

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCa/22/6
FROM: Councillor David Busby, Cabinet Member for Finance	DATE OF MEETING: 5 July 2022
OFFICER: Melissa Evans, Assistant Director, Corporate Resources	KEY DECISION REF NO. CAB347

GENERAL FUND FINANCIAL OUTTURN 2021/22

1. PURPOSE OF REPORT

- 1.1 This report summarises the 2021/22 financial outturn for the General Fund Revenue and Capital Programme. The Revenue outturn position is an overall surplus of £1.382m as detailed in Appendix A and the Capital Programme for the year is underspent by £16.924m as shown in Appendix B.
- 1.2 This is subject to the external auditors' report on the Statement of Accounts for the year, which will be presented to the Joint Audit and Standards Committee once the audit is complete.

2. OPTIONS CONSIDERED

- 2.1 The recommended option is set out in the Recommendations. There are no other available options.

3. RECOMMENDATIONS

- 3.1 That the 2021/22 General Fund financial outturn of £1.382m surplus as set out in this report be noted.
- 3.2 That the revenue carry-forward requests totalling £420k be noted.
- 3.3 That the following transfers be approved;
 - a) Surplus of £394k be transferred to the Strategic Priorities Reserve
 - b) £500k be transferred to a new Inflationary Pressure Reserve
 - c) £345k to be transferred to the Planning Legal Reserve
 - d) £143k to be transferred to the Waste Reserve
- 3.4 That the total capital carry-forward of £17.306m be noted.

REASON FOR DECISION

To ensure that Members are kept informed of the outturn position for both General Fund Revenue and Capital and to approve earmarked reserve transfers.

4. KEY INFORMATION

Executive Summary

- 4.1 The General Fund outturn position for 2021/22 is an underspend against the budget set in February 2021 of £1.382m. The underspend is as a result of a combination of factors detailed in Appendix A. This includes staff vacancies against a backdrop of nationwide recruitment issues, less impact on planning income from the COVID pandemic than expected and delays to planned work, now due to take place in 2022/23.
- 4.2 Managing the range of initiatives instigated by the Government, aimed at helping businesses and individuals through the pandemic in key areas such as housing, communities, economic development, and the Shared Revenues Partnership, supported by back-office services such as finance, commissioning and procurement has continued to impact the Councils capacity to drive forward other planned initiatives within the Strategic Priorities.
- 4.3 However, the underspend position enables the Council to allocate an additional £394k to deliver the Council's strategic priorities via the Strategic Priorities Reserve.
- 4.4 Inflation is currently high, with the rate for the Consumer Price Index (CPI) at 9% for the year to April 2022. This is expected to have an impact on costs in 2022/23 and create a pressure against the 2022/23 budget which was approved in February 2022. It is therefore proposed that £500k is transferred to a new Inflationary Pressures Reserve to mitigate against these pressures in 2022/23. The impact of inflation on the Council's finances will be closely monitored.
- 4.5 It is also proposed to allocate an additional £345k to the Planning Legal Management Reserve and £143k to the Waste Reserve to smooth fluctuating costs in future years.
- 4.6 The capital programme was also impacted by the pandemic, with schemes being suspended for a period during the initial lockdown, influencing the level of expenditure for the year. The final position was spending of £3.87m against a programme of £20.79m. With contractual commitments and carry forward requests of £17.55m, the overall variance is a saving of £625k. This saving is primarily as a result of securing alternative funding relates to expenditure on for the public sector de-carbonisation projects (£400k funded from external grants), the installation of CCTV cameras in Hadleigh and Sudbury (£154k funded from CIL) and additional grants given for open spaces (£62k funded from S106 monies).

Covid Context

- 4.7 The finances of the Council were less severely impacted during 2021/22 than in 2020/21. There was a continuing reduction in income for garden waste, trade waste and car parking and additional costs for areas including public health, rough sleeping and administering grants to businesses. Section 5 below provides further detail, but due to an improving position and additional administration funding being provided by the Government at the end of the year, the Council was able to place an additional £464k into the COVID19 earmarked reserve to finance further recovery activity in 2022/23.
- 4.8 In February 2021 Babergh District Council approved the General Fund Budget 2021/22 and Four-Year Outlook. The budget was prepared during one of the most

challenging and uncertain times due to the impacts of COVID19 on the Council's finances, staff, residents, and local economy. Income streams were reviewed when setting the budget and revised where appropriate and any COVID19 related costs were assumed to be funded from the COVID19 reserve.

