887,208)	942,246
Total Actual	5,738,275	(3,076,564)	(1,867,733)	793,978
Variance	(323,072)	155,329	19,475	(148,268)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(323,072)	155,329	19,475	(148,268)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Buildings & Facilities Services	1	(94,280)	(1,494)	19,415	(76,359)
The Lanes	2	7	127,586	0	127,593
Other Rental Properties	3	21,475	46,353	0	67,829
Asset Review Income	4	(99,244)	0	0	(99,244)
Homeless Accommodation	5	(65,959)	104,868	0	38,908
Regulatory Services	6	7,993	(57,865)	(349)	(50,221)
Miscellaneous	7	(93,064)	(64,119)	409	(156,774)
Total Variance to date		(323,072)	155,329	19,475	(148,268)

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); additional rental income received; shortfall in trading income.
2.	Shortfall in rental income.
3.	Overspend on premises expenditure; shortfall in rental income including final adjustment for prior year head rent.
4.	Additional income generated from completed rent reviews.
5.	Underspend on employee related expenditure and supplies and services; 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.
6.	Various minor underspends; Additional licence income and agency fee income received.
7.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	(1,241,600)	(1,342,400)	0	(2,584,000)
Budget to date	172,553	(671,282)	0	(498,729)
Total Actual	307,948	(670,399)	0	(362,451)
Variance	135,395	883	0	136,278
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	135,395	883	0	136,278

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	131,515	883	0	132,398
Miscellaneous	2	3,880	0	0	3,880
Total Variance to date		135,395	883	0	136,278

