

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

meeting date: 14 SEPTEMBER 2021
title: REVENUE OUTTURN 2020/21
submitted by: DIRECTOR OF RESOURCES
principal author: VALERIE TAYLOR

1 PURPOSE

1.1 To report on the outturn for the financial year 2020/21 in respect of the Revenue Budget for this Committee.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – None identified
- Corporate Priorities – to continue to be 'a well-managed Council providing efficient services based on identified customer needs' and within this priority meets the objective 'to maintain critical financial management controls, ensuring the authority provides council tax payers with value for money'.
- Other Considerations – none identified.

2 BACKGROUND

2.1 The national deadlines for local authorities to produce their Statement of Accounts and have them audited have been changed with effect from the 2020/21 financial year statements. However, due to the complexities around accounting for Covid, the resource pressures in respect of Covid business support grant payments, and burdensome financial reporting in respect of Covid to Central Government, it has not been possible to meet these deadlines. This has also been the case at many other local authorities.

2.2 Good progress has been made and it has still been possible to report the outturn position within this report to committee. The Statement of Accounts is expected to be released for external audit at the end of August, with approval of the audited Statement of Accounts expected at the Accounts and Audit committee on 17 November 2021.

3 FINANCIAL INFORMATION

3.1 Shown below, by cost centre, is a comparison with the revised estimate. You will see an overall underspend of £439,453 on the net costs of services. After transfers to and from earmarked reserves, there is an overspend of £106,159. This has been taken from General Fund Balances.

3.2 In the table below are a number of services with a net cost of 'nil', marked **. This is where services are fully recharged out to other service areas.

Cost Centre	Cost Centre Name	Revised Estimate 2020/21	Actual 2020/21	Variance 2020/21	Associated Earmarked Reserve	Net Variance 2020/21
CEXEC	Chief Executives Department**	0	0	0	0	0
CIARA	Storm Ciara Response	2,000	2,000	0	0	0
CIVCF	Civic Functions	40,680	34,711	-5,969	0	-5,969
CIVST	Civic Suite**	0	0	0	0	0
CLOFF	Council Offices**	0	0	0	5,828	5,828
CLTAX	Council Tax	395,430	379,982	-15,448	0	-15,448
COMPR	Computer Services**	0	0	0	5,701	5,701
CORPM	Corporate Management	356,270	347,199	-9,071	0	-9,071
COSDM	Cost of Democracy	483,220	456,422	-26,798	0	-26,798
CSERV	Corporate services	157,170	141,811	-15,359	0	-15,359
ELADM	Election Administration	32,090	30,872	-1,218	0	-1,218
ELECT	Register of Electors	93,140	82,098	-11,042	-16,589	-27,631
EMERG	Community Safety	66,410	60,715	-5,695	2,000	-3,695
ERNET	Emergency Radio Network	300	700	400	-400	0
ESTAT	Estates	53,620	55,342	1,722	176	1,898
FGSUB	Grants & Subscriptions - Policy and Fin	175,740	147,536	-28,204	24,326	-3,878
FMISC	Policy & Finance Miscellaneous	108,310	104,777	-3,533	-45,543	-49,076
LANDC	Land Charges	-5,430	-15,062	-9,632	-51,117	-60,749
LICSE	Licensing	46,690	44,476	-2,214	0	-2,214
LUNCH	Luncheon Clubs	16,050	2,391	-13,659	0	-13,659
NNDRC	National Non Domestic Rates	53,710	35,023	-18,687	0	-18,687
PARGR	Parish Council Grants	1,940	1,939	-1	1	0
RESOR	Resources Department**	0	0	0	51,720	51,720
SUPDF	Superannuation Deficiency Payments	92,920	92,088	-832	0	-832
Service cost centre variances		2,170,260	2,005,020	-165,240	-23,897	-189,137
Coronavirus cost centre variances		0	-274,213	-274,213	569,508	295,295
TOTAL for this Committee		2,170,260	1,730,807	-439,453	545,612	106,159

4 IMPACT OF CORONAVIRUS

- 4.1 The table at 3.2 shows a net overspend after movements in reserve of £106,159.
- 4.2 The majority of the underspend on the net cost of services is attributable to income and expenditure variances arising from the response to the coronavirus pandemic.
- 4.3 Associated movements in earmarked reserves accounted for within this committee have increased the underspend of -£189k after movements in earmarked reserves to an overspend of £106k. Further detail setting out the reasons for the variances is provided in Annex 1 to the report.