Comprehensive Spending Review

- 4.9 The Government's three-year Comprehensive Spending Review (CSR) was planned to conclude in July 2020, however, on 24th March 2020 the Chancellor announced that the CSR would be delayed 'to enable the Government to remain focussed on responding to the public health and economic emergency'. On 21st October 2020, the Chancellor announced the decision to provide a one-year Spending Review (SR) to prioritise the response to COVID19 and focus on supporting jobs. Details of this SR20 were published on 25th November 2020.
- 4.10 The spending review for 2022/23 was announced on 27th October 2021 and covers the three years 2022/23 to 2024/25. The Chancellor announced £1.5bn growth in grant funding for 2022/23 with no further increases in 2023/24 or 2024/25. Provisional funding allocations for 2022/23 were announced in December 2021 and were for one year only.

Business rates review and revaluation

- 4.11 The Fair Funding Review, Business Rates Review and business rates reset have been delayed. The Chancellor's Budget on 27th October announced several measures around the business rates system, including reducing the burden for some sectors from April 2022, introducing new reliefs to support property improvements and green investment and de-carbonisation of properties from April 2023 and confirmation that revaluations would take place every 3 years from 2023. To support stability leading up to the next revaluation, it was announced that transitional relief would be extended for a further year.

Government support schemes

- 4.12 The Council continued to administer the business restart and back to business grants as well as self-isolation payments in 2021/22, with just over £9m being paid out to support businesses and residents. These schemes are now closed.

Financial Impact for the Council

- 4.13 COVID19 continued to have an impact on the Council's finances during 2021/22.
- 4.14 A COVID19 reserve balance of £1.171m was available at the start of the year to mitigate the financial impacts and support recovery in 2021/22 along with a further £856k of COVID funding received in 2021/22.
- 4.15 The main areas where support was required during 2021/22 are additional costs for public health, rough sleeping, and business support. Additional costs relating to COVID19 totalled £152k.
- 4.16 The Council continued to see a loss of income for garden and trade waste, car parking and income from court fees relating to Council Tax, totalling £240k.
- 4.17 The overall impact is a balance of £1.635m in the COVID Reserve at 31st March 2022.

4.18 Work is underway on utilising the remaining balance in the COVID19 reserve on support and recovery initiatives where it's needed the most.

Business Rates and Council Tax Impact

4.19 Despite the COVID19 situation, business rates and council tax income for 2021/22 was on budget. This is due to the basis on which the budget is currently prepared, with the business rate and council tax demand from the Collection Fund being guaranteed in-year and the provision of section 31 grants to cover business rate retail holidays and reductions announced by Government.

4.20 Section 31 grants for retail discounts totalling £2.164m were received in 2021/22 and will be carried forward in the Business Rates and Council Tax reserve to match the corresponding losses on the Collection Fund that will be realised over the next 3 years.

4.21 Due to court actions being suspended during the COVID19 pandemic, income from the recovery of legal costs was £98k lower than budgeted.

5. 2021/22 OUTTURN POSITION

5.1 The report covers:

- The General Fund Revenue Budget
- The General Fund Capital Programme.

5.2 Budget monitoring is a key tool and indicator on the delivery of the Council's plans and priorities for the year. There will, of course, always be reasons why there are variances such as:

- Economic conditions and those services that are affected by demand
- Uncertainties relating to funding or other changes that were not known at the time the budget was approved.

5.3 Taking each area in turn, the position on key aspects of the 2021/22 budget is summarised below:

General Fund Revenue Account

5.4 In relation to funding:

(a) Council Tax (£5.8m): at the end of March, the collection rate was 98.08%, compared with 97.65% for the same period the previous year. Collection rates have been impacted by COVID19, but due to the way that the Collection Fund operates, the financial impact will be in 2022/23.

(b) Government Grants: baseline business rates of £1.6m and New Homes Bonus (NHB) of £835k were forecast in the 2021/22 budget. NHB is fixed but the actual amount of business rates varies, with an outturn favourable variance of £83k. This resulted from a favourable variance on the Suffolk pooling income and additional income from renewable energy schemes offset by an adverse levy position.

