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| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)</b>  | <b>AGENDA ITEM:6</b>  |
| <b>DATE OF MEETING:</b>        | <b>21 JULY 2022</b>  | <b>CATEGORY: RECOMMENDED</b>  |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>   |
| <b>MEMBERS' CONTACT POINT:</b> | <b>CHARLOTTE JACKSON</b><br><a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a> | <b>DOC:</b> s/finance/committee/2021-22/July/budget outturn report 2022 |
| <b>SUBJECT:</b>                | <b>FINAL REVENUE BUDGET OUT-TURN 2021-22</b>   | <b>REF:</b>   |
| <b>WARD (S) AFFECTED:</b>      | <b>ALL</b>   | <b>TERMS OF REFERENCE: FM 08</b>  |

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## 1.0 Recommendations

1.1 To approve the final outturn position for:

- The General Fund Revenue Account 2021/22
- The Housing Revenue Account 2021/22
- The Collection Fund 2021/22
- The Balance of Reserves as at 31 March 2022.

1.2 That a net appropriation of £5,360k in 2021/22 is made between the General Fund Reserve and other Earmarked/Usable Reserves and a net appropriation of £45k is made from the HRA General Reserve to Earmarked Reserves as detailed in the report.

1.3 That the Committee note the following contributions and write-offs adjustments have been made to Bad Debt and Appeal Provisions in 2021/22.

|                              |         |              |
|------------------------------|---------|--------------|
| Sundry Debtors               | -31,728 | General Fund |
| Temporary Accommodation      | 2,147   | General Fund |
| Housing Benefit Overpayments | -78,506 | General Fund |
| Council Tax Arrears          | 87,813  | General Fund |
| Business Rates Arrears       | 28,087  | General Fund |
| Business Rates Appeals       | 42,764  | General Fund |
| Planning Appeals             | -75,000 | General Fund |
| Housing Rent Arrears         | 27,266  | HRA          |

## Purpose of Report

2.1 To detail the final out-turn position for 2021/22 on the Council's revenue accounts. The report also details the financial position on these accounts as at 31 March 2022 compared to that estimated in the Council's Medium-Term Financial Plan (MTFP). Details of the Collection Fund position, together with details of provisions and reserves is also provided.

2.2 This report is divided into the following sections:

- Section 3 – General Fund Revenue Account and Collection Fund 2021/22
- Section 4 – Housing Revenue Account 2021/22
- Section 5 – Reserves as at 31 March 2022
  
- Appendix 1 - General Fund Revenue Detailed Accounts 2021/22
- Appendix 2 –The Collection Fund 2021/22
- Appendix 3 – Earmarked Reserves 2021/22

### 3.0 GENERAL FUND REVENUE ACCOUNT

3.1 Apart from Council Housing, day-to-day income and expenditure on Council services is accounted for in the General Fund. The net expenditure is financed by:

- General Government Grant
- Retained Business Rates
- New Homes Bonus
- Council Tax

3.2 The Budget for 2021/22, which was approved in February 2021, estimated a budget deficit of £100,984 for 2021/22, to be financed from the General Fund Reserve. Following updates to the Medium-term Financial Plan (MTFP) during the year, the deficit reported to the Committee in February 2022, was revised to £741,909.

3.3 This was to allow for a pay award in the year (*previously a pay freeze had been agreed nationally*) together with additional expenditure in Land Charges and Operational Services in particular, to be financed from the General Reserve. The overall budgeted position is summarised in the following table:

|  | £                 |
|--|-------------------|
| Base Budget                            | 14,916,273        |
| Reverse out Depreciation               | -1,435,413        |
| Minimum / Voluntary Revenue Provisions | 257,823           |
| Contingent Sums                        | 723,223           |
| <b>Total Estimated Spend</b>           | <b>14,461,905</b> |
| Council Tax                            | -5,915,215        |
| Lower Tier Service Grant Allocation    | -519,414          |
| Business Rates                         | -3,779,996        |
| New Homes Bonus                        | -3,381,317        |
| <b>Estimated Deficit</b>               | <b>741,909</b>    |

#### **Final Budget Outturn 2021/22 - Summary**

3.4 **Appendix 1** details the final outturn on the General Fund for 2021/22 with a comparison to the approved budget.

3.5 The appendix shows that the General Fund achieved a **surplus**, after appropriations, of approximately £284,000 for the year. Compared to the Estimated Deficit above, this is approximately £1,025,000 better than budgeted.

- 3.6 This compares to £626,000 (better than budgeted) which was estimated at Quarter 3 and reported to the Committee in March 2022. The main reasons for the increase are additional income from Retained Business Rates, court fees and property rents, all of which were prudently budgeted for given the impact of Covid and the economic situation.

### Accounting Adjustments and Appropriations to Reserves

- 3.7 It should be noted that Appendix 1 shows an overall surplus in the year of approximately £5.8 million. This includes adjustments for depreciation and pensions which are non-cash transactions and are reversed out in the Council's consolidated accounts.
- 3.8 However, the main reasons for this surplus are Section 106 contributions received in the year of £3.9 million and Business Rates compensation payments of £2.9 million in the form of additional grants
- 3.9 These contributions and payments are transferred to earmarked reserves and in the case of Business Rates, are used to meet the shortfall in income due to the Government providing support and relief to businesses during Covid. These grants will also be set-aside to write-off the deficit on the Collection Fund (Business Rates) in future years which accrued during Covid.
- 3.10 Finally, Appendix 1 also details contributions to earmarked reserves such as IT, Planning and Recycling, together with vehicle replacement and property maintenance, where additional income or underspends are set-aside in these areas to support expenditure in future years.
- 3.11 This is in accordance with current Financial Policy. All earmarked reserves, following appropriations. as at 31 March 2022 are detailed in **Appendix 3**.

### Overview of Income and Expenditure 2021/22

- 3.12 Although there was an overall surplus, this was after meeting some additional cost pressures. Variances have been reported in monitoring reports during the year, with actual figures now finalised. An analysis of the major variances is shown in the following tables with commentary in the sections that follow.

#### GENERAL FUND VARIANCE TO BUDGET MARCH 2022

|  | £'000        |
|--|--------------|
| Salary savings (vacancies, maternity etc.) - E&D | 1,153        |
| Salary savings (vacancies, maternity etc.) - F&M | 243          |
| Salary savings (vacancies, maternity etc.) - H&C | 197          |
| <b>Total Employee</b>                            | <b>1,593</b> |
| Professional Fees                                | 228          |
| Bad debt provision decreases                     | 125          |
| Unbudgeted Income                                | 95           |
| Waste Services                                   | 78           |
| Elections  | 76           |
| HM Rebate of Court Fees                          | 61           |
| Tools & Materials                                | 59           |
| Training   | 48           |
| Additional Trade Waste Income                    | 54           |

|   |    |
|---|----|
| Industrial Unit Rental Income           | 45 |
| Recharges                               | 35 |
| Extra Waste Collections                 | 33 |
| Business Rates                          | 28 |
| Derbyshire County Council Contributions | 25 |
| Computing (Maintenance Agreements)      | 29 |
| Utilities                               | 20 |
| Repairs                                 | 18 |
| Car Mileage                             | 14 |
| Grants                                  | 14 |
| Savings on Events                       | 13 |
| Printing                                | 9  |
| Protective Clothing                     | 7  |
| Subscriptions                           | 5  |
| Insurance Claims                        | 5  |

**Total Favourable Variances** **2,716**

|                                    |               |
|------------------------------------|---------------|
| Agency                             | -1,571        |
| Vehicle Hire                       | -113          |
| Spare Parts                        | -98           |
| Kennelling                         | -49           |
| Fuel                               | -42           |
| Professional Fees                  | -39           |
| Recharges                          | -33           |
| Computing (Maintenance Agreements) | -30           |
| Maintenance & Repairs              | -25           |
| Waste Disposal costs               | -24           |
| Fee income                         | -23           |
| Utilities                          | -19           |
| Recruitment                        | -17           |
| Tools & Materials                  | -14           |
| Investment income                  | -13           |
| <b>Total Adverse Variances</b>     | <b>-2,111</b> |
| Other operating adjustments        | -321          |

