Carlisle City Council
Report to Executive

Meeting Date:	21 February 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 December 2021
Report of:	Corporate Director of Finance and Resources
Report Number:	RD.70/21

Purpose / Summary:
This report provides an overview of the Council's overall budgetary position for the period April to December 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 December 2021;

(ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 7;

(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:	21 February 2022
Scrutiny:	24 February 2022
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:

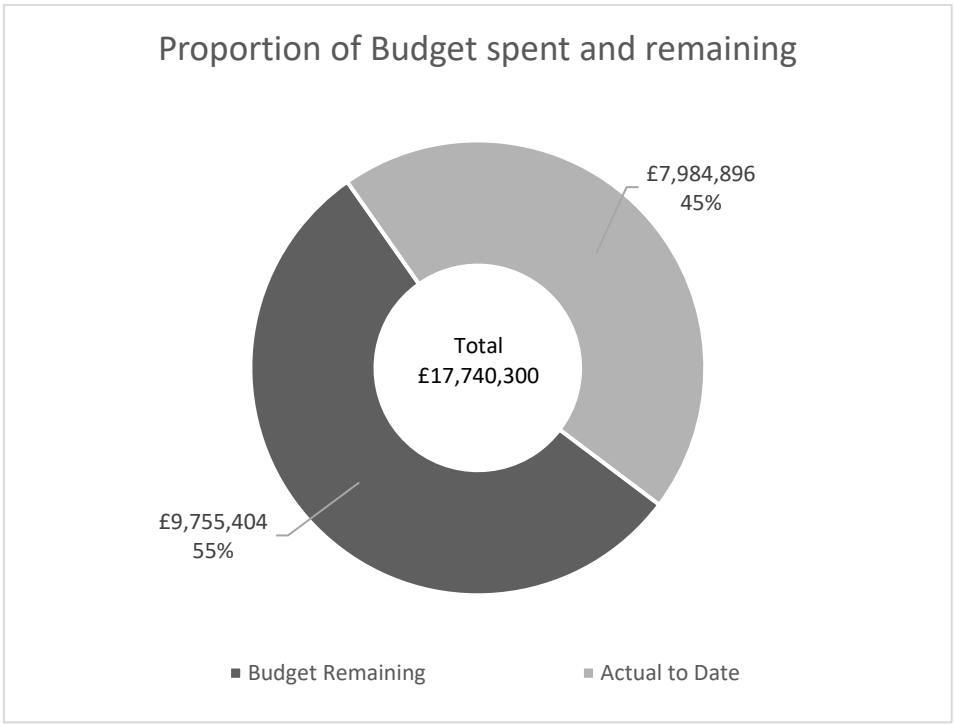
(i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,

(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 December 2021 is as follows:



2.2 The summarised revenue budgetary position as at December 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	11,160,000	6,114,877	5,924,293	(190,584)
Corporate Support	B2	2,632,600	268,200	219,816	239,767	19,951
Economic Development	B3	974,700	2,172,600	1,439,458	1,167,941	(271,517)
Finance & Resources	B4	2,054,500	1,780,200	1,452,834	1,181,790	(271,044)
Governance & Regulatory Services	B5	1,305,800	2,272,300	1,138,808	1,006,413	(132,395)
Corporate Management	B6	(3,042,200)	(2,074,100)	(659,019)	(466,853)	192,166
Service Expenditure		**13,406,000**	**15,579,200**	**9,706,774**	**9,053,351**	**(653,423)**
Exceptional Items	B7	(25,000)	2,161,100	(425,286)	(1,068,455)	(643,169)
Service Expenditure		**13,381,000**	**17,740,300**	**9,281,488**	**7,984,896**	**(1,296,592)**
Parish Precepts		708,300	708,300	708,300	708,056	(244)
Total		**14,089,300**	**18,448,600**	**9,989,788**	**8,692,952**	**(1,296,836)**
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	66,200			
Revenue Grants Reserve		0	(509,500)			
General Fund Reserve		466,600	(1,346,700)			
Planning Services Reserve		0	58,500			
Economic Recovery Reserve		0	(50,000)			
Prosecution Fund Reserve		0	(1,700)			
Building Control Reserve		0	(9,500)			
Business Rates S31 Reserve		0	(9,463,000)			
Operational Risk Reserve		0	(2,100,000)			
Total Transfer to/(from) Reserves		**466,600**	**(13,355,700)**	**(8,535,863)**	**(6,982,152)**	**1,553,711**
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(6,260,175)	(6,260,173)	2
Business Rates Deficit B/Fwd		0	9,463,000	9,463,000	9,462,618	(382)
Business Rate Retention		(6,209,000)	(6,209,000)	(4,656,750)	(4,913,245)	(256,495)
Total Grants		**(14,555,900)**	**(5,092,900)**	**(1,453,925)**	**(1,710,800)**	**(256,875)**
Total		**(14,089,300)**	**(18,448,600)**	**(9,989,788)**	**(8,692,952)**	**1,296,836**

