

Carlisle City Council

Report to Council

Meeting Date: 19 July 2022
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref: K.11/22
Policy and Budget Framework: Yes
Public / Private: Public

Title: Provisional General Fund Revenue Outturn 2021/22 – Carry Forwards
Report of: Corporate Director of Finance and Resources
Report Number: RD.23/22

Purpose / Summary:

This report summarises the 2021/22 provisional outturn for the General Fund revenue budget (including Council Tax and Business Rates outturn) and requests for the carry forward of budgets. The provisional General Fund Revenue outturn position was considered by the Executive on 25 May and People Panel on 9 June. The provisional Council Tax outturn report was also considered by the Executive on 25 May and People Panel on 9 June, and the Business Rates outturn report was considered by the People Panel on 14 July and will be considered by the Executive on 25 July.

Recommendations:

Council is asked to:

- (i) Approve the carry forward requests totalling £1,967,900 to be incurred in 2022/23 and the release of £1,967,900 in 2022/23 from the General Fund Reserve as set out in the report and Appendix 1;
- (ii) Approve the creation of new reserves and transfers into the new and existing reserves of £2,419,124, in addition to the transfer to the building control reserve of £46,666, as detailed in paragraphs 3.2, 3.3 and 3.4 and Appendix 2 of the report;
- (iii) Approve (subject to recommendation by the Executive on 25 July) the additional transfer of £3,155,170 to the Business Rates S.31 Grant Reserve;
- (iv) Approve the revised delegations for the release of the Planning Services Reserve.

Tracking

Executive:	25 May 2022 (RD03/22 & RD06/22) 25 July 2022 (RD26/22)
Scrutiny:	People Panel - 9 June 2022 (RD03/22 & RD06/22) People Panel – 14 July (RD26/22)
Audit Committee	8 July 2022 (RD03/22 – for information only)
Council:	19 July 2022

1. Background

- 1.1 This report provides details of the 2021/22 provisional outturn for the General Fund Revenue budgets and the proposed carry forward requests into 2022/23 as set out in the Council's Provisional General Fund Outturn considered by the Executive (25 May 2022).
- 1.2 The updated provisional outturn position is summarised below:

Directorate / Appendix	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves/ Provisions £	Adjusted Variance £
Community Services	9,480,600	11,147,000	10,615,290	(531,710)	222,800	134,200	(174,710)
Corporate Support	2,632,600	291,600	193,228	(98,372)	83,000	0	(15,372)
Economic Development	974,700	2,389,700	1,093,223	(1,296,477)	349,000	690,673	(256,804)
Finance & Resources	2,054,500	2,189,200	2,099,158	(90,042)	5,300	46,505	(38,237)
Governance & Regulatory Services	1,305,800	2,039,100	959,018	(1,080,082)	524,500	408,251	(147,331)
Corporate Management	(3,042,200)	(2,129,900)	(1,892,029)	237,871	80,200	0	318,071
Core Service Expenditure	13,406,000	15,926,700	13,067,888	(2,858,812)	1,264,800	1,279,629	(314,383)
Exceptional Items	(25,000)	2,161,200	787,512	(1,373,688)	703,100	0	(670,588)
Service Expenditure	13,381,000	18,087,900	13,855,400	(4,232,500)	1,967,900	1,279,629	(984,971)
Additional Transfers to Reserves						1,200,000	1,200,000
Net Overspend Position	13,381,000	18,087,900	13,855,400	(4,232,500)	1,967,900	2,479,629	215,029
Parish Precepts	708,300	708,300	708,289	(11)	0	0	(11)
Total	14,089,300	18,796,200	14,563,689	(4,232,511)	1,967,900	2,479,629	215,018
<u>Transfers to/(from)</u>							
<u>Reserves</u>							
Cremator Replacement Reserve	0	89,500	89,538	38	0	0	38
Economic Recovery Reserve	0	(50,000)	(50,000)	0	0	0	0
Revenue Grants Reserve	0	(520,200)	(520,299)	(99)	0	0	(99)
General Fund Reserve	466,600	(1,346,700)	6,742,451	8,089,151	(1,967,900)	(5,634,799)	486,452
Planning Services Reserve	0	57,400	57,400	0	0	0	0
Prosecution Reserve	0	(1,700)	(1,700)	0	0	0	0
Building Control Reserve		(9,500)	(9,500)	0	0	0	0
Business Rate S31 Reserve		(9,463,000)	(9,463,000)	0	0	0	0
Council Tax Hardship Reserve		(359,100)	(359,100)	0	0	0	0
Council Tax Income Reserve		(23,000)	(23,016)	(16)	0	0	(16)
Operational Risk Reserve		(2,100,000)	(2,100,000)	0	0	0	0
Total Transfer to/(from) Reserves	466,600	(13,726,300)	(5,637,226)	8,089,074	(1,967,900)	(5,634,799)	486,375
Financed by:							
Precept from Collection Fund	(8,346,900)	(8,323,900)	(8,344,370)	(20,470)	0	0	(20,470)
Business Rates Deficit B/Fwd	0	9,463,000	9,462,618	(382)	0	0	(382)
Business Rate Retention	(6,209,000)	(6,209,000)	(10,044,711)	(3,835,711)	0	3,155,170	(680,541)
Total Grants	(14,555,900)	(5,069,900)	(8,926,463)	(3,856,563)	0	3,155,170	(701,393)
Total	(14,089,300)	(18,796,200)	(14,563,689)	4,232,511	(1,967,900)	(2,479,629)	(215,018)