**General Fund Surplus** **284**

## Variations

3.13 Salary savings in year relate to vacancies and maternity (£1,592k) but are offset by agency and consultancy to support service areas (£1,571k) as noted in the following table. Due to current vacancies, a saving in employee training has been realised (£48k) and recruitment costs (£17k) have been incurred for vacant posts in the year.

|   | Employee<br>£'000 | Agency<br>£'000 | Variance<br>£'000 |                                     |
|---|-------------------|-----------------|-------------------|-------------------------------------|
| Recycling                                     | 420               | -606            | -186              | Recruitment in progress             |
| Parks and Open Spaces                         | 77                | -92             | -15               | Recruitment in progress             |
| Street Scene                                  | 209               | -53             | 156               | Recruitment in progress             |
| Planning                                      | 144               | -204            | -60               | Vacant Posts                        |
| Direct Services Administration and Management | 152               | -98             | 54                | Vacancies (Restructure)             |
| Legal   | 72                | -14             | 58                | Recruitment in progress             |
| Land Charges                                  | 61                | -155            | -94               | Vacancies - Lichfield DC supporting |
| Revenues and Customer Services                | 46                |                 | 46                | Vacancies                           |

|                               |              |               |           |   |
|-------------------------------|--------------|---------------|-----------|---|
| Economic Development          | 52           | -36           | 16        | Vacant post   |
| Waste and Transport           | 36           | -119          | -83       | Recruitment in progress/Long-term sickness                |
| Property and Public Buildings | 19           | 0             | 19        | Vacancies   |
| Democratic                    | 35           | -6            | 29        | Long-term sickness  |
| Organisational Development    | 40           | 0             | 40        | Vacancy recruited   |
| Rosliston                     | 40           | -12           | 28        | Vacant post   |
| Caretaking                    | 20           | -2            | 18        | Vacant post   |
| Environmental                 | 65           | -3            | 62        | Recruitment in progress/Long-term sickness                |
| Community Centres             | 44           | -16           | 28        | Vacant post   |
| Licensing                     | 14           | -24           | -10       | Maternity cover   |
| Business Change & Digital     | 5            | -6            | -1        | Long-term sickness  |
| ICT                           | 8            | 0             | 8         | Vacant posts  |
| Customer Services             | 11           | -10           | 1         | Vacant posts  |
| Finance                       | -13          | 0             | -13       | Professional fees offset cost re payroll plus vacant post |
| Private Housing               | 35           | -117          | -82       | Vacant Posts  |
|                               | <b>1,592</b> | <b>-1,573</b> | <b>19</b> |   |

3.14 Investment income was less than budget due to the low level of interest rates throughout the year. Funds were diversified to avoid negative interest rates in 2021/2022. Cash investments were higher in year due to lower service and capital expenditure, plus additional Government grants received. Details of the Council's investment performance is detailed in a separate Treasury Management Report.

3.15 A review of live and potential Planning Appeals has resulted in a release in year of the provision (£75k) due to no appeals logged in 2021/22 and none expected to incur during 2022/23.

3.16 Professional fees have been lower than budgeted in the year, the biggest being in Planning Policy (£35k) ICT (£36k) and Council Tax Collection (£31K).

3.17 A proportion of the unbudgeted income from commercial activities has been generated in Environmental Services (£30K). Other income has exceeded budgets, as the impact previously felt from Covid has diminished throughout the year resulting in higher-than-expected yields.

3.18 Costs of £49k have been incurred for seizing animals under the Animal Welfare Act. There has been a significant rise in the illegal dog trade, which has resulted in costs continuing to rise. In a bid to reduce costs an animal fostering programme is in place, with plans to seek additional powers under the Animal Welfare Act to reduce the kennelling time required in prosecution cases.

3.19 A budget is always included for the potential requirement for a By-Election each year. No Election was required and therefore a saving of £45k has been made. Additional savings have been made on the annual canvas of £30k pending a review.

3.20 Commercial lettings were favourable in line with previous years, although income was expected to drop post Covid, this has not been the case.

3.21 Street Naming, Land Charges and Cemetery fee income recovered from the previous year's losses, totalling a favourable variance of £30K.

3.22 Rosliston Forestry Centre has seen savings on vacant posts and casual wages, together with advertising, laundry costs and utilities. Income levels started to recover in the year with log cabin bookings exceeding the Budget.

- 3.23 During the year, refuse truck bin lifts have required major repair works resulting in an additional cost of £98k on spare parts plus vehicle hire of £97k. An additional gully cleaning vehicle was hired at a cost of £16K whilst a permanent replacement was procured. The recent increase in fuel prices saw an increase in costs towards the end of the year.
- 3.24 Recharges from the General Fund to the HRA are updated as part of the year-end process. Areas of lower expenditure on Finance, Customer Services and support from Grounds Maintenance and savings in other services areas has resulted in a smaller than budgeted recharge of £51k.
- 3.25 In line with many authorities, the Council received a one-off reimbursement (£61k) for court fees due to an historic overcharge dating back several years.

### **Provision for Bad Debts**

- 3.26 Under accounting regulations, the Council has to provide for debts that may become uncollectable, and which may need to be written-off. Provisions are based on a calculation that considers the risk of a debt becoming uncollectable.
- 3.27 The provisions made in 2021/22 and charged against the General Fund are shown in the following table.

|                              |                |
|------------------------------|----------------|
| Sundry Debtors               | £68,049        |
| Temporary Accommodation      | £2,147         |
| Housing Benefit Overpayments | £-19,744       |
| <b>Total</b>                 | <b>£50,452</b> |

- 3.28 The total contribution to top up these provisions was £50,452, as shown in the above table. However, this was less than that budgeted of £125,000 and in the case of Housing Benefit Overpayments, the provision was reduced, and the amount written back into the General Fund.
- 3.29 The biggest increase was Sundry Debtors. Sundry Debt includes charges for Trade Waste, Careline and Property Rents. Debt has increased as minimal debt has either been written off or rigorously pursued.
- 3.30 The on-going effect of Covid on businesses has been challenging in respect of outstanding debts and this is being kept under review. A greater focus is now being made in 2022/23.

### **Temporary Accommodation - Bed and Breakfast Charges**

- 3.31 These charges arise where the Council has to incur costs under its duties to provide temporary accommodation for homeless people. The Council is entitled to recover the costs, but this is generally difficult as people concerned are unlikely to have the means to pay.
- 3.32 The Council is responsible for pursuing recovery of the amount owed and this is generally difficult.

3.33 In addition, the Council has an earmarked reserve, which relates to Government grants not fully utilised from previous years to fund initiatives to prevent the incidence of homelessness occurring. This is overseen by the Housing and Community Services Committee.

### Housing Benefit Overpayments

3.34 These relate to overpayments whether they have occurred through processing error, claimant misinformation or fraud. The recovery is usually slow and may take several years where an overpayment is being deducted from on-going benefit. Depending on how the overpayment occurred, on average, around 40% is reimbursed through the housing benefit subsidy system in the year that the overpayment occurred.

