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| REPORT TO: | FINANCE AND MANAGEMENT COMMITTEE | AGENDA ITEM: 7 |
| DATE OF MEETING: | 26th AUGUST 2021 | CATEGORY: DELEGATED |
| REPORT FROM: | STRATEGIC DIRECTOR (CORPORATE RESOURCES) | OPEN |
| MEMBERS' CONTACT POINT: | VICKI SUMMERFIELD Victoria.summerfield@southderbyshire.gov.uk | DOC: s/finance/committee/2021-22/Aug |
| SUBJECT: | REVENUE FINANCIAL MONITORING 2021/22 | |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: FM08 |

1.0 Recommendations

- 1.1 That the latest revenue financial position for 2021/22 as detailed in the report is considered and approved.
- 1.2 That an additional £50,000 per annum is set-aside as a provision in the Medium-Term Financial Plan (MTFP) due to changes to the Recycling service.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against budget for 2021/22.
- 2.2 The report details performance up to 30 June 2021 unless otherwise stated and is an update of income and expenditure for 2021/22.
- 2.3 The report covers both General Fund and HRA income and expenditure, an update to the MTFP plus a quarterly update to the Collection Fund.
- 2.4 To provide an update on the Council's additional costs due to the COVID-19 pandemic.

3.0 Detail

GENERAL FUND

- 3.1 Apart from Council housing, day-to-day revenue income and expenditure for Council services is accounted for through the General Fund. The net expenditure is financed through the Council's Core Spending Power which includes:
 - General Government Grant
 - Council Tax

- Retained Business Rates
- New Homes Bonus

- 3.2 The Base Budget for 2021/22 approved in February 2021 estimated a budget deficit of £100,984. The estimated deficit has now been increased to £379,116 to include the lower than budgeted increase on Council Tax approved at Full Council in March 2021 (£26,327), concurrent functions and voluntary grant increases of 2% (£13,488), PCI compliance approved January 2021 (£17,235), a carry forward of growth expenditure not incurred during 2020/21 (£136,260), regraded posts in Licensing approved July 2021 (£2,445) and the outsourcing of Payroll reported June 2021 (£32,376).
- 3.3 It is proposed that an additional £50,000 is set-aside in the MTFP to ensure the General Fund has enough provision for the changes to the Recycling service as reported in August 2021.
- 3.4 A review of the additional sum will be taken once the year-end and two quarters of income returns have been received. If a return greater than forecast is seen and a contribution to the specific earmarked reserve is made, then it is likely that this provision can be reduced. This will be reported as part of the outturn for 2021/22.
- 3.5 The increase of £50,000 is included in contingent sums as part of the Waste Collection and Recycling provision listed below at 3.8.
- 3.6 An update to the Council's financial position as a result of approved changes and the General Fund outturn for 2020/21 is listed within the MTFP in **Appendix 1**. This shows that the General Reserve Balance is now projected at just over £1.6 million by 2025/26, assuming projected deficits will be financed from General Reserves between 2021 and 2026. This balance is above the minimum requirement of £1.5 million. On these projections, the balance falls into deficit by 2027 so this will need to be kept under review over the medium-term.
- 3.7 The biggest uncertainty remains future Government funding and further details are awaited ahead of the financial settlement for 2022/23.
- 3.8 Contingent sums held within the MTFP are detailed in the following table.

| | £ |
|---------------------------------------|----------------|
| Provision for "off-payroll" payments | 10,000 |
| Waste Collection and Recycling | 150,000 |
| Growth | 32,630 |
| Pension Earmarked Reserve Drawdown | -41,122 |
| Administration of Child Care Vouchers | 1,750 |
| Licensing Post Upgrade | 2,445 |
| PCI Compliance | 17,235 |
| Payroll Service Outsourcing | 32,376 |
| Parish and Concurrent Functions | 13,488 |
| Local Plan Provision | 15,000 |
| Temporary Post Adjustments | -16,447 |
| Operational Services Growth | 243,274 |
| Total | 460,629 |

Position as at June 2021

3.9 A summary of the financial position for the year compared to the Base Budget for each Policy Committee is shown in the following table.

COMMITTEE SUMMARY - BUDGET MONITORING JUNE 2021

Summary by Policy Committee

| REVENUE | ANNUAL | | | RESERVES | |
|--|-------------------|-------------------|------------------|------------------|------------------|
| | Full Year | Projected | Projected | Earmarked | Net effect on GF |
| | Budget | Actual | Variance | | |
| £ | £ | £ | £ | £ | |
| Environmental and Development Services | 6,127,089 | 6,316,395 | -189,306 | -918 | -188,388 |
| Housing and Community Services | 2,650,462 | 2,247,039 | 403,422 | 407,997 | -4,575 |
| Finance and Management | 6,038,722 | 4,030,877 | 2,007,845 | 1,871,540 | 92,678 |
| TOTAL | 14,816,273 | 12,594,311 | 2,221,961 | 2,278,619 | -100,285 |

3.10 The above table shows that net expenditure is expected to be £2,221,961 lower than budget but transfers to Earmarked Reserves of £2,278,619 due to grant income and external contributions received under Section 106 agreements for projects and capital schemes which stretch beyond the current financial year are required. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.11 Excluding transfers to specific reserves, the above table shows that based on current spending, there is a projected increase in overall expenditure across General Fund services of approximately £100,285.