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	293,153
Garage Services	B1	0	79,490
Healthy Cities	B1	(95,892)	0
Other Green Spaces	B1	(63,256)	0
Recycling and Waste Management	B1	(388,745)	0
Building Control Income	B3	(56,450)	0
Development Control Income	B3	(157,292)	0
Loan Interest (incl. new borrowing)	B4	(230,437)	0
Electoral Services	B5	(57,513)	0
Building & Facilities	B5	(67,341)	0
Industrial Estates	B5	(70,075)	0
The Lanes Income	B5	0	228,936
Asset Review Income	B5	(107,565)	0
Homeless Accomodation	B5	0	91,634
Profiled Budget Savings to Find	B6	0	255,852
Salary Turnover Savings	B6	(63,049)	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 budget pressure has been included in the 2022/23 budget to reflect this.
- A net overspend in Garage Services mainly due to a shortfall in trading income.
- A net underspend in Healthy Cities mainly due to Small Scale Community Projects and leisure contract payments.
- A net underspend in Other Green Spaces mainly due to increased car parking income at Talkin Tarn Country Park.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from 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 couple of significant application fees being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into yet.
- An underspend on Election costs as a result of there being no City Council elections in 2021/22; some of this underspend will be used to support the Community Governance Review in Stanwix.
- A net underspend on Buildings and Facilities due to reduced costs for Building Cleaning, Civic Centre and Public Conveniences.
- A net underspend on Industrial Estates due to increased rental income as a result of backdated rent reviews.

- Rental income losses from the Lanes to date with revised current projections indicating a potential loss of £194,000 for 2021/22.
- Additional income generated from completed rent reviews.
- An underspend of £108,655 on expenditure on Homeless Accommodation and a shortfall in income of £200,289. 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 has been included in the 2022/23 budget to reflect this.
- An overspend due to profiled budget savings to end of December for 2021/22 of £255,852. 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 December 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	(7,200)	(7,200)	(7,064)	136
Covid-19 Related Expenditure	B7	0	93,300	69,985	221,260	151,275
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(819,838)	(794,838)
Covid-19 Government Grants	B7	0	0	(465,790)	(465,842)	(52)
Covid-19 Specific Grants	B7	0	0	(1,706)	(1,400)	306
Local Government Reorganisation	B7	0	2,100,000	4,425	4,429	4
Total Exceptional Items		**0**	**2,161,100**	**(425,286)**	**(1,068,455)**	**(643,169)**

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. 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. The current Covid-19 position is as follows:

