

CABINET – 7TH JULY 2022

Report of the Head of Financial Services Lead Member: Councillor Barkley

Part A

ITEM REVENUE OUTTURN 2021/22 AND CARRY FORWARD OF BUDGET

Purpose of Report

This report is to inform Cabinet of the Revenue Outturn position of the General Fund and Housing Revenue Account (HRA) for 2021/22 compared with the Original budgets and request budget carry forwards of £90.8k for the General Fund and £40.8k HRA detailed below.

Recommendations

1. That the Revenue Outturn positions of the General Fund and Housing Revenue Account for 2021/22 be noted.
2. That six General Fund carry forwards budgets amounting to £90.8k as per paragraph 41 and HRA £40.8k paragraph 40 funded from specific underspent budgets in 2021/22 are approved.

Reasons

1. To enable the information to be used when considering future budgets and the Medium-Term Financial Strategy.
2. To enable the budgets to be carried forward to cover costs of committed resources and services in 2022/23.

Policy Justification and Previous Decisions

Financial resources are required to carry out all the aims and strategies of the Council.

Implementation Timetable including Future Decisions and Scrutiny

This report will be considered by the Finance & Performance Committee on 28th June 2022. The budget amounts to be carried forward, if approved and subject to there being no call-in, will be added to the 2022/23 budget.

Report Implications

The following implications have been identified for this report.

Financial Implications

The financial implication of this report is that, if the carry forward requests are approved, there will be funding in 2022/23 of £90.8k General Fund and £40.8k for the HRA. There are sufficient reserves to cover this request from within the overall General Fund and Housing Revenue Account Budgets from 2021/22.

Risk Management

There are no specific risks associated with the decisions requested.

Key Decision: Yes

Background Papers: None

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Part B

Executive summary

- A. For 2021/22 the Original budget was set to take account of some previous years income losses and service impacts due to COVID-19. Restrictions continued to take place throughout this year requiring the Council to undertake new activities around the support of homelessness, residents and businesses which have impacted on grant funding and income and expenditure patterns.
- B. The net set service expenditure, the following General Fund outturn resulted (figures in £m):

<i>Original budget 2021/22</i>	<i>Outturn</i>	<i>Variance vs Original Budget</i>
£18.8m	£17.2m	£1.6m - Fav

- C. The favourable outturn helps provide a one off increase to the working balance in 2021/22 and the MTFs will be amended accordingly. The ongoing budget however provides challenges over the next few year post Covid19, the global economic position and the cost of living increases.
- D. Further detail on the outturn of individual income and expenditure lines is provided within the body of this report. Commentary and comparisons are generally presented with respect to the current budget amounts.
- E. Notwithstanding COVID-19 the outturn shows that the Council actually increased the General Fund working balance by £751k in the year, compared to budgeted use of reserves of £847k. The principle contributing factor to the favourable variance was the receipt of unbudgeted Grant Funding of £1m to offset (mainly) covid related costs. Additionally, one off Covid service pressures to reflect anticipated income losses £885k were included the 2021/22 budget. The Total net favourable variance is £1,598k is summarised below in paragraph 2.
- F. The Councils other earmarked revenue reserves 31st March 2021 were £2m and have also increased during the year by some £1.3m to £3.3m at 31st March 2022. This was principally due to increases in the Commercialisation Reserve and monies received and held on account in respect of the Town Funds. The detailed breakdown of these reserves are shown below in paragraph 20.
- G. The HRA remained generally stable throughout the year although HRA income has been reduced by a higher level of voids than was originally budgeted for.
- H. In summary, the key headlines are:-
- The General Fund balance actually grew in the year due to one-off factors, the principal of which was the receipt of circa £1m in ad hoc government grant funding offered in response to the COVID-19 pandemic

- The underlying structural challenges with the Council's finances are uncertain with probable reducing government grant funding combined with significant cost pressures still remain.
- However, the enhanced reserve position is welcome news and allows a smoother pathway to financial sustainability.

Background - Outturn for General Fund and HRA

Introduction

The Original Net Service Expenditure Budget of £18,932k was approved at Council in February 2021 during the Covid19 pandemic. The original budget included one off service pressures for specific income lines including Car Park Income, Town Hall Concerts and Show income, Town Hall Bars and Catering, Market Income, Town Centre Street trading these service pressures totalled £885k

1. Main variances between revised budget and outturn in terms of the total borough expenditure are as follows:
 - Net Service Expenditure – The Net Service Expenditure showed an underspend of £1,854K as per Appendices 1 and 2. Major variances within this figure are explained in paragraphs 5 to 17 of this report.
 - Revenue Contribution to Capital ('RCCO') - £645K was used to fund the Capital Programme in the year across 10 schemes, sourced from the Capital Plan Reserve £524k, Reinvestment Reserve £40k and other Revenue underspends £81k.
 - NDR Additional Income £387k is net additional NDR Income, £643k surplus amount NDR1 compared to the budget and this was offset by other NDR costs of £256k. The NDR budget for 2022/23 has however been increased by £500k in line with the current Outturn position.
 - Interest Received on Balances £281k interest has been received which is lower than Budget by £19k, this is due to the current low interest rates. The budget for 2022/23 has been set at £300k due to the sustained low interest rate forecast.
 - Interest Paid £230k interest paid which is lower than the budget by £10k, these costs relates to a £2m loan, this will be repaid in 2024, and therefore will generate an ongoing budget savings from 2024 of £230k.
2. The General Fund Reserve Balances (Appendix 1)
 The working balance reserve Opening balance was 31st March 2021 £5,816k, which compared to the closing balance of £6,567k being a £751k surplus, compared to the budget deficit of £847k is a variance of £1,598k, this is a favourable variance. The major variances are summarised in the table below:-

