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Strategic Planning and Environment Overview and Scrutiny Committee

Report for:	Strategic Planning and Environment Overview and Scrutiny Committee
Title of report:	Provisional Financial Outturn 2021-22
Date:	6 th July 2022
Report on behalf of:	CLlr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Revenue Provisional Outturn 2021-22 Appendix B – Strategic Planning and Environment Capital Programme Provisional Outturn 2021-22
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity
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	<p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
Wards affected	All
Purpose of the report:	<p>1. To provide details of the provisional financial outturn 2021-22 for the:</p> <ul style="list-style-type: none"> • General Fund Revenue • Strategic Planning and Environment Capital Programme
Recommendation (s) to the decision maker (s):	<p>1. That Committee note the provisional financial outturn position for 2021-22 and proposed General Fund reserve movements.</p>
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1 Introduction:

- 1.1** This report presents the provisional financial outturn position for the Council as at 31 March 2022. The final position for the year is subject to:
- the finalisation of reserve movements
 - The completion of the audit of the Council's accounts by the Council's external auditors Grant Thornton UK LLP.
- 1.2** The General Fund revenue account records the income and expenditure associated with all Council functions, except the management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA).
- 1.3** General Fund revenue outturn – across all scrutiny committee areas, General Fund revenue budgets are reporting a surplus of £0.565m. A recommendation will be taken to Cabinet in July to recommend to Council that this surplus be transferred to a newly created Inflationary Pressures earmarked reserve, to help the Council meet unexpected in- year inflationary pressures that may arise as a result of the current economic climate.
- 1.4** The General Fund position includes a draw- down of funding from the Economic Recovery Reserve (ERR) to cover Covid- related pressures, an approach with prior approval by Council. The ERR was specifically set up to fund pressures associated with Covid.
- 1.5** Strategic Planning and Environment budgets are reporting an underspend of £0.066m. Included within this position is a pressure relating to Waste services funded via previously approved reserve draw- downs and a favourable variance to budget arising from gates fees on co- mingled recycling.

1.6 Strategic Planning and Environment General Fund Capital budgets are reporting further slippage of £0.335m and a pressure of £0.163m. The slippage driven by delays in delivery of new fleet from manufacturers. The pressure is driven by expenditure on wheeled bins.

2 General Fund Revenue Position – all Scrutiny Committee Areas

2.1 Appendix A provides an overview of the General Fund forecast outturn position.

2.2 The table below provides an overview by Scrutiny area of the provisional outturn for controllable budgets within the General Fund.

Table 1- General Fund Revenue Provisional Outturn 2021-22	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Finance & Resources	7.300	7.300	0	0.0%
Strategic Planning and Environment	10.950	10.884	(0.066)	(0.6%)
Housing and Community	1.857	2.046	0.189	10.2%
Total Operating Cost	20.107	20.230	0.123	0.6%
Core Funding	(20.107)	(20.795)	(0.688)	3.4%
(Surplus)/ Deficit	0	(0.565)	(0.565)	

2.3 This report focuses on the revenue and capital provisional outturn position for services within the Strategic Planning and Environment scrutiny committee remit.

3 General Fund Revenue Position- Strategic Planning and Environment

Table 2 – Strategic Planning and Environment Provisional Outturn 2021-22	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Resident Services	10.106	10.055	(0.051)	(0.5%)
Place	0.844	0.829	(0.015)	(1.8%)
Total Operating Cost	10,950	10,884	(0.066)	(0.6%)

3.1 Strategic Planning and Environment budgets are reporting a relatively small favourable variance to budget overall. Included within this are some significant variances. This includes a pressure against Waste Services £0.700m, funded via previously approved reserve draw- downs and a favourable variance to budget arising from gates fees on co- mingled recycling, £0.360m.

4 Capital Programme

4.1 Appendix B shows the projected capital provisional outturn in detail by scheme.

The table below summarises the overall capital outturn position for Strategic Planning and Environment scrutiny committee area.

The current budget is the original budget approved by Cabinet in February 2021, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred but will now be in 2022/23 rather than 2021/22 ('slippage'), or conversely, where expenditure planned initially for 2022/23 has been incurred in 2021/22 ('accelerated spend').

The 'Variance' column refers to projects which are expected to come in under or over budget and projects which are no longer required.

Table 3- Capital Provisional Outturn 2021-22	Current Budget	Re-phasing (To)/from future years	Revised Budget	Forecast Outturn	Variance	
	£000	£000	£000	£000	£000	%
Strategic Planning and Environment	2.610	(0.335)	2.275	2.437	0.163	6.2%

4.2 Strategic Planning and Environment General Fund Capital Programme Major Variances

Strategic Planning and Environment General Fund capital budgets are reporting further slippage of £0.335m. The slippage includes the £0.330m relating to the Fleet Replacement programme due to delays in delivery of new fleet from manufacturers (line 86).

There is a pressure of £0.163m against General Fund capital budgets driven largely by pressure of £0.128m on wheeled bin purchases (line 82).

5 Equalities, Community Impact and Human Rights

5.1 Community Impact Assessments on Council activities are carried out by relevant services with responsibility for those activities. A separate Community Impact Assessment has not been carried out in respect of this report.

5.2 There are no Human Rights Implications arising from this report.

6 Sustainability implications

6.1 There are no specific sustainability implications arising from this report.

7 Council infrastructure

7.1 The content of this report sets out the implications of the Council's activities for its financial resources for 2021-22.

8 Conclusions

8.1 At provisional outturn 2021-22, there is a surplus of £0.565m against Council General Fund budgets. Within this, Strategic Planning and Environment budgets are reporting an underspend of £0.066m.

8.2 It is proposed that the General Fund surplus be transferred to a newly created Inflationary pressures reserves to support unexpected inflationary costs that may arise in 2022-23 and beyond.

8.3 At provisional outturn 2021-22, Strategic Planning and Environment capital budgets are reporting additional slippage of £0.335m with a pressure of £0.163m.

8.4 The provisional outturn position for the Council for 2021-22 will be reported to Cabinet in July 2022.