3.12 An analysis by the main service areas is shown in the following table.

COMMITTEE SUMMARY - BUDGET MONITORING JUNE 2021

Summary by Service Area

| REVENUE | ANNUAL | | | RESERVES | |
|--|-----------|-----------|-----------|-----------|------------------|
| | Full Year | Projected | Projected | Earmarked | Net effect on GF |
| | Budget | Actual | Variance | | |
| £ | £ | £ | £ | £ | |
| Economic Development | 344,350 | 341,330 | 3,020 | 0 | 3,020 |
| Environmental Services | 809,185 | 789,509 | 19,676 | -918 | 20,594 |
| Highways & Parking | 61,801 | 62,076 | -275 | 0 | -275 |
| Licensing & Land Charges | -1,566 | 80,752 | -82,319 | 0 | -82,319 |
| Planning | 638,628 | 640,407 | -1,779 | 0 | -1,779 |
| Street Scene | 1,194,076 | 1,138,035 | 56,041 | 0 | 56,041 |
| Waste & Transport | 3,080,615 | 3,264,285 | -183,670 | 0 | -183,670 |
| Community Development & Support | 698,302 | 676,066 | 22,236 | 27,613 | -5,377 |
| Recreational Activities | 152,990 | 151,745 | 1,245 | 0 | 1,245 |
| Leisure Centres & Community Facilities | 757,807 | 471,663 | 286,144 | 286,134 | 10 |
| Parks & Open Spaces | 577,272 | 559,221 | 18,051 | 21,174 | -3,123 |
| Private Sector Housing | 464,091 | 388,345 | 75,746 | 73,076 | 2,670 |

| | | | | | |
|--|-------------------|-------------------|------------------|------------------|-----------------|
| Central Support Services | 4,075,360 | 4,067,858 | 7,502 | -28,880 | 36,382 |
| Corporate & Democratic Costs | 534,770 | 544,027 | -9,257 | 0 | -9,257 |
| Elections & Registration | 228,425 | 228,426 | -1 | 0 | -1 |
| Parishes, Interest, S106 Receipts & Provisions | 769,221 | -1,194,629 | 1,963,850 | 1,900,420 | 19,803 |
| Estate Management | -245,318 | -267,731 | 22,413 | 0 | 22,413 |
| Revenues & Benefits | 676,265 | 652,927 | 23,338 | 0 | 23,338 |
| | 14,816,273 | 12,594,311 | 2,221,961 | 2,278,619 | -100,285 |

3.13 The main reasons for the projected variance are summarised in the following table and detailed in the commentary.

GENERAL FUND VARIANCE TO BUDGET JUNE 2021

| | £'000 |
|--|---------------|
| Salary savings (vacancies, maternity etc.) - E&D | 238 |
| Salary savings (vacancies, maternity etc.) - F&M | 123 |
| Salary savings (vacancies, maternity etc.) - H&C | 12 |
| Total Employee | 373 |
| Recycling Contract | 410 |
| Increased Planning Fee Income | 110 |
| Waste Disposal | 30 |
| Professional Fees | 30 |
| Investment Income | 20 |
| Extra Refuse Collections | 5 |
| Members Allowance, Room Hire and Training | 5 |
| Other Variances (net) | 1 |
| Total Favourable Variances | 984 |
| Emergency Fire Support and Flood Mitigation | -6 |
| Additional External Audit Work 2019/20 | -6 |
| Bank Charges | -7 |
| Responsive Tree Works in Churchyards | -8 |
| Bin and Sack Purchases | -10 |
| Head of Service Recruitment | -13 |
| PWC Vision Reform | -20 |
| Vehicle Spare Parts | -30 |
| Fuel | -34 |
| Vehicle Hire | -281 |
| Agency and Consultancy Costs | -669 |
| Total Adverse Variances | -1,084 |
| TOTAL - OVERALL PROJECTED VARIANCE | -100 |

3.14 Salary savings in year relate to vacancies and maternity but these savings are more than offset by agency and consultancy to support services. A payment for untaken annual leave entitlement was due to the former Head of Culture and Community Services therefore no savings will be seen on this post in year. Recruitment costs of £13k for the new Head were not budgeted for. The following table shows the expected costs and savings on staffing in year.

