

Eden District Council
Accounts and Governance Committee
22 December 2021

Provisional Outturn 2020/21

Report from:	Interim Director of Resources
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 This report summarises the Council's Revenue and Capital performance for the financial year 2020/21. The figures are still subject to finalisation and external audit.

2 Recommendation

It is recommended that the Accounts and Governance Committee:

- 2.1 Note the Revenue Outturn position for 2020/21 as set out in Appendix 1.
- 2.2 Note the Capital Outturn position for 2020/21 as set out in Appendix 2.
- 2.3 Note the slippage on Capital to be carried forward into the 2021/22 as set out in Appendix 2. This was approved separately by Council in November 2021.
- 2.4 Allocate the revenue underspend to create earmarked revenue reserves, with additional adjustments as set out below:

£000

• LGR Implementation Reserve	1,600
• Heart of Cumbria Reserve	-1,467
• Revenue Slippage (Appendix 3)	500
• Corporate Priorities	<u>1,167</u>
	1,800

This was approved by separately by Council in November 2021.

3 Report Details

- 3.1 The Covid19 pandemic has had a significant impact upon all Local Authorities and their ability to complete the Statement of Accounts within the statutory timescales. This has been recognised and legislation put in place to amend these deadlines.
- 3.2 This has been undertaken through the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The impact of the change in legislation is to delay the two main closedown deadlines by three months.
- 3.3 In addition to this the Council suffered further unexpected delays to its Audit for 19/20 caused by material changes to valuation of assets, which related to previous years and errors in the recorded land measurements held.

- 3.4 This has had a knock on to the timing of the closedown for 20/21 and has caused us to revise the audit dates for 20/21 further. In discussion with the External Auditor the agreed dates are shown in the table below:

Approval	Approver	Original Statutory	Revised Statutory	Council /Auditor
Draft Accounts	Section 151 Officer	31 st May	31 st August	30 th November
Audited Accounts	Accounts and Governance Committee	31 st July	30 th November	31 st March

- 3.5 Outturn 2020-21 is reported for Revenue and Capital and set out in detail in the paragraphs below. Work is ongoing to close the accounts and finalise the position, and there may be changes to the figures before the final position is confirmed and signed off by the Interim Director of Resources prior to the commencement of the audit in January 2022.

4 Revenue Outturn 2020/21

- 4.1 The Council's outturn position for the General Fund is set out in Appendix 1.
- 4.2 During the course of 2020/21, a number of changes have been made to the original 2020/21 revenue and capital budgets. The adjusted full-year budget represents the original budget, as approved by the Council, the addition of supplementary revenue estimates approved during the year, agreed virements to existing budgets and the utilisation of appropriate reserves.
- 4.3 The draft outturn position at Service level is £1.3m below budget, this is reduced by budget adjustments and net transfer to Reserves, totalling £6.3m which brings the draft revenue outturn position at a Total Cost of Services level to a deficit of £5.068m, all of which has been supported by additional funding. These movements in funding bring the overall draft revenue outturn to a surplus of £1.817m.
- 4.4 This draft revenue outturn position will potentially be affected by a year-end review of reserves, a finalisation of provisions and de-minimis capital movements.
- 4.5 Making accurate comparisons for service variances is difficult due to a change in the way the outturn is reported and a fundamental change in how reserves are accounted for. Previously reserves have been included within the service rather being adjusted for below the Net Cost of Services line. This has the impact of showing an underspend in the Net Cost of Services, which is offset in budget adjustments and use of reserves.
- 4.6 The analysis of major variances is set out below:

	£000
Professional Fees	366
Transport/Car Allowances etc	42
Homelessness	118
Rent Allowances	57
Net budget adjustments (Capital items)	-88

Covid Related	304
Revenue Slippage (Appendix 3)	509
Net Cost of Services	1,308
Budget Adjustments/Use of Reserves	-6,376
Total Cost of Services	-5,068
NNDR (net of Pool and s31 Grants)	6,606
Additional Grants received	279
Surplus/Deficit	1,817