### Net Cost of Housing Benefit

3.35 The cost of Housing Benefits increased overall by £32k as shown in the following table.

|  | Estimate<br>£'000 | Actual<br>£'000 | Variance<br>£'000 |
|--|-------------------|-----------------|-------------------|
| Rent Allowances Paid                     | 6,625             | 7,411           | 786               |
| Rent Allowances Subsidy                  | -6,432            | -7,074          | -642              |
| <b>Net Cost of Rent Allowances</b>       | <b>193</b>        | <b>337</b>      | <b>144</b>        |
| Rent Rebates Paid                        | 4,182             | 4,563           | 381               |
| Rent Rebates Subsidy                     | -4,100            | -4,496          | -396              |
| <b>Net Cost of Rent Rebates</b>          | <b>82</b>         | <b>67</b>       | <b>-15</b>        |
| <b>Net Cost of Benefits Paid</b>         | <b>275</b>        | <b>404</b>      | <b>129</b>        |
| Overpayments Recovered (Rent Allowances) | -140              | -237            | -97               |
| <b>Overall Cost of Housing Benefit</b>   | <b>135</b>        | <b>167</b>      | <b>32</b>         |

3.36 The cost of benefits falling on the Council is sensitive to small changes given the amount involved. It is important that the Council maximises its subsidy through robust processing. The total cost of benefits paid and administered was approximately £11m in 2021/22.

3.37 The previous table shows that the net cost of benefits paid was approximately £32k more than that estimated, although the increase in overpayments recovered significantly contributed to the overall position.

### Retained Business Rates

3.38 An analysis of income retained directly in the General Fund is shown in the following table.

|                                   | £                |
|-----------------------------------|------------------|
| Precept                           | 11,141,791       |
| Tariff paid to Derby City Council | -6,631,195       |
| Pool Contribution 201/22          | -688,922         |
| Deficit                           | -1,043,950       |
| Business Rates Reliefs            | 1,172,054        |
| <b>Retained Business Rates</b>    | <b>3,949,788</b> |

|                                  |                         |
|----------------------------------|-------------------------|
| Reversal of Current Year Deficit | 1,043,950               |
| Declared deficit                 | 1,856,262               |
| Exceptional balance (spread)     | 263,893                 |
| Earmarked S31 Reliefs drawdown   | -2,120,155              |
| <b>General Fund Receipt</b>      | <b><u>4,993,738</u></b> |

- 3.39 Business Rates is accounted for in the Collection Fund as detailed later in this section and as shown in **Appendix 2**. Income is not for the full benefit of the Council as 60% is transferred to the Government ((50%) and Derbyshire County Council (10%) under the national distribution system for local government finance.
- 3.40 The income position become more complicated in 2020/2021 as most authorities saw a reduction in income which was supported by the Government in the form of grants and relief to businesses.
- 3.41 Any deficits incurred can be written-off over 3 years. The effect on the General Fund can vary between years. This is also affected by the Council being part of the Derbyshire Business Rates Pool, which is administered by Derby City Council, although this tends to be favourable.
- 3.42 Income transferred to the General Fund in 2021/22 was approximately £3.9 million as shown in the above table. This compared to a Budget of £3.7 million. Although this was favourable, this needs to be balanced against the overall performance of the Collection Fund and how this could play out in future years.
- 3.43 In the Fund itself, there was a deficit, as expected, in 2021/22 which was covered by the earmarked Government S31 Relief Grant received in 2020/21. At the end of 2020/21, approximately £3.2 million was earmarked to cover the anticipated deficit on Business Rates during Covid, with the Deficit being written off over the three years 2020/21, 2021/22 and 2022/23.
- 3.44 Following a drawdown in 2021/22, the balance of the earmarked reserve at the year-end 2021/22 was approximately £1.1 million.

### Transfers between Reserves

- 3.45 Numerous transfers are required between the General Reserve and other Reserves held by the Council as part of the year-end process. These transfers are split between expenditure that is incurred and financed from earmarked reserves, together with amounts received in advance and capital receipts, which need to be transferred into earmarked reserves to meet future expenditure.
- 3.46 In addition, certain budget managers have made requests to transfer underspends from budgets in the year into 2022/23, to meet on-going commitments. Several of these have already been approved by the Committee. All proposed transfers are detailed in the following table.

#### Transfers between General Reserve and Other Reserves 2021/22

| Transfers from General Reserve to other Usable Reserves | £'000 |
|---|-------|
| S106 movement in year                                   | 3,927 |
| S31 Compensation Fund                                   | 1,672 |
| Public Buildings Planned Maintenance and Asset Renewal  | 358   |
| Planning Reserve contribution                           | 366   |

|   |              |
|---|--------------|
| Growth                                  | 243          |
| Recycling Provision                     | 200          |
| Pension Reserve                         | 134          |
| New Burdens – Covid 19                  | 131          |
| Health Partnership contribution         | 120          |
| Covid - Income Fee Charges              | 93           |
| Welfare Reform, Fraud and Compliance    | 80           |
| Homelessness Prevention                 | 74           |
| Rosliston Capital Contribution          | 42           |
| ICT Strategy Contribution               | 41           |
| Finance Staffing and Resource           | 40           |
| Discretionary Housing Top Up            | 40           |
| Get Active in the Forest contribution   | 36           |
| Land Charges Software Support           | 35           |
| Local Plan                              | 30           |
| Safer Communities                       | 27           |
| Youth Engagement Contribution           | 25           |
| Rosliston Forestry Centre Café          | 16           |
| Shop Fronts Contribution                | 15           |
| TIC Provision for Town Centre Unit      | 22           |
| Pressure Washer for Shelter Maintenance | 10           |
| Planning Policy S106 Fee - new reserve  | 8            |
| Corporate Training                      | 5            |
|   | <b>7,790</b> |

**Transfers from Usable Reserves to General Fund**

**£'000**

|  |               |
|--|---------------|
| NNDR Relief for Future Year Deficit                          | -2,120        |
| Commuted Sums Drawdown                                       | -137          |
| Cultural Service Restructure Provision - previously approved | -55           |
| Vehicle Replacement Fund                                     | -30           |
| Economic Regeneration Drawdown                               | -37           |
| Planning Reserve Drawdown                                    | -28           |
| Dilapidation Deposit   | -9            |
| Environmental Education                                      | -7            |
| Flood Recovery   | -7            |
|  | <b>-2,430</b> |
|  | <b>5,360</b>  |

**Accounting Adjustments between General and other Reserves**

|  |               |
|--|---------------|
| Transfer of pension deficit adjustments to Pension Reserve                       | -2,858        |
| Accounting Adjustments transferred to Unusable Reserves                          | -22           |
| Transfer of land sales to Capital Receipts and Deferred Capital Receipts Reserve | 529           |
|  | <b>-2,351</b> |

**TOTAL ADJUSTMENTS**

**3,009**

3.47 **Appendix 3** details the proposed adjustments to Earmarked Reserves. The overall effect on the General Reserve following the surplus on the General Fund, together with these transfers to other Reserves is detailed in **Section 5**.

### COVID-19 PANDEMIC

3.48 At the start of the Pandemic, the Government issued a variety of grant funding to support local authorities with losses in income and additional expenditure. The Council had approximately £671k available in 2021/22 and the following table details how this was utilised. ***(It should be noted that this income and expenditure is in addition to that detailed previously in the General Fund analysis).***

| COVID Spending                               |                        |
|--|------------------------|
|  | £                      |
| Bought Forward 2020/21                       | -181,218               |
| Grant Payment Q1                             | -490,231               |
| <b>Total Funding</b>                         | <b>-671,449</b>        |
| Discretionary Housing Additional Funds       | 40,000                 |
| Discretionary Grant Awards (funds committed) | 84,300                 |
| <b>Total Funding to Spend</b>                | <b>-547,149</b>        |
| Agency                                       | 67,503                 |
| ICT and Home Working                         | 43,266                 |
| Bank Charges                                 | 4,668                  |
| Recycling Costs                              | -11,257                |
| Casual Wages & Overtime                      | 55,708                 |
| Committee Sound System and Chairs            | 25,078                 |
| Active Nation Room Hire for Committees       | 14,137                 |
| Kennelling Costs                             | 35,814                 |
| PPE & Other Safety Equipment                 | 9,964                  |
| Market Safety Measures                       | 3,140                  |
| Cleaning of Public Buildings                 | 11,374                 |
| Ventilation in Council Chamber               | 18,656                 |
| Audit Fees                                   | 12,941                 |
| Kiosk Corridor Changes                       | 2,874                  |
| Car Parking Deficit                          | 7,222                  |
| Active Nation Management Fee                 | 4,719                  |
| Integrated Communication Services            | 3,394                  |
| Teams Room IT Kit                            | 2,254                  |
| Printing of Leaflets/Notices                 | 719                    |
| New Software for Grant Administration        | 995                    |
| Vehicle Hire                                 | 9,219                  |
| Leisure Income Losses                        | 66,386                 |
| Licensing Income Losses                      | 23,122                 |
| Cultural Income Losses                       | 27,105                 |
| <b>Total Spending to 31st March 2022</b>     | <b>439,001</b>         |
| <b>Remaining Funding</b>                     | <b><u>-108,148</u></b> |

3.49 The figures above are all actuals incurred. The balance of £108,148 has been earmarked awaiting feedback from the Government on the final return submitted.

