

Report to Executive

Agenda
Item:

A.3 (a)

Meeting Date: 2nd June 2021
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
Within Policy and Budget Framework YES
Public / Private Public

Title: PROVISIONAL GENERAL FUND REVENUE OUTTURN 2020/21
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD 05/21

Purpose / Summary: This report summarises the 2020/21 provisional outturn for the General Fund revenue budget and gives reasons for the variances. The outturn position will result in returning £186,000 to General fund reserves (as set out in paragraph 6.3).

Requests are made to carry forward committed expenditure of £971,400, net transfers to/from reserves and provisions of £4,905,042 and transfer from the building control reserve of £66,374, which, if approved, will result in an overall net underspend position of £73,463 on Council Services; however it is estimated that additional funding from Business Rates income will be realised (subject to the completion of the NNDR3 return and confirmation of any pooling gains).

It should be noted that the information contained in this report is provisional, subject to the formal audit process. The Draft Statement of Accounts for 2020/21 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 24 September (tbc).

Recommendations:

The Executive is asked to:

- (i) Note the net underspend of £5,949,905 for Council Services as at 31 March 2021;
- (ii) Note the committed expenditure totalling £971,400, to be incurred in 2021/22 which has been approved by the Corporate Director of Finance and Resources under delegated powers, and the release of £971,400 from the General Fund Reserve in 2021/22 as detailed in Appendix D1 of the report for recommendation to Council;

- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £4,914,023, in addition to the transfer from the building control reserve of £66,374 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Note the transfer from an existing provision of £8,981 as detailed in paragraph 6.1 and Appendix D2 of the report.

Tracking

Executive:	2 June 2021
Scrutiny:	BTSP 3 June 2021
Audit Committee:	8 July 2021 (for information only)
Council:	20 July 2021

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 Directors 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 This report shows the provisional outturn position for the General Fund Revenue budgets for 2020/21.
- 1.3 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in **Appendices B1 – B7** as follows:
 - (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Directors.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director after discussion with the Portfolio holder, and the Corporate Director of Finance and Resources.
 - (iv) Reserves to be established and/or increased to support possible future funding obligations.
- 1.4 Members should note that the information contained in this report is provisional and subject to the formal audit process. The draft Statement of Accounts for 2020/21 will be presented to the Audit Committee on 8 July, with formal approval of the audited accounts on 24 September (tbc). Any significant changes required following the approval of the 2020/21 accounts will, if necessary, be reported to a future Executive meeting.
- 1.5 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 reduced income levels.

2. SUMMARY REVENUE OUTTURN 2020/21

2.1 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The significant variances and key issues are highlighted in paragraph 3:

Directorate / Appendix	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves/ Provisions £	Adjusted Variance £
Community Services (B1)	10,263,400	11,396,900	10,864,491	(532,409)	138,300	413,300	19,191
Corporate Support (B2)	1,685,100	138,800	(96,588)	(235,388)	199,000	0	(36,388)
Economic Development (B3)	1,808,900	2,487,800	1,864,152	(623,648)	162,300	522,200	60,852
Finance & Resources (B4)	1,418,300	2,218,800	1,373,475	(845,325)	10,500	359,100	(475,725)
Governance & Regulatory Services (B5)	1,157,900	2,229,100	965,147	(1,263,953)	461,300	485,046	(317,607)
Corporate Management (B6)	(2,491,600)	(1,857,900)	(1,849,420)	8,480	0	0	8,480
Core Service Expenditure	13,842,000	16,613,500	13,121,257	(3,492,243)	971,400	1,779,646	(741,197)
Exceptional Items (B7)	0	464,900	(1,992,762)	(2,457,662)	0	0	(2,457,662)
Service Expenditure	13,842,000	17,078,400	11,128,495	(5,949,905)	971,400	1,779,646	(3,198,859)
Additional Transfers to Reserves (see para 6.1)							3,250,000
Transfer from Reserves and Provisions (see para 6.1)							(124,604)
Net Underspend Position							(73,463)

2.2 The table above details the net Council budget. The Council's original gross budget for 2020/21 was £57.04m and although there are many individual variances as detailed by directorates in **Appendices B1 – B7**, the net underspend equates to 0.13% of this budget. The main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Bereavement Services	B1	(229,838)	0
Car Parking Income	B1	0	751,891
Special Events	B1	(84,651)	0
Recycling and Waste Management	B1	(187,368)	0
Development Control Fee Income	B3	0	81,670
Loan Interest (new borrowing)	B4	(623,800)	0
Lanes Rental Income	B5	0	247,484
City Centre Properties Income	B5	0	105,991
Industrial Estates Income	B5	(826,175)	0
Homeless Accommodation	B5	0	244,167
Civic Centre	B5	(85,517)	0
Building Maintenance	B5	0	89,044
Electoral Services	B5	(121,076)	0
Strategic Asset Investment	B5	0	260,046
Salary Turnover Savings	B6	(83,400)	0

3. EXPLANATION OF SIGNIFICANT VARIANCES & KEY ISSUES

3.1 The provisional outturn position for 2020/21 is an underspend of £3,198,859 after taking into account carry forward requests of £971,400 as set out in paragraph 5, and transfers to/from earmarked reserves and provisions totalling £1,779,646, as set out in paragraph 6.