| | Employee Saving £'000 | Agency Cost £'000 | Variance £'000 | |
|--------------------------------|----------------------------------|------------------------------|---------------------------|-------------------------------------|
| Recycling | 0 | -260 | -260 | Report to recruit Aug 2021 |
| Planning | 4 | -112 | -108 | Long-term sickness |
| Land Charges | 31 | -101 | -70 | Vacancies - Lichfield DC supporting |
| Finance | -24 | 0 | -24 | Offset by professional fees |
| Licensing | 23 | -34 | -11 | Maternity cover |
| Waste and Transport | 81 | -90 | -9 | Vacancy plus sickness |
| Business Change | 6 | -10 | -4 | Long-term sickness |
| Economic Development | 14 | -11 | 3 | Vacant post |
| Rosliston | 12 | -7 | 5 | Vacant post |
| Democratic | 12 | 0 | 12 | Long-term sickness |
| Environmental | 25 | -9 | 16 | Long-term sickness |
| Organisational Development | 21 | -5 | 16 | Vacancy recruited |
| Property and Public Buildings | 24 | -5 | 19 | Vacancies |
| Legal | 45 | -20 | 25 | Out to recruit |
| Revenues and Customer Services | 38 | -5 | 33 | Vacancies |
| Street Scene | 61 | 0 | 61 | Vacant posts |
| | 373 | -669 | -296 | |

- 3.15 Due to the contract for Recycling unexpectedly concluding in February 2021, the Council is incurring costs for agency (£260k), vehicle hire (£230k) and fuel (£34k) which were not included in the base budget. A saving is being seen on the contract sum (£410k), but this is only partially offsetting the additional costs. A report to determine the future of Recycling was presented to the Committee early in August but this is yet to be updated in the MTFP.
- 3.16 Vehicle hire is also being incurred on Refuse due to two broken vehicles (£51k) that were scheduled to be replaced in 2020 and 2021. A tender exercise is due to be progressed in the coming months. Due to the age of some vehicles scheduled for replacement, an increase in spare parts is also being seen in year (£30k).
- 3.17 Investment income is greater than budget due to the large value of cash deposits held by the Council. £4m is currently invested in a longer-term high interest account with an average return of 4%. The budget for investment income is prudently based on a low interest receivable percentage and is therefore likely to exceed the budget.
- 3.18 Planning applications are significantly higher than forecast and have picked up considerably in the past few months after a lower number during 2020/21. There is no slowdown in applications expected at this stage.
- 3.19 Contributions from Derbyshire County Council are higher than budget on waste disposal due to higher levels of green waste and recycling due to the pandemic. This is in line with the outturn position in 2020/21 where higher levels of income were seen due to stock piling of food at the during of the pandemic. Extra collections are also higher than budget in line with the receipt for waste disposal but an increase in provision of bins and sacks more than offsets this additional income.

- 3.20 Professional fee savings are being seen in Finance due to the payroll service remaining in-house at this stage. Costs are being incurred for the unbudgeted payroll post, but this is covered by the saving.
- 3.21 Savings are being made due to vacancies and training costs for elected Members. It is expected that costs will be incurred as the year progresses with a small saving overall.
- 3.22 Emergency tree works have been undertaken in churchyards to ensure health and safety measures are in place (£8k) and other emergency works on flood mitigation in Melbourne and equipment for a serious fire in Hilton have also been required (£6k).
- 3.23 Due to the additional number of transactions being processed through the Council's bank account, higher costs than budgeted are being incurred. These costs are covered however by the increase in investment income.
- 3.24 Additional costs have been incurred for the extended work required by external audit on the 2019/20 Statement of Accounts. These costs were due to the large prior year adjustment for Housing Benefits which was reported in the outturn report in July 2020.

COVID-19 Funding

- 3.25 The Government has issued £490k of additional funding in quarter one to assist with additional expenditure due to the Pandemic.
- 3.26 During 2020/21, the Council received four tranches of funding for expenditure pressures totalling just over £1.4m. A carry forward of £181k into 2021/22 was approved as part of the outturn report in July 2021.
- 3.27 The following table shows the funding received, the carry forward from 2020/21 and the expected expenditure during 2021/22.

| | £ |
|-----------------------------------|-----------------|
| Bought Forward 2020/21 | -181,218 |
| Grant Payment Q1 | -490,231 |
| Total Funding | -671,449 |
| Agency | 38,176 |
| ICT and Home Working | 60,652 |
| Discretionary Grant Awards | 82,300 |
| Recycling Costs | -11,257 |
| Overtime | 19,160 |
| Committee Sound System and Chairs | 36,010 |
| Kennelling Costs | 35,727 |
| PPE | 7,105 |
| Cleaning of Public Buildings | 8,822 |
| Vehicle Hire | 3,359 |
| Total Predicted Impact | 280,054 |
| Remaining Funding | -391,395 |