2. Carry Forward Requests

2.1 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 (now People) 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.

2.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix 1**.

2.3 The Executive at its meeting on 25 May, approved the carry forward requests totalling £1,967,900, for recommendation to Council, funded from the General Fund Reserve.

3. Reserves and Provisions

3.1 The level of Council reserves was approved by Council in February. As a result of the outturn position, and if all of the carry forward requests and transfers to/from earmarked reserves/provisions are approved, the revised reserves position would be as follows:

	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s	31/03/2025 £'000s	31/03/2026 £'000s	31/03/2027 £'000s
Prudent Level of Reserves	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Council Resolution General Fund Reserve	(4,091)	(4,258)	(3,354)	(2,699)	(2,844)	(3,228)
Revised Level of Reserves	(4,091)	(4,258)	(3,354)	(2,699)	(2,844)	(3,228)
Carry Forwards Approved In Year	0	0				
Underspend position to be returned to Reserves - Base Budget	(2,859)					
Underspend position to be returned to Reserves - Covid	(1,374)					
Additional Funding from Council Tax	(20)					
Additional Funding from Business Rates	(3,836)					
<u>Transfer to earmarked reserves & provisions: ⁽¹⁾</u>						
- see paragraph 3.2	3,155					
- see paragraph 3.3	2,480					
- see paragraph 3.4	47					
Committed Carry Forwards	0	1,968	0	0	0	0
Cost of Disposal	(3)					
Revised Reserves Balance	(6,501)	(4,700)	(3,796)	(3,141)	(3,286)	(3,670)

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.

The Council's policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, nor dip below minimum recommended levels; however, in situations where this does occur, this should be made explicit and steps take to replenish reserves and to address the situation in future years.

- 3.2 The Council budgeted for additional income of £2,700,000 from business rates growth and pooling over and above the baseline figure set by the Government, and the provisional outturn shows that an additional £3,836,000 in excess of this has been achieved in 2021/22 now that the NNDR3 return has been completed (subject to the final confirmation of any pooling gains and consideration of the Business Rates Provisional Outturn by the Executive on 25 July). This surplus would normally be an additional contribution to General Fund Reserves; however, this surplus is due to income credited to the general fund from section 31 grants and will be needed to counteract the deficit funding shown in general fund in 2022/23. Therefore £3,155,170 of this additional funding is requested to be transferred to an earmarked reserve and released to general fund in 2022/23 (subject to recommendation by the Executive on 25 July). This will result in an additional £425,000 (as £256,000 was included in the draft Revenue Outturn report) being added to GF Reserves subject to the agreement of, or other recommendations from, the Executive.