3.2 Some of the **significant** service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

- A net underspend in Bereavement Service due to increased cremation fee income received; this may be due partly to Covid-19.
- A shortfall in car parking income from tickets, permits and penalty charge notices due to Covid-19.
- A net underspend on Special Events due to events being cancelled as a result of Covid-19 restrictions.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling.
- A shortfall in Development Control fee income due to Covid-19.
- A saving from interest on borrowing due to no new borrowing entered into yet.
- Rental income losses from the Lanes.
- Rental income losses from City Centre Properties.
- Increased rental income as a result of backdated rent reviews.
- An underspend of £52,883 on expenditure on Homeless Accommodation and a shortfall in income of £297,051. 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 saving on premises related costs at the Civic Centre.
- A net overspend in Building Maintenance due to a shortfall in trading income as a direct result of Covid-19.
- An underspend on Election costs as a result of the cancellation of the May 2020 elections due to Covid-19 restrictions.
- An overspend in relation to expenditure incurred to provide additional assurance on the valuation methodology of the Council's Asset portfolio. A shortfall of income from the use of capital receipts to fund asset disposal costs. Due to the level of capital receipts received in the year, the maximum allowable credit to General Fund Reserve will be £33,600 (4% of £840,000 capital receipts received in year) against a budget of £112,000.
- Additional salary turnover achieved against the budget.

- 3.3 A subjective analysis of the summarised outturn position is shown in **Appendix C**.
- 3.4 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service cost centres. This reallocation will be completed before the Statement of Accounts is prepared but has no impact on the overall out-turn position.
- 3.5 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Business and Transformation Scrutiny Panel. Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2021/22 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2022/23 budget process.

4. EXCEPTIONAL ITEMS (COVID-19)

- 4.1 Emergency funding has been received to support Council services in 2020/21 in terms of additional expenditure and loss of income. Monthly returns have been submitted to the MHCLG to report additional costs and loss of income. The following table provides a summary position of the income and expenditure pressured related to Covid and where they are accounted for within the draft outturn position. Any loss of income from Business Rates and Council Tax will add to this sum.

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	772,001	772,001
Reopening the High Street	69,773		69,773
Compliance and Enforcement	51,720	0	51,720
RBS New Burdens Spend		58,911	58,911
Sales Fees & Charges Income Shortfalls	1,276,141		1,276,141
Sales Fees & Charges Reduction in Expenditure	(352,997)		(352,997)
Other Income Shortfalls	517,980		517,980
Commercial Income	548,462		548,462
Total Covid Pressures	2,111,079	830,912	2,941,991
Funding Received	(169,733)	(1,748,390)	(1,918,123)
Other Covid Income Received	0	(5,580)	(5,580)
New Burdens Funding	(24,404)	(413,300)	(437,704)
Test and Trace Support Grant Funding	0	(73,762)	(73,762)
Sales Fees and Charges Compensation	0	(554,372)	(554,372)
General Fund Shortfall	1,916,942	(1,964,492)	(47,550)
Delayed Project Costs	1,000,000		1,000,000
Released from General Fund Reserves	0	(528,000)	(528,000)
Funding To be received	(29,240)	0	(29,240)
Revised General Fund Shortfall	2,887,702	(2,492,492)	395,210

5. CARRY FORWARD REQUESTS

5.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Corporate Director of Finance and Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Corporate Director of Finance and Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*

- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

- 5.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix D1**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Corporate Director of Finance and Resources who is satisfied that budgets of £971,400 should be carried forward into 2021/22. Although some Directorates have expended in excess of their budgets or have suffered reduced income as detailed in the individual appendices, once committed expenditure is taken into account there is an overall underspend across the authority.

The relevant Director will be able to give further details of carry forward requests if required at the meeting. **Budget Holders are encouraged to utilise external grants and base budgets prior to funding expenditure from these carry forward requests.**

- 5.3 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2020/21 Provisional £	2019/20 £	2018/19 £	2017/18 £	2016/17 £
Variance at 31 March	(5,949,905)	(2,390,532)	18,685	(1,539,526)	(1,242,132)
Carry forward requests	971,400	811,000	406,700	663,800	393,000
Final Variance	(4,978,505)	(1,579,532)	425,385	(875,726)	(849,132)
Less Transfers	<u>4,905,042</u>	<u>1,510,437</u>	<u>206,275</u>	<u>1,276,247</u>	<u>407,300</u>
Service Expenditure variance	(73,463)	(69,095)	631,660	400,521	(441,832)
Percentage variance on service expenditure of original gross budget	(0.13)%	(0.12)%	1.15%	0.71%	(0.75)%

6. RESERVES AND PROVISIONS

- 6.1 Details of transfers into and from new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix D2** and are summarised below.

	Net Approval Requested £
Council Tax Hardship Grant Reserve (new)	359,100
Apprentice Infrastructure	17,900
Revenue Grants Reserve	1,402,646
Total Additional Transfers to Reserves	1,779,646

The creation of the Council Tax Hardship Grant Reserve is to hold ring-fenced grant funding received from Government.