- (c) Business Rates: at the end of March, the collection rate was 96.80% compared with 96.86% for the same period the previous year. As with council tax, collection rates have been impacted by COVID19, in both 2020/21 and beyond. Any impact in 2021/22 will be mitigated to some degree by the additional government support as outlined in section 5.9 of this report.

5.5 Details of the financial position at the end of the year are outlined in the table below.

Service Area	Budget	Total Actual	Variance to Budget (favourable) / adverse	Variance as % of Budget
	£'000	£'000	£'000	
Corporate Resources	1,782	1,995	213	12%
Economic Development and Regeneration	357	204	(153)	-43%
Environment and Commercial Partnerships	3,919	3,551	(368)	-9%
Housing	548	441	(107)	-20%
Law and Governance	903	878	(25)	-3%
Senior Leadership Team	653	657	4	1%
Assets and Investments	389	401	12	3%
Communities & Wellbeing	685	401	(283)	-41%
Customers, Digital Transformation and Improvement	2,047	1,569	(478)	-23%
Planning & Building Control	1,215	619	(596)	-49%
Net expenditure on services ***	12,498	10,717	(1,781)	86%
Recharge to HRA	(1,243)	(1,357)	(113)	9%
Recharge to Capital	(4)	(4)	0	0%
Capital financing costs	(1,079)	(1,180)	(101)	9%
Transfers to (from) reserves not included in above*	(4,479)	(4,479)	0	0%
Carry forwards	0	420	420	
Total budget requirement	5,693	4,118	(1,575)	-4%
Council Tax	(5,813)	(5,807)	7	0%
Collection fund (Surplus)	64	64	0	0%
Business Rates less Tariff	(1,555)	(1,249)	306	-20%
Business Rates - Pooling Benefit	(312)	(452)	(140)	45%
20/21 distribution of deficit	4,763	4,763	0	0%
Rural Services Delivery Grant	(238)	(238)	0	0%
S31 Grant	(1,486)	(1,484)	2	0%
New Homes Bonus	(835)	(835)	0	0%
Lower Tier Services Grant and Council Tax Support Grant	(281)	(263)	18	
Total funding	(5,693)	(5,500)	193	3%
Total variance	0	(1,382)	(1,382)	
Proposed movements to reserves:				
Strategic Priorities Reserve			394	
Inflationary Pressures Reserve			500	
Planning Legal Reserve			345	
Waste Reserve			143	
			1,382	

***Reserve Movements Included in Service Lines:	(181)	182
Transfers to (from) reserves as above:	(4,479)	(4,479)
	<u>(4,660)</u>	<u>(4,297)</u>

5.6 A tolerance level of £20k has been used to identify those variances where further narrative is provided. Appendix A shows the main items that are included in the overall variance of £1.382m.

Community Infrastructure Levy (CIL)

- 5.7 CIL income received by the Council in the year 2021/22 is £5.086m. Following any necessary expenditure and adjustments for the 5% administration charge, there is a requirement to transfer any surplus to the Capital Grants Unapplied Account for spend on infrastructure in accordance with the Regulation 123 list in 2022/23 and beyond.

Earmarked Reserves

- 5.8 Earmarked reserve balances were £12.569m as at 1 April 2021. Earmarked reserves are for a particular purpose or known requirements that affect more than one financial year. The Council can increase its earmarked reserves when underspends occur, income has exceeded costs or where grant monies or other sources of funding are received for specific purposes. The Council has made contributions both to and from earmarked reserves as set out in the table below.

Transfers to/from reserves

Reserve	Balance 31/03/2021 £'000	Budget To/From	Budget Balance 31/03/21	Movement 2021/22	Proposed To / (From)	Balance 31/03/22 £'000
Business Rates & Council Tax	6,106	(4,464)	1,642	(4,464)		1,642
Business Rates Retention Pilot (BRRP)	862	(81)	781	(50)		812
Carry Forwards	571	(571)	-	(571)		-
Climate Change and Biodiversity	200	143	343	131		331
Community Housing Fund	178	(26)	153	(38)		140
Commuted Maintenance Payments	820	-	820	117		937
COVID 19	1,171	414	1,586	464		1,635
Elections Equipment	35	-	35	-		35
Elections Fund	40	20	60	30		70
Government Grants	164	5	169	95		259
Homelessness	159	25	184	118		277
Joint Local Plan	100	-	100	(52)		48
Neighbourhood Planning Grants	49	46	94	(1)		48
Planning (Legal)	323	-	323	-	345	668
Planning Enforcement	93	-	93	-		93
Rough Sleepers	26	-	26	62		88
Strategic Planning	40	-	40	(53)		(12)
Strategic Priorities	1,147	(100)	1,047	(102)	394	1,439
Temporary Accommodation	145	(14)	131	93		238
Waste	87	-	87	-	143	230
Well-being	253	(56)	197	(77)		176
Inflationary Pressures Reserve	-	-	-	-	500	500
Total	12,569	(4,659)	7,910	(4,297)	1,382	9,654