5 Capital Outturn 2020/21

- 5.1 The detailed Capital Outturn and slippage requests by Scheme are shown in Appendix 2. The programme has suffered significant slippage largely caused by Covid and some of the slippage was addressed prior to year-end. The Revised Estimate report approved by Council has sought to further address the deliverability of the Capital Programme in 2021/22 and 2022/23.
- 5.2 The Council report approved the scheme slippages identified below:

Scheme	Outturn Slippage £000
EXPENDITURE	
IT Renewals	53
Parish Footway Lighting	45
Leisure Centre Equipment & Maintenance	216
Single Site - Voreda House	777
Funding - Heart of Cumbria Properties	440
Disabled Facility Grants	161
Newton Road Affordable Housing	144
Green Business Support Fund	150
Total	1,986

6 Policy Framework

- 6.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative
- 6.2 The annual budget and outturn forms an essential part of the council's budgetary and policy framework.

7 Consultation

7.1 There has been no consultation with Ward Councillors or Portfolio Holders.

8 Implications

8.1 Financial and Resources

8.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

8.1.2 The financial implications are dealt with throughout the body of the report.

8.2 Legal

8.2.1 There are no direct legal implications.

8.3 Human Resources

8.3.1 There are no direct human resource implications.

8.4 Environmental

8.4.1 There are no direct environmental implications.

8.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no direct implications
Health, Social Environmental and Economic Impact	There are no direct implications
Crime and Disorder	There are no direct implications
Children and Safeguarding	There are no direct implications

8.6 Risk Management

Risk	Consequence	Controls Required
Completion of the Statement of Accounts not within statutory timescales Specific risks are dealt with throughout the report	Reputational Risk	Accounts and Audit timetables in place reports to Accounts and Governance Committee

7 Other Options Considered

7.1 No other options have been considered.

8 Reasons for the Decision/Recommendation

- 8.1 To keep Members updated on the work of closedown of the accounts and External audit.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	Report Author
Monitoring Officer (or Deputy)	14 December 2021

Background Papers: None

Appendices: Appendix 1 – Provisional Revenue Outturn 2020/21
Appendix 2 – Provisional Capital Outturn 2020/21
Appendix 3 – Revenue Slippage 2020/21

Contact Officer: Paul Sutton, Interim Director of Resources

PROVISIONAL REVENUE OUTTURN 2020/21

	Current Budget	Outturn	Variance
	£000	£000	£000
Chief Executive			
Chief Executive's	208	242	34
Corporate Costs	57	46	(11)
Total - Chief Executive	265	288	23
Director of Corporate Services			
Customers & Performance	1,338	1,486	148
Finance & HR	575	524	(51)
Legal & Democratic Services	887	790	(97)
I T Services	648	672	24
Corporate Services	198	514	316
Total - Corporate Services	3,646	3,986	340
Director of People & Place			
Communities	1,369	2,648	1,279
Delivery	4,077	1,264	(2,813)
Development	1,383	1,308	(75)
People & Place	102	40	(62)
Total - People & Place	6,931	5,260	(1,671)
Net Cost of Services	10,842	9,534	(1,308)
Budget Adjustments & Use of Reserves	(2,057)	4,319	6,376
Total Cost of Services/Net Budget Req.	8,785	13,853	5,068
FUNDING			
Settlement Funding Assessment	(1,784)	(871)	913
Section 31 Grants (Gov't Discounts)	(197)	(7,452)	(7,255)
Cumbria Business Rates Pool	(387)	(504)	(117)
Rural Services Delivery Grant	(678)	(678)	0
New Homes Bonus	(697)	(697)	0
Other Government Grants (Covid)	(1,097)	(1,310)	(213)
Collection Fund Deficit / (Surplus)	50	(97)	(147)
Transfer to Parish Councils - CTRS	15	15	0
	(4,775)	(11,594)	(6,819)
Council Tax Income			
Baseline	(4,060)	(4,126)	(66)
Taxbase increase	0	0	0
Council Tax Increase @ £5	0	0	0
Collection Fund Deficit / (Surplus)	50	50	0
	(4,010)	(4,076)	(66)
Total Funding	(8,785)	(15,670)	(6,885)
SURPLUS / DEFICIT	0	(1,817)	(1,817)