Summary Major Variances 2021/22	P13 Variance Underpends /(Overspend) £'000s	
Leisure & Cultural	193	Town Hall show income/events, Budget includes One off budget Covid pressure £681k
Neighbourhood Services	59	Crime reduction costs funded by one off grant instead of CBC budget
Environmental Services	168	S106 one off income for Grounds Maintenance £59k , Garden Bin £23k /Trade and Bulky Waste £44k, KPI one off £32k
Planning/Building Services	381	Planning Fees £233k /Building Control Fees £148k
Customer Experience	197	Carry forward £35k New Burdens Grants - Discretionary Housing Scheme
Strategic Housing Support	103	Homelessness Grant Return £350k+£174K Covid Not budgeted for
Strategic Support	108	Brexit Grant £50k transferred to working balance, Audit costs £49k
Commerical Directorate	112	NHS Vaccination Centre and Other Commercial Income
Managed Vacancy Savings Balance	81	Managed Vacancy Saving above target of £505k
Bad Debt Provision	18	Reduction in Bad Debts Provison
Planning Agency Costs	(131)	Planning Agency/Other Salary Costs Overspends
Organisational Development	(125)	Insurance costs
Regulatory Services	(72)	Car Park Losses shortfall £179k, Car Park Budget includes one off Covid losses £141k
Car Allowance	(200)	Car Allowance scheme saving not yet Implemented
Other Variances	43	
Controllable Variances/Appendix 2	935	
Net Additonal NDR Income	387	NDR Income not budgeted for
Covid Income Claim	276	DCGLG income claim not budgeted for
Total Overall Variance	1,598	

The Housing Revenue Account Outturn for 2021/22 (Appendix 4) shows a surplus of £2,942k compared with a break-even budgeted position. The HRA general balances at the end of the year were £606k following a transfer of £2,945k to the HRA Financing Fund. This gave the HRA Financing Fund a balance at the end of the year of £14,576k.

- The General Fund and Housing Revenue Account are both provisional as the Statement of Accounts are currently in production and will need to be audited before being finalised and signed off.

Outturn – General Fund 2021/22

Directorate Controllable Costs Outturn (Appendix 2)

- Appendix 2 shows an underspend of £1,854K for the General Fund controllable current budgets at Service level. Controllable costs are those that budget officers have direct responsibility for managing and these exclude Capital charges, Recharges. Paragraphs 5 to 17 below explain the major General fund variances within this figure.
- Head of Strategic and Private Sector Housing – underspends of £103k (13% of budget) The major underspend is due to Homelessness Grant funding £350k and Covid Grant £174k in addition to the budget to part offset the Homelessness costs £751k.

6. Head of Landlord Services – overspend of £7k (3% of the budget) due to a lower level of income for lifeline units than anticipated.
7. Head of Planning, Building Control – An underspend of £250k (36% of the budget). Planning had additional fee Income of £233K, this was offset by Planning Agency/Consultant costs of £179k, Building Control additional income was £148k more than expected due to the setting up of a combined Building Control shared service with Northwest Leicestershire District Council and receiving additional income for prepaid work. There was also a £50k saving on staffing costs.

Below is an analysis of both Planning & Building Control Income budgets over the last 4 years.

Planning Fee Income	Original Budget	Actual Income	Variance
			(Overspend)/ Underspend
	£'000	£'000	£'000
2018/19	1,344	993	(351)
2019/20	1,351	1,053	(298)
2020/21 (Original Budget)	1,351	1,112	(239)
2020/21 (Revised Budget)	743	1,112	369
2021/22	1,058	1,291	233

Building Control Fee Income	Original Budget	Actual Income	Variance
			(Overspend)/ Underspend
	£'000	£'000	£'000
2018/19	276	191	(85)
2019/20	276	185	(91)
2020/21 (Original Budget)	196	159	(37)
2020/21 (Revised Budget)	95	159	64
2021/22 Combined CBC & NorthWest S	432	580	148

8. Head of Waste, Engineering & Open Spaces – underspend of £168k (3% of the budget) Additional S106 Income £59k to cover future open space grounds maintenance costs, additional bulky waste/trade waste Income £92k, part offset by trade waste collection and disposal £48k, additional Garden Waste Income £23k, Serco KPI Income £32k, the balance being a number of various under/overspends.
9. Head of Leisure and Culture - underspend of £193k (17% of the budget) The Town Hall underspend £162k was based on a reduced budget for this year and the balance of £31k underspends being Public Conveniences /Public Events. Total one off budget pressures of £681k in this service area were included due to Covid19 restrictions, mainly in respect of Town Hall. The Town Hall re-opened fully in September 2021 when the full show programme commenced including the pantomime production. Budget levels in 2022/23 have been reset to pre Covid levels, budget monitoring will be necessary to highlight any Income shortfalls.