## **THE COLLECTION FUND**

- 3.50 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and other Preceptors on the Fund, including this Council.
- 3.51 The final outturn on the Fund for 2021/22 is detailed in **Appendix 2**.

### **Council Tax**

- 3.52 Overall collection generated a surplus in the year of approximately £1.6 million. This increased the cumulative fund balance to just over £3 million as at 31 March 2022 and was due to higher growth in properties, together with a decrease in the bad debt provision.
- 3.53 The amount due to South Derbyshire is approximately £300k (*10% of £3 million*). This amount remains in the Collection Fund pending the 2022/23 budget round, when the surplus on the Fund has to be declared in setting the Council Tax for the following year.
- 3.54 Depending on the on-going performance of Council Tax, at this point any surplus due to the General Fund will be included in the MTFP. At this stage, it is not expected that the Fund will fall into deficit given the current positive balance and continuing growth, but this will be kept under review.

### **Business Rates**

- 3.55 As highlighted earlier in the report, this part of the Fund generated a deficit in 2021/22 of £1,043k (the Council's share). However, the overall Deficit on the Fund was effectively halved as detailed earlier in the Report and Appendix 2.
- 3.56 The Deficit on the Fund as at 31 March 2022 was approximately £4.8 million, although the Council does have earmarked funds to meet this deficit.

### **Business Rates Appeals**

- 3.57 Under accounting regulations, the Council must provide against a certain number of appeals being successful.
- 3.58 During 2021/22, there was a decrease in businesses appealing against their valuation or in appeals being unsuccessful.
- 3.59 The provision for appeals bought forward from 2020/21 was £2.54 million. This was decreased to £1.83 million after a review of the movement of outstanding appeals on file. The reduction of just over £700k benefits the overall Collection Fund as shown in Appendix 2.

## 4.0 HOUSING REVENUE ACCOUNT (HRA)

4.1 The Council is required to account separately for income and expenditure in providing Council Housing. The approved HRA Budget for 2021/22 was set with a deficit of approximately £1.7 million.

### Final Outturn 2021/22

4.2 Final performance on the HRA is shown in the following table.

| <b>HRA VARIANCE TO BUDGET March 2022</b> |               |                         |                           |
|--|---------------|-------------------------|---------------------------|
| <b>Summary HRA 2021/22</b>               | <b>BUDGET</b> | <b>PROJECTED ACTUAL</b> | <b>PROJECTED VARIANCE</b> |
|  | <b>£000</b>   | <b>£000</b>             | <b>£000</b>               |
| Total Income                             | -12,819       | -12,739                 | -80                       |
| Contribution to Capital & New Build      | 2,783         | 2,933                   | -150                      |
| Responsive & Planned Maintenance         | 3,381         | 3,878                   | -497                      |
| Interest Payable and Receivable          | 1,738         | 1,437                   | 301                       |
| Supervision & Management                 | 1,848         | 1,940                   | -92                       |
| Supported Housing & Careline Services    | 951           | 922                     | 29                        |
| Provision for Bad Debts                  | 125           | 55                      | 70                        |
| Provision for Debt Repayment             | 3,594         | 3,594                   | 0                         |
| Asset Replacement Contribution           | 45            | 45                      | 0                         |
| Software Upgrade                         | 30            | 30                      | 0                         |
| Pay Award                                | 27            | 29                      | -2                        |
| <b>Surplus</b>                           | <b>1,703</b>  | <b>2,124</b>            | <b>-421</b>               |

4.3 The table shows that the HRA generated a higher-than-expected deficit of approximately £2.1 million. As reported to the Committee in March 2022, this was mainly due to an increase in repairs and reduced rents, associated with void properties

### Analysis of Variances

4.4 Interest on debt was lower due to the interest rate on the variable element of the debt portfolio (£10m) having been settled at 0.35% compared to that budgeted of 2.50%. Interest received from investments was also significantly higher than budgeted due to the Council having more HRA funds on deposit than in previous years as noted earlier in the report.

4.5 The main favourable variances related to Supported Housing and Careline Services. There were savings made in year on vacancies, plus an increase in income received.

4.6 Repairs and maintenance costs increased as the volume of void properties grew throughout the year. This resulted in additional pressure on responsive repairs to restore void dwellings to a lettable standard. In addition, certain tree works required immediate remediation placing further pressure on existing budgets resulting in an overspend, compared to the Budget, in 2021/22.

4.7 Capital expenditure in year was higher than budgeted with an additional £150k being spent on properties. The contribution to capital from revenue resources is a statutory requirement through a depreciation charge.

- 4.8 Rental income was lower in year due to void properties. Right to Buy losses were higher than budgeted in year which also contributed to the reduction in income. Right to Buy continues to be a significant risk to the HRA as sales have once again increased post Covid.
- 4.9 However, it is anticipated that void losses will reduce in 2022/23 as turnaround of dwellings improves.
- 4.10 As noted earlier in the report, the recharge from the General Fund to the HRA was lower by £51k in year, due to lower costs in Support Services.
- 4.11 The provision for bad debts is based on the level of rent arrears at each year-end. The level of arrears and associated bad debts provision is shown in the following tables.

|                   | 2020           | 2021           | 2022           |
|-------------------|----------------|----------------|----------------|
| Amount of Arrears | £              | £              | £              |
| Leaseholders      | 3,804          | 615            | 615            |
| Current Tenants   | 435,928        | 459,228        | 478,689        |
| Former Tenants    | 114,849        | 118,271        | 155,127        |
|                   | <b>554,581</b> | <b>578,114</b> | <b>634,431</b> |

- 4.12 The level of arrears increased by approximately £56k in 2021/22. Following a review of the Bad Debt Provision, this required an increase from £423k to £456k, an increase of £54k after allowing for write-offs as shown in the table below. However, this increase was less than the budgeted increase of £125k.

|                            | £              |
|----------------------------|----------------|
| Bad Debt Provision B/fwd   | 423,086        |
| Less write-offs            | -20,687        |
| <b>Remaining Provision</b> | <b>402,399</b> |
| Provision Required         | 456,783        |
| <b>Top up</b>              | <b>54,384</b>  |

- 4.13 Universal credit continues to have an impact on arrears and Housing Officers are working closely with affected tenants and monitoring the arrears position closely.
- 4.14 Overall, the effect of the HRA deficit on the HRA's General Reserve is detailed in **Section 5**.