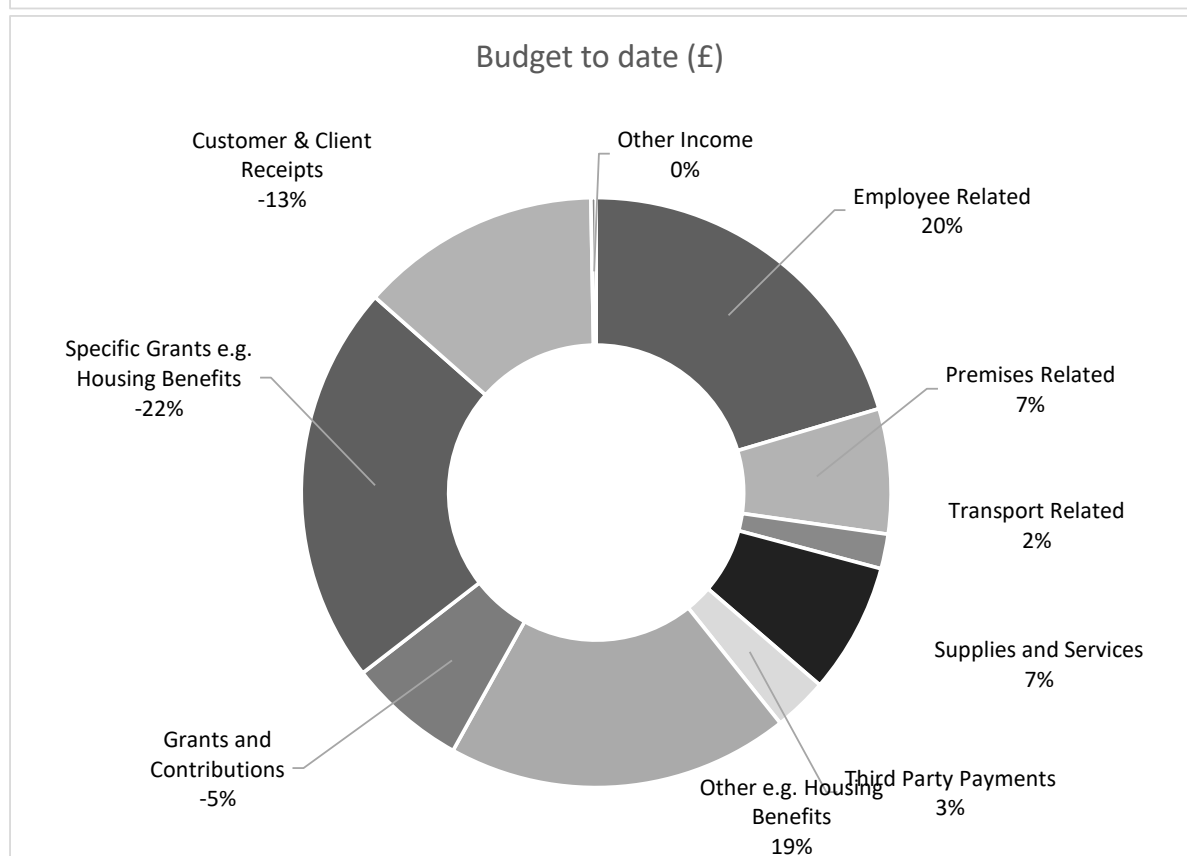
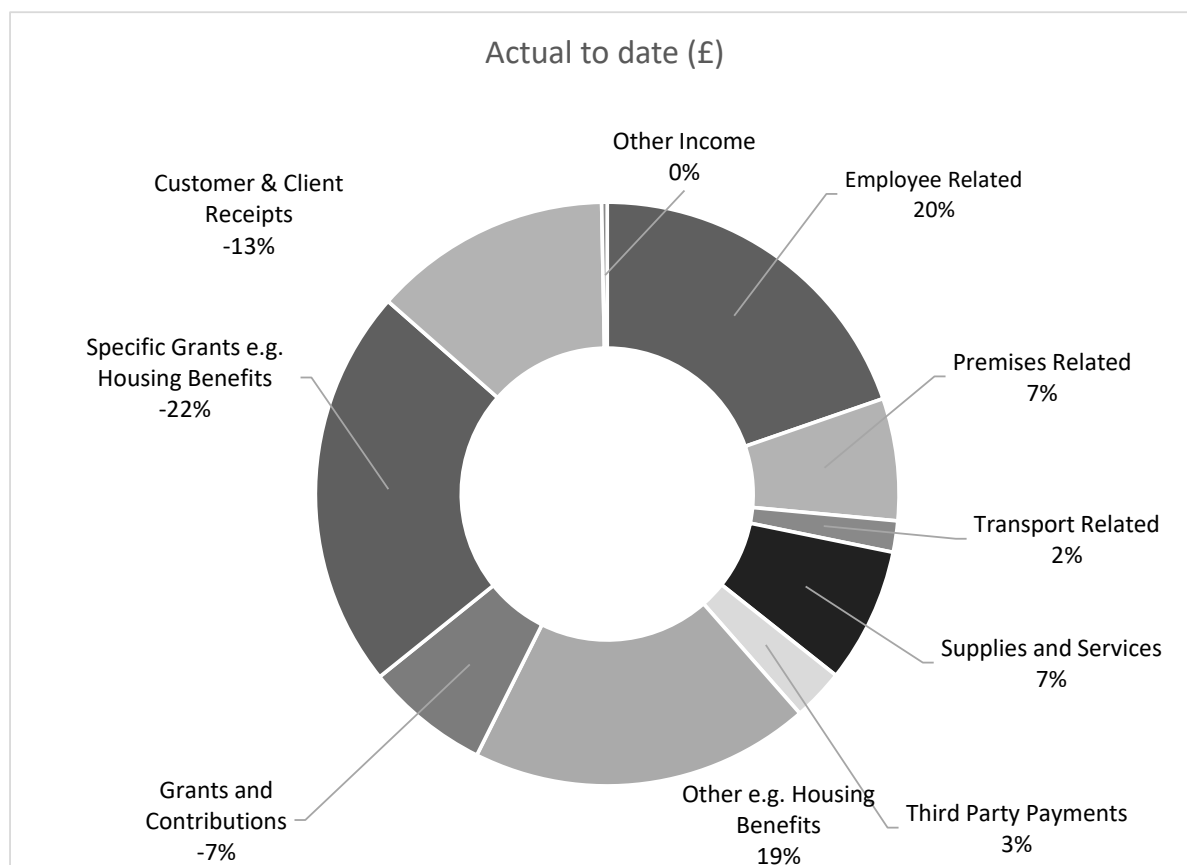
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£84,262) and shortfall in savings to be found (£211,904).
2.	Minor overspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	11,342,900	(11,285,100)	0	57,800
Budget to date	10,807,696	(11,274,600)	0	(466,904)
Total Actual	10,902,086	(11,943,258)	0	(1,041,172)
Variance	94,390	(668,658)	0	(574,268)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	94,390	(668,658)	0	(574,268)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	89,968	(664,236)	0	(574,268)
Flood Recovery	2	4,422	(4,422)	0	0
Total Variance to date		94,390	(668,658)	0	(574,268)

Note	Exceptional Items - Comments
1.	A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income that are currently reported against individual service areas but are a direct result of Covid-19 e.g. car parking income
2.	Expenditure resulting from flooding caused by Storm Ciara funded by insurance settlement.