10. Head of Neighbourhood Services – underspend of £59k (4% of the budget). Crime Prevention underspent £30k, one off external funding received and used to cover expenditure normally spent from this service, and £7k saving as not progressing the Thorpe Acre Hub, £8k CCTV Contractor payments, and the balance being Recreation and Leisure savings.
11. Head of Financial Services – Overspend of £51k (4% of the budget) the Essential Car Allowance scheme saving of £200k was not realised in the year, this was offset by the additional managed vacancy saving £81.3k (MVS) above the budget target of £505k, in addition a reduction in bad debt £18k, underspend on added years costs £18k and the balance being other set aside salary savings.
12. Head of Customer Experience – Underspend of £197k (4% of the budget) The net rent allowance subsidy payments costs are £728k (£987K 2020/21) these relate to supported living accommodation costs, which is £64k overspent compared to the budget of £665k for Supported Living, offset by additional Income for Council Tax Court costs recovered of £79k. A carry forward request of £33.5k underspend for New Burden grant funds is to be used for Discretionary Housing Council Tax Support scheme. There was also a £77k reduction Capita Accommodation contract costs, £37k IT service costs not spent and further grant funding £34k not used in 2021/22.
13. Head of Regulatory Services – Overspend of £72k (8% of the budget). Main overspend is £179k Car Park Income shortfall, due to Covid19, the temporary introduction of one hour free Car parking charges for 2021/22, and working from home, which have all an impact on the car park Income budget. The Car Park income budget also included a one off service pressure of £141k, demonstrating that Car Park Income remains well below pre-pandemic levels. A review on Car Parking charges and permit schemes will be carried out in 2022/23. Underspends across regulatory services are £107K, but with some earmarked to be carried forward for the Northgate system implementation. Generally budget levels in this area for 2022/23 have been reset to pre Covid levels and close budget monitoring will be necessary to highlight any Income shortfalls.
14. Head of Strategic Support – Underspend of £108k (7% of the budget). This includes an underspend in Internal Auditors fees of £49K, this budget has been reduced in 2022/23 by £20k. Also contributing to this underspend is the Brexit grant of £50k, Legal Service Budget of £20k underpsent, offset by Land Charges shortfall of Income £46k and various smaller variances.
15. Head of Organisational Development – Overspend of £125k (9% of the budget). £113K Insurance contract overspend, this has been retendered in 2022/23 which will rectify this overspend. The balance being appointment expenses £6k, and software charges £6k overspends.
16. Strategic Director Commercial Development, Assets & Leisure – Underspend £112k, (10% of the budget) additional NHS vaccination centre income and Commercial Income £213k, plus utility savings of £37k_ this was offset by a loss of one tenant occupying 4 Industrial Units £26k, Condition survey costs at

Loughborough Leisure Centre £17k, and the balance being costs incurred across all Industrial units £95K.

A budget of £542.5k was earmarked for the Commercialisation Reserve which now totals £951k, this is to cover any future losses that may arise from the Commercial properties.

Managed Vacancy Saving

17. The General Fund managed vacancy salary savings budget is £505k based on expected vacancy levels in 2021/22, a saving of £586.3k was achieved being £81.3k higher than the budget set.

Contributions from/to Reserves (Appendix 1)

18. The working balance brought forward was £5,816k plus the in year transfer a surplus of £751K, gives a balance held of £6,567k as at March 2022. This is above the approved minimum level of required reserves held of £2m.
19. The Reinvestment Reserve has been used in accordance with the Council's financial procedures to help achieve corporate aims through service improvements, the balance at 31st March 2022 is £495k. A transfer of £5k will be made in 2022/23 to maintain the £500K minimum level for this reserve.
20. The Capital Plan Reserves balance was £1.9m at 31st March 2022 and can be used to fund either Capital or Revenue costs.
21. Earmarked Revenue Reserves retained and ring fenced for specific purpose are those listed below, the balance at 31st March 2022 being £3.3m.
22. NNDR S31 Grant reserve has been set up to offset future NNDR deficits. This is required due to technical reasons with the balance at 31st March 2022 being £4.2m. This is ringfenced for NNDR purpose.

Other Revenue Reserves	Brought Fwd 1st April £'000	Balance 31st March 2022 £'000	Amounts Recieved/ (Used in Year)
Mausoleum Compensation Reserve	(47,170)	(49,792)	2,623
Crime Prevention CCTV Scheme	(5,237)	(5,237)	0
Town Funds	(91,072)	(904,752)	813,679
LLEP Business Rates Pool	(178,112)	(148,112)	(30,000)
Neighbourhood Planning	(19,293)	(52,382)	33,090
DCLG Planning Reserve	(105,850)	(99,350)	(6,500)
Protect & Vaccinate	0	(1,095)	1,095
LCG Rough Sleepers Grant	(78,233)	(17,709)	(60,525)
Section 106 Agreement	(554,543)	(577,254)	22,711
Flexible Homlessness Support	(175,892)	(175,892)	0
Rogue Landlord Reserve	(56,500)	(56,500)	0
Homelessness Reserve	(216,627)	(216,627)	0
Next Steps	(78,344)	(55,320)	(23,025)
Commercialisation Reserve	(408,374)	(950,874)	542,500
New Burdens Grant	0	(32,295)	32,295
Total Revenue Reserves	(2,015,248)	(3,343,191)	1,327,943

Loughborough Special Expenses (Appendix 3)

23. The actual Loughborough Special Expense costs were £1,209k (£1,289k 2020/21); against the Original budget of £1,335k, being £126K underspent (0.17% of the original budget). A detailed breakdown of the variances and officer comments are show in Appendix 3 below. This underspend will be carried forward within the Loughborough Special Expense Account and reflected in future year's Loughborough Special Levy calculations.