APPENDIX 2

PROVISIONAL CAPITAL OUTTURN 2020/2021

Description	Original 2020/21	Q3 Slippage	Current Budget	Spend 2020/21	Q4 Slippage	Variance 2020/21
	£000	£000	£000	£000	£000	£000
IT Renewals	70		70	17	(53)	0
Development Management System	90	(90)	0			0
Financial, Payroll & HR System	150	(150)	0			0
Eden Business Park Ph1	59	(59)	0			0
Castle Park Vision	187	(187)	0			0
Parish Footway Lighting	439	(359)	80	35	(45)	0
Leisure Centre Equipment & Maintenance	536	(246)	290	81	(216)	(7)
Single Site - Voreda House	2,300	(500)	1,800	1,024	(777)	(1)
Funding - Heart of Cumbria Properties	1,277	0	1,277	837	(440)	0
Discretionary Renovation Grants	100	(100)	0			0
Disabled Facility Grants	564	(124)	440	279	(161)	0
Housing Innovation Fund	358	(358)	0			0
Newton Road Affordable Housing	288		288	144	(144)	0
Green Business Support Fund	150		150		(150)	0
Depot Refurbishment	45		45	68		(23)
Total	6,613	(2,173)	4,440	2,485	(1,986)	(31)

FUNDING	Original 2020/21	Q3 Slippage	Current Budget	Spend 2020/21	Q4 Slippage	Adjustments
	£000	£000	£000	£000	£000	£000
Capital Receipts	643	(518)	125	103	(45)	(23)
Direct Revenue/Reserves	3,106	(1,031)	2,075	1,079	(1,003)	(7)
Capital Grants	564	(124)	440	279	(161)	0
Borrowing	2,300	(500)	1,800	1,024	(777)	(1)
Total	6,613	(2,173)	4,440	2,485	(1,986)	(31)