Cost Area	Net Cost of Services Variance £	After Transfers to/from Earmarked Reserves £
Service Cost Centres	-165,240	-189,137
Covid-19 Response	-274,213	295,295
Total	-439,453	106,159

5 EARMARKED RESERVES

- 5.1 Reserves are important to local authorities as, unlike central government, we cannot borrow money over the medium term, other than for investment in assets, and we are required to balance our budgets on an annual basis.
- 5.2 Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - A contingency to cushion the impact of unexpected events or emergencies. This also forms part of general reserves;
 - A means of building up funds or accounting for funds we are committed to spend (re grants) received, this is done through our earmarked reserves to meet known or predicted requirements; our earmarked reserves are accounted for separately but remain legally part of the General Fund.
- 5.3 The table below provides details of the revised estimate, our actual outturn and the impact in both cases of the movement in earmarked reserves. Full details are provided of the earmarked reserves that have been impacted and the reason for the movement.

	Revised Estimate 2020/21	Outturn 2020/21	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
Committee Net Cost of Services	2,170,260	1,730,807	-439,453	
<i>Service Specific Movements in Earmarked Reserves</i>				
FNBAL/H230 - Election Reserve The reserve was established from monies set aside on an annual basis to smooth out the cost of local elections held once every four years.	30,000	30,000	0	Annual contribution to the reserve to smooth out the cost of future elections.
FNBAL/H328 - Repairs & Maintenance Reserve Reserve established to fund emergency repairs and maintenance items, including legionella and asbestos abatement	-27,950	-22,104	5,846	Funds released to meet the cost of painting the council offices (set aside in 2018/19). Some of the work has fallen into the new financial year, creating the variance shown.
FNBAL/H337 - Equipment Reserve This reserve was established by setting aside unspent budget provisions and miscellaneous grants received to fund equipment and new burdens imposed on the council.	-13,530	-13,009	521	Release of funds held in the equipment reserve for Microsoft 365 backup & security software. Approved by Policy and Finance Committee November 2020.
	-2,880	-2,880	0	Release of funds set aside in reserve to fund the purchases of equipment and materials that were ordered, but not received by the end of the 2019/20 financial year (CIPFA audit control matrices £2,250 and office furniture £630)
	0	8,103	8,103	A transparency code new burdens grant has been received from MHCLG and set aside in this reserve to fund associated future expenditures.
	-780	-798	-18	Final expenditure redecorating the council office's canteen, to be funded from this reserve. Approved by Policy and Finance Committee November 2019.
	0	2,000	2,000	Contribution to reserve to fund 2021/22 expenditure on a business continuity software update and associated training, originally planned during 2020/21, but postponed due to the pandemic.

	Revised Estimate 2020/21	Outturn 2020/21	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
	0	8,710	8,710	Underspend on corporate training during the year as a result of the pandemic, set aside in reserve to fund an upgrade to the salthill depot training equipment and future corporate training initiatives.
FNBAL/H294 - Cyber Resilience Grant Reserve Grant funding in respect of Cyber Resilience work.	3,000	3,000	0	Grant funds set aside to meet future associated training expenditure on Cyber Resilience.
FNBAL/H377 - Two way radio Reserve Reserve established to set aside funds for the upkeep of the Lancashire Emergency Radio Network.	-300	-700	-400	Previously unspent contributions that were set aside in reserve have been released to meet expenditure during the current year.
FNBAL/H302 - LCTS New Burdens Grant Reserve Grant income to support new burdens in respect of Localised Council Tax Support.	-1,600	0	1,600	Upgrade to the council's payment system (Civica Pay 3D Secure) was not finalised during the year.
FNBAL/H376 Business Rates Growth Reserve Business rates growth set aside to be used to support revenue expenditure or the capital programme.	-13,630	-8,450	5,180	Release from reserve to fund the implementation costs of Microsoft 365. As part of the consultancy work has fallen into the new financial year there is a resulting movement in reserve variance. Approved by Policy and Finance Committee November 2020.
	-16,120	-16,120	0	Contribution from earmarked reserve towards the increased cost of the council's Microsoft licenses renewal within this Committee. Approved by Emergency Committee in June 2020 when options following a tendering exercise were presented for consideration.
	-15,000	-15,000	0	Policy and Finance Committee approved a £15k grant payment to Ribble Rivers Trust woodland planting project grant in March 2021, to be funded from this reserve.
FNBAL/H375 - Flood Resilience, Response & Recovery Grant Reserve Grant funding relating to residual Flood Resilience Grants and also in respect of flood response and recovery.	-2,000	-2,000	0	Release from reserve to fund payments of community recovery grants that have been processed during the financial year.