The detailed figures for Business rates will be considered by the Executive on 25 July in report RD26/22.

Members should note that the information contained in this report is provisional and subject to the formal audit process; therefore, any significant changes required following the approval of the 2021/22 accounts will, if necessary, be reported to a future Executive meeting.

- 3.3 Details of transfers into and from new/existing reserves and provisions requested as part of the outturn process are contained within **Appendix 2** and are summarised below.

	Net Approval Requested £
Leisure Reserve (new)	400,000
Tullie House (new)	800,000
Prosecutions Reserve	15,500
Carry Forward Reserve	240,000
Revenue Grants Reserve	963,624
Total Additional Transfers to Reserves	2,419,124
Civil Penalties Provision	14,000
Revenues and Benefits Provision	46,505
Total Additional Transfers to Provisions	60,505
Total Additional Transfers	2,479,629

- 3.4 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 2021/22 the required amount to be transferred to the Building Control Reserve is £46,666. This is in addition to £9,500 released during 2021/22 to fund eligible costs.
- 3.5 It is recommended that the delegations for the release of the Planning Services Reserve are amended to allow the Corporate Director of Economic Development to authorise release of the reserve through an Officer Decision Notice. The reserve is ring-fenced by statute to support improvements to the Planning Service and is not available for general use by the Council and any release will be in line with this condition.

4. Risks

- 4.1 Risks to future years' budget (for the new Cumberland Council) and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

5. Consultation

- 5.1 Consultation to date.

Portfolio Holders, SMT, The Executive and People Panel have considered the issues raised in this report.

6. Conclusion and reasons for recommendations

- 6.1 Council is asked to:

- (i) Approve the carry forward requests totalling £1,967,900 to be incurred in 2022/23 and the release of £1,967,900 in 2022/23 from the General Fund Reserve as set out in the report and Appendix 1;
- (ii) Approve the creation of new reserves and transfers into the new and existing reserves of £2,419,124, in addition to the transfer to the building control reserve of £46,666, as detailed in paragraphs 3.2, 3.3 and 3.4 and Appendix 2 of the report;
- (iii) Approve (subject to recommendation by the Executive after their meeting on 25 July) the additional transfer of £3,155,170 to the Business Rates S.31 Grant Reserve;
- (iv) Approve the revised delegations for the release of the Planning Services Reserve.

7. Contribution to the Carlisle Plan Priorities

- 7.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2021/22 outturn shows the delivery of these priorities within budget.

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Appendices attached to report:

- 1. Carry Forward Requests
- 2. Reserve/Provision Requests

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 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.

Appendix 1 – Carry Forward Requests

Directorate/Section	Description	Requests into 2022/23 £
<u>Corporate Support</u>		
ICT Services	To fund commitments to enhance cyber security, vulnerability scanning and threat hunting.	67,500
Customer Contact	To fund required staffing commitments in 2022/23.	15,500
		83,000
<u>Finance and Resources</u>		
Internal Audit	To fund specialist work & contribute towards the cost of the External Quality Assessment.	5,300
		5,300
<u>Corporate Management</u>		
Corporate Management	To fund any proposed additional audit fees e.g. in relation to Redmond Review	27,600
Direct Revenue Financing	Budgets originally allocated to fund schemes within 2021/22 capital programme. Schemes have slipped into 2022/23 thus requiring the funding to be carried forward.	52,600
		80,200
<u>Community Services</u>		
Neighbourhood Services	To ensure continuation of Market Factor Supplements for the HGV drivers for the 2 year period in line with Carlisle City Council policy.	57,900
Small Scale Community Projects	For committed projects at Currock.	2,000
HR & Payroll	For iTrent development and additional, temporary staffing resources within HR.	11,000
Carlisle Partnership - Healthy Communities and Older People	Budget required for partnership projects in relation to committed spend in 2022/23. Funds released from Revenue Grant Reserve in advance of spend.	7,500
Staff Health & Wellbeing Budget	Budgeted for a Celebration of Learning event in December 2021 to encompass two years of celebrations which didn't take place due to a further Covid lockdown.	7,000
Transport Services	To ensure continuation of Market Factor Supplements for the Mechanics for the 2 year period in line with Carlisle City Council policy.	22,400
Fleet & Workshop	For committed orders for various items of battery powered Small Plant Machinery for the Grounds Maintenance team.	6,500
Policy and Communications - Staffing Resources	Funding for Data Analyst Apprentice.	25,500
Policy and Communications - Staffing Resources	Funding for Digital Marketing Officer role.	26,800
Talkin Tarn Lighting Project	To update the lighting around the buildings at Talkin Tarn.	15,000
Environmental Support	Allocated budget towards Environmental support not used due to internal recruitment to permanent posts. Expenditure to be used for purchased equipment and ongoing employee costs.	41,200
		222,800
<u>Economic Development</u>		
Carlisle South	To provide dedicated Development Management support to the Garden Village.	10,000
Longtown Place Plan	Executive approval to progress with inclusion of Longtown in the Borderlands Place Programme was given (KD.29/20).	30,000