It is also requested that a further reserves be created due to uncertainty around ongoing Covid-19 pressures and support, potential costs around Local Government Reorganisation/transformation projects, increases to borrowing rates, and to provide balances to fund any unachieved savings on a non-recurring basis. A second additional reserve is requested to support economic recovery for local parishes and urban communities to aid recovery following the Covid-19 pandemic. The following transfers into the reserves are requested:

	Net Approval Requested £
Economic Recovery Reserve	50,000
Covid Pressures	500,000
Treasury Management	600,000
Savings	1,600,000
Local Government Reorganisation	500,000
Operational Risk Reserve	3,200,000

The following transfers out of reserves and provisions are also requested:

	Net Approval Requested £
Revenue Grants Reserve	(115,623)
Working Time Directive Provision	(8,981)
Net Transfers From Reserves and Provisions	(124,604)

- 6.2 In accordance with statutory requirements any surplus or deficit generated by the Building Control function is required to be held as an identified earmarked reserve and can only be utilised for Building Control. In 2020/21 the required amount to be transferred from the Building Control Reserve is £66,374. This is in addition to £9,500 released during 2020/21 to fund eligible costs.
- 6.3 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report and if all of the carry forward requests and transfers to/from earmarked reserves are approved, an additional £174,000 will be transferred to the General Fund Reserve as a result of the 2020/21 outturn (subject to the completion of the NNDR3 return and final confirmation of any pooling gains).

	31/03/2021 £'000s	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s	31/03/2025 £'000s	31/03/2026 £'000s
Prudent Level of Reserves	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Council Resolution General Fund Reserve	(3,134)	(3,601)	(3,213)	(3,058)	(3,077)	(3,129)
Revised Level of Reserves	(3,134)	(3,601)	(3,213)	(3,058)	(3,077)	(3,129)
Carry Forwards Approved In Year	(750)	750				
Underspend position to be returned to Reserves	(5,950)					
Potential additional Funding from Business Rates	tbv					
<u>Transfer to earmarked reserves: ⁽¹⁾</u>						
- See paragraph 6.1	1,780					
- See paragraph 6.1	3,250					
- See paragraph 6.2	(66)					
<u>Transfer from earmarked reserves & provisions: ⁽¹⁾</u>						
- see paragraph 6.1	(125)					
Committed Carry Forwards	0	971	0	0	0	0
Cost of Disposal	(34)					
Revised Reserves Balance	(5,029)	(3,775)	(3,387)	(3,232)	(3,251)	(3,303)

Note 1: Transfers to/(from) earmarked reserves subject to approval

Note 2: The Final Reserves Balance will be dependent on additional transfer as part of the Statement of Accounts including the final position on Business Rates.

- 6.4 The Carry Forward Reserve is retained as a general reserve rather than an earmarked reserve as budgets will be released back into the General Fund Reserve if the expenditure incurred in line with the original requests can be met from within base budgets.

7. BAD DEBT PROVISION

- 7.1 The Council's bad debt provision has been increased in respect of penalty charge notices and reduced in respect of sundry debtors and housing benefit overpayments, and this has been allocated directly to the services. Further details can be found in report RD04/21 elsewhere on the agenda.

8. BALANCE SHEET

- 8.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2021 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 8 July, with final approval of the audited accounts on 24 September (tbc).
- 8.2 The VAT partial exemption calculation has been finalised for 2020/21 resulting in 1.69% for the year which is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Civic Centre reinstatement.
- 8.3 The 2020/21 Council Tax Collection Fund projected surplus has decreased from £50,781 surplus to £1,202,145 deficit (Council share decreased from £6,197 surplus to £144,909 deficit).
- 8.4 2020/21 is the eighth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the seventh year the Council has participated in the Cumbria Pooling arrangement.
- 8.5 The detailed figures for Business rates are still to be finalised and further detail is considered elsewhere on the agenda in report RD04/21. The Council budgeted for additional income of £2,400,000 over the baseline level of £3,335,000. Any surplus on the budget will be an additional contribution to General Fund Reserves.

The Council Tax Provisional outturn report provides further details and is considered elsewhere on the agenda (RD04/21).

9 RISKS

- 9.1 Risks to future years' budget and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken. The impact on COVID-19 on the Council's resources is the greatest risk to ensuring that the Medium-Term Financial Plan is able to support service delivery whilst ensuring that reserves are maintained. The completion of the NNDR3 return and final confirmation of any pooling gains is needed before any funding is released to support Council projects.

10. CONSULTATION

- 10.1 Consultation to date.
Portfolio Holders and SMT have considered the issues raised in this report.
- 10.2 Consultation Proposed.
Business and Transformation Scrutiny Panel will consider the report on 3 June 2021.

11. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 11.1 The Executive is asked to:
- (i) Note the net underspend of £5,949,905 for Council Services as at 31 March 2021;
 - (ii) Note the committed expenditure totalling £971,400, to be incurred in 2021/22 which has been approved by the Corporate Director of Finance and Resources under delegated powers, and the release of £971,400 from the General Fund Reserve in 2021/22 as detailed in Appendix D1 of the report for recommendation to Council;
 - (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £4,914,023, in addition to the transfer from the building control reserve of £66,374 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
 - (iv) Note the transfer from an existing provision of £8,981 as detailed in paragraph 6.1 and Appendix D2 of the report.

12. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 12.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2020/21 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices **A, B1 to B7, C and D1 to D2.**
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 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 outturn figures is part of this process. Approval of full Council is required for the use of revenue reserves to fund expenditure commitments as set out in the report.

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 2020/21

VIREMENTS PROCESSED FOR PERIOD JANUARY TO MARCH 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
22/01/2021 & 23/02/2021	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	9,900	Corporate Director of Finance and Resources
04/02/2021 & 08/03/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	79,300	Corporate Director of Finance and Resources
04/02/2021 & 08/03/2021 & 23/04/2021	Release of funding from Revenue Grant Reserve for Flexible Homelessness Support & Prevention	Non-recurring	22,000	Corporate Director of Finance and Resources
04/02/2021	Release of funding from Carry Forward Reserve for Festive Lighting	Non-recurring	3,900	Corporate Director of Finance and Resources
08/03/2021	Release of funding from Revenue Grant Reserve for Local Plans	Non-recurring	7,500	Corporate Director of Finance and Resources
08/03/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	34,400	Corporate Director of Finance and Resources
04/03/2021	Revenue contribution towards the capital costs of replacement waste receptacles	Non-recurring	4,700	Neighbourhood Services Manager
26/03/2021	Revenue contribution towards the Civic Centre Redevelopment capital project.	Non-recurring	30,000	Property Services Manager
13/04/2021	Reversal of funding released from Planning Services Reserve for additional staffing resource	Non-recurring	(9,000)	OD.76/20 Corporate Director of Economic Development
14/04/2021	Release of funding from Revenue Grants Reserve for Grazing Land Management	Non-recurring	6,000	Corporate Director of Finance and Resources
15/04/2021	Release of funding from Planning Services Reserve for improvements in Development Management	Non-recurring	36,500	OD.42/21 Town Clerk and Chief Executive
23/04/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	100	Corporate Director of Finance and Resources
23/04/2021	Release of funding from Revenue Grant Reserve for Community Neighbours	Non-recurring	1,900	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
02/03/2021	Revenue Carry Forwards from 2020/21 into 2021/22	Non-recurring	750,400	Council RD.64/20

REVENUE BUDGET MONITORING 2020/21

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	20,981,700	(5,907,900)	(3,676,900)			11,396,900
Budget to date	20,981,700	(5,489,800)	(4,095,000)			11,396,900
Total Actual	20,139,804	(5,308,182)	(3,967,131)			10,864,491
Variance	(841,896)	181,618	127,869			(532,409)
Carry Forwards/Reserves & Provisions				138,300	413,300	551,600
Adjusted Variance	(841,896)	181,618	127,869	138,300	413,300	19,191

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Car Parking	1	(103,760)	788,589	822	0	0	685,651
Bereavement Services	2	14,649	(278,787)	0	34,300	0	(229,838)
Tourist Information Centre	3	(87,948)	106,022	0	0	0	18,074
Garage Services	4	(64,143)	12,505	109,915	0	0	58,277
Healthy Cities	5	(154,936)	82,467	0	3,400	0	(69,070)
Special Events	6	(139,813)	55,162	0	0	0	(84,651)
Recycling and Waste Services	7	6,362	(196,230)	(9,800)	12,300	0	(187,368)
One Public Estate	8	(70)	(328,300)	0	0	328,300	(70)
Organisational Development	9	(51,889)	(51,089)	28,276	11,100	17,900	(45,701)
Partnerships	10	(3,168)	(51,144)	0	0	51,100	(3,212)
Miscellaneous	11	(257,181)	42,423	(1,345)	77,200	16,000	(122,903)
Total Variance to date		(841,896)	181,618	127,869	138,300	413,300	19,191

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Various minor overspends including third party fees; increased cremation fee income.
3.	Underspend on purchase of tickets and goods for resale; shortfall in income from ticket sales and sale of goods.
4.	Various minor underspends including employee related expenses; shortfall in trading income.
5.	An underspend on supplies and services and Artist fees at the Art centre, offset by shortfall in income due to site being closed as a result of Covid-19 restrictions.
6.	Underspend on Special Events supplies and services due to events being cancelled as a result of Covid-19 restrictions; shortfall in income from advertising.
7.	Underspend on transport costs, increased tipping charges for Garden Waste offset by surplus income from Plastic and Card recycling.
8.	External grant received which for accounting purposes is recognised in year but will be transferred into the Revenue Grant Reserve for use in future years for delivery of the One Public Estate project.
9.	Underspend on training provided and Apprentice Infrastructure.
10.	External grant received which for accounting purposes is recognised in year but will be transferred into the Revenue Grant Reserve for use in future years for delivery of specific partnership projects.
11.	Minor underspends, shortfall in income and increased trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	3,624,000	(314,400)	(3,170,800)			138,800
Budget to date	3,624,000	(314,400)	(3,170,800)			138,800
Total Actual	3,312,624	(228,731)	(3,180,481)			(96,588)
Variance	(311,376)	85,669	(9,681)			(235,388)
Carry Forwards/Reserves & Provisions				199,000	0	199,000
Adjusted Variance	(311,376)	85,669	(9,681)	199,000	0	(36,388)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Customer Contact Centre	1	(62,313)	79,400	0	0	0	17,088
ICT Services	2	(239,746)	18,869	(9,681)	199,000	0	(31,559)
Miscellaneous	3	(9,317)	(12,600)	0	0	0	(21,917)
Total Variance to date		(311,376)	85,669	(9,681)	199,000	0	(36,388)