- 5.9 Approval of carry forwards from 21/22 into 22/23 has been delegated to the Section 151 Officer in consultation with the Cabinet Member for Finance. Carry forward requests totalling £420k for specific funding for projects continuing in 2022/23, summarised in the table below, have been approved by the Section 151 Officer and are included in the overall outturn position.

Area	Amount £000's
Communities & Wellbeing	208
Corporate Resources	40
Economic Development & Regeneration	68
Env & Comm P'ships (GF Rev)	27
Law & Governance (GF Rev)	8
Plg & Bdg Control (GF Rev)	69
Grand Total	420

Capital

- 5.10 Use of capital and one-off funds is critical and needs to be linked into our future delivery plans.
- 5.11 With complex capital schemes it is difficult to accurately assess the level of payments that will be made during the financial year. The Council continues to embark on new projects where it is difficult to accurately predict how payments will fall. Councillors should therefore focus on whether overall outcomes are being achieved because of the capital investment rather than variances against the plan for a particular year.
- 5.12 Capital expenditure for 2021/22 totals £3.868m, against a revised programme (including carry forwards) of £20.792m, as set out in Appendix B.

CAPITAL PROGRAMME 2021/22 - Position as at 31 March 2022	£'000
Revised Capital Programme	20,792
Actual Expenditure	3,868
Contractual Commitments (Paragraph 5.14)	243
Carry forward requests (Paragraph 5.15)	17,306
Total Expenditure and carry forward requests	21,417
Net capital programme (favourable) / adverse variance	625

- 5.13 The main variances that contribute to the £625k adverse position are set out below:
- A favourable variance was due to the successful efficiencies made to deliver underspend on the solar carports project for of £55k less than budget.
 - Additional expenditure was incurred leading to a £599k adverse variance against the budget. This is due to additional funding being secured from external grants of £400k and from CIL/S106 monies of £199k.
 - Adverse variances totalling £81k were for the cost of refurbishing a refuse vehicle (£15k), to extend its life and additional recycling bins due to housing growth and

the take up of the garden waste collection service (£66k). The bins will have generated additional revenue income for the Council.

- 5.14 Contractual commitments are detailed in the table below. These funds were committed in 2021/22 and will be spent in 2022/23. The resources to fund these commitments will also be transferred to 2022/23.

Contractual Commitments	£'000
Mandatory Disabled Facilities Grant	187
Vehicle and Plant Renewals	30
Empty Homes Grant	26
Total Contractual Commitments	243

- 5.15 The following items are schemes where no contractual commitment yet exists, but they represent either plans or aspirations for investment, for which carry forward to the 2022/23 capital programme is requested, again with the requisite capital resources to fund this. It is proposed that these capital resources are carried forward into 2022/23 and reviewed as part of the Corporate Plan to assess whether the original requirements still exist, how they contribute to the strategic priorities and hence whether the resources can be redirected or removed.

Carry Forward Requests	£'000
Regeneration Fund	6,305
Strategic Investment Fund	2,906
Regeneration Fund - Former Council Offices	2,841
Belle Vue	1,927
Mandatory Disabled Facilities Grant	750
Kingfisher Leisure Centre - Repairs and Renewals	641
Hadleigh Pool and Leisure - Repairs and Renewals	403
Grants for Affordable Housing	400
Hadleigh Pool and Leisure - New Pool and Refurbishment	258
Empty Homes Grant	215
Play Equipment	199
Borehamgate	170
Total Customers, Digital Transformation and Improvement	115
Vehicle and Plant Renewals	114
Community Development Grants	80
Planned Maintenance / Enhancements - Corporate Buildings	26
Planned Maintenance / Enhancements - Car Parks	13
Renovation/Home Repair Grant(formerly Discretionary Housing Grants)	(10)
A1071 Roadside Commercial Workspace Development	(46)
Total General Fund Carry forwards	17,306

6. LINKS TO THE CORPORATE PLAN

- 6.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to financially sustainable Councils, managing our corporate and housing assets effectively, and property investment to generate income.