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	146,800	146,800
Reopening the High Street	34,440	0	34,440
Elections	18,353	0	18,353
Compliance and Enforcement	0	33,723	33,723
RBS New Burdens Expenditure	0	4,481	4,481
Rough Sleeping	22,271	0	22,271
Sales Fees & Charges Income Shortfalls	388,627	0	388,627
Sales Fees & Charges Reduction in Expenditure	(88,812)	0	(88,812)
Other Income Shortfalls	198,096	0	198,096
Commercial Income	133,199	0	133,199
Total Covid Pressures	**706,174**	**185,004**	**891,178**
Funding Received	0	(734,732)	(734,732)
Sales Fees and Charges Compensation accrued	0	(51,377)	(51,377)
Compliance and Enforcement Funding Applied	0	(33,723)	(33,723)
Test & Trace Funding Received	0	(33,729)	(33,729)
Reopening the High Street Funding Applied	(34,440)	0	(34,440)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Surplus December 2021	**663,738**	**(668,557)**	**(4,819)**
Accomodation and Support Charges	0	69,979	69,979
Government Grants to Businesses & Individuals	0	(465,842)	(465,842)
Covid-19 Specific Grants	0	(1,400)	(1,400)
Local Government Reorganisation	0	4,429	4,429
Flood Related Expenditure	0	(7,064)	(7,064)
Revised Net Position on Exceptional Items	**663,738**	**(1,068,455)**	**(404,717)**

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 annual position as at December 2021 of savings achieved against the budget savings targets.

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	84,000	416,000
Net Recurring position 2021/22	**541,900**	**132,300**	**409,600**
Found in 2021/22 on non-recurring basis	0	21,800	(21,800)
Total Non-Recurring position 2021/22	**541,900**	**154,100**	**387,800**

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 was set aside in an earmarked reserve as part of the 2020/21 to be used on a non-recurring basis to fund any savings unachieved in year subject to approval to release funds by the Executive. However, you are reminded that this reserve has been released to fund the Council's contribution towards the LGR Implementation costs (£1.6m). Therefore, the required savings as at the end of December 2021 (£255,852) can currently be accommodated from other underspends in the revenue budget in 2021/22.

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 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 year end position will be reported fully at outturn. Some of the significant service and income variances estimated for the year are set out below:

- The annual deficit on the Lanes income is expected to be around £194,000 for 2021/22.
- Projected underspend of £305,000 from interest on borrowing due to no new borrowing arrangements entered into.
- Additional income of £143,400 generated from completed rent reviews.
- Projected underachieved annual savings target of £387,800.
- Projected overachievement of salary turnover savings of around £85,000.
- Projected overachieved Building Control fee income of around £75,000.
- Projected overachieved Development Control fee income of around £125,000.
- A shortfall in car park income from tickets, permits and penalty charge notices of around £330,000 combined due to reduced demand for car parking due to lockdowns and a change in commuter behaviour with more people working from home. The closure of some car parks has also had an impact e.g. for essential flood work or developments.

- Projected shortfall in homeless accommodation income of around £270,000.
- A net underspend of around £500,000 on Recycling & Waste Management due to an increase in recycling collected throughout the pandemic, with rising material values, attracting additional income from recycling credits.
- A net underspend of approximately £80,000 on Election costs as a result of there being no City Elections in 2021/22.

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

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 but early indications show that the underspend on the revenue budget could be somewhere in the region of £1.0m (after carry forwards/transfers to earmarked reserves).

4. Impact of Covid

4.1 Emergency Funding

4.1.1. The Department for Levelling Up, Housing & Communities (DLUHC) 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 DLUHC 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. The Government recently introduced 2 new schemes for businesses affected by the spread of the Omicron variant (Omicron Hospitality and Leisure Grant and a top-up to the Additional Restrictions Grant). These grants will be distributed as quickly as possible and by the 31st March 2022 deadline.

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 (RD72/21) 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 DLUHC 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 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.

