

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Phillip Cowen, Executive Member for Finance Revenues and Benefits

To: Cabinet, 7 June 2022
Full Council: 7 July 2022

Author: Alison Chubbock, Assistant Director Finance

Subject: Quarter 4 Financial Performance Report 2021-22

Purpose: This report provides information on the actual full year financial position of the Council as at 31 March 2022

Recommendation(s):

- 1) That the report and appendix be noted.

Recommend to FULL COUNCIL:

- 2) That capital budgets (& associated funding sources) of £1,932,375 be carried forward into 2022-23 to support projects in progress.
- 3) That the revised capital budget and associated funding for the 2022-23 capital programme as detailed in appendix B be approved.
- 4) That the final capital out-turn and funding for 2021-22 as detailed in appendix C be approved.

1.0 BACKGROUND

1.1 Throughout the year quarterly monitoring reports have been completed forecasting the expected year end out-turn against the budgets. This report provides information on the actual full year financial performance for revenue, capital and treasury, with the detail being included in the attached appendix, alongside information on our major Balance Sheet risks. The full statement of accounts will be presented to Governance and Audit Committee in July with final values.

1.2 Revenue

The full year out-turn based is a small above budget spend of £25k overall. This is after removing the budgeted contribution to the General Fund of £153k as there is insufficient funds to make this contribution. Full details of variances are shown in appendix A.

Considering the considerable challenges still faced by Local Authorities over this financial year as a result of the Covid-19 pandemic and the significant increase in demand for temporary accommodation, this is an extremely positive financial position. We have been able to mitigate resource and cost pressures through corporately prioritising available funding and resources to the most in need areas, continuing to support our priorities, our residents and our businesses.

Progress against achieving our efficiencies has been strong, with £316k (54%) achieved to date and a further £118k achieved in 2022-23 (75% in total). The remaining efficiency is no longer valid due to natural changes in the working environment and the budget

approved in February 2022 includes a new efficiency programme which will be reported on throughout the year, to ensure targets remain applicable and achievable.

- 1.3 When the budget was set, we allocated £500k of the general Government Covid grant to services, leaving £231k to offset general additional costs across the Council. These cost pressures were not known at the time as the impacts of the Covid pandemic cannot easily be forecast, but this funding and other Covid new burdens funding is being used to cover all Covid costs across the organisation.
- 1.4 We are continuing to experience significantly high levels of demand within the Housing Service. Calls into the service are remaining high compared to previous years, and the Housing Register now has approximately 1,300 people up from 1,000 for the same time last year. We continue to use remaining COMF to put additional Fixed Term roles into the service to add capacity. We have successfully bid to the Rough Sleeper Initiative Fund for continuation of support staff and have commenced the build of Rough Sleeper Accommodation Programme for 5 additional units at Elm House as move on accommodation for Rough Sleepers. We are using the direct let option within the Housing Allocations Policy for customers we owe the full Homelessness Duty to, ensuring we are able to transition them out of Temporary Accommodation as quickly as possible, those who turn down the offer of a suitable property will be given reasonable notice to leave Temporary Accommodation. We are additionally working with other Council services to proactively identify additional Temporary Accommodation sites [like Elm House] in other part of the District as a priority.

This picture is one being seen nationally and is not just in the Breckland area. The result of the higher number of customers needing to be placed into temporary accommodation is that we are unable to reclaim the costs in full through Housing Benefit, hence the additional costs shown in Appendix A in this area. The response detailed in the paragraph above aims to bring the number of customers in temporary accommodation down and the Evolve programme includes a workstream on housing/temporary accommodation to help resolve these pressures in the future.

- 1.5 Both the Council Tax and NNDR income has remained positive in 2021-22 despite the pandemic and we are therefore forecasting a surplus for Council Tax on the Collection Fund, which is recognised next financial year. Whilst the NNDR is showing a deficit this is due to Government funded reliefs announced after budgets were set last year and is fully offset by Government grants. Due to the accounting rules the deficit is shown next year with the grants held in reserve this year to fund the deficit next year.
- 1.6 The General Fund is currently £2.8m which is near our minimum recommended balance of £2.5m but this small above budget spend at 31 March can be funded from the General Fund.

1.7 **Capital**

The out-turn shows spend of £6,614k (77%) against the budget and appendix A details the main variances. This report includes a recommendation to Full Council to carry forward £1,933k into future years, of which £952k relates to Better Care Fund grants which are committed and £637k relates to vehicles and equipment for our new waste contract.

1.8 Treasury

The investment interest budget is below budget income of £110k as detailed in the appendix to this report. This mainly relates to external loans to a 3rd party which are still expected to be made, but the timing is later than when budgeted.

1.9 Balance Sheet Management

Appendix A includes a new section to highlight any potential risks to our financial sustainability, this section is included as a measure of good practice to ensure Members are fully informed and is in line with the new CIPFA Financial Management Code. The appendix includes full details and shows there are no actions required at the current time.

2.0 OPTIONS

2.1 That the report and appendix be noted and Recommend to Full Council:

That capital budgets (& associated funding sources) of £1,932,375 be carried forward into 2022-23 to support projects in progress.

That the final capital out-turn and funding for 2021-22 as detailed in appendix B be approved

That the revised capital budget and associated funding for the 2022-23 capital programme as detailed in appendix C be approved

2.2 Do nothing.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 To provide timely information to Members on the overall financial position of the Council, enabling resource re-allocation to priorities where necessary and protecting the General fund balance.

3.2 To enable approved capital projects to continue to deliver in the new financial year.

4.0 EXPECTED BENEFITS

4.1 To ensure Members are updated regularly and in a timely fashion on the overall Council financial position.

4.2 To make the best use of the funding available to the Council and to protect the General fund minimum balance.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.2 Corporate Priorities

5.2.1 The Council's budget and associated spend supports the Council's priorities.

5.3 **Financial**

5.2.1 The report and appendix are financial in nature and include the financial implications.

5.8 **Risk Management**

5.3.1 Financial risks are included within the report.

5.9 **Stakeholders / Consultation / Timescales**

5.4.1 Budget holders have been consulted on their variances and the reasons for those variances.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

7.0 **ACRONYMS**

7.1 CIPFA – Chartered Institute of Public Finance & Accountancy

7.2 COMF – Control Outbreak Management Funding

7.3 DFG – Disabled Facilities Grant

7.4 DMADF – Debt Management Account Deposit Facility

7.5 NNDR – National Non-Domestic Rates

7.6 SONIA – Sterling Overnight Index Average

Background papers:-

[See The Committee Report Guide for guidance on how to complete this section](#)

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Key Decision: No

Exempt Decision: No

This report refers to Mandatory Service and Discretionary Services

Appendices attached to this report:

Appendix A Actual financial report for 2021-22 full year.
Appendix B Revised 2022-23 Capital budgets and associated funding.
Appendix C Capital funding sources 2021-22