Housing Revenue Account Outturn 2021/22

24. Housing Revenue Account outturn for 2021/22 is a surplus of £2,942k compared with a break-even position. This gives HRA general balances at the end of the year of £606k following a transfer of £2,945k to the HRA Financing Fund. This transfer gives the HRA Financing Fund a balance at the end of the year of £14,576k. The Council's preferred minimum level of balances is £110 per property. The 2021/22 HRA Capital Programme was budgeted to include revenue contributions of £3,325k from the HRA and £298k from the HRA Financing Fund. The HRA Capital Programme did not require these revenue contributions in 2021/22 which is the principle reason for the significant overall underspend.
25. The HRA Balances at 31st March 2022, are overall £19,430k. The HRA contributed to the Major Repairs Reserve of £3,679k via Depreciation. This reserve has a balance at 31 March 2022 of £4,248k compared with £3,210k at 31 March 2021. This balance is the unspent amount carried forward to 2022/23. This

reserve finances capital expenditure and the repayment of debt, in accordance with the HRA Business Plan.

26. The Housing Financing Fund balance at 31 March 2022 was £14,575k. The HRA owes £79m in loans following the self-financing settlement in 2012 and, as well as paying the interest due, the principal amounts borrowed will either, in time, need to be refinanced or paid back. The first loan to be paid back following the self-financing settlement is in 2024. The money required to pay back the debt will be from HRA Reserves. The total HRA Balances at 31 March 2022 are £19,429k.
27. Supervision and Management (Appendix 5) £43k underspend (1.1% of the budget). This includes salaries £12k, underspending on legal costs £36k, assisted transfers £18k, estate maintenance £16k, community projects £22k, and utilities £19k. These were offset by a shortfall of legal costs recovered £57k, and other income shortfall of income £24k.
28. Repairs and Maintenance (Appendix 5) £15k overspend (0.2% of the budget) This includes underspending salaries £203k, There was an overspend in compliance of £224k as the work programme was accelerated to catch up with prior year underspends. This was offset by underspends totalling £36k including £26k relating to vehicle leasing.
29. Allocations and Lettings (Appendix 5) £64k underspend. Salaries were underspent by £124k and Car Allowances £11k and other minor overspends £2k. There is a carry forward request for £40.8k for an additional Housing Options Officer in 2022/23. Grant income of £69k was not required in the HRA (relating to salaries).
30. Housing Strategy (Appendix 5) £100k underspend. This included salaries of £78k and Policy/Consultant Fees £18k and other minor underspends £4k.
31. Rents, Rates, and other charges (Appendix 5) £52k overspend. Due to the higher voids position, Council Tax payments on empty properties was £52k higher than the budgeted position.
32. Net Recharge Cost to the HRA were £32k (2%) greater than the budget. The Depreciation of £3,680k was credited into the Major Repairs Reserve to and the capital programme. Revaluations were reversed out and do not affect the HRA outturn position.
33. The 2021/22 net rent income for dwellings was £464k (2.19%) lower than the budget. There was £19k of additional gross rent due to final stock levels compared with the budget, although this was offset by higher void variance of £483k. (Actual Voids were £1,064k against a budget of £581k). A plan is in place to reduce the time properties are in repair with recently completed actions including the appointment of a new contractor for the completion of energy performance certificates, and the establishment of a service level agreement with Energy Angels to support the prompt energisation of void properties. Additional temporary void operatives are being recruited to increase delivery. Right to buy sales were budgeted at 40 sales, compared with 48 actual sales. An additional 10 properties

were added to the HRA. Gross rents are the total amount of rents in a year assuming full occupancy. Net rents is that figure reduced by the amount of void/empty properties.

34. As of 31 March 2022, rent arrears were £1,063k compared with £1,094k on 31 March 2021. Court costs arrears were £93k on 31 March 2022 compared with £98k on 31 March 2021. These are a net reduction of £36k. As a percentage of dwelling rents, the total arrears including court costs is 5.60% compared with 5.79% in 2020/21.
35. The total amount of HRA debt written off in the year was £147k compared to £163k in 2021/22. Although bad debt top-up at £97k is £286k (75%) lower than the original budget, all outstanding income debts are covered by the HRA bad debt provision which totals approximately £1.3m on 31 March 2022.
36. Current dwelling rent arrears increased by £4k between the end of March 2021 and the end of March 2022. Former tenant arrears reduced by £32k over the same period. Former tenant arrears cash collected over the year was £63k. Rent collection for the year (including arrears brought forward) was 96.46% compared with 96.33% at the end of the previous year.
37. The numbers of tenants receiving universal credit (UC) continues to rise but the rate of change over the year slowed down compared to the two previous years: during the year numbers increased by 356 to 1,427 at the end of March 2022. As expected, and in line with the experience of other landlords, UC rent arrears have increased and the average debt of a tenant receiving universal credit at the end of the year was £641 compared to £592 at the end of March 2021. UC is paid to the claimant as a single monthly payment in arrears. It takes at least five weeks for the Department for Work and Pensions to assess a claim and for tenants to receive their first payment of the benefit. A rent debt is often accrued as a result. In some instances, on receipt of the benefit tenants do not pay the rent to the council. Advice and support are offered to all tenants moving to universal credit by the landlord services' financial inclusion and tenancy support teams. Where tenants have vulnerabilities and/or owe eight or more weeks' rent our universal credit officer makes applications to the DWP to switch payment of the housing element of UC from the tenant to the council. Rent recovery action is taken where necessary.
38. The council's ability to take legal action for non-payment of rent was still constrained for part of the year due to the protection for tenants from eviction provided by the Coronavirus Act 2020. Restrictions were finally lifted in the autumn of 2021.
39. Appendix 5 details the controllable cost outturn for the HRA as of 31 March 2021. This shows the controllable budgets and actuals as they were presented within the monitoring reports during the year. The descriptions of Employee related expenditure include all employee related costs, not just salaries. Some costs such as insurance costs and business rates must be shown in Rents, Rates and Other Charges, within the Income and Expenditure account of the Statement of Accounts.
40. Housing Revenue Account Carry Forward Request £40.8k