7. FINANCIAL IMPLICATIONS

7.1 These are detailed in the report.

8. LEGAL IMPLICATIONS

8.1 There are no specific legal implications.

9. RISK MANAGEMENT

9.1 This report is most closely linked with the Council's Significant Risk No. 13 – We may be unable to respond in a timely and effective way to financial demands and Corporate Risk No. 5E05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered. Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If the forecast savings and efficiencies are not delivered, then it will have a detrimental impact on the resources available to deliver services and the strategic priorities	3 - Probable	2 - Noticeable	Monitored throughout the year by Finance Teams, Corporate Managers, Assistant Directors and the Senior Leadership Team
If economic conditions and other external factors like COVID19 are worse than budgeted for it could have an adverse effect on the Councils 2021/22 and medium-term financial position	3 - Probable	2 - Noticeable	Focus is on monitoring key income and expenditure streams – but Government changes and economic conditions continue to affect costs and income for a number of services. COVID19 reserve used to offset these costs and maintain sufficient minimum reserve level to withstand the impact.

10. CONSULTATIONS

10.1 Consultations have taken place with Assistant Directors, Corporate Managers and other Budget Managers as appropriate

11. EQUALITY ANALYSIS

11.1 An equality analysis has not been completed because there is no action to be taken on service delivery as a result of this report.

12. ENVIRONMENTAL IMPLICATIONS

- 12.1 There are a number of areas that as a result of COVID19 have had a positive effect on the Council's environmental impact as well as the financial position. They include for example, reduced travel, less printing and reduced utility costs.
- 12.2 Assistant Directors, Corporate Managers and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.
- 12.3 In subsequent years to support the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken from a combination of the Council's own resources and those secured from external sources. Some of these are set out below.
- 12.4 A solar multi-function carport to generate electricity is being installed at Kingfisher Leisure Centre, Sudbury. The CO₂ savings are 4.4 times the volume of the Royal Albert Hall and it will generate enough power to supply 24 average homes in Sudbury.
- 12.5 The Council's leisure centres have been successfully transferred to certified low carbon tariffs for electricity use.
- 12.6 We have also installed a new pool water cleaning system at Kingfisher Leisure Centre which is expected to reduce annual CO₂ emissions by between 6.4 and 8.6 tonnes per annum and reduce combined gas and electricity consumption by 1.1% - 1.5%.
- 12.7 £398k of funding has been secured from the Government's Public Sector Decarbonisation Fund for carbon-saving measures at council leisure centres and Wenham Depot, including solar panels and air source heat pumps.

13. APPENDICES

Title	Location
Detailed Variances (Revenue)	APPENDIX A
Detailed Variances (Capital)	APPENDIX B

14. BACKGROUND DOCUMENTS

23 February 2021 General Fund Budget 2021/22 and Four-Year Outlook – BC/20/24

6 September 2021 General Fund Financial Monitoring 2021/22 - Quarter 1 - BCa/21/18

6 December 2021 General Fund Financial Monitoring 2021/22 - Quarter 2 - BCa/21/29

7 March 2022 General Fund Financial Monitoring 2021/22 - Quarter 3 - BCa/21/41

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Assets & Investments	389	401	12	
Strategic Property	303	352	49	
Other Variances			49	
The Councils' Companies	87	50	(37)	
BMS Invest	87	50	(37)	Staff vacancies and underspend on legal expenses
Communities & Wellbeing	685	401	(283)	
Communities	685	401	(283)	
Suffolk Community Restart Fund	0	(64)	(64)	Spend offset by income, any unspent to be carried forward
Community Development	382	285	(96)	Staff vacancies resulting from delays in implementation of new structure throughout 21/22. £60k Business Rate Retention Pilot reserve funding not required.
Policy & Strategy Health & Wellbeing	69	16	(53)	For wellbeing projects including delayed consortium agreement for Active Suffolk. To be carried forward to 22/23
Community Safety-General	38	12	(26)	Committed, any underspend to be carried forward
Other Variances			(45)	