## 5.0 RESERVES

### General Fund Reserve

- 5.1 Following the out-turn figures detailed in *Section 3*, the position on the General Fund Reserve Balance is summarised in the following table.

| General Fund Reserve                                 | Budget<br>£'000 | Actual<br>£'000 | Variance<br>£'000 |
|--|-----------------|-----------------|-------------------|
| Balance b/fwd 1st April 2021                         | -13,193         | -13,193         | 0                 |
| Add: Deficit / (Surplus) for the Year                | 741             | -284            | -1,025            |
| Add: Asset Replacement and Renewal Fund Contribution | 358             | 358             | 0                 |
| Add: ICT and Digital Strategy Contribution           | 166             | 166             | 0                 |
| Add: Funding for Capital Projects                    | 525             | 166             | -359              |

|  |                |                |               |
|--|----------------|----------------|---------------|
| Add: Accumulated Absences Adjustment                 | 0              | 17             | 17            |
| Transfer to Earmarked, Capital and Unusable Reserves | 0              | -22            | -22           |
| <b>Closing Balance as at 31st March 2022</b>         | <b>-11,402</b> | <b>-12,792</b> | <b>-1,390</b> |

- 5.2 The table shows that the level of general reserves was greater than estimated at March 2022 by approximately £1.4m, after allowing for the transfers in reserves of £22k as detailed in Section 3 of the report.
- 5.3 This improved position is due to a better out turn as detailed in Section 3 plus a lower capital contribution of £359k.
- 5.4 The contributions towards capital works that were unspent in year will be maintained in the Reserve. They will be drawn down as expenditure is incurred to complete the relevant schemes in 2022/23.
- 5.5 The effect of the 2021/22 out-turn on the longer-term General Fund Balance, will be reported to the Committee at its meeting on 25 August 2022. The above balance is still subject to Audit.

### Earmarked Reserves

- 5.6 The Council maintains earmarked reserves that are held, at the Council's discretion, for specific purposes. These are to meet one-off items of expenditure, together with areas where costs are incurred over several years, for example, vehicle and ICT replacements together with repairs and maintenance and where external funding may be received in advance of expenditure.
- 5.7 Annual contributions are made to these reserves from other accounts and reserves, and they are drawn down to finance expenditure in revenue and capital accounts as required.
- 5.8 Once established, earmarked reserves can only be used for that specific purpose. Other reserves may be established through a legal agreement or contractual commitment.
- 5.9 The Council's earmarked reserves are detailed in **Appendix 3**. This shows the overall change on individual balances during 2021/22, including the appropriations detailed earlier in the report in Section 3.

### Housing Revenue Account (HRA) Reserve

- 5.10 Section 4 detailed the final account of the HRA, and this highlighted a deficit for 2021/22 of approximately £2.1 million.
- 5.11 The HRA reserve balance totals approximately £6.3m as at 31 March 2022 which is less than expected in the HRA's MTFP, although well above the minimum level of £1 million. The reserve balance is shown in the following table.

| HRA General Reserve                          | Budget<br>£'000 | Actual<br>£'000 | Variance<br>£'000 |
|--|-----------------|-----------------|-------------------|
| Balance b/fwd 1st April 2021                 | -8,432          | -8,432          | 0                 |
| Add: Deficit for year                        | 1,703           | 2,124           | -421              |
| <b>Closing Balance as at 31st March 2021</b> | <b>-6,727</b>   | <b>-6,308</b>   | <b>421</b>        |

## **6.0 Financial Implications**

6.1 As set out and detailed in the report.

## **7.0 Corporate Implications**

7.1 As detailed in the report.

## **8.0 Community Implications**

8.1 The production of financial information in a timely manner is an important part of stewardship and accountability for public resources. It aims to give electors, those subject to locally levied taxes and charges, Elected Members of the Council, employees and other interested parties clearer information about the Council's finances and its financial standing.

## **9.0 Background Papers**

9.1 None.

## GENERAL FUND OUTTURN 2021/22 - APPENDIX 1

| Cost Centre                                   | Budget  | Actual  | Accounting Adjustments | General Fund Impact | Comments  |
|---|---------|---------|------------------------|---------------------|---|
|   | £       | £       | £                      | £                   |   |
| Tourism Policy, Marketing & Development       | 67,746  | 71,053  | -3,307                 | -0                  | Fav pay £3k, rent/rates/utilities £5.8k, £1.2k cleaning; Adv £5.1k repair works, £5.2k architect fees/planning for fronts, £3k IT kit   |
| Promotion and Marketing of the Area           | 276,195 | 235,229 | 40,966                 | -0                  | Fav pay £49k, materials £16.5k, printing £9k, £1.3k computing, £5.3k grants; Adv agency £36k contributions £2k, professional fees £1k   |
| Community Development                         | 10,000  | 4,500   | 5,500                  | 0                   |   |
| Food Safety                                   | 70,486  | 49,609  |                        | 20,877              | Fav pay £10k, prof fees £8k, fees £7.5k; adv agency £3k   |
| Pollution Reduction                           | 415,562 | 349,174 |                        | 66,388              | Fav pay £60k, consultancy income £16k; adv £7k prof fees  |
| Pest Control                                  | 16,081  | 13,769  |                        | 2,312               | Fav pay £6k; adv Fee income £5k   |
| Public Health                                 | 0       | -34     |                        | 34                  |   |
| Public Conveniences                           | 30,367  | 27,576  | -10,800                | 13,591              | Fav business rates £13.5k; Adv £10.8k depn  |
| Community Safety (Safety Services)            | 175,346 | 225,924 |                        | -50,579             | Fav 8.6k fees, £2k tools and equipment; Adv pay £11k, £49.6k kennelling fees  |
| Environmental Education                       | 97,876  | 104,669 | -6,793                 | -0                  | Fav pay, adv grants   |
| Welfare Services                              | 1,800   | 0       |                        | 1,800               |   |
| Environmental Maintenance (Other Roads)       | -70,557 | -70,557 |                        | 0                   |   |
| Public Transport                              | 29,001  | 18,611  | 10,000                 | 390                 | £10k fav - no contract cleaning of bus shelters   |
| Off-Street Parking                            | 103,357 | 124,041 | -28,040                | 7,356               | Fav business rates £5.1k, professional fees £3.8k Utilities £1.5k depreciation £1k; Impairment £29k   |
| Local Land Charges                            | -2,685  | 81,489  |                        | -84,174             | Fav pay £61k, fee income £5k, professional fees £8.8k; adv Lichfield support £155k, software licence £5k  |
| Licensing                                     | 7,676   | 4,894   |                        | 2,782               | Fav pay £13.8k, training £4k, CRB checks £2.5k, Materials £3k, advertising £2k, Professional fees £3k, £5k new burdens; adv agency £24k, fee income £8k   |
| Emergency Planning and Works                  | 16,000  | 19,956  |                        | -3,956              | adv £4k Emergency works fire in Hilton  |
| Building Regulations                          | 35,200  | 35,200  |                        | 0                   |   |
| Dealing with Development Control Applications | 291,648 | 355     | 291,000                | 293                 | Fav Sal £109k, Training £6k, Planning appeals £23k fee income £440k (20% fee to be earmarked) ; adv agency £204k, staff advertising £6.6k, non staff advertising £3.5k increased applications, Prof fees £13.5k |
| Structure and Local Planning                  | 316,985 | 223,454 | 30,000                 | 63,531              | Fav Sal £35k, Prof fees £35k, grants £20k (none paid and income from Neighbourhood planning)  |
| Street Name & Numbering                       | -7,136  | -15,803 |                        | 8,667               | Fav fees £8.7k  |
| Grounds Maintenance                           | 664,857 | 573,302 | -18,000                | 109,555             | Fav pay £80k, materials £10k, recharges £21k; Adv £18k depn   |

|   |                |                  |         |                 |   |
|---|----------------|------------------|---------|-----------------|---|
| Countryside Recreation & Management           | 0              | 0                |         | 0               |   |
| Street Cleansing (not chargeable to highways) | 546,459        | 459,592          | 13,904  | 72,963          | Fav pay £129k materials £7k prof fees £2k, depn £14k; adv agency £53k, gully hire £16k  |
| Household Waste Collection                    | 1,759,832      | <b>1,639,997</b> | 178,000 | <b>-58,165</b>  | Fav pay £19k, DCC contribution £15k, extra collections £31k, waste services £68k depn £178k; adv agency £94k, vehicle hire £97k, bins and sacks £4k   |
| Trade Waste Collection                        | <b>-99,563</b> | <b>-111,837</b>  |         | 12,274          | Fav fee income £54k; adv disposal costs £24k, bins & sacks £4k  |
| Recycling                                     | 417,249        | 216,567          | 200,000 | 682             | Fav DCC contribution £137k, pay £420k, £360k recycling income, £225k waste management, £97k vehicle hire, £16k insurance claim; adv agency £606k, vehicle parking £10.5k, legal support tender £5.5k, postcards £6.5k |
| Direct Services Central Admin                 | 351,660        | <b>296,587</b>   |         | 55,073          | Fav pay £152k; adv agency £98k, subscriptions £1k   |
| Transport Services                            | 762,311        | 931151.71        | 5,898   | <b>-174,739</b> | Fav pay £17k, depn £6k; adv agency £25k, fuel £42k, spare parts £98k, insurance £10k, materials £7k, oil £7k  |