- 3.28 Expenditure as noted above is a prediction of potential costs in 2021/22. It is assumed that agency, Committee costs and vehicle hire will continue into the foreseeable future.
- 3.29 Costs for kennelling animals under the Animal Welfare Act are still being incurred due to no court date being scheduled. It is expected that the case should be resolved by September 2021 and these costs should then cease.
- 3.30 Overtime costs are being incurred for additional work related to the Business Grant schemes. It is expected based on current data that these schemes will wind down by the Autumn.
- 3.31 The cleaning regime currently in place in Public Buildings is expected to continue for the remainder of the year and PPE expenditure is likely to remain at a higher level for at least the first two quarters.
- 3.32 Most employees are now set up to work from home where they are able to but there are still potentially areas of cost yet to be seen. This will be kept under review pending a decision on future working arrangements.
- 3.33 The Council set-aside £100k for discretionary grant purposes where businesses and charitable organisations did not qualify for a mandatory Business Grant. As at 31 July, £17,700 of this fund has been utilised. It is assumed that the remainder will be spent in year.
- 3.34 A credit amount for Recycling is now sitting within the summary table due to an over accrual at the year-end for the contract. This in effect was a bigger draw down than required in 2020/21 and is to be rectified in 2021/22.

Core Grants and Funding

- 3.35 The Council's central funding, besides Business Rates, is fixed for the year and is shown in the following table

| Core Grants and Funding 2021/22 | £ |
|--|--------------------------|
| Council Tax | 5,915,215 |
| Retained Business Rates | 3,779,996 |
| Lower Tier Services Grant | 519,414 |
| New Homes Bonus | 3,381,517 |
| Collection Fund Surplus | 124,054 |
| Total Funding | <u>13,720,196</u> |

- 3.36 The final amount retained for Business Rates will depend upon income and expenditure during the year, which includes provisions and any return from the Derbyshire Business Rates Pool.
- 3.37 Performance of the Pool is reported quarterly to all Derbyshire S151 Officers, but nothing has yet been reported on the first quarter performance. There is a risk due to the pandemic that the Business Rates position for authorities across Derbyshire and potential losses in income will be seen which will impact on better performing authorities. It is still unknown at this stage how the Council will be impacted in 2021/22.

HOUSING REVENUE ACCOUNT (HRA)

3.38 The Council is required to account separately for income and expenditure in providing Council housing.

3.39 The Base Budget approved in February 2021 for the HRA was set with an estimated deficit of £1.6m. The MTFP has been updated following the final year-end outturn for 2020/21 and the approval of an upgrade to the Housing Management Software of £30k.

| Summary HRA 2021/22 | BUDGET | PROJECTED ACTUAL | PROJECTED VARIANCE |
|---------------------------------------|--------------|---------------------|-----------------------|
| | £000 | £000 | £000 |
| Total Income | -12,819 | -12,743 | -76 |
| Contribution to Capital & New Build | 2,683 | 2,683 | 0 |
| Responsive & Planned Maintenance | 3,480 | 3,548 | -68 |
| Interest Payable and Receivable | 1,738 | 1,596 | 142 |
| Supervision & Management | 1,848 | 1,875 | -27 |
| Supported Housing & Careline Services | 951 | 923 | 28 |
| Provision for Bad Debts | 125 | 125 | 0 |
| Provision for Debt Repayment | 3,594 | 3,594 | 0 |
| Asset Replacement Contribution | 45 | 45 | 0 |
| Software Upgrade | 30 | 30 | 0 |
| Surplus | 1,675 | 1,676 | -1 |

3.40 The above table shows that overall, the HRA is expected to have a deficit of £1.6m which is in line with budget although there are anticipated fluctuations regarding expenditure and savings to make the net position on target. The main reasons for the variances are detailed below.

HRA VARIANCE TO BUDGET JUNE 2021

| | £'000 |
|--|-----------|
| Salary savings (vacancies, maternity etc.) | 162 |
| Interest Income and Expenditure | 142 |
| Additional Careline Income | 25 |
| Disrepair Claims | -30 |
| Reduced Rent due to Void Dwellings | -101 |
| Agency and Consultancy Staff | -200 |
| Other Variances (net) | 1 |
| TOTAL - OVERALL PROJECTED VARIANCE | -1 |

3.41 Expected salary savings in year relate to vacancies and are more than offset by agency and consultancy to support services.

3.42 Investment income is expected to be above budget by approximately £12k on the HRA and expenditure on the loan interest is expected to be lower than budgeted

(£130k) due to lower interest rates chargeable. Further detail regarding investment income is noted at 3.13.