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

REVENUE BUDGET MONITORING 2020/21

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	4,335,100	(1,353,500)	(493,800)			2,487,800
Budget to date	4,335,100	(1,353,500)	(493,800)			2,487,800
Total Actual	4,107,833	(1,749,881)	(493,800)			1,864,152
Variance	(227,267)	(396,381)	0			(623,648)
Carry Forwards/Reserves & Provisions				162,300	522,200	684,500
Adjusted Variance	(227,267)	(396,381)	0	162,300	522,200	60,852

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Regeneration	1	(19,433)	(65,998)	0	40,000	47,200	1,770
Development Control	2	(45,487)	81,670	0	0	0	36,183
Building Control	3	(36,760)	63,783	0	0	0	27,023
Investment and Policy	4	(127,085)	(475,000)	0	122,300	475,000	(4,785)
Miscellaneous	5	1,498	(837)	0	0	0	662
Total Variance to date		(227,267)	(396,381)	0	162,300	522,200	60,852

Note	Economic Development - Comments
1.	Overspend on monthly running costs of the Business Interaction Centre (this has now been sold) which do not have budgets identified offset by an increase in rental income; underspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on supplies and services, advertising & consultants fees; shortfall in fee income.
3.	Underspend on employee related salary expenditure; shortfall in fee income received.
4.	Underspend on Carlisle South and additional grant received which is requested to be transferred to the Revenue Grant Reserve.
5.	Minor overspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	26,864,800	(21,787,700)	(2,858,300)			2,218,800
Budget to date	26,864,800	(21,787,700)	(2,858,300)			2,218,800
Total Actual	26,682,477	(22,465,537)	(2,843,465)			1,373,475
Variance	(182,323)	(677,837)	14,835			(845,325)
Carry Forwards/Reserves & Provisions				10,500	359,100	369,600
Adjusted Variance	(182,323)	(677,837)	14,835	10,500	359,100	(475,725)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(615,474)	28,282	14,824	0	0	(572,368)
Revenues and Benefits	2	517,155	(822,612)	(0)	0	359,100	53,643
Benefit Payments and Subsidy	3	(60,354)	116,493	0	0	0	56,138
Miscellaneous	4	(23,650)	0	11	10,500	0	(13,138)
Total Variance to date		(182,323)	(677,837)	14,835	10,500	359,100	(475,725)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet and a budget saving against the final stock issue interest payment; lower than expected returns on investments.
2.	Underspends on employee related and supplies and services; additional expenditure for Council Tax Covid Hardship Fund; additional grants received (including Covid-19 Hardship Fund) offset by shortfall in income from recovery. Balance of Covid-19 Hardship Fund to be transferred to an earmarked
3.	Shortfall on Housing Benefit Overpayments following subsidy finalisation & decrease to bad debt provision.
4.	Minor underspends other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	12,255,800	(6,406,700)	(3,620,000)			2,229,100
Budget to date	12,255,800	(6,406,700)	(3,620,000)			2,229,100
Total Actual	11,667,003	(7,191,124)	(3,510,732)			965,147
Variance	(588,797)	(784,424)	109,268			(1,263,953)
Carry Forwards/Reserves & Provisions				461,300	485,046	946,346
Adjusted Variance	(588,797)	(784,424)	109,268	461,300	485,046	(317,607)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Buildings & Facilities Services	1	(434,706)	(36,050)	110,079	260,900	0	(99,777)
Industrial Estates	2	6,383	(826,175)	0	0	0	(819,791)
The Lanes	3	0	247,484	0	0	0	247,484
City Centre Properties	4	3,969	105,991	0	0	0	109,960
Homeless Accommodation	5	(85,883)	215,515	0	33,000	81,536	244,167
Electoral Services	6	(119,489)	(11,588)	0	0	10,000	(121,076)
Homeless Prevention and Welfare	7	(72,379)	(392,294)	0	69,500	387,571	(7,602)
Regulatory Services	8	(29,702)	(53,128)	(811)	0	5,939	(77,702)
Strategic Asset Investment	9	194,761	(4,815)	(0)	70,100	0	260,046
Miscellaneous	10	(51,750)	(29,365)	0	27,800	0	(53,315)
Total Variance to date		(588,797)	(784,424)	109,268	461,300	485,046	(317,607)