**Environmental and Development Total**

**6,283,752    5,508,469    708,328    66,954**

|  |               |                 |                |             |  |
|--|---------------|-----------------|----------------|-------------|--|
| General Grants, Bequests & Donations         | 306,247       | 292,648         |                | 13,599      | Fav pay £11k, grants £3k   |
| Community Centres                            | 212,861       | 239,602         | <b>-49,912</b> | 23,171      | Fav pay £29k, £10k furniture repairs fees £3k, depn £5k; adv agency £16k, redundancy £55k                                    |
| Community Safety (Crime Reduction)           | 131,838       | 104,939         | 26,899         | 0           | Savings due to liberation day cancellation and salary savings due to vacant post   |
| Defences Against Flooding                    | 56,770        | 63,969          | <b>-7,199</b>  | <b>-0</b>   | Adv flooding works across district   |
| Market Undertakings                          | 878           | 1,592           |                | <b>-715</b> | Adv trade waste  |
| Village Halls                                | <b>-0</b>     | 0               |                | <b>-0</b>   |  |
| Arts Development & Support                   | 15,040        | 5,636           |                | 9,404       | Fav prof fees £11k; adv fees £2k   |
| Events Management                            | 116,899       | 114,052         |                | 2,847       | Fav salaries £4k, events £13k; adv fees £14k   |
| Midway Community Centre                      | 13,066        | 29,816          | <b>-21,000</b> | 4,250       | Fav fee income £5k, tools & equipment £1.5k; adv utilities £3.2k, depn £21k  |
| Stenson Fields Community Centre              | 9,216         | 1,318           |                | 7,898       | Fav fee income £3.5k, business rates £2k, cleaning materials £1k, licences £1k, printing £1k                                 |
| Melbourne Assembly Rooms                     | <b>-1,668</b> | 18,220          | <b>-21,000</b> | 1,112       | Fav reval gain £8k; adv depn £28k  |
| Get Active in the Forest                     | 31,708        | <b>-4,495</b>   | 36,203         | 0           | Fav pay £18.5k, income £13k, service delivery £7.5k; Adv fees £3k  |
| Sports Development & Community Recreation    | 173,605       | 170,149         | 3,456          | 0           | Fav salaries due to vacancy  |
| Indoor Sports & Recreation Facilities        | 537,233       | 515,363         | <b>-1,419</b>  | 23,289      | Fav revaluation gain £25k, utilities £19.5, repairs £8k; adv £26k depreciation, £2.7k professional fees, £2.4k contributions |
| Outdoor Sports & Recreation Facilities (SSP) | 1,409         | <b>-118,735</b> | 120,145        | <b>-0</b>   | Fav affiliations and grant funding; adv wages  |

|   |         |         |          |         |   |
|---|---------|---------|----------|---------|---|
| Play schemes                                      | 20,163  | -893    | 21,056   | 0       | Fav salaries playschemes were not delivered all year  |
| Allotments  | -1,091  | -2,090  |          | 999     | Fav Grounds Maint £1k   |
| Rosliston Forestry Centre                         | 264,574 | 166,190 | 73,500   | 24,884  | Fav pay £40k, R&M £42k, Stock £6k, Fees £6k, Insurance claims £5k, Professional £8k, Bank Charges £2k, reval gain £38k; adv agency £12k, FE contribution £14k, water £15k, depn £6.5k |
| Cemeteries  | 19,482  | 4,583   |          | 14,900  | Fav fees £15.5k   |
| Closed Churchyards                                | 7,241   | 18,316  |          | -11,075 | Adv reactive tree works   |
| Parks and Open Spaces                             | 306,603 | 420,391 | -113,788 | 0       | Fav pay £77.5k; adv agency £92k, tree works £41k, £15k park repairs, tree consultant £22k, depn £19.5k  |
| Housing Standards                                 | 94,389  | 88,726  |          | 5,664   | Fav fixed penalties £7k; adv staff advertising £2k  |
| Housing Strategy                                  | 99,040  | 89,031  |          | 10,009  | Fav pay £3k, Training £4k, Prof fees £2.5K  |
| Administration of Renovation & Improvement Grants | 51,811  | 46,788  |          | 5,024   | Fav pay £1.5k, Training £1k, Computing £1k, recharges £1.4k   |
| Bed / Breakfast Accomodation                      | 6,500   | -221    | 6,721    | 0       | Fav fees £17.7k; adv £5.6k accommodation, £5.8k recharges   |
| Pre-tenancy Services                              | 193,696 | 169,020 | 24,676   | -0      | Fav Sal £27k, Training £4k, Income £240, Adv Agency £117k, Prof Fees £20k   |
| Other Housing Support Costs (GF)                  | 34,127  | 46,326  |          | -12,199 | Sals £4K Fav income £3.8k (based on estimate) Adv comp maintenance crossover in charges for upgrade £19k  |

#### Housing and Community Services

|                  |                  |               |                |
|------------------|------------------|---------------|----------------|
| <b>2,701,639</b> | <b>2,480,239</b> | <b>98,338</b> | <b>123,062</b> |
|------------------|------------------|---------------|----------------|

|                           |         |         |         |        |   |
|---------------------------|---------|---------|---------|--------|---|
| Business Change           | 99,620  | 86,456  |         | 13,164 | Fav pay £8k, training £4k, computing £5k, recharge £4k; adv agency £6k, £2.5k advertising   |
| Digital Services          | 155,515 | 149,790 |         | 5,725  | Fav printing £10k, prof services £3.8k Training £2.5k; Adv pay £3k, advertising £1k, recharge £2.8k                                       |
| Caretaking                | 138,117 | 113,503 |         | 24,614 | Fav pay £19.5k, cleaning materials £7.5k, svs charges £10k; Adv agency £1.7k, car allowance £2.9k, recharges £8k                          |
| Senior Management         | 453,354 | 463,064 |         | -9,710 | Fav £2k Training, Fav car allowances £2k £1k subscriptions (newspapers), recharges £3.5k; Adv HoS recruitment £17k,                       |
| Financial Services        | 392,883 | 342,930 | 40,000  | 9,953  | Fav prof fees £71k, training £13k, £6k computing fees; adv pay £13k, recharges £6k, Subs £2k  |
| Internal Audit            | 109,307 | 84,643  |         | 24,664 | Fav £36k professional fees (CMAP rebate); Adv £11.6k recharges  |
| Merchant Banking Services | 61,200  | 66,283  |         | -5,083 | Fav £1.9k recharges, Adv increased banking transactions £7k   |
| ICT Support               | 739,317 | 726,305 | -12,600 | 25,613 | Fav pay £8k, prof fees £36.5k, computing £14k; Adv Licences £8k, phones £6.5k, depn £12.4k, recharges £18.3k                              |
| Legal Services            | 268,602 | 230,213 | 35,000  | 3,388  | Fav pay £72k, fees £6k, training £2.3k; adv agency £14.3k, recruitment £5k, advertising £4.5k, professional fees £9.8k, recharges £9k     |
| Performance & Policy      | 37,253  | 36,424  |         | 830    | Fav training £1k  |
| Personnel/HR              | 366,392 | 366,044 | 4,600   | -4,252 | Fav pay £21.8k, training £5k, fees £5k, gratuities £1.6k; adv computing £6.2k, medical fees £14.7k, prof fees £7.6k, general licences £5k |