- 3.43 A lower cost for professional fees is due to a contingency budget for revenue costs associated with new build and acquisition which is unlikely to be fully utilised plus a lower rate of Right to Buy due to the pandemic.
- 3.44 Rental income is lower in year due to void properties. The turnaround of void properties is improving, and the loss forecast will hopefully not increase any further. Right to Buy losses have totalled four during the first quarter which is slightly below budget and aids the income losses. Right to Buy is a significant risk to the HRA and although the pandemic helped slow the losses, an increase in enquiries is being seen as 2021/22 progresses.
- 3.45 Successful disrepair claims have been made against the Council which were not covered by the Council's insurance policy.
- 3.46 Additional income has been received in year for Careline from Derbyshire County Council (DCC). This area is a big risk to the HRA as the income from DCC is not guaranteed after March 2022 and if this is lost it will result in a shortfall of at least £130k per annum. A shortfall of this magnitude will push the HRA below the statutory minimum balance within the next two years. Negotiations regarding the future service provision are underway and will be reported to the Committee in the following months.
- 3.47 The HRA's 10-year MTFP is shown in **Appendix 2**.

COLLECTION FUND

- 3.48 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 Preceptors.
- 3.49 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2021/22 based on transactions up to 30 June 2021, is detailed in **Appendix 3**.
- 3.50 The Appendix shows that the projected surplus balance on Council Tax is approximately £1.8m with a deficit balance on Business Rates of approximately £5.4m.
- 3.51 Growth in the tax base is expected to continue which will impact positively on both Business Rates and Council Tax although both elements are likely to be negatively impacted due to the pandemic.
- 3.52 Council Tax has seen larger growth in the first quarter than initially predicted and is expected to continue to grow further as the year progresses.
- 3.53 Business Rates at the end of the first quarter is looking to generate a large deficit due to Business Rate Reliefs funded by the Government. It is difficult at this stage to forecast how the Business Rates position will fair over the year, but it is hoped that

with all of the additional support given to businesses during the pandemic, that growth will once again benefit the Council.

3.54 The large deficit on Business Rates will be covered over the next three years by all preceptors due to the Government legislating to spread deficit balances incurred in 2020/21 over a three-year period. The largest impact will be incurred during 2021/22 with the remainder spread over 2022/23 and 2023/24. The Council set-aside an earmarked reserve to cover its proportion of the deficit during the completion of the 2020/21 Accounts.

3.55 The Council is required to complete a Statutory return with expected Tax Base numbers for the following financial year in September. The Council Tax budget was based on this return with a Tax Base of 35,218 Band D equivalent properties with a total number of dwellings on the valuation list of 46,311. At the end of June 2021, the actual Tax Base was 36,253 (+1,035) with a total number of dwellings of 47,291 (+980).

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

Employment Implications

5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

5.3 There are no specific targets within the Corporate Plan but ensuring sustainability of the Council's financial position enables services to deliver targets included with the Plan.

