

REPORT TO EXECUTIVE



DATE	13th July 2022
PORTFOLIO	Resources & Performance Management
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Final Revenue Outturn Position 2021/22

PURPOSE

1. To report the provisional position on the Council's revenue accounts for 2021/22.

RECOMMENDATION

2. That the Executive Members are requested to recommend that Full Council approve:
 - a) The provisional final position on the Council's revenue account for 2021/22 shows a net underspend of £221k which has been transferred to the Revenue Support Reserve. The projected overspend from the outturn position estimated during quarter 3 budget monitoring was £12k.
 - b) The transfers to/from Earmarked Reserves totalling a net £1.098m increase to reserves (see Appendix 2).
 - c) The approval of additional revenue budget carry forward requests from Heads of Service totalling £1.349m (see Appendix 3).

REASONS FOR RECOMMENDATION

3. To conclude the revenue budget monitoring process for 2021/22 and report the final outturn position as outlined in the Council's Statement of Accounts for 2021/22.

SUMMARY OF KEY POINTS

Revenue Outturn position

4. Members will recall that there were three quarterly budget monitoring reports to the Executive during 2021/22. These reports disclosed that there were anticipated variations in spending and income compared with the revised budget. The third and most recent in-year monitoring report to Full Council, in February 2022, estimated a year end overspend of £12k on the revenue account.
5. The Government announced some financial interventions to help support local authorities and their residents/businesses with the ongoing Coronavirus pandemic. Of these financial interventions the Council has received a direct funding allocation of £0.719m out of a Central Government fund of £1.155bn. This was an unringfenced grant to manage the Council's immediate and long-term impacts of the pandemic.

Members will recall that it was approved at Full Council in July 2021 to transfer £1.588m into the Covid-19 Recovery reserve. The reserve has been called upon in 2021/22 to fund related additional expenditure or loss of income and to provide funding for recovery initiatives. New Burdens funding of £151k has been received in year of which £135k has been transferred to the Covid-19 Recovery reserve. In addition, £719k Tranche 1 Covid Support funding was also transferred to reserve. A movement between reserves has resulted in £1m being transferred out to the Town Centre Masterplan reserve. Overall, there has been a net transfer out from the reserve of £413k. The balance available at the end of 2021/22 is £1.175m for use in future years.

6. The Government also provided an extension to the Sales Fees & Charges Compensation Scheme to compensate for loss of income for the first quarter of the financial year. Where these income losses were more than 5% of a council's planned income from sales, fees and charges, the Government provided funding for 75p in every pound lost due to the pandemic. The Council had submitted claims for the first quarter of 2021/22 for income losses totalling £0.237m however £0.101m is to be repaid relating to court fee income compensation. The forecast loss of court fee income did not materialise and as such the Council is not eligible for this element of the compensation.
7. The final outturn on the Council's revenue account for 2021/22 has moved from an overspend position of £12k as estimated in the quarter 3 budget monitoring report to a year end underspend of £221k (see Appendix 1).

Table 1 below shows actual spend compared to budget and the associated variance for each service department.

		REVISED BUDGET £000	ACTUAL £000	VARIANCE £000
a	Economy and Growth	666	373	-293
b	Policy and Engagement	485	424	-61
c	Management Team	361	353	-8
d	Sport and Culture Leisure Client	781	819	38
e	Green Spaces and Amenities	1080	1025	-56
f	Streetscene	3065	3242	177
g	Housing and Development Control	361	331	-30
h	Strategic Partnership	3945	3938	-8
i	Finance and Property	-633	-637	-4
j	Revenues and Benefits Client	-1287	-940	346
k	Legal and Democratic Services	957	841	-116
l	People and Development	237	196	-41
m	Central Budgets - Other (includes corporate costs eg utilities, apprenticeship levy)	1153	1128	-25
	Central Budgets - Savings Targets	-248	0	248
	NET SERVICE BUDGET	10923	11092	169
	Pensions	772	776	4
	Provisions (<i>Balance to be determined at year end</i>)	0	0	0
	Impairments (<i>Provisions for Bad Debt</i>)	0	0	0
	Parish Precepts (<i>Disbursement to Parishes</i>)	169	169	0
	Treasury (<i>Investment Income & Expenditure</i>)	1250	1059	-191
	Capital Financing	1428	1214	-213
	Earmarked Reserves (to / (from))	267	77	-190
	Strategic Reserves (to / (from))	610	810	200
	NET CORPORATE ITEMS	4496	4106	-390
	Council Tax	-7266	-7266	0
	Parish Precepts (<i>Receipts from Council Tax Payers</i>)	-169	-169	0
	Business Rates: Retained Income	-4513	-4513	0
	Business Rates: S31 Grants (<i>For award of business rates relief</i>)	-1442	-1442	0
	Prior Year Collection Fund (Surplus)/Deficit	632	632	0
	Revenue Support Grant	-1649	-1649	0
	New Homes Bonus	-564	-564	0
	Other Government Grants	-449	-449	0
	FUNDING	-15419	-15419	0
	BUDGET BALANCE	0	-221	-221

A summary of the significant variances since quarter 3 is shown in the table below:

	Significant Variances £'000s
Underspends / Increased Income	
Reduced expenditure on Burnley Market Hall costs	(96)
Reduced Treasury Management activity costs	(331)
Increased Corporate Property and Land rents income (net of increase to provision for bad debt)	(31)
Reduced costs on Capital Financing	(213)
Increased Cremation & Burial income	(98)
Reduced costs relating to Elections	(74)
Transfer to Reserve	
LA Support Grant Allocation to be transferred to reserve	719

9. Reserves Transfers

The Executive is asked to recommend to Full Council approval of the movements in earmarked reserves being a net overall increase in the year of £1.098m, see Appendix 2, from £21.706m at the start of the year to an end position of £22.804m. This is an increase of £3.264m to the estimated year end position forecast at quarter 3.

Of the transfers to reserves, it is proposed to decrease the Covid Recovery reserve from the £1.588m, approved in the 20/21 revenue outturn monitoring report, to £1.175m. As stated previously, this reserve will be utilised to fund any future reduction in income, additional expenditure pressures, to support the recovery phase of the pandemic and to provide additional funding to resource any business-as-usual activities where service has been reprioritised during the pandemic.

Carry forwards of £1.349m have been requested, of which £0.406m relate to externally funded Covid-19 grant schemes and £0.390m to other sources of external funding. For all externally funded schemes it has been agreed by the funding provider that unspent monies can be carried forward for spend in 2022/23, if not the funding will have to be returned. The balance of £0.553m is made up of carry forward request from the council's revenue budgets – see Appendix 3.

The balance of General Reserves has remained at £1.379m.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

10. As shown in the body of the report and appendices.

POLICY IMPLICATIONS

11. The provisional outturn position will be reflected in the draft Statement of Accounts which will show the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending. Following a consultation exercise carried out by MHCLG the deadline for completion of the draft Statement of Accounts has been extended from 31st May to 31st July and the audited Statement of Accounts from 31st July to 30th September. These deadlines are in accordance with recommendation 10 of the Redmond Review, and the change was for a 2 year period: 2020/21 and 2021/22.

The draft Statement of Accounts will be subject to audit by the Council's external auditors, Grant Thornton UK LLP. There may be minor adjustments to the figures included within the provisional outturn as a result of the audit. The Accounts will be reported to the Audit and Standards Committee.

DETAILS OF CONSULTATION

12. None.

BACKGROUND PAPERS

13. None.

FURTHER INFORMATION

PLEASE CONTACT:

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