Directorate/Section	Description	Requests into 2022/23 £
Rural Strategy for Carlisle & Eden	The proposal relates to the development of a Rural Strategy for Carlisle and Eden. The Carlisle Economic Strategy (approved by full Council (ED.34/21) commits the Council to produce a rural strategy for Carlisle district.	25,000
City Centre Business Support - BID	Support the work of the City Centre Task Force.	5,000
City Centre Business Support - BID	Business start up grant funding that applicants can apply for if their proposal involves the use of empty properties within the city centre.	8,500
Affordable Housing	Required to fund the Self and Custom Build Housing Grants programme approved by Executive in July 2020.	38,000
St Cuthbert's Garden Village Examination	Required to support delivery of the Local Plan.	69,300
Carlisle South	The Garden Village project is a key corporate priority.	25,000
Programme Management Office	There has been a delay in the recruitment of PMO staff and therefore there is an underspend during 2021/22. These posts have now been filled. The PMO will operate for a 3 year period and therefore underspends will be addressed during the next financial year 2022/23 as the PMO begins to operate at full capacity.	148,200
		349,000
<u>Governance and Regulatory Services</u>		
Homeless Prevention	To be used to fund staffing pressures in 2022/23.	30,000
Licensing	To cover additional staffing resources and pressures in 2022/23.	20,000
Food and Public Protection	To fund committed Agency support.	10,000
Asset Disposal	To fund resources required to deliver the project.	115,600
Land Drainage	To fund repair works to the banks of Hammonds Pond which have eroded due to damage to the existing bank protection and wave damage from the water.	14,700
Property Development	To fund casual administrative work required to support the Major Projects Team.	25,100
Repair & 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 sums above represent committed items of work across the operational portfolio where liabilities arise based on owner and occupier arrangements.	288,500
Town Twinning	The Town Twinning Civic exchange was not held in 2021/22 due to the pandemic. As 2022/23 is due to be the last year of Carlisle City Council it is likely that this year's exchange will go ahead in which case Carlisle will pay for all food, accommodation, events and transport for delegates	9,400
City Lighting	Although the capital element of the LED programme is complete, the surveys revealed more columns that required replacement than initially expected. Altitude are required to replace a further 30 columns in 22/23 (8 of which are still to be purchased) and the work has been committed as there is statutory duty to replace the columns once identified.	11,200
		524,500
<u>Exceptional Items</u>		
LGR Implementation Reserve	To provide continued funding for the LGR Programme Director who is employed by the City Council. Funds have been retained from the County wide Implementation Reserve which covers the period of employment until May 2023.	209,000
LGR Council Costs	As a provision for any one-off costs associated with LGR which cannot be recovered from the Implementation Reserve hosted by Cumbria County Council.	494,100

Directorate/Section	Description	Requests into 2022/23 £
		703,100
Total General Fund Carry Forward Requests		1,967,900