Risk Impact

5.4 None.

6.0 Community Impact

Consultation

6.1 None.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Background Papers

7.1 None.

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at JUNE 2021

| | Budget £ 2021.22 | Projection £ 2022.23 | Projection £ 2023.24 | Projection £ 2024.25 | Projection £ 2025.26 | Projection £ 2026.27 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| BASE BUDGET | | | | | | |
| Environmental & Development | 6,127,089 | 6,360,107 | 6,526,586 | 6,697,424 | 6,871,713 | 7,053,047 |
| Housing & Community | 2,650,462 | 2,792,946 | 2,844,411 | 2,897,581 | 2,951,322 | 3,021,669 |
| Finance & Management | 6,038,722 | 6,198,526 | 6,366,623 | 6,536,299 | 6,707,819 | 6,881,426 |
| Net Service Expenditure | 14,816,273 | 15,351,579 | 15,737,621 | 16,131,304 | 16,530,853 | 16,956,142 |
| Accounting Adjustments | | | | | | |
| Reverse out Depreciation | -1,435,413 | -1,435,413 | -1,435,413 | -1,435,413 | -1,435,413 | -1,435,413 |
| Minimum Revenue Provision (MRP) | 181,932 | 174,654 | 167,668 | 160,962 | 154,523 | 148,342 |
| Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone) | 75,891 | 20,556 | 20,556 | 1,639 | 0 | 0 |
| | 13,638,682 | 14,111,376 | 14,490,431 | 14,858,492 | 15,249,963 | 15,669,070 |
| Add: Known Variations | | | | | | |
| Vehicle Maintenance Plan (Tyres and Spare Parts) | 0 | 23,000 | 20,000 | 55,000 | 55,000 | 55,000 |
| Operational Services - Allocated Growth Excluded from Base Budget | 243,274 | 146,652 | 382,329 | 160,367 | 164,376 | 168,486 |
| Growth Provision Drawdown | 0 | 0 | -172,294 | 0 | 0 | 0 |
| Licensing Posts Regrade - approved July 2021 | 2,445 | 3,893 | 6,200 | 8,536 | 8,735 | 8,953 |
| PCI Compliance Reported January 2021 | 17,235 | 17,235 | 17,235 | 17,235 | 17,235 | 17,235 |
| Parish Concurrent Functions and Grants to Voluntary Bodies | 13,488 | 13,488 | 13,488 | 13,488 | 13,488 | 13,488 |
| Payroll Service Transfer Reported June 2021 | 32,376 | -39,119 | -39,019 | -38,905 | -38,779 | -38,779 |
| Local Plan Review | 15,000 | 15,000 | 0 | 0 | 0 | 0 |
| Incremental Salary Increases | 0 | 21,842 | 22,388 | 22,948 | 23,522 | 0 |
| Investment Income | 0 | 11,000 | 51,000 | 68,040 | 70,000 | 70,000 |
| Administration of Childcare Vouchers | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 | 1,750 |
| Temporary Posts, Rosliston and Grants | -16,447 | -100,298 | -86,943 | -95,844 | -80,410 | 0 |
| Potential Cost of New Waste Disposal Site | 0 | 47,560 | 49,938 | 52,435 | 55,057 | 57,809 |
| Potential Loss of Industrial Unit Income | 0 | 190,000 | 190,000 | 190,000 | 190,000 | 190,000 |
| Pension Earmarked Reserve Drawdown | -41,122 | -43,589 | -6,783 | 0 | 0 | 0 |
| District Election May 2023 | 0 | 0 | 125,000 | 0 | 0 | 0 |
| TOTAL ESTIMATED SPENDING | 13,906,681 | 14,419,790 | 15,064,721 | 15,313,542 | 15,729,937 | 16,213,013 |
| Provisions | | | | | | |
| Provision for Employer's NIC on "off-payroll" payments | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Contingent Sum - Growth | 32,630 | 160,000 | 105,000 | 143,254 | 143,144 | 113,144 |
| Waste and Recycling | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| TOTAL PROJECTED SPENDING | 14,099,311 | 14,739,790 | 15,329,721 | 15,616,796 | 16,033,081 | 16,486,157 |

GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & PROJECTION as at JUNE 2021

| | Proposed Budget £ 2021.22 | Projection £ 2022.23 | Projection £ 2023.24 | Projection £ 2024.25 | Projection £ 2025.26 | Projection £ 2026.27 |
|---|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| FINANCING | | | | | | |
| Business Rates Retention | -3,779,996 | -3,779,996 | -3,779,996 | -3,779,996 | -3,779,996 | -3,779,996 |
| Lower Tier Services Grant Allocation | -519,414 | -2,388,033 | -3,159,592 | -2,843,633 | -2,559,270 | -2,559,270 |
| New Homes Bonus | -3,381,517 | -1,122,625 | 0 | 0 | 0 | 0 |
| Council Tax Income | -5,915,215 | -6,158,100 | -6,412,322 | -6,687,869 | -6,980,282 | -7,281,557 |
| Core Spending Power | -13,596,142 | -13,448,754 | -13,351,910 | -13,311,498 | -13,319,548 | -13,620,822 |
| Add Estimated Collection Fund Surplus - Council Tax | -124,054 | -55,000 | -55,000 | -55,000 | -55,000 | -55,000 |
| TOTAL FINANCING | -13,720,196 | -13,503,754 | -13,406,910 | -13,366,498 | -13,374,548 | -13,675,822 |
| Revenue Surplus (-) / Deficit | 379,116 | 1,236,037 | 1,922,811 | 2,250,298 | 2,658,533 | 2,810,335 |
| Capital Contributions | | | | | | |
| Melbourne Sports Park Drainage | 166,020 | 0 | 0 | 0 | 0 | 0 |
| IT and Digital Strategy | 166,000 | 160,000 | 160,000 | 160,000 | 166,500 | 173,000 |
| Purchase of Town Centre Land | 44,335 | 0 | 0 | 0 | 0 | 0 |
| Community Partnership Scheme | 264,853 | 0 | 0 | 0 | 0 | 0 |
| Rosliston Forestry Centre - Play Project | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Asset Replacement and Renewal Fund | 358,000 | 357,000 | 356,000 | 355,000 | 355,000 | 355,000 |
| TOTAL CAPITAL CONTRIBUTION | 1,049,208 | 517,000 | 516,000 | 515,000 | 521,500 | 528,000 |
| TOTAL GENERAL FUND DEFICIT | 1,428,324 | 1,753,037 | 2,438,811 | 2,765,298 | 3,180,033 | 3,338,335 |
| GENERAL FUND RESERVE BALANCE | | | | | | |
| Balance b/fwd | -13,193,524 | -11,765,200 | -10,012,164 | -7,573,353 | -4,808,055 | -1,628,023 |
| Revenue Surplus (-) / Deficit | 379,116 | 1,236,037 | 1,922,811 | 2,250,298 | 2,658,533 | 2,810,335 |
| Capital Contributions | 1,049,208 | 517,000 | 516,000 | 515,000 | 521,500 | 528,000 |
| Balance c/fwd | -11,765,200 | -10,012,164 | -7,573,353 | -4,808,055 | -1,628,023 | 1,710,312 |