Additional Housing Options Officer – 12-month contract

41. General Fund Carry Forward Requests £91k

Supplier	£	Carry Forward Requests
Charwood Staffing	57,300	Northgate system support implementation, for Environmental Health, Food Safety, Licensing, one off resources for project management required funded by staffing savings in this service for 2021/22.
DWP New Burdens	33,500	Grant Funding for the Discretionary Council Tax Support Scheme
	90,800	

Appendices

Appendix 1 – General Fund Outturn 2021/22

Appendix 2 – General Fund Controllable Outturn 2021/22

Appendix 3 – Loughborough Special Expenses Outturn 2021/22

Appendix 4 – HRA Outturn 2021/22

Appendix 5 – HRA Controllable Outturn 2021/22

		Appendix 1		
Actual 2020/21 £000	GENERAL FUND OUTTURN 2021/22	Original Budget 2021/22 £000	Actual 2021/22 £000	Variance 2021/22 £000
20,386	Net Service Expenditure	18,932	17,078	1,854
182	Revenue Contribution to Capital	0	645	(645)
(309)	NDR LCC Pilot Gain/NDR Net additional Income	0	(387)	387
(652)	NDR Enterprise Zone LLEP contribution	0	0	0
240	Interest Paid	240	230	10
(342)	Less: Interest on Balances	(300)	(281)	(19)
19,506	Total Borough Expenditure	18,872	17,285	1,586
(292)	Contribution to (from) Reinvestment Reserve	0	(96)	96
1,175	Contribution to/(from) Working Balance	(849)	749	(1,598)
143	Contribution to/(from) Working Balance (Collection Fund)	2	2	0
(101)	Contribution to/(from) Growth Fund	0	0	0
857	Contribution to/(from) Other Revenue Reserves	(106)	785	(891)
453	Contribution to/(from) Capital Plan Reserve	0	(524)	524
21,741	Precept Requirement	17,919	18,202	(283)
4,947	NNDR	4,547	4,547	0
7,288	Council Tax Receipts	7,640	7,640	0
1,271	Loughborough Special Levy	1,311	1,311	0
143	Collection Fund Surplus/(Deficit)	2	2	0
4,122	New Homes Bonus	3,000	3,000	0
1,778	DCLG Covid Income Loss Claim	0	275	(275)
2,184	DCLG Covid/Lower Tier Services Grant	1,418	1,418	0
8	Government Grants	0	8	(8)
21,741	Precept Income	17,919	18,202	(283)
	Revenue Reserves Balances			
4,498	Working Balance 1st April	1,820	5,816	(3,996)
1,318	Transfer from General Fund	(847)	751	(1,598)
1,224	Transfer from General Fund to EZ LLEP Creditor Account	0	0	0
(1,224)	Contribution/Payment to the LLEP Fund	0	0	0
0	Business Rates Appeals Adjustments	1,561	0	1,561
5,816	Balance at 31 March	2,534	6,567	(4,033)
883	Reinvestment Reserve 1st April	357	591	(234)
(292)	Transfers From/(to) General Fund	0	(96)	96
591	Balance at 31 March	357	495	(138)
1,980	Capital Plan Reserve 1st April	1,819	2,433	(614)
500	Transfers From General Fund	0	0	0
(47)	Funding of Capital Expenditure	0	(524)	524
2,433	Balance at 31 March	1,819	1,909	(90)
7,346	NDR Deficit /S31/ (Covid) Reserve 1st April	7,346	7,346	0
0	NDR Offset NDR Deficit	0	(3,052)	3,052
7,346	Balance at 31 March	7,346	4,294	3,052
1,158	Other Revenue Reserves 1st April	1,113	2,015	(902)
857	Transferred From/(to) General Fund	(106)	1,328	(1,434)
2,015	Balance at 31 March	1,007	3,343	(2,336)
18,201	TOTAL BALANCES	13,063	16,608	(3,545)