Appendix 3 Revenue Slippage 2020/21

Department	Service	Service Description	Cost Centre	Cost Centre Description	Detail	Detail Description	Slippage	Comment / Notes
PPLPLC	ARTLEI	Arts and Leisure	02418	TOWN HALL REDEVELOPMENT	2045	Professional fees	30,000	Note on Bulletin Board 10/03/2021 re feasibility study - appointment of architecture firm Howarth Tompkins .
CORPSI	INFTEC	Informaion Tecnology	00102	Information Technology	63	Professional Training	3,000	Grant Received from IDeA for IT Training - This hasn't been completed due to added pressures of the pandemic. Unsure whether the grant is to be paid back if it's not spent.
PPLPLC	EDEVPR	Economic Development and	02413	Green Business Advice	2045	Professional Fees	30,000	Revenue funding to employ EBEN to deliver the project which runs for 4 years There is also a Capital Budget that needs to be rolled forward . The contractors have been employed and the contract requires this finance along with the finance allocated in the MTFP for the next 3 financial years to pay for CBEN to undertake the work The service/activity could not be completed in the year due to Lack of resources due to COVID-19 recovery work. The Economic Development Team is a small team and has had one team member seconded to communications and the other team member heavily involved in COVID-19 business grants delivery. This delayed the tender work to employ the consultants from this project from aiming to start in Q2 to not starting until Q4. The project appears within the Corporate Plan as such is a Corporate Priority.
PPLPLC	LOPLPO	Local Plans & Policy	03003	Planning Policy	2045	Professional fees	8,721	Penrith Employment Land and Premises Study. The study is almost complete as the final report is with officers for comments. This will be signed off and require payment in May 2021. The delay has been caused by furlough and change of personnel at LSH and limited officer resource due to COVID 19 to chase this piece of work.
PPLPLC	EDEVPR	Economic Development and	02395	Appleby HAZ Programme	2079	Grants and Contributions	55,606	This is a 5 year joint project between the Council and Historic England. The Council approved £180,000 budget over the 5 years per Exec Report 5 Decemembr 2017. The budget is committed to a number of projects through the Appleby HAZ Scheme. Coronavirus and officer vacancy, the programme has taken longer to get to the delivery phase than expected. The coronavirus pandemic impacted on spend as well as the HAZ programme officer position being vacant for the majority of the year. A new office is in place and projects ready to go in 2021-22.
PPLPLC	OHOUSG	Housing Delivery	02302	Housing Enabling	2194	Development	100,000	Development of Zero Carbon/Passiv Haus Properties - 2020-21 Growth item at the request of Councillor V Taylor to develop a zero carbon/Passiv haus style housing scheme. Working with Patterdale Community Land Trust & Eden HA to develop a Community led housing scheme to Passiv Haus standards. Work has not been completed due to delays in securing the land and associated planning /development delays
PPLPLC	PARKOS	Parks and Open Spaces	02143	Play Areas	1057	Play areas - maintenance	9,800	£9800 - (slippage request) works instructed / PO raised in March for Safagrass - works delayed, completed in May 2021
PPLPLC	PARKOS	Parks and Open Spaces	02129	Open Spaces	1088	Grounds Maintenance	9,600	£9600 works instructed / PO raised in March for Castle Park path resurfacing- Due to wet weather works not started until April 21
PPLPLC	EDEVPR	Economic Development and	02005	Young Peoples Employment	2079	Grants and Contributions	13,500	This roll forward relates to the annual apprenticeships budget. It is requested that the roll forwards is put towards paying the District Council's contribution of £15,000 to the Winter Driving event which will take place in October 2021. Finance for the Winter Driving request was put forwards for budget through the Growth Bid process in November 2020 but it was agreed not to take forward the Growth bids. This leaves the event without funding and without EDC funding it is unlikely the event would go ahead. The full budget could not be spent in the 2020-21 financial year due to the Covid pandemic as businesses were either closed or not taking on apprentices
PPLPLC	EDEVPR	Economic Development and	02412	Rural Growth Deal	2045	Professional fees	20,000	This funding was intended to support the development of a Rural Growth Deal Bid. This work was instead completed in house and therefore did not require the usage of this revenue funding. The request is to instead use this funding to fund finalising the Economic and Rural Strategy. The strategy has been mainly completed in house but requires some external oversight to finalise. The Portfolio Holder is very keen that this work is done with urgency and therefore it will be completed early in the next financial year. The service/activity could not be completed in year due to lack of resources due to COVID-19 recovery work. The Economic Development Team is a small team and has had one team member seconded to communications and the other team members heavily involved in COVID -19 business grants delivery. This delayed work on the economic and rural strategy.
PPLPLC	TWNCEN	Town Centres	02414	Town Support	2045	Professional fees	50,000	Town Centre recovery plan work which is set out in the recovery plan agreed by the Council . This is a project which will run over multiple financial years. The town centre working groups are already working on their action plans which will develop actions that can be funded through this pot of money. The service/activity could not be completed in year due to lack of resources due to COVID-19 recovery work. The Economic Development Team is a small team and has had one team member seconded to Communications and the other team members heavily involved in COVID-19 business grants delivery. Communities have also been heavily involved with more immediate COVID-19 work before being able to concentrate on future recovery project. The focus is now on recovery and how town centres can bounce back
PPLPLC	LOPLPO	Local Plans & Policy	03004	Eden Local Plan	2037	Printing & Stationery	5,520	The Local Plan is a major project involving the preparation of a number of specialist evidence documents by specialist consultants. A number of studies are being programmed in the new financial year. The service /activity could not be completed in the year due to the nature of the work which spans at least over three years.
PPLPLC	LEISUR/COMDEV/ARTLEI		VARIOUS			Various	63,000	Request from Communities to place all underspends from 20-21 into a reserve for leisure maintenance.
PPLPLC	HOMELESSNESS		02296, 02421			Various	101,253	Request from Homelessness to place all underspends from 20-21 into a reserve for use in 21-22. Slippage approved of £101k.

500,000