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JUNE 2021

| | 2021.22 | 2022.23 | 2023.24 | 2024.25 | 2025.26 | 2026.27 | 2027.28 | 2028.29 | 2029.30 | 2030.31 | 2031.32 |
|--|--------------|--------------|--------------|------------|------------|------------|-------------|-------------|-------------|-----------|-------------|
| Approved | Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Additional Debt Repayment Transfer | 2,150 | 2,500 | 2,300 | 1,500 | 1,500 | 1,850 | 750 | 750 | 750 | 1,000 | 800 |
| Investment Income | 0 | 18 | 43 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 0 |
| Capital works non-traditional properties | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| ICT Upgrades | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 230 | 30 | 30 | 30 |
| Incremental Salary Increases | 0 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| HRA Surplus (-) / Deficit | 1,675 | 1,939 | 1,634 | 684 | 514 | 692 | -583 | -560 | -938 | 65 | -375 |

HRA General Reserve

| | | | | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| HRA Reserve B/fwd | -8,430 | -6,755 | -4,815 | -3,181 | -2,497 | -1,983 | -1,292 | -1,875 | -2,435 | -3,373 | -3,308 |
| (Surplus) / Deficit for year | 1,675 | 1,939 | 1,634 | 684 | 514 | 692 | -583 | -560 | -938 | 65 | -375 |
| HRA Reserve C/fwd | -6,755 | -4,815 | -3,181 | -2,497 | -1,983 | -1,292 | -1,875 | -2,435 | -3,373 | -3,308 | -3,683 |

RESERVES

Debt Repayment Reserve

| | | | | | | | | | | | |
|----------------------|---------------|---------------|-----------|---------------|---------------|------------|---------------|---------------|---------------|---------------|---------------|
| Balance B/fwd | -8,006 | -1,600 | -5,694 | -5 | -3,151 | -6,238 | -24 | -2,655 | -5,187 | -7,472 | -9,373 |
| Depreciation balance | -1,444 | -1,594 | -2,011 | -1,646 | -1,587 | -1,936 | -1,881 | -1,782 | -1,535 | -901 | -1,379 |
| Transfers to reserve | -2,150 | -2,500 | -2,300 | -1,500 | -1,500 | -1,850 | -750 | -750 | -750 | -1,000 | -800 |
| Repayment of loan | 10000 | 0 | 10,000 | 0 | 0 | 10,000 | 0 | 0 | 0 | 0 | 10,000 |
| Reserve C/fwd | -1,600 | -5,694 | -5 | -3,151 | -6,238 | -24 | -2,655 | -5,187 | -7,472 | -9,373 | -1,552 |

Earmarked Reserve

| | | | | | | | | | | | |
|---|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
| Balance B/fwd | -401 | -401 | -298 | -298 | -73 | -118 | -163 | -208 | -253 | -298 | -63 |
| Vehicle Replacement Transfer to Reserve | -45 | -45 | -45 | -45 | -45 | -45 | -45 | -45 | -45 | -45 | -50 |
| Software Upgrade | 45 | 148 | 45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Replacement | 0 | 0 | 0 | 270 | 0 | 0 | 0 | 0 | 0 | 280 | 0 |
| Reserve C/fwd | -401 | -298 | -298 | -73 | -118 | -163 | -208 | -253 | -298 | -63 | -113 |

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JUNE 2021

| | 2021.22 | 2022.23 | 2023.24 | 2024.25 | 2025.26 | 2026.27 | 2027.28 | 2028.29 | 2029.30 | 2030.31 | 2031.32 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Approved | | | | | | | | | | | |
| Budget | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |

Major Repairs Reserve

| | | | | | | | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Balance B/fwd | -4,592 | -5,292 | -5,992 | -6,292 | -6,892 | -7,492 | -7,692 | -8,292 | -8,892 | -9,492 | -10,092 |
| Transfers to reserve | -600 | -600 | -300 | -600 | -600 | -200 | -600 | -600 | -600 | -600 | -600 |
| Earmarked non-traditional properties | -100 | -100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserve C/fwd | -5,292 | -5,992 | -6,292 | -6,892 | -7,492 | -7,692 | -8,292 | -8,892 | -9,492 | -10,092 | -10,692 |