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Corporate Resources	1,782	1,995	213	
Finance, Commissioning & Procurement	1,326	1,541	215	
Financial Resources	547	525	(22)	Consultancy fees overspent by £5k on payment cards and G4S which have been steadily increasing year on year. £3k recruitment spend for Senior post. In year vacancies and contractual staff changes.
Treasury Management	22	43	21	Overspend due to fees for one off investments
Pay Inflation and Increment Costs	(414)	0	414	Adjustment to reflect centrally budgeted salary savings realised within service areas.
GF Non-Specific Grant Income	(375)	(511)	(136)	Grants related to Council Tax & new burdens
Other Variances			(62)	
HR & Organisational Development	456	454	(1)	
Customers, Digital Transformation & Improvement	2,047	1,569	(478)	
Communications	175	154	(21)	
Communications	175	154	(21)	£19k underspend on staff costs and £6k underspend on printing costs, offset by social media management costs (addressed in 22/23 budget)
Customer Operations	544	446	(97)	
Customer Services	544	446	(97)	Underspend of £62k on staff costs, £36k underspend on exit from Sudbury Town Council premises.

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
ICT	1,111	792	(319)	
ICT	1,111	792	(319)	Carry forwards from 21/22 not used due to recruitment delay. £60k favourable variance from release of historic accrual for MS Office licenses due to change in billing by SCC. £25k favourable variance from switch to Pay360 and £25k favourable variance from re-profiling of software costs. Offset by agency costs in Q4 and costs for one off equipment not meeting capital threshold
Strategy Policy, Performance & Insights	217	177	(40)	
Strategic Policy, Performance and Insight	217	177	(40)	Core team underlying net £31k salaries underspend - mid restructure
Economic Development & Regeneration	357	204	(153)	
Open for Business	357	204	(153)	
Economy & Business	193	150	(43)	Staff vacancies
Regeneration	85	64	(21)	Staff vacancies
Returning to High Street Safely	0	(66)	(66)	Expenditure funded by Welcome Back Funding - excess balance to be re-purposed and carried forward
Other Variances			(23)	

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Environmental & Commercial Partnerships	3,919	3,551	(368)	
Car Parking	241	270	29	
Car Parks General	24	(15)	(39)	The planned implementation of Short term parking charges included budget for signage, programming of machines, wayfinding, maintenance and cycle and EV parking which is not now required. This resulted in a £54k favourable variance. £2k favourable variance for ID Verde contract coming in house, £16k adverse variance on parking income, £2k adverse variance on NNDR charges
Car Park Assets	155	230	75	£53k NNDR rates paid. £20k under on income as short term stays were not introduced as budgeted in 2021. £5k adverse on extensive machine repairs. £4k adverse on MiPermit bank charges for the year. £8k Saving on grounds maint contract as IDVerde brought in house.
Other Variances			(8)	
Health & Safety, Business Continuity and Emergency Planning	173	144	(29)	
Other Variances			(29)	
Leisure Contracts	270	280	10	

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Public Protection	583	487	(96)	
Food & Safety (General)	270	219	(51)	Additional funding in Period 12 from Suffolk County Council for 10% salary costs attributable to COVID work £13k. Further unbudgeted income from DEFRA towards industry specific training.
Other Variances			(45)	
Public Realm	1,409	1,242	(166)	
Public Conveniences	126	78	(47)	£16k underspend on rates due to covid relief on Public conveniences, supplemented by IDVerde contract being brought in house.
Street & Major Road Cleansing	476	362	(114)	Surplus available from break of ID verde contract offset by employee salary costs of TUPEd staff and cost of equipment/uniform set-up.
Open Spaces	657	608	(49)	£176k underspend against ID Verde contract break offset by £140k employee costs including £25k savings contingency built in to budget TUPE staff, £36k favourable variance £9k being held from payment to IDVerde due to contractual performance evaluation. £16k adverse variance on waste disposal costs. £31k favourable variance on vehicle fuel consumption.
Public Realm Transition Project	0	31	31	Plant and vehicle and equipment hire costs have exceeded Transformation/Growth & Efficiency Bid for plant & Vehicle costs by 33K adverse to budget.
Other Variances			13	