Appendix 2

Charnwood Borough Council - Revenue Monitoring Report		2021-22		
		Actual	Current Budget	Variance
Controllable Service Costs		£000's	£000's	Underspend/(Overspend) £000's
Community, Planning & Housing Directorate				
	Strategic Director; Community, Planning & Housing	122	120	(2)
	Head of Strategic and Private Sector Housing	705	808	103
	Head of Landlord Services	(221)	(228)	(7)
	Head of Neighbourhood Services	1,356	1,415	59
	Head of Planning and Regeneration	441	691	250
	Head of Regulatory Services	1,001	929	(72)
		3,405	3,735	330
Environmental & Corporate Services Directorate				
	Head of Waste, Engineering and Open Spaces	5,649	5,817	168
	Strategic Director; Environmental & Corporate Services	122	123	0
	Chief Executive's Team	261	263	2
	Head of Financial Services	1,284	1,233	(51)
	Organisational Development	1,539	1,415	(125)
	Head of Customer Experience	4,763	4,960	197
	Head of Strategic Support	1,348	1,456	108
		14,966	15,266	300
Commercial Development, Assets & Leisure Directorate				
	Strategic Director; Commercial Development, Assets and Leisure	(1,252)	(1,141)	112
	Head of Leisure and Culture	923	1,115	193
		(330)	(25)	304
	Grand Total	18,041	18,976	935
Note: Reconciliation to Appendix 1				
	Grand Total as above	18,041	18,976	935
	Adjustment for Non-Controllable Recharges to HRA	(2,089)	(2,056)	33
	Budget changes since Original Budget	0	750	750
	MRP/Commercialisation Reserve Contribution	1,126	1,262	136
	Other	0		0
	Net Service Expenditure per Appendix 1	17,078	18,932	1,854

LOUGHBOROUGH SPECIAL EXPENSES					
2020/21		2021/22			
Actual	Service	Original Budget	Actual	Variance Underspend (Overspend)	Note
£		£	£	£	
73,335	Loughborough CCTV	78,900	70,848	8,052	1
79,346	Community Grants - General / Fearon Hall / Gorse Covert	66,800	66,821	(21)	2
32,122	Marios Tinetti Centre / Altogether Place / Community Hubs	45,800	37,993	7,807	3
7,702	Charnwood Water Toilets	6,300	(2,443)	8,743	4
34,803	Voluntary & Community Sector Dev Officer post (75% LSX)	35,700	36,502	(802)	5
1,555	Biggin Street Toilet - Friday Opening	0	0	0	6
120,976	Contribution towards Loughborough Open Spaces Grounds Main	122,400	122,415	(15)	7
42,685	November Fair	(2,700)	(7,182)	4,482	8
	<u>Parks:</u>				
355,206	Loughborough - including Loughborough in Bloom	353,200	308,404	44,796	9
66,401	Gorse Covert and Booth Wood	70,300	70,531	(231)	10
	<u>Sports Grounds:</u>				
107,230	Derby Road	115,600	110,232	5,368	11
38,455	Lodge Farm	43,100	41,604	1,496	12
72,831	Nanpantan	75,400	73,738	1,662	13
18,163	Park Road	19,100	17,577	1,523	14
24,585	Shelthorpe Golf Course	23,800	23,126	674	15
27,650	Loughborough Cemetery	47,700	47,009	691	16
45,072	Allotments - Loughborough	49,200	40,982	8,218	17
13,628	Carillon Tower	16,600	9,990	6,611	18
44,407	Festive Decorations and Illuminations	55,800	52,305	3,495	19
82,659	Town Centre Management	112,600	88,806	23,794	20
1,288,814		1,335,600	1,209,257	126,343	