Appendix 2 – Reserve & Provision Requests

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2021/22 In to Reserve £	Total £
NEW Tullie House	To provide funds for property works and future repair works at Tullie House.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources.	800,000	800,000
Leisure Reserve	To provide funds for additional expenditure related to the leisure management contract.	Management of the Reserve rests with the Deputy Chief Executive.	Approval to release funds from the reserve only be given by an Officer Decision Notice by the Deputy Chief Executive.	400,000	400,000
EXISTING Prosecutions Reserve	For future anticipated Barrister & legal fees		Approval to release funds from the reserve only be given by an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services in consultation with the Chief Executive, Portfolio Holder & Corporate Director of Finance & Resources.	15,500	15,500
Carry Forward Reserve	To hold carry forward budgets. Any expenditure in relation to a carry forward will if possible be funded from base budgets but can be called from this reserve if the section is likely to be in an overspend position at year end. (Dilapidations for Stanwix House)	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve only be given by the Corporate Director of Finance & Resources and/or The Chief Executive.	240,000	240,000
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 only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.		963,624
Community Services	One Public Estate: One Public Estate - Sustainable Grant Funding Repayment			20,000	

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2021/22 In to Reserve £	Total £
Community Services	Health and Wellbeing: Grazing Land Management			42,700	
Community Services	Partnerships: Health & Wellbeing Sustainable Food Coordinator			25,300	
Community Services	Partnerships: NCLF Place Co-ordinator			46,200	
Governance & Regulatory Services	Homelessness: AFO Prison Leavers Grant (DLUHC)			40,000	
Governance & Regulatory Services	Homelessness: Grant for Domestic Abuse supported accommodation (DLUHC)			32,315	
Governance & Regulatory Services	Land Charges: Local Land Charges Migration Grant			65,400	
Governance & Regulatory Services	Homelife: FILT Gas Safe 2021/22			1,036	
Economic Development	Development Control: Bio-diversity net gain grant (DEFRA)			10,047	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Capacity Fund)			250,000	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Design Code Pathfinder)			120,000	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Development Corporation Business Case)			310,626	
	TOTAL RESERVE REQUESTS			2,419,124	2,419,124
EXISTING PROVISIONS					
Civil Penalties Provision	In relation to costs to be funded from Civil Penalties income as per the Housing and Planning Act 2016.			14,000	
Revenues and Benefits Provision	Funds received as reimbursement of overcharged magistrate court fees paid for council tax liability orders applied for between April 2014 and July 2018.			46,505	
	TOTAL PROVISION REQUESTS			60,505	60,505
	TOTAL REQUESTS FOR RESERVES & PROVISIONS			2,479,629	2,479,629

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 25 MAY 2022

EX.70/22 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2021/22

(Key Decision – KD.11/22)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel People Panel

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report RD.03/22 summarising the 2021/22 provisional outturn for the General Fund revenue budget, giving reasons for variances. Once transfers to earmarked reserves and funding of the carry forward requests in 2022/23 had been accounted for, the outturn position would result in a net overall contribution to General Fund Reserves of £17,000.

Requests had been made to carry forward committed expenditure of £1,967,900, net transfers to/from reserves and provisions of £2,479,629 and transfer to the building control reserve of £46,666, which, if approved, would result in an overall net overspend position of £215,029 on Council Services; however, it was estimated that additional funding from Business Rates income would be realised currently estimated at £256,325 (subject to the completion of the NNDR3 return and confirmation of any pooling gains).

The information contained within the report was provisional, subject to the formal audit process. The Draft Statement of Accounts for 2021/22 would be presented to the Audit Committee on 8 July 2022, with final approval of the audited accounts on 28 September 2022 (tbc).

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations, which were duly seconded by the Economy, Enterprise and Housing Portfolio Holder.

Summary of options rejected that the creation of new reserves and transfers, and new provisions and transfers should not be approved for recommendation to Council.