New Build Reserve

| | | | | | | | | | | | |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital Receipts B/fwd | -1,642 | -1,861 | -2,582 | -3,197 | -3,808 | -4,420 | -5,031 | -5,643 | -6,255 | -6,866 | -7,478 |
| Acquisitions in year | 505 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RTB Receipts in year | -724 | -721 | -615 | -612 | -612 | -612 | -612 | -612 | -612 | -612 | -612 |
| Borrowing in year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance c/fwd | -1,861 | -2,582 | -3,197 | -3,808 | -4,420 | -5,031 | -5,643 | -6,255 | -6,866 | -7,478 | -8,089 |

COLLECTION FUND MONITORING 2021/22 (as at 30 June 2021)

| | Actual 2020/21 | Estimated 2021/22 | Qtr 1 Projection 2021/22 | Notes |
|---|-------------------|----------------------|--------------------------------|--|
| | £'000 | £'000 | £'000 | |
| COUNCIL TAX - INCOME & EXPENDITURE | | | | |
| INCOME | | | | |
| Council Tax Collectable | 65,215 | 68,476 | 68,644 | Est. Increase in Tax Base and Precepts at 5% |
| EXPENDITURE | | | | |
| County Council Precept | 46,517 | 48,709 | 48,709 | As approved by Full Council 1 Mar 2021 |
| Police and Crime Commissioner Precept | 7,812 | 8,509 | 8,509 | As above |
| Fire and Rescue Authority Precept | 2,680 | 2,792 | 2,792 | As above |
| SDDC Precept | 5,705 | 5,915 | 5,915 | As above |
| SDDC Parish Precepts | 848 | 929 | 929 | As above |
| Increase in Bad Debts Provision | 1,546 | 1,370 | 1,373 | Estimated at 2% of income |
| Total Expenditure | 65,108 | 68,224 | 68,227 | |
| Surplus for the Year | 107 | 252 | 417 | |
| COUNCIL TAX BALANCE | | | | |
| Opening Balance 1 April | 3,310 | 2,617 | 2,617 | Per Final Accounts 2020/21 |
| Share of Previous Surplus to County Council | -587 | -881 | -881 | As approved by Full Council 14 Jan 2021 |
| Share of Previous Surplus to Police | -96 | -144 | -144 | As above |
| Share of Previous Surplus to Fire Authority | -34 | -51 | -51 | As above |
| Share of Previous Surplus to SDDC | -83 | -124 | -124 | As above |
| Surplus for Year (as above) | 107 | 252 | 417 | |
| Closing Balance as at 31 March | 2,617 | 1,669 | 1,834 | |
| BUSINESS RATES - INCOME & EXPENDITURE | | | | |
| INCOME | | | | |
| Business Rates Collectable | 19,572 | 28,308 | 25,217 | Estimate as per NNDR1 |
| Transitional Protection Payments | 343 | 289 | 289 | |
| Total Income | 19,915 | 28,597 | 25,506 | |
| EXPENDITURE | | | | |
| Central Government Precept | 13,862 | 13,927 | 13,927 | |
| SDDC Precept | 11,089 | 11,141 | 11,141 | Per NNDR1 Submission |
| Derbyshire County Council Precept | 2,495 | 2,507 | 2,507 | As above |
| Fire and Rescue Service Precept | 277 | 279 | 279 | As above |
| Cost of Collection | 93 | 94 | 94 | As above |
| Increase in Bad Debts Provision | 589 | 199 | 252 | Estimated using debtor position at 31 Dec 21 |
| Provision for Appeals | 799 | 450 | 504 | Estimated using appeals list at 31 Dec 21 |
| Total Expenditure | 29,204 | 28,597 | 28,705 | |
| Surplus / Deficit (-) | -9,289 | 0 | -3,199 | |
| BUSINESS RATES BALANCE | | | | |
| Opening Balance 1 April | 1,155 | -8,157 | -8,157 | Per Final Accounts 2020/21 |
| Prior Year Share of Surplus (-) / Deficit to Government | 36 | 2,952 | 2,952 | Per NNDR1 Submission |
| Prior Year Share of Surplus (-) / Deficit to SDDC | -19 | 2,361 | 2,361 | As above |
| Prior Year Share of Surplus (-) / Deficit to County | -40 | 531 | 531 | As above |
| Prior Year Share of Surplus (-) / Deficit to Fire | 0 | 59 | 59 | As above |
| Surplus / Deficit (-) for the Year as above | -9,289 | 0 | -3,199 | |
| Closing Balance as at 31 March | -8,157 | -2,254 | -5,453 | |