5.3 The current estimates of Business Rates income for the quarter to the end of December compared to the initial estimates submitted in January are shown in **Appendix D**. The figures show that based on the position as at the end of December, the Council may receive an extra £256,495 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 was permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by DLUHC. 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 DLUHC. 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 Dec 2021	Note
Investments	£14.29m	£30.52m	(i)
Loans	£13.30m	£13.06m	(ii)
Debtors System	£1.38m	£1.26m	(iii)
Creditors System	£0.007m	£0.185m	

(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 £520,400 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 December 2021 is currently 1.84%, 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 £70,485.47 have been written off during Quarter 3 to the end of December 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	454.50
Council Tax (Collection Fund)	62,761.23
NNDR	7,269.74
Total Write-offs	70,485.47

7.2 The "write-ons" itemised in Table 2 in **Appendix E,** totalling £7,566.10, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	182.89
Council Tax (Collection Fund)	5,654.67
NNDR	1,728.54
Total Write-ons	7,566.10

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 taxpayers, the 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 on costs and inflationary increases 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 24 February 2022.

10. Conclusion and reasons for recommendations

10.1 The Executive is asked to:

(i) Note the budgetary performance position of the Council to December 2021;

(ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 7;

(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 third 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.

APPENDIX A

REVENUE BUDGET MONITORING 2021/22

VIREMENTS PROCESSED FOR PERIOD OCTOBER TO DECEMBER 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
13/10/2021 & 11/11/2021	Release of funding from Revenue Grant Reserve to fund environmental enhancements and other works at the Container Village	Non-recurring	20,300	Corporate Director of Finance and Resources
13/10/2021	Release of funding from Building Control Reserve to fund software licences	Non-recurring	9,500	OD.99/21 Corporate Director of Economic Development
29/10/2021	Release of Business Rates Section 31 Grant Reserve to offset the deficit brought forward on Collection Fund	Non-recurring	9,463,000	OD.101/21 Corporate Director of Finance and Resources
05/11/2021	Release of funding from Revenue Grant Reserve for Electoral Registration	Non-recurring	4,900	Corporate Director of Finance and Resources
05/11/2021 & 06/12/2021 & 10/01/2022	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	7,500	Corporate Director of Finance and Resources
05/11/2021 & 06/12/2021 & 10/01/2022	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	85,800	Corporate Director of Finance and Resources
09/11/2021 & 15/11/2021 & 07/01/2022	Direct Revenue Financing to fund replacement of Waste Receptacles	Non-recurring	25,000	Neighbourhood Services Manager
29/11/2021	Direct Revenue Financing to fund demolition of property assets pending disposal	Non-recurring	35,000	Head of Property Services
13/12/2021	Release of funding from Prosecution Reserve for legal fees incurred	Non-recurring	1,700	OD.121/21 Corporate Director of Governance and Regulatory Services
10/01/2022	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	6,100	Corporate Director of Finance and Resources
10/01/2022	Release of funding from Revenue Grant Reserve for Local Strategic Partnership	Non-recurring	4,600	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
27/10/2021	Virement approved from revenue underspends to facilitate the purchase of 170 laptops, docking stations and ancillary equipment plus 170 mobile phones	Non-recurring	178,000	LD.09/21 The Leader
22/11/2021	Release of funds from Operational Risk Reserve to fund costs the Council may incur out with the eligibility criteria for the Local Government Reorganisation Cumbria Wide Implementation Reserve	Non-recurring	500,000	RD.54/21 The Executive
22/11/2021	Reduction to 2021/22 Capital Programme	Non-recurring	1,894,800	RD.51/21 The Executive
Approved by Council (over £70,000)				
04/01/2021	Release of funds from Operational Risk Reserve to fund the Council's contribution to the Local Government Reorganisation Cumbria Wide Implementation Reserve	Non-recurring	1,600,000	RD.54/21 Council