|   |          |            |            |         |   |
|---|----------|------------|------------|---------|---|
| Communications  | 76,915   | 74,476     | -6,000     | 8,439   | Fav pay £12.3k; Adv prof fees £9.3k   |
| Customer Services   | 497,452  | 512,582    | -20,254    | 5,124   | Fav Pay £11k, stationery £8k, recharges £3.5k ; Adv agency £6k, tools and equipment £4k, computing £16k, postages £14k, professional fees £4.4k |
| Health & Safety   | 48,664   | 43,612     |            | 5,052   | Fav pay £5.8k, tools and equip £4, training £1k; Adv prof fees £4.8k, recharges £1k   |
| Admin Offices & Depot   | 656,500  | 656,132    | 10,200     | -9,832  | Fav pay £10.4k, business rates £7.5k, training £1.2k depn £15.8k; Adv repairs £10.7k, utilities £5.5k, impairment loss £5.6k, recharges £9k     |
| Protective Clothing   | 37,819   | 30,620     |            | 7,199   | Fav £7k   |
| Procurement   | 12,149   | 12,134     |            | 14      |   |
| Democratic Representation & Management                        | 86,669   | 63,253     |            | 23,417  | Fav pay £34.1k, subscriptions £2.6k Training £1k; Adv Agency £7K, Cllr investigations £4.6k   |
| Corporate Management  | 64,458   | 64,813     |            | -355    | Fav £12.5 risk management ; adv £12k PWC vision reform  |
| Corporate Finance Management                                  | 37,437   | 19,143     | 16,629     | 1,665   | Fav £7k PSAA audit rebate & £16k Edgington Turnover Rent; adv £4k recharges   |
| Elected Members   | 347,401  | 324,966    |            | 22,435  | Fav allows £9.1k, mileage £3k, training £5.7k, Tools & Equip £4k, advertising £2.3k,  |
| Registration of Electors                                      | 56,531   | 25,928     |            | 30,603  | Fav canvas saving   |
| Conducting Elections  | 173,267  | 128,026    |            | 45,240  | Fav grant income for covid safety £31k, District Elections fav; adv costs of safety measures £3.5k  |
| Funded Pension Schemes  | 280,072  | 146,560    | 133,512    | 0       | Fav enhanced pension  |
| Increase/Decrease in Provision for Bad or Doubtful Debts (GF) | 175,000  | 50,453     |            | 124,547 |   |
| Planning Agreements   | 0        | -3,920,158 | 3,920,158  | 0       | S106  |
| Parish Councils   | 425,801  | 424,371    |            | 1,431   |   |
| Interest & Investment Income (GF)                             | -147,585 | -134,189   |            | -13,397 |   |
| IAS19 Pensions Adjustment (GF)                                | 0        | 2,858,167  | -2,858,167 | -0      |   |
| External Interest Payable (GF)                                | 500      | 56         |            | 444     |   |
| Estate Management   | -265,118 | -551,339   | 247,000    | 39,221  | Fav sals £8k, rent £45k, Prof fees £1.5k, reval & impairment gain £247k; Adv rates/utilities £9.5k, recharges £8k                               |
| Council Tax Collection  | 120,045  | 8,234      |            | 111,812 | Fav sals £9k, £61.5k Fav Court Fees, Professional Fees £30.5k, £10k discretionary benefits  |
| Non Domestic Rates Collection                                 | -84,500  | -109,616   | 21,500     | 3,616   | Fav prof fees £3k, £21.5k New burdens rate collection allowances £2k; Adv court fees £3k  |
| Revenues & Benefits Support & Management                      | 139,475  | 91,510     | 47,000     | 965     | Fav administration grant (subsidy & Council Tax),   |
| Rent Allowances Paid  | 53,047   | 100,660    |            | -47,613 | Fav OP £97k, grants £643k; Adv allowances £786k   |
| Net cost of Rent Rebates Paid                                 | 81,999   | 67,396     |            | 14,603  | Fav £396k grants; Adv £381k rebates   |
| Corporate Fraud   | 45,474   | 55,545     | -10,071    | -0      | Adv Counter Fraud services, Fraud partnership software  |
| Housing Benefits Administration                               | 330,579  | 269,406    | 42,000     | 19,173  | Fav pay £37k, Grant funding £42k; Adv professional fees £13k  |
| Concessionary Fares   | 0        | -10,176    |            | 10,176  | Fav contributions from DCC  |

|                  |                  |                  |                |
|------------------|------------------|------------------|----------------|
| <b>6,071,611</b> | <b>3,968,220</b> | <b>1,610,507</b> | <b>492,884</b> |
|------------------|------------------|------------------|----------------|

|   |                    |                    |                  |                 |   |
|---|--------------------|--------------------|------------------|-----------------|---|
| Taxation & non specific grant income (GF) | -13,533,855        | -16,812,558        | 2,903,135        | 375,568         | fav £170K Business rates retention, £444k TIC, £2884k S31 Additional Income; adv £1656k S31 Repayment (earmarked) |
| Contingent Sums (GF)                      | -1,036,486         | -1,399,146         | 207,007          | 155,653         | Accounting adjustments MRP, VRP - carry over £161K Contingent Sums  |
| Other Operating Income & Expenditure (GF) | 43,627             | 450,679            | 522,836          | -929,887        | Parish Precepts   |
|   | <b>-14,526,714</b> | <b>-17,761,024</b> | <b>3,632,978</b> | <b>-398,666</b> |   |
| <b>GENERAL FUND DEFICIT/SURPLUS</b>       | <b>530,288</b>     | <b>5,804,096</b>   | <b>6,050,151</b> | <b>284,234</b>  |   |

## Collection Fund Account 2021/22

|   | Actual<br>2020/21 | Estimate<br>2021/22 | Actual<br>2021/22 | Variance<br>2021/22 |
|---|-------------------|---------------------|-------------------|---------------------|
|   | £'000             | £'000               | £'000             | £'000               |
| <b>COUNCIL TAX - INCOME &amp; EXPENDITURE</b> |                   |                     |                   |                     |
| Council Tax collectable                       | 65,215            | 68,476              | 69,412            | 936                 |
| County Council Precept                        | -46,517           | -48,709             | -48,709           | 0                   |
| Police and Crime Commissioner Precept         | -7,812            | -8,509              | -8,509            | 0                   |
| Fire and Rescue Authority Precept             | -2,680            | -2,792              | -2,792            | 0                   |
| SDDC Precept                                  | -5,704            | -5,915              | -5,915            | 0                   |
| SDDC Parish Precepts                          | -848              | -929                | -929              | 0                   |
| Bad Debt Provision Movement                   | -1547             | -1370               | -933              | 437                 |

|                             |            |            |              |              |
|-----------------------------|------------|------------|--------------|--------------|
| <b>Surplus for the year</b> | <b>107</b> | <b>252</b> | <b>1,625</b> | <b>1,373</b> |
|-----------------------------|------------|------------|--------------|--------------|

| <b>COUNCIL TAX BALANCE</b>                    |       |       |       |       |
|---|-------|-------|-------|-------|
| Opening balance as at 1st April               | 3,310 | 2,617 | 2,617 | 0     |
| Surplus paid to County Council                | -587  | -881  | -881  | 0     |
| Surplus paid to Police and Crime Commissioner | -96   | -144  | -144  | 0     |
| Surplus paid to Fire and Rescue Authority     | -34   | -51   | -51   | 0     |
| Surplus paid to SDDC                          | -83   | -124  | -124  | 0     |
| Surplus for the year (as detailed above)      | 107   | 252   | 1625  | 1,373 |