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Recycling, Waste & Fleet	1,212	1,097	(115)	
Jnt Waste Contract	134	61	(72)	Fuel underspend by switching to HVO part way through the year
Domestic Waste	1,778	1,617	(160)	£142K underspend on Materials Recovery Facility disposal gate fees. £33K overspend on refuse collection contract < 2% £13K overspend for the use of agency part year.
Trade Waste	(219)	(175)	44	Underperformance against budget of waste collection income 32K, however up 21% against 20/21. Trade waste disposal costs 16K Adverse due to price variations to when budget set - this equates to 6%
Garden Waste	(418)	(361)	58	£10K Adverse to budget in write offs of income collection garden waste, £13K on Serco refuse contract, £19K on waste disposal costs and £39K against budgeted for income on garden waste, however 13% up on 20/21. Mitigation by £22K Favourable recycling credit income. Income budget of over £1M was achieved - however the rising costs in meeting the collections caused additional service costs against budget.

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Service Improvements -Environment & Projects	31	31	(0)	
Housing	548	441	(107)	
Building Services	(143)	(99)	44	
PV Panels	(143)	(99)	44	Budget for repairs and contracted services swapped. Blue Flame for Services contract to be ceased in Feb 2022, and these only need to be carried out going forward every 5 years.
Housing Solutions	691	539	(151)	
Housing Standards	157	98	(59)	£30k Vacancies not immediately filled following small restructure and £27k Funding from East Suffolk Council to cover employment and agency costs.
Homelessness Private Sector	63	(1)	(64)	£69k savings on B&B costs and £6k decrease in Housing Benefit
Law & Governance	903	878	(25)	
Electoral Services & Land Charges	85	65	(20)	
Governance & Civic Off	353	349	(4)	
Internal Audit	91	85	(5)	
Planning & Building Control	1,215	619	(596)	
Building Control	78	6	(72)	
Building Regulations Chargeable Services	(32)	(76)	(44)	Staff vacancies. Income increased due to new sites and less competitor pressure
Other Variances			(28)	
Service Improvement (Sustainable Communities)	35	35	0	

REVENUE DETAILED VARIANCES

Explanation of Major Variances	Revised Full Year Budget (000's)	Sum of Actuals (000's)	Variance to Budget (000's)	Comment
Strategic Planning	427	425	(2)	
Development Management, Heritage & Enforcement	676	153	(523)	
Development Management	211	(4)	(215)	Cfwd of staffing costs from 20/21 and 21/22 savings from various vacancies. £100k extra planning income to reserves to cover foreseeable reduction in planning fee income associated with decision making ref JLP settlement hierarchy and associated appeals
Development Management - Appeals	217	(29)	(245)	Very low levels of appeals 21/22, underspend to be transferred to appeals reserves for future years
Conservation	104	71	(32)	Staffing underspend
Planning Enforcement	194	163	(31)	£39k staffing underspend; £15.5k training budget underspend. £28k charge on property relating to 2004/05
Senior Leadership Team	653	657	4	
Other Variances			4	
Grand Total	12,498	10,667	(1,831)	

REVENUE DETAILED VARIANCES

Net expenditure on services	12,498	10,717	(1,781)
Recharge to HRA	(1,243)	(1,357)	(113)
Recharge to Capital	(4)	(4)	0
Capital financing costs	(1,079)	(1,180)	(101)
Transfers to (from) reserves not included in above*	(4,479)	(4,479)	0
Carry forwards	0	420	420
Total budget requirement	5,693	4,118	(1,575)
Council Tax	(5,813)	(5,807)	7
Collection fund (Surplus)	64	64	0
Business Rates less Tariff	(1,555)	(1,249)	306
Business Rates - Pooling Benefit	(312)	(452)	(140)
Business Rates - Business Rates Retention Pilot Funding	0	0	0
20/21 distribution of deficit	4,763	4,763	0
Rural Services Delivery Grant	(238)	(238)	0
S31 Grant	(1,486)	(1,484)	2
New Homes Bonus	(835)	(835)	0
Lower Tier Services Grant and Council Tax Support Grant	(281)	(263)	18
Total funding	(5,693)	(5,500)	193
Total variance	0	(1,382)	(1,382)