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q2
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(378,052)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(307,797)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,548,847
Section 31 Grants (reimbursement of funded reliefs)		(1,798,403)	(1,667,248)
Section 31 Grants (Flooding)	(11,188,692)	0	0
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper		0	0
Section 31 Grant B/Fwd (Earmarked Reserve)	0	(9,463,000)	(9,463,000)
Estimated Collection Fund Deficit/(Surplus) per NNDR1	216,038	9,265,582	9,265,582
Spreading of Deficit	0	197,036	197,036
Tax Income Guarantee Scheme Compensation	(22,487)	0	0
Levy Payable to Pool	1,256,125	1,439,547	1,359,251
Pool Redistribution	(712,221)	(600,000)	(700,000)
Total Income	(15,741,409)	(6,488,079)	(6,557,220)
Budget			
Baseline Funding	(3,335,200)	(3,335,200)	(3,335,200)
Business Rates Multiplier Grant	(133,700)	(173,800)	(173,800)
Additional Rates Income - Pooling/Growth	(2,400,000)	(2,700,000)	(2,700,000)
Total Budget	(5,868,900)	(6,209,000)	(6,209,000)
Additional Income retained	(9,872,509)	(279,079)	(348,220)

BAD DEBT PROVISION

TABLE 1		Write-Offs September 2021		Comments
Type of Debt	No.	£		
NNDR (General)	1	3,427.20	01/07/21 to 30/09/21	
Council Tax	33	24,903.73	01/07/21 to 30/09/21	
Debtors:				
Private Tenants	0	0.00	01/07/21 to 30/09/21	
Housing Benefit Overpayments	0	0.00	01/07/21 to 30/09/21	
General Fund	12	771.84	01/07/21 to 30/09/21	
Penalty Charge Notices:				
On Street	0	0.00	01/07/21 to 30/09/21	
Off Street	4	332.00	01/07/21 to 30/09/21	
TOTAL	50	29,434.77		

TABLE 2		Write-Ons September 2021		Comments
Type of Debt	No.	£		
NNDR (General)	4	118.38	01/07/21 to 30/09/21	
Council Tax	22	3,799.99	01/07/21 to 30/09/21	
Debtors:				
Private Tenants	0	0.00	01/07/21 to 30/09/21	
Housing Benefit Overpayments	11	28.73	01/07/21 to 30/09/21	
General Fund	2	1.12	01/07/21 to 30/09/21	
TOTAL	39	3,948.22		

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 22 NOVEMBER 2021

EX.142/21 REVENUE BUDGET OVERVIEW AND MONITORING REPORT: APRIL TO SEPTEMBER 2021

(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted the Revenue Budget Overview and Monitoring Report (RD.50/21) for the period April to September 2021. Outlined within the report were the overall budget position for revenue schemes only and details of the impact of Covid 19 on the revenue budget. The report also included details of balance sheet management issues. Bad debts written off and progress against the budget savings.

Set out at paragraph 2 was the summarised budgetary position as at September 2021; the main variances were as summarised at paragraph 2.4. The table at paragraph 2.9 showed the position as at September 2021 of savings achieved against the transformation savings targets to date.

The Council's financial position, which was affected by a number of external factors which had a financial impact during the course of the year and ultimately at the year end, would continue to be closely monitored and reported more fully in a future monitoring report. It would be important to maintain a prudent approach so as to ensure a sustainable budget position for future years to avoid any significant variance at the year end.

Information on the main variances in the Directorates' Budgets; the forecast outturn position for 2021/22; and impact of COVID-19 was provided .

The Deputy Leader concluded by moving the report, which was seconded by the Leader.

Summary of options rejected none

DECISION

That the Executive:

1. Noted the budgetary performance position of the Council to September 2021;
2. Noted the action by the Corporate Director of Finance and Resources to write off bad debts as detailed in paragraph 6 of Report RD.50/21;
3. 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 to the report.

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.