Loughborough Special Expense variance comments 2021/22			
1	There was an underspend on employee costs £11k, a service saving of £10k has been included with effect from 2022/23 reducing the salary budget going forward. A further underspend of £6.9k on contractor payments was partly due to the new equipment being more reliable and requiring less callout charges. There was also an additional £1k income from fees and charges. 24% of the final costs are funded by the Loughborough Special Rate compared to the budget which was set using 25%. There has been an increase of 45 additional cameras in the Borough overall, but only 9 of these were in Loughborough, on the Warwick Way Estate as part of the safer streets project.		
2	No comment needed		
3	The development of the Thorpe Acre Community Hub £6.5k is not being progressed further, this together with a reduction in the community hub co-ordinator expenses are the reasons for this underspend. The 2022/23 budgets have been reduced accordingly.		
4	100% rate relief has been applied to the Charnwood Water toilets with effect from 1st April 2017, resulting in 4years NNDR refund of £8.7k. The toilets have been closed during this period due to anti social behaviour which is being closely monitored.		
5	The 1.75% pay award agreed in March 2022 was not included in the 2021/22 original budget figure.		
6	The public convenience service review to amalgamate the Biggin Street toilets with the town centre toilets has been carried out, no further costs will be charged against the Loughborough Special Rate.		
7	No comment needed		
8	An overspend of £12k on the fair management costs, including salaries £4.7k, security services £4.7k and safety inspections, traffic management costs and publicity £2.7k was due to increased measures to ensure that the event was delivered in a covid safe environment. These overspends were offset by additional site rental income of £6k and £10.5k underspends on support service costs, this was mainly due to reduced recharges from the markets & fairs service unit, the overall employee costs of this area were significantly underspent due to difficulties recruiting to vacant posts.		
9	Britain in bloom costs were underspent £13.3k, a number of the community groups that participate in this competition were not confident post covid to take part. There was also an underspend on the play equipment budget £12.7k, this offsets the overspend reported last year. Support service recharges were also underspent £18.7k, this was mainly due to reduced recharges from the policy and green spaces development team following a service review carried out summer 2021, which produced an ongoing saving going forward. The 2022/23 support service recharges have been re-aligned accordingly.		
10	No comment needed		
11	Building repair and maintenance, electrical works and security services were underspent £2.9k, £0.9k and £1.8k respectively, less work was required in this area.		
12	NNDR was underspend £1.8k, this was due to a credit being received following a reduction in the rateable value backdated to 2017/18. This was part offset by building repairs and maintenance overspend £1.2k, this was mainly due to improved hygiene equipment installation in the toilets following covid. Support service recharges were slightly underspent £0.5k		
13	Building repair and maintenance and electrical works were both overspent £3.7k and £1.6k respectively, this was mainly due to various works at the bowls club including gully edge repair, artificial grass replacement and essential lamp post repairs. These were part offset by utility cost underspends £3.9k, a credit of £3.3k was received on metered water charges for previous year overpayments. There was also additional income £2.4k, this is mainly from increased rental costs which is part of the lease agreement with Charnwood Lawn Tennis Club. Support services were also slightly underspent £0.4k		
14	Building repair and maintenance was overspent £1k, this was for the installation of roof liners following a survey on behalf of the Phoenix Bowls Club. This was offset by additional income £0.6k from Bowls charges and reduced support service recharges £2.1k, mainly from the policy and green spaces development team, as detailed above.		
15	Support service recharges were underspent £0.8k, this was mainly due to reduced recharges from the policy and green spaces development team, as detailed above.		
16	There was an overspend £1.9k on the contract with NWLDC for the provision of the Council's bereavement services, this was mainly due to additional on-call and standby costs. There was also a £6.7k income shortfall from burial fees. Support service recharges were underspent £9k, this was mainly from the policy and green spaces development team, as detailed above.		
17	Additional income £2.3k from allotment site rental is partly due to increased charges. Support service recharges were underspent £5.6k, this was mainly from the policy and green spaces development team, as detailed above.		
18	The building repair and maintenance budget was underspent £1.4k, only routine maintenance was required such as fire alarm testing etc. Support service recharges were also underspend £12.3k, this was mainly due to less recharges from the museum staff due to the tower being closed to the public all year and only minimal time spent undertaking planned maintenance and inspections. Although an income budget of £1.5k was originally forecast, no income was received due to the ongoing closure of the tower. 50% of the total cost of the Carillon is charged to the Loughborough Special Rate		
19	Support service recharges were underspent £3.2k, this was mainly due to reduced recharges from the markets & fairs service unit due to high staff vacancies in this team as detailed above		
20	Various underspends namely, licences £1.9k, publicity and printing £1.2k, security charges £0.6k and streets alive & other events £5.9k, the events programme was reduced due to ongoing covid concerns. These were partly offset by salary overspends £3.7k and equipment purchase repair & hire £1.8k, due to additional covid work. There was also an income shortfall £4k, this is mainly due to £3k BID contribution towards Christmas events not being received, the BID board have decided to redirect their support to funding an ambassador post tackling crime reduction, this budget will be amended accordingly for future budgets rounds, street trading consents income was also down £0.9k. Support service recharges were underspent £23k this was mainly due to reduced recharges from the markets & fairs service unit due to high staff vacancies in this team and the admin & business support team. An admin and business service review was carried out during summer 2021, staff were transferred to the areas they support directly, resulting in a reduction of recharges for the latter part of the year.		

Appendix 4

2020/21 Actual	Housing Revenue Account	2021/22 Original Budget	2021/22 Outturn	2021/22 Variance
£000		£000	£000	£000
	Expenditure			
5,421	Supervision and Management	5,393	5,762	(369)
6,427	Repairs and Maintenance	6,752	7,088	(336)
261	Rents, Rates, and other charges	225	277	(52)
175	Provision for Bad Debt and Other Charges	383	97	286
3,464	Depreciation	3,409	3,680	(271)
(14,077)	Net Revaluation increase of non-current assets	0	(5,488)	5,488
18	Debt Management Expenses	10	10	0
1,689	Expenditure Sub-total	16,172	11,426	4,746
	Income			
(20,597)	Dwelling Rent Income	(21,100)	(20,637)	(463)
(412)	Shops, Land and Garages Rent	(355)	(348)	(7)
(52)	Warden Service Charges	(53)	(49)	(4)
(286)	Central Heating and Communal Charges	(309)	(312)	3
(143)	Leasehold Flat and Shop Service Charges	(143)	(196)	53
(28)	Hostel Service Charges	(24)	(27)	3
(9)	Council Tax recharged	(10)	(8)	(2)
(21,527)	Income Sub-total	(21,994)	(21,577)	(417)
(19,838)	Net Cost/(income) of service	(5,822)	(10,151)	4,329
(82)	Transfer from General Fund - Grounds Maintenance	(85)	(91)	6
2,701	Interest Payable	2,709	2,700	9
(45)	Investment Income	(27)	(45)	18
(17,264)	Net Operating Expenditure/(Income)	(3,225)	(7,587)	4,362
0	Revenue Contribution to Capital	3,225	0	3,225
(96)	Pension Adjustment	0	(859)	859
(112)	Accumulated Absence Adjustment	0	16	(16)
14,077	Reversal of Gain on Revaluation	0	5,488	(5,488)
13,869	Appropriations	3,225	4,645	(1,420)
(3,395)	(Surplus)/Deficit for the year	0	(2,942)	2,942