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| <b>Closing balance as at 31st March</b> | <b>2,617</b> | <b>1,669</b> | <b>3,042</b> | <b>1,373</b> |
|---|--------------|--------------|--------------|--------------|

| <b>BUSINESS RATES - INCOME &amp; EXPENDITURE</b> |         |         |         |        |
|--|---------|---------|---------|--------|
| NNDR collectable                                 | 19,572  | 28,308  | 24,474  | -3,834 |
| Central Government Precept                       | -13,862 | -13,927 | -13,927 | 0      |
| SDDC Precept                                     | -11,089 | -11,141 | -11,141 | 0      |
| County Council Precept                           | -2,495  | -2,507  | -2,507  | 0      |
| Fire and Rescue Authority Precept                | -277    | -279    | -279    | 0      |
| Cost of Collection                               | -91     | -94     | -94     | 0      |
| Transitional Protection Payments                 | 341     | 289     | 263     | -26    |
| Bad Debt Provision Movement                      | -589    | -199    | -107    | 92     |
| Provision for Appeals                            | -799    | -450    | 708     | 1,158  |

|   |               |          |               |               |
|---|---------------|----------|---------------|---------------|
| <b>Surplus / Deficit (-) for the year</b> | <b>-9,289</b> | <b>0</b> | <b>-2,610</b> | <b>-2,610</b> |
|---|---------------|----------|---------------|---------------|

| <b>BUSINESS RATES BALANCE</b>             |        |        |        |        |
|---|--------|--------|--------|--------|
| Opening balance as at 1st April           | 1,155  | -8,157 | -8,157 | 0      |
| Deficit paid by Central Government        | 36     | 2,952  | 2,952  | 0      |
| Surplus paid to County Council            | -40    | 531    | 531    | 0      |
| Surplus paid to Fire and Rescue Authority | 0      | 59     | 59     | 0      |
| Surplus paid to SDDC                      | -20    | 2,361  | 2,361  | 0      |
| Deficit for the year (as detailed above)  | -9,289 | 0      | -2,610 | -2,610 |

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| <b>Closing balance as at 31st March</b> | <b>-8,158</b> | <b>-2,254</b> | <b>-4,864</b> | <b>-2,610</b> |
|---|---------------|---------------|---------------|---------------|

| List of Specific/Earmarked Reserves 2021/22        | Balance b/fwd<br>April 2021 | Movement<br>21/22 | Balance c/fwd<br>March 2022 |
|--|-----------------------------|-------------------|-----------------------------|
| Homelessness Prevention                            | -344,144                    | -74,656           | -418,800                    |
| Schools Sport Partnership Project                  | -268,558                    | -120,145          | -388,703                    |
| IT Reserve   | -574,664                    | -40,913           | -615,577                    |
| Local Plan - Consultation and Implementation       | -186,193                    | -30,000           | -216,193                    |
| Vehicle Plant & Asset replacement fund             | -1,032,374                  | -30,000           | -1,062,374                  |
| Environmental Education                            | -23,932                     | 6,793             | -17,139                     |
| Dilapidation Works - Factory Site                  | -9,234                      | 9,234             | 0                           |
| Building Control Transition                        | -13,709                     | 0                 | -13,709                     |
| Rosliston Forestry Centre Café                     | -40,573                     | -16,629           | -57,202                     |
| Rosliston Capital Reserve                          | -175,444                    | -42,000           | -217,444                    |
| New Town Centre Grant - Non-Heritage               | -43,717                     | 0                 | -43,717                     |
| District Conservation Works                        | -10,000                     | 0                 | -10,000                     |
| TIC Transfer Provision                             | -30,293                     | -22,152           | -52,445                     |
| Planning staffing and support costs                | -92,776                     | -279,784          | -372,560                    |
| EU Exit Funding                                    | -52,452                     | 0                 | -52,452                     |
| Pensions reserve                                   | -91,494                     | -133,512          | -225,006                    |
| Corporate Training                                 | -71,585                     | -4,600            | -76,185                     |
| Welfare Reform, Fraud & Compliance                 | -326,761                    | -80,175           | -406,936                    |
| District Growth                                    | -913,354                    | 56,726            | -856,628                    |
| Recycling Service Provision                        | 0                           | -500,000          | -500,000                    |
| HRA Asset Replacement                              | -109,722                    | -45,000           | -154,722                    |
| Public Buildings Maintenance                       | -199,112                    | 0                 | -199,112                    |
| Planning 20% fee increase                          | -90,598                     | -58,200           | -148,798                    |
| Software upgrades to GIS/LLPG                      | -9,000                      | 0                 | -9,000                      |
| Cultural Services Public Open Spaces               | -407,470                    | 137,037           | -270,433                    |
| Operational Services Public Open Spaces            | -154,740                    | 0                 | -154,740                    |
| HRA ICT Mobile Working                             | -291,521                    | 0                 | -291,521                    |
| Parks Improvement Fund                             | -16,071                     | 0                 | -16,071                     |
| Finance staffing and resource costs                | -50,000                     | -40,000           | -90,000                     |
| S106 Planning Policy Fee                           | -5,000                      | -8,100            | -13,100                     |
| Council Tax Support Scheme - Hardship Fund         | -99,093                     | 47,506            | -51,587                     |
| Biodiversity                                       | -157,638                    | 0                 | -157,638                    |
| Flooding - Community Recovery Fund                 | -91,500                     | 7,199             | -84,301                     |
| Economic Regeneration Fund                         | -931,519                    | 36,562            | -894,957                    |
| Cultural Services Restructure Provision            | -69,101                     | 55,108            | -13,993                     |
| New Burdens - COVID-19 Support                     | -349,300                    | -131,000          | -480,300                    |
| Local Authority Support COVID-19                   | -181,218                    | 351               | -180,867                    |
| NNDR Relief Overpayment Provision                  | -3,263,164                  | 2,120,155         | -1,143,009                  |
| Land Charges Software Support                      | -35,000                     | -35,000           | -70,000                     |
| Asset Replacement and Renewal Fund                 | -284,316                    | -88,000           | -372,316                    |
| Business Change and Transformation                 | -52,000                     | 0                 | -52,000                     |
| Shop Fronts Contribution                           | 0                           | -15,507           | -15,507                     |
| Pressure Washer for Shelter Maintenance            | 0                           | -10,000           | -10,000                     |
| Covid - Income Fee Charges                         | 0                           | -92,803           | -92,803                     |
| Discretionary Housing Top Up                       | 0                           | -40,000           | -40,000                     |
| S31 Compensation Fund                              | 0                           | -1,672,065        | -1,672,065                  |
| Swadlincote Woodlands S106                         | -39,949                     |                   | -39,949                     |
| South Derbyshire Partnership Reserve               | -4,617                      | -55,000           | -59,617                     |
| Community Safety & Crime Reduction                 | -373,565                    | -26,899           | -400,464                    |
| Young Peoples Cultural Partnership/Art Development | -7,306                      |                   | -7,306                      |
| Youth Engagement Partnership                       | -598,267                    | -24,512           | -622,779                    |

|  |                    |                   |                    |
|--|--------------------|-------------------|--------------------|
| Get Active in the Forest Partnership         | -92,186            | -36,203           | -128,389           |
| Maurice Lea NHLF Grant                       | -23,012            |                   | -23,012            |
| Tetron Pint Storm Water Basin - S106 UK Coal | -53,012            |                   | -53,012            |
| Public Open Space - Commuted Sum             | -471,695           | 15,000            | -456,695           |
| <b>Total</b>                                 | <b>-12,811,677</b> | <b>-1,261,184</b> | <b>-14,072,861</b> |
| <b>Section 106 - Earmarked Funds</b>         | <b>-10,369,743</b> | <b>-3,927,058</b> | <b>-14,296,801</b> |
| <b>TOTAL EARMARKED/SPECIFIC RESERVES</b>     | <b>-23,181,420</b> | <b>-5,188,242</b> | <b>-28,369,662</b> |