APPENDIX B1

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Total £
Annual Budget	20,686,400	(5,806,700)	(3,719,700)	**11,160,000**
Budget to date	13,559,504	(4,320,481)	(3,124,146)	**6,114,877**
Total Actual	13,283,870	(4,356,358)	(3,003,219)	**5,924,293**
Variance	**(275,634)**	**(35,877)**	**120,927**	**(190,584)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(275,634)**	**(35,877)**	**120,927**	**(190,584)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Car Parking	1	(23,671)	324,893	49	**301,271**
Garage Services	2	(41,702)	8,391	112,801	**79,490**
Healthy Cities	3	(86,261)	(9,631)	0	**(95,892)**
Other Green Spaces	4	17,126	(80,416)	34	**(63,256)**
Recycling and Waste Services	5	(23,582)	(357,853)	(7,310)	**(388,745)**
Miscellaneous	6	(117,545)	78,740	15,353	**(23,452)**
Total Variance to date		**(275,634)**	**(35,877)**	**120,927**	**(190,584)**

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.	Underspends in relation to Member's small scale community projects and Leisure contract payments.
4.	Underspends on expenditure at Talkin Tarn; increased car parking income at Talkin Tarn County Park
5.	Underspend on transport costs, overspend on savings not yet achieved. Surplus income from Plastic and Card recycling, sale of recyclates and Bring Sites income.
6.	Minor underspends, shortfall in income and reduced trading income (recharges) across other services within the

APPENDIX B2

REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	3,842,100	(344,100)	(3,229,800)	**268,200**
Budget to date	2,929,111	(286,623)	(2,422,672)	**219,816**
Total Actual	2,899,489	(237,037)	(2,422,685)	**239,767**
Variance	**(29,622)**	**49,586**	**(13)**	**19,951**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(29,622)**	**49,586**	**(13)**	**19,951**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Miscellaneous	1	(29,622)	49,586	(13)	**19,951**
Total Variance to date		**(29,622)**	**49,586**	**(13)**	**19,951**

Note	Corporate Support - Comments
1.	Minor underspends and shortfall in income across other services within the Directorate.

APPENDIX B3

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	3,902,500	(1,222,500)	(507,400)	**2,172,600**
Budget to date	2,798,416	(978,355)	(380,603)	**1,439,458**
Total Actual	2,745,319	(1,196,776)	(380,602)	**1,167,941**
Variance	**(53,097)**	**(218,421)**	**1**	**(271,517)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(53,097)**	**(218,421)**	**1**	**(271,517)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Regeneration	1	70,782	92	0	**70,875**
Development Control	2	(39,702)	(157,292)	0	**(196,993)**
Building Control	3	(52,430)	(56,450)	0	**(108,880)**
Miscellaneous	4	(31,747)	(4,772)	1	**(36,518)**
Total Variance to date		**(53,097)**	**(218,421)**	**1**	**(271,517)**

Note	Economic Development - Comments
1.	Overspend in relation to revenue costs of Paton House which is now being demolished; 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 and third party fees; increased fee income received.
4.	Minor underspends and increased income across other services within the Directorate.

APPENDIX B4

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	26,047,400	(21,274,700)	(2,992,500)	**1,780,200**
Budget to date	19,740,149	(15,850,142)	(2,437,173)	**1,452,834**
Total Actual	19,476,091	(15,857,269)	(2,437,032)	**1,181,790**
Variance	**(264,058)**	**(7,127)**	**141**	**(271,044)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(264,058)**	**(7,127)**	**141**	**(271,044)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Treasury and Debt Management	1	(229,922)	(10,144)	0	**(240,067)**
Miscellaneous	2	(34,136)	3,017	141	**(30,977)**
Total Variance to date		**(264,058)**	**(7,127)**	**141**	**(271,044)**