Appendix 4 (Continued)

2020/21 Actual	Housing Revenue Account	2021/22 Original Budget	2021/22 Outturn
£000		£000	£000
(610)	HRA Balance at beginning of year	(607)	(609)
(3,395)	(Surplus)/Deficit for the year	0	(2,942)
3,396	Transfer to/from Reserves	5	2,945
(609)	HRA Balance at end of year	(602)	(606)
(8,235)	HRA Financing Fund at beginning of year	(11,631)	(11,631)
(3,396)	Transfer to/from Reserves	5	(2,945)
0	Revenue Contribution to Capital	298	0
(11,631)	HRA Financing Fund at end of year	(11,328)	(14,576)
(3,210)	Major Repairs Reserve at end of year	(3,111)	(4,248)
(15,450)	Overall HRA balances at end of the year	(15,041)	(19,430)

Appendix 5

Charnwood Borough Council HRA Revenue Monitoring Report as at March 2022 Period (202113) Based on Original Budget	Full Year Budget £000's	Year-to-Date (YTD)			YTD Variance as % of YTD Budget
		Amount £000's	Current Budget £000's	Variance Under/ (Over) £000's	
<i>General Management</i>					
Repairs & Maintenance					
Employee Related Costs	2,719	2,516	2,719	203	7.5%
All Other Controllable Costs	3,309	3,497	3,309	(188)	-5.7%
Controllable Income	(54)	(24)	(54)	(29)	54.7%
Total Repairs & Maintenance	5,974	5,988	5,974	(15)	-0.2%
Allocations & Lettings					
Employee Related Costs	728	603	728	124	17.1%
All Other Controllable Costs	32	23	32	9	29.2%
Controllable Income	(69)	0	(69)	(69)	100.5%
Total Allocations & Lettings	691	626	691	64	9.3%
Housing Strategy					
Employee Related Costs	106	28	106	78	73.8%
All Other Controllable Costs	22	0	22	22	99.7%
Total Housing Strategy	127	28	127	100	78.2%
Supervision & Management					
Employee Related Costs	2,495	2,483	2,495	12	0.5%
All Other Controllable Costs	1,595	1,484	1,595	111	7.0%
Controllable Income	(240)	(159)	(240)	(81)	33.6%
Total Supervision & Management	3,850	3,807	3,850	43	1.1%
<i>Total General Management</i>	10,641	10,449	10,641	192	1.8%
<i>Rents, Rates and Other Charges</i>					
Rents, Rates and Other Charges					
All Other Controllable Costs	225	277	225	(52)	-23.4%
Total Rents, Rates and Other Charges	225	277	225	(52)	-23.4%
<i>Total Rents, Rates and Other Charges</i>	225	277	225	(52)	-23.4%
Grand Total	10,866	10,726	10,866	140	1.3%
Income					
Dwelling Rent Income - Gross	(21,682)	(21,701)	(21,682)	20	-0.1%
Dwelling Rent Void loss	581	1,064	581	(483)	-83.2%
Net Dwelling Rent Income	(21,100)	(20,637)	(21,100)	(464)	2.2%
Non-Dwelling Rent	(484)	(493)	(484)	9	-1.9%
Non-Dwelling Rent Void Loss	129	145	129	(17)	-12.9%
Net Non Dwelling Rent Income	(355)	(348)	(355)	(8)	2.1%
Charges for Services & Facilities - Charge	(674)	(738)	(674)	64	-9.5%
Charges for Services & Facilities - Void Loss	135	145	135	(10)	-7.7%
Net Charges for Services and Facilities	(539)	(592)	(539)	54	-9.9%
Total Income	(21,995)	(21,577)	(21,995)	(418)	1.9%

Appendix 5 (Continued)

Reconciliation of HRA Outturn to Revenue Monitoring	
Appendix 4 - HRA Outturn	
	£000
Supervision and Management	5,762
Repairs and Maintenance	7,088
Rent, Rates, Taxes and other charges	277
	<u>13,127</u>
Appendix 5 - Revenue Monitoring	
General Management (above)	10,726
Add Support Service Recharges (costs)	3,478
Add Corporate and Democratic Core	100
Minus Support Service Recharges (income)	<u>(1,177)</u>
	<u>13,127</u>

Reconciliation of HRA HRA Revenue Monitoring to HRA Income and Expenditure Account	
Appendix 5 - Revenue Monitoring	
	£000
General Management (above - Employee/Other Controllable costs)	10,726
Add Support Service Recharges (costs)	3,478
Add Corporate and Democratic Core	100
Minus Support Service Recharges (income)	<u>(1,177)</u>
	<u>13,127</u>
HRA Income and Expenditure Account	
I&E Supervision and Management	6,293
I&E Repairs and Maintenance	6,168
Rents Rates and other taxes	748
Charges for Services and Facilities	(121)
Other Income	(37)
Contributions to Expenditure	(24)
Add Corporate and Democratic Core	100
Total expenditure on Income and Expenditure Account	<u>13,127</u>
Note - the HRA Income and Expenditure Account is published in the 2021/22 Statement of Accounts	