2021/22 Capital Programme

CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable)/adverse	Explanation of Major Variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
General Fund Housing								
Mandatory Disabled Facilities Grant	760	747	1,507	570	187	750	-	In addition to the expenditure to date, the council has already committed a further £241k to fund works that are in progress.
Renovation/Home Repair Grant (formerly Discretionary Housing Grants)	100	37	137	147		(10)	0	To be funded from 2022/23 grant allocation
Empty Homes Grant	100	142	242	1	26	215	-	The Empty Homes Officer has begun processing applications and it is expected that the volume of grants will increase in 2022/23.
Grants for Affordable Housing	-	400	400	-		400	-	A report is to be made to Cabinet in May 2022 with proposals for awarding grants. Unspent allocation to be carried forward and utilised as per approved policy.
Total General Fund Housing	960	1,326	2,286	717	213	1,355	0	(0)
Environment and Projects								
Replacement Refuse Freighters - Joint Scheme	-	-	-	15		-	15	Refurbishment of vehicle to extend its life
Recycling Bins	65	-	65	131		-	66	Increased spend due to housing growth and take up of garden waste collection service (generating additional revenue income)
HVO Storage Tank	50	-	50	33		-	(17)	Cost of tanks less than anticipated. To be financed from CIL
Public Sector Decarbonisation	-	-	-	400		-	400	Funded by grant
Total Environment and Projects	115	-	115	578		-	463	-
Communities and Public Access								
Planned Maintenance / Enhancements - Car Parks	55	79	134	121		13	0	
Vehicle and Plant Renewals	715	-	715	571	30	114	-	Production and delivery of new vehicles is slow. Expect remaining requirements to be delivered in 2022/23.
CCTV Cameras Hadleigh and Sudbury	-	-	-	154		-	154	To be financed from CIL
Total Community Services	770	79	849	846	30	127	155	-

2021/22 Capital Programme

CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable)/ adverse	Explanation of Major Variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Economic Development and Regeneration								
Belle Vue	-	2,000	2,000	73		1,927	-	Still going through the planning process.
Total Economic Development and Regeneration	-	2,000	2,000	73	-	1,927	-	
Sustainable Communities								
Play Equipment	129	77	206	7		199	-	Schemes to utilise the budget have been drawn up but there are issues with supplies and delivery of the equipment.
S106 Open Spaces Grants	-	-	-	62		-	62	Financed from S106 monies
Community Development Grants	117	79	196	116		80	-	There is a high demand for grants but some of the projects are being delayed due to supply issues.
Total Sustainable Communities	246	156	402	185	-	279	62	
Leisure Contracts								
Kingfisher Leisure Centre - Repairs and Renewals	100	627	727	86		641	-	Carry forwards to be used for repairs and renewal requirements identified when the condition survey is completed.
Hadleigh Pool and Leisure - Repairs and Renewals	50	353	403	-		403	-	
Hadleigh Pool and Leisure - New Pool and Refurbishment	-	346	346	88		258	-	Refurbishment works did not fully clear back log of maintenance requirements. Carry forward to enable completion.
Battery Storage and Solar Car Ports	600	-	600	545		-	(55)	LEP grant was fully utilised. Saving is on council's contribution.
Total Leisure Contracts	750	1,326	2,076	719	-	1,302	(55)	

2021/22 Capital Programme

CAPITAL PROGRAMME 2021/22	Original Budget	Carry Forwards / Budget Adjustments	Current Budget	Actual Spend to date	Contractual Commitments	Uncommitted Carry Forwards	Variance after Carry Forwards (favourable)/ adverse	Explanation of Major Variances
GENERAL FUND	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Assets and Investments								
Planned Maintenance / Enhancements - Corporate Buildings	30	-	30	4		26	-	
Strategic Investment Fund	-	3,000	3,000	94		2,906	-	Investigating further opportunities for investment.
A1071 Roadside Commercial Workspace Development	-	-	-	46	-	(46)	(0)	Expenditure incurred earlier than planned. To be taken from 2022/23 budget.
Regeneration Fund	64	6,411	6,475	0		6,475	-	Asset reviews are being undertaken to plan future spend.
Regeneration Fund - Former Council Offices	2,979	181	3,160	319		2,841		Still going through planning process. Likely to start in 2022/23. Expenditure in year is a loan to the Growth company
Total assets and Investments	3,073	9,592	12,665	463	-	12,202	(0)	
Total Customers, Digital Transformation and Improvement	250	150	400	285	-	115	-	The Laptop refresh programme has begun and will continue into 2022/23.
Total General Fund Capital Spend	6,164	14,628	20,792	3,868	243	17,306	625	