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

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	12,400,100	(6,426,900)	(3,700,900)	**2,272,300**
Budget to date	8,930,438	(5,015,598)	(2,776,032)	**1,138,808**
Total Actual	8,498,389	(4,746,814)	(2,745,162)	**1,006,413**
Variance	**(432,049)**	**268,784**	**30,870**	**(132,395)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**(432,049)**	**268,784**	**30,870**	**(132,395)**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Electoral Services	1	(45,261)	(12,281)	29	**(57,513)**
Buildings & Facilities Services	2	(104,445)	5,914	31,190	**(67,341)**
The Lanes	3	2,209	228,936	0	**231,146**
Other Rental Properties	4	11,820	51,318	0	**63,138**
Industrial Estates	5	37,292	(107,367)	0	**(70,075)**
Asset Review Income	6	(107,565)	0	0	**(107,565)**
Homeless Accommodation	7	(108,655)	200,289	0	**91,634**
Regulatory Services	8	(2,360)	(79,799)	(584)	**(82,743)**
Miscellaneous	9	(115,085)	(18,227)	236	**(133,076)**
Total Variance to date		**(432,049)**	**268,784**	**30,870**	**(132,395)**

Note	Governance & Regulatory Services - Comments
1.	An underspend on election costs as a result of there being no City Council elections in 2021/22.
2.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); shortfall in rental income received & a shortfall in trading income.
3.	Shortfall in rental income.
4.	Overspend on premises expenditure; shortfall in rental income including final adjustment for prior year head rent.
5.	Various minor underspends; increased rental income as a result of backdated rent reviews.
6.	Additional income generated from completed rent reviews.
7.	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.
8.	Various minor underspends; Additional licence income and agency fee income received.
9.	Minor underspends and increased income across other services within the Directorate.

APPENDIX B6

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	(725,400)	(1,348,700)	0	**(2,074,100)**
Budget to date	304,349	(963,368)	0	**(659,019)**
Total Actual	492,841	(959,694)	0	**(466,853)**
Variance	**188,492**	**3,674**	**0**	**192,166**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**188,492**	**3,674**	**0**	**192,166**

Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Other Financial Costs	1	194,458	3,673	0	**198,131**
Miscellaneous	2	(5,966)	1	0	**(5,965)**
Total Variance to date		**188,492**	**3,674**	**0**	**192,166**

Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£63,049) and shortfall in savings to be found (£255.852).
2.	Minor underspends across other services within the Directorate.

