

General Fund Revenue Outturn position 2021/22

1. Net Cost of Services

An underspend of £1.9m is reported against the net cost of services budget, the main areas of underspend/additional income are detailed across the following paragraphs:

- Across the Council salary budgets were underspent, this was either due to posts not being filled following in year reviews of service provision, external funding from grants or third party contributions have offset salary budgets resulting in an underspend position against salaries of c£280k
- Grant income from central government received in respect of the revenues and benefits service of £250k above the budgeted income amount was received in year, this has been transferred to earmarked reserves to fund future schemes in line with the grant determinations.
- Income received to fund the maintenance of parks and open spaces has been recognised in the 2021/22 net cost of services. £300k has been transferred to reserves to fund ongoing maintenance.
- Income that the Council receives from the sale of recyclable materials that it collects as part of its domestic waste service can vary significantly and is impacted by domestic and global events. In 2021/22 the income received was far higher than budgeted which has resulted in £250k being transferred to the Recycling income volatility reserve, which is used to smooth the impact of changing material prices on the revenue budget.

2. Net use of reserves

In 2021/22 there was budgeted to be a contribution to reserves of £2.5m, the outturn position is a contribution from reserves of £2m, a movement of £4.5m there are a number of factors affecting the reserves position, as detailed below:

- When the 2021/22 budget was set in March 2021 it was anticipated that a contribution to reserves of £3.1m in respect of the NNDR compensation would be made with this being released over the following 2 years. However, following the pandemic's impact on

Business rates collection and accounting guidance from central government, a contribution to reserves of £10.8m was made in 2020/21 instead of 2021/22, therefore in line with regulations a third of this drawn down from reserves in 2021/22. This accounts for a movement of £6.7m

- At the time of setting the 2021/22 budget a forecast £789k of contributions from reserves were forecast. As a result of underspends in the year there were not required.
- A budgeted use of reserves from the general fund of £414k was included in 2021/22, this was set aside at the end of 2020/21 as part of an underspend on IT projects that had not been completed in the year. These projects were not completed in 2021/22 therefore this remains in the reserve to be drawn down in 2022/23.
- As detailed in the Net Cost of Services section contributions to reserves of £800k have been made from income to be utilised in future years

3. Funding

The funding budgets approved as part of the MTFP in March 2021 totalled £8.1m, these were based on information available at the time of setting the budget.

- Business rates income continued to be affected through the year by the pandemic and was significantly lower than budgeted. This was partially offset through Section 31 grants received from central government to compensate local government for mandatory business rate reliefs granted.
- The 2021/22 outturn deficit on the NNDR collection fund is higher than projected when the budget was approved in March 2021. This is due to decreased business rate income.