DECISION

That the Executive:

- (i) Noted the net underspend of £4,232,500 for Council Services as at 31 March 2022;
- (ii) Considered the committed expenditure totalling £1,967,900, to be incurred in 2022/23 which had been reviewed by the Corporate Director of Finance and Resources, and the release of £1,967,900 from the General Fund Reserve in 2022/23 as detailed in Appendix D1 of report RD.03/22 for recommendation to Council;
- (iii) Approved the creation of new reserves and transfers into and from the new and existing reserves of £2,419,124, in addition to the transfer to the building control reserve of £46,666 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of report RD.03/22 for recommendation to Council;
- (iv) Noted the transfer to new and existing provisions of £60,505 as detailed in paragraph 6.1 and Appendix D2 of the report;
- (v) Approved, for recommendation to Council, the revised delegations for the release of the Planning Services Reserve.

Reasons for Decision

To receive the Report on the Provisional General Fund Revenue Outturn and make recommendations to the City Council.

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EXCERPT FROM THE MINUTES OF THE PEOPLE PANEL HELD ON 9 JUNE 2022

PEP.05/22 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2021/22

The Corporate Director of Finance and Resources submitted report RD.03/22 summarising the 2021/22 provisional outturn for the General Fund revenue budget, giving reasons for variances. An overview of transfers to earmarked reserves and funding of the carry forward requests in 2022/23 was given, noting that once accounted for, the outturn position would result in a net overall contribution to General Fund Reserves of £17,000.

The information contained within the report was provisional, subject to the formal audit process. The Draft Statement of Accounts for 2021/22 would be presented to the Audit Committee on 8 July 2022, with final approval of the audited accounts anticipated on 28 September 2022.

In considering the report Members raised the following questions and comments:

- With reference to the underspend and income shortfall in Homelessness Accommodation a Member asked whether the 'cost of living crisis' was likely to impact that position and if an associated pressure had been included in the budget?

The Corporate Director of Finance and Resources confirmed that a £100,000 pressure had been approved by Council in February for the 2022/23 budget. The Service Manager would be best placed to advise how that pressure was to be met.

- Were any of the various under and overspends detailed in the report a cause for concern in the context of Local Government Reorganisation (LGR), for example shortfall of income at The Lanes and the Market Hall?

The Corporate Director of Finance and Resources explained that there was some concern in relation to the income shortfalls indicated by the Member which it was anticipated economic recovery following the lifting of Covid 19 pandemic restrictions would begin to address. In terms of budget monitoring, pressures had been included in the Medium Term Financial Plan (MTFP) for a shortfall in income for both The Lanes and the Market Hall for the next three years.

As part of the LGR process the MTFPs of all sovereign Councils would be considered as part of the development of the Cumberland Council budget, the Corporate Director was confident that the City Council's MTFP incorporated the relevant shortfalls.

- What was the anticipated impact of Copeland Borough Council's budgetary position on Cumberland Council?

The Corporate Director advised that both new unitary authorities would have to be financially sustainable, an aspect of which was having identified risks incorporated into their respective MTFPs. The Interim Section 151 Officers for the respective Shadow Authorities were working with CIPFA in the form of Financial Sustainability Board to determine how the budgets of the sovereign councils would be linked to form balanced budgets for the two new authorities; that work would consider all aspects of local authority finance. Risks to the new authorities' finances were being captured by the LGR programme Board.

The Deputy Chief Executive added that whilst the issues relating to Copeland's budgetary position was a factor in the setting up of the budget for Cumberland Council, however, in the context of the disaggregation of Cumbria County Council's finances, it was unlikely to be

destabilising.

The Chair thanked the Corporate Director for her presentation of the report and responses to questions. In relation to the Homelessness Accommodation budget pressure, he considered it would be useful for Members to be given reassurance on the issue and requested that written information on the matter be circulated to the Panel by the Service Manager. He further noted that Housing came under the remit of the Place Panel but considered that there were aspects of the Council's service delivery that ought to be scrutinised by the People Panel.

RESOLVED - 1) That the Provisional General Fund Outturn 2021/22 be noted.

2) That the Homelessness Accommodation Manager write to the Panel setting out how the £100,000 budget pressure was to be addressed and what impact the cost of living crisis may have on the matter.