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Civic Centre); additional rental income received; shortfall in trading income.
2.	Additional income received from backdated rent reviews.
3.	Shortfall in rental income.
4.	Shortfall in rental income.
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.	Underspend on election costs as a result of the cancellation of the May 2020 elections due to Covid-19 restrictions.
7.	Underspend on employee related expenditure and grant expenditure; additional grant income received
8.	Underspends on supplies and services; Additional licence income and agency fee income received.
9.	Overspend on consultant fees in relation to asset valuation work; overspend on income target for the use of capital receipts to fund asset disposal costs.
10.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	(176,000)	(1,681,900)	0			(1,857,900)
Budget to date	(176,000)	(1,681,900)	0			(1,857,900)
Total Actual	(156,473)	(1,692,947)	0			(1,849,420)
Variance	19,527	(11,047)	0			8,480
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	19,527	(11,047)	0	0	0	8,480

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Other Financial Costs	1	(16,756)	(11,046)	0	0	0	(27,802)
Corporate Management	2	62,392	0	0	0	0	62,392
Miscellaneous	3	(26,109)	(1)	0	0	0	(26,110)
Total Variance to date		19,527	(11,047)	0	0	0	8,480

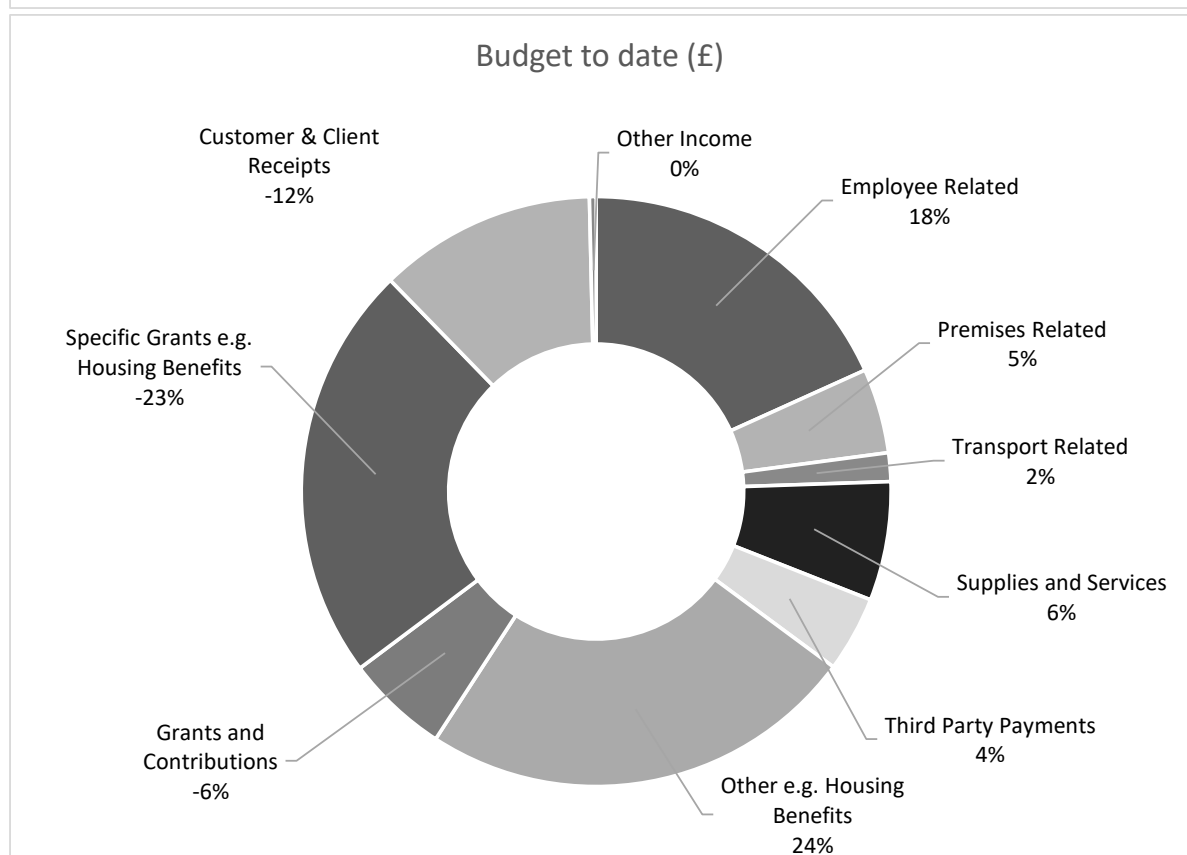
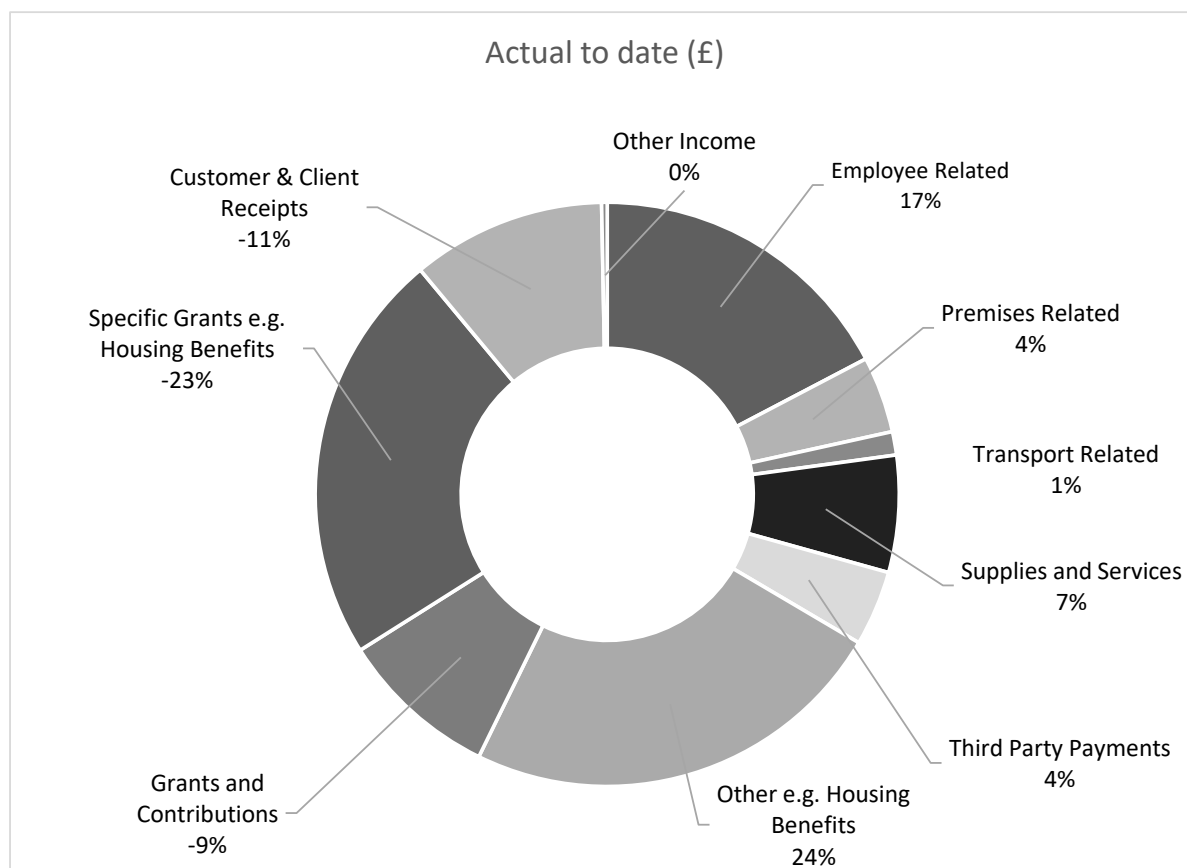
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£83,400) and shortfall in inflation savings to be found (£62,800).
2.	Overspend on external audit fees and card charges.
3.	Minor underspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2020/21