APPENDIX B7

REVENUE BUDGET MONITORING 2021/22

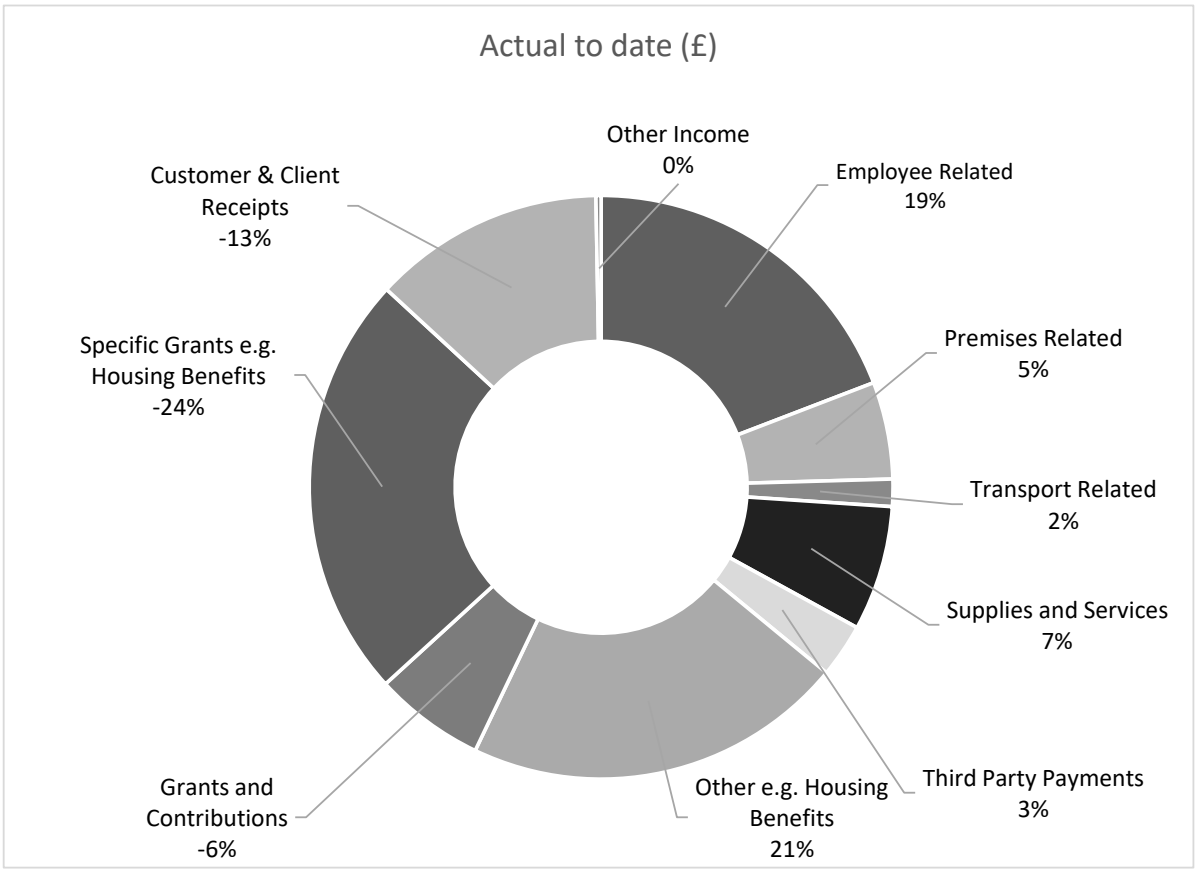
EXCEPTIONAL ITEMS Position as at 31 December 2021	Gross Expenditure £	Gross Income £	Recharges £	Adjusted Total £
Annual Budget	13,800,100	(11,639,000)	0	**2,161,100**
Budget to date	11,111,994	(11,537,280)	0	**(425,286)**
Total Actual	11,264,623	(12,333,078)	0	**(1,068,455)**
Variance	**152,629**	**(795,798)**	**0**	**(643,169)**
Carry Forwards/Reserves & Provisions				**0**
Adjusted Variance	**152,629**	**(795,798)**	**0**	**(643,169)**