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2021	£	£	£	£	£	£
Annual Budget	45,998,400	(45,533,500)	0			464,900
Budget to date	45,998,400	(45,533,500)	0			464,900
Total Actual	46,331,344	(48,324,106)	0			(1,992,762)
Variance	332,944	(2,790,606)	0			(2,457,662)
Carry Forwards/Reserves & Provisions				0	0	0
Adjusted Variance	332,944	(2,790,606)	0	0	0	(2,457,662)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Corona Virus	1	286,912	(2,779,404)	0	0	0	(2,492,492)
Flood Recovery	2	49,178	(14,348)	0	0	0	34,830
Miscellaneous		(3,147)	3,146	0	0	0	(0)
Total Variance to date		332,944	(2,790,606)	0	0	0	(2,457,662)

Note	Exceptional Items - Comments
1.	Overspend of expenditure to date against profiled budget; Government grant income received. Net underspend position but balance will be required to support other pressures/shortfalls in income as a result of Covid-19 that are currently reported against individual service areas e.g. car parking income.
2.	Overspend in relation to uninsured and reinstatement costs as a result of flooding caused by Storm Ciara.

SUBJECTIVE ANALYSIS

2020/21 REVENUE CARRY FORWARD REQUESTS

APPENDIX D1

Directorate/Section	Description	Requests into 2021/22 £
Corporate Support		
ICT Services	To provided additional resources, specialised consultancy and third party support to ensure key security projects are scoped and implemented.	199,000
		199,000
Finance and Resources		
Internal Audit	To provide dedicated support to enable completion of the 2020/21 Internal Audit Plan.	10,500
		10,500
Community Services		
Corporate Training	New training provision for authority - Agile, Autonomous, Accelerated Change (Squad Working).	8,100
Member Training	To support training for the implementation of a Commercial Strategy for the Council.	3,000
HR & Payroll	For iTrent development and additional, temporary staffing resources within HR.	29,500
Small Scale Community Projects	For committed projects at Currock, Botcherby and Denton Holme.	3,400
Bereavement Services	For the replacement of cremator gas analysers which are essential for the functioning of the cremators and to comply with The Environmental Protection Act 1990..	34,300
Environmental Support	This refers to the non-rec £60K additional funding to keep Carlisle Clean and is required to cover a temporary employment contract.	26,000
Health & Wellbeing: Food	This is budget allocated to employee costs for the temporary Sustainable Food Coordinator post.	13,500
Neighbourhood Services - Apprentice	To ensure continuation of the apprentice schemes with the Garage and Technical Team.	12,300
Policy & Communication Staffing Resources	Digital Marketing Officer role extension until April 2021 to March 2022; Data Analyst funding until November 2021	8,200
		138,300
Economic Development		
Carlisle South	To provide dedicated Development Management support to the Garden Village.	10,000
Affordable Housing	Required to fund the Self and Custom Build Housing Grants programme approved by Executive in July 2020.	40,000
St Cuthbert's Garden Village	Required to support delivery of the Local Plan.	72,300
City Centre Business Support	For the establishment of a city centre forum to explore the potential for a Business Improvement District bid and for city centre capital works grants, to support businesses investing in the city centre, including business start ups.	40,000
		162,300
Governance & Regulatory		
Homeless Prevention	The monies are ringfenced to be utilised to support prevention duties and activities; carry out homelessness activities in line with the principles of the Homeless Reduction Act.	28,500
Homeless Prevention	To fund staffing pressures in 2021/22.	74,000
Town Twinning	The Town Twinning Civic Exchange was due to be held in Carlisle in 2020 but has been postponed to 2021.	6,000
Asset Disposal	Reduced staff resources and the impact of Covid on the property market have delayed the programme, however the resources are still required to deliver the project.	70,100
Revenue Element of LED Capital Project	To fund the replacement of 28 additional lighting columns that are corroded. Work is expected to be carried out by July 2021.	21,800
Repair and Maintenance Programme	Outstanding items of work approved in the 3 year maintenance plan that have not been completed due to Covid, planning, weather and significant resources issues. The request represent committed items of work across the operational portfolio where liabilities arise based on owner and occupier arrangements.	260,900
		461,300
Total General Fund Carry Forward Requests		971,400

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2020/21 In to Reserve £	2020/21 Out of Reserve £	Total £
NEW Covid Council Tax Hardship Grant Reserve	A reserve to hold available Covid related Council Tax Hardship Grant.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources in consultation with the portfolio holder.	359,100	0	359,100
Operational Risk Reserve	To provide funds to support potential ongoing pressures in relation to Covid, Local Government Reorganisation/Transformation projects, treasury management pressures and savings to be achieved.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve can only be given by the Executive of the Council following the advice of the Corporate Director of Finance and Resources.	3,200,000	0	3,200,000
Economic Recovery Reserve	To support economic recovery for local parishes and urban communities as match funding to aid recovery following the COVID pandemic.	Management of the Reserve rests with the Corporate Director of Economic Development once eligibility criteria has been established by the Executive.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by the Corporate Director of Economic Development in consultation with the portfolio holder and Corporate Director of Finance and Resources.	50,000	0	50,000
EXISTING Apprentice Infrastructure	A reserve for the committed balances from the annual Apprentice Infrastructure budget that will be required in future years of the employment contracts.	Management of the Reserve rests with the Corporate Director of Finance and Resources	Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.	17,900	0	17,900
Revenue Grants Reserve	A reserve to hold revenue grant funds received by the Council which have not yet been utilised.	Management of the Reserve rests with the Corporate Director of Finance and Resources	Approval to release funds from the reserve can only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.			1,281,084
Community Services	One Public Estate: One Public Estate			28,300		
Community Services	One Public Estate: One Public Estate - Sustainable Grant Funding			300,000		
Community Services	Health and Wellbeing: Grazing Land Management			16,000		
Community Services	Partnerships: Healthy Communities and Older People			1,200		
Community Services	Partnerships: Place Co-ordinator			49,900		
Economic Development	Investment & Policy: St Cuthberts Garden Village (Garden Community Capacity Fund)			475,000		
Economic	Regeneration: Town Deal Capacity Funding			40,000		
Economic	Regeneration: NLHF Resilience Grant - Hadrian's Wall Partnership			7,200		
Governance & Regulatory Services	Electoral Services: Justification Led Bid			10,000		
Governance & Regulatory Services	Homeless Prevention: Various Miscellaneous Grants				(47,851)	
Governance & Regulatory Services	Homeless Prevention: Homeless Prevention Grant				(50,000)	
Governance & Regulatory Services	Homelessness: Rough Sleeping Initiative			115,322		
Governance & Regulatory Services	Homelessness: Flexible Homelessness Support Grant			87,225		
Governance & Regulatory Services	Homelessness: Homelessness Reduction Act New Burdens Grant			50,184		
Governance & Regulatory Services	Homelessness: Domestic Abuse Grant			134,840		
Governance & Regulatory Services	Homelessness: Housing Related Support (Supporting People) Grant			81,536		
Governance & Regulatory Services	Homelessness: Langley Chase Grant				(3,000)	
Governance & Regulatory Services	Homelife: FILT Gas Safe 2020/21			1,929		
Governance & Regulatory Services	Homelife: Warm Homes Fund			4,010		
Governance & Regulatory Services	Regulatory Services: Rogue Landlords				(1,256)	
Governance & Regulatory Services	Regulatory Services: Homelife Core Funding				(13,516)	
	TOTAL RESERVE REQUESTS			5,029,646	(115,623)	4,908,084
	TOTAL REQUESTS FOR RESERVES			5,029,646	(115,623)	4,908,084