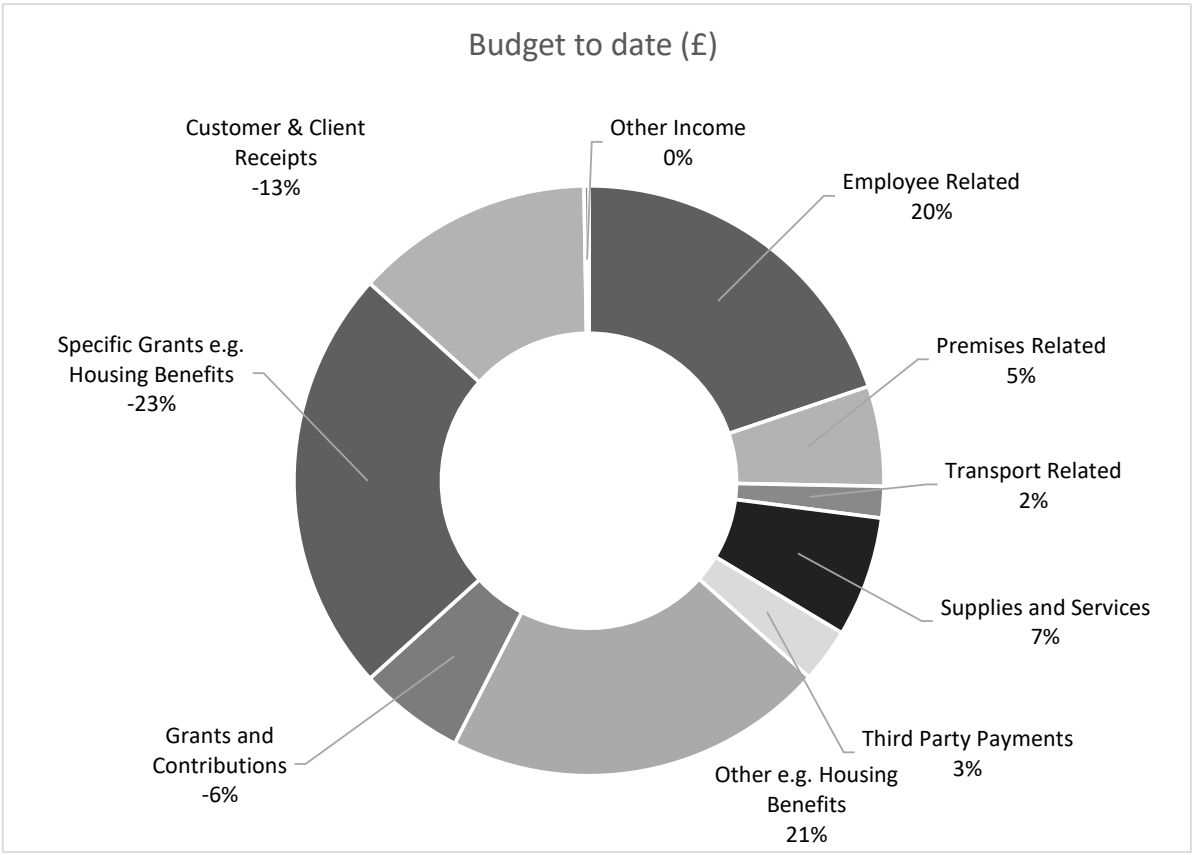
Analysis of Variances Service	Note	Expenditure Variance £	Income Variance £	Recharges Variance £	Adjusted Variance £
Covid-19 Related Expenditure & Grants	1	139,870	(783,179)	0	**(643,309)**
Miscellaneous	2	12,759	(12,619)	0	**140**
Total Variance to date		**152,629**	**(795,798)**	**0**	**(643,169)**

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 and expenditure in relation to Local Government Reorganisation, fully funded from the release of reserves.

APPENDIX C

SUBJECTIVE ANALYSIS





APPENDIX D

BUSINESS RATES INCOME

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q3
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(375,274)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(262,969)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,548,847
Section 31 Grants (reimbursement of funded reliefs)		(1,798,403)	(1,488,712)
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	1,205,834
Pool Redistribution	(712,221)	(600,000)	(681,000)
Total Income	**(15,741,409)**	**(6,488,079)**	**(6,465,495)**
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)**	**(256,495)**

APPENDIX E

BAD DEBT PROVISION

TABLE 1 Type of Debt	Write-Offs December 2021 No.	 £	Comments
NNDR (General)	8	7,269.74	01/10/21 to 31/12/21
Council Tax	62	62,761.23	01/10/21 to 31/12/21
Debtors:			
Private Tenants	0	0.00	01/10/21 to 31/12/21
Housing Benefit Overpayments	0	0.00	01/10/21 to 31/12/21
General Fund	11	454.50	01/10/21 to 31/12/21
Penalty Charge Notices:			
On Street	0	0.00	01/10/21 to 31/12/21
Off Street	0	0.00	01/10/21 to 31/12/21
TOTAL	81	70,485.47	

TABLE 2 Type of Debt	Write-Ons December 2021 £	Comments
NNDR (General)	10	1,728.54	01/10/21 to 31/12/21
Council Tax	23	5,654.67	01/10/21 to 31/12/21
Debtors:			
Private Tenants	0	0.00	01/10/21 to 31/12/21
Housing Benefit Overpayments	43	182.89	01/10/21 to 31/12/21
General Fund	0	0.00	01/10/21 to 31/12/21
TOTAL	76	7,566.10	