	Revised Estimate 2020/21	Outturn 2020/21	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
FNBAL/H372 - Parish Grants Reserve This reserve holds resources set aside to fund the Parish Grant Scheme.	-1,940	-1,939	1	Release of funds to match allocated parish grants paid during 2020/21.
FNBAL/H325 - VAT Shelter Reserve As part of the housing stock transfer to a social housing landlord a VAT shelter agreement was established. The council receives an annual payment from the landlord which is set aside in an earmarked reserve, largely to fund future capital expenditure.	6,410	4,986	-1,424	Lower VAT shelter income was received from Ribble Valley Homes than anticipated at the time of setting the revised estimate.
FNBAL/H335 - Invest to Save Fund Reserve established to fund capital schemes that will generate recurring future savings as a result of the expenditure incurred. Additional income/ savings generated are repaid back to the fund from completed capital projects up to the value of the original capital expenditure.	5,510	5,412	-98	A repayment to the invest to save fund of additional rental income generated from the Queensway Garages capital scheme which was originally funded from this reserve.
FNBAL/H269 - Revaluation of Assets Reserve Reserve established from monies set aside on an annual basis to smooth out the costs of the full revaluation of council assets which must be carried out every five years.	2,190	2,420	230	Contribution to the reserve to smooth out the cost of future valuations.
FNBAL/H330 - Capital Reserve Used to fund the capital programme.	0	275	275	Sale of land and equipment is moved to the capital reserve to contribute towards the capital programme. There is a small contribution for 2020/21, being the amount generated from freehold sales during the year.
H223 - Audit Reserve Used in respect of the internal audit service, including contracting computer audit services	0	41,410	41,410	Funds have been set aside in this reserve to pay for internal audit work to be carried out by a third party agency in the 2021/22 financial year.
FNBAL/H381 - RV Strategic partnership Ribble Valley Strategic Partnership funds held in reserve to meet the cost of future community projects	0	24,326	24,326	Accountancy adjustment to move grant funds received in a previous financial year into earmarked reserves.

	Revised Estimate 2020/21	Outturn 2020/21	Variance	Reason for movement on Earmarked Reserve
	£	£	£	
FNBAL/H272 - Land Charge Reserve Established to fund any potential restitution claims for personal search fees.	0	-51,117	-51,117	Following a review it was determined unlikely that there will be any further claims relating to personal search fees and that funds can now be released.
FNBAL/H362 - Individual Electoral Registration Reserve Grant received for costs associated with the implementation of Individual Electoral Registration	0	-16,589	-16,589	Savings resulting from canvass reform have offset any additional costs associated with Individual Electoral Registration and so funds set aside have now been released.
FNBAL/H289 - EU Exit Reserve Grant funding relating to impacts in respect of the EU Exit.	0	-52,452	-52,452	New burdens grant funding received for expenditure incurred during the preparations for the UK's exit from the EU have now been released.
<i>COVID-19 Movements in Earmarked Reserves</i>				
FNBAL/H379 – Covid-19 Reserve Reserve established as a contingency to offset potential future costs that may arise from the ongoing coronavirus pandemic.	0	538,758	538,758	Grant funding received during 2020/21 has been set aside in this reserve.
FNBAL/H382 - Self-isolation Grants Reserve (principal) Reserve established to set aside self-isolation grant funds received, but not yet distributed.	0	30,750	30,750	The balance of self-isolation discretionary grant support funds received, but not yet distributed by the end of the 2020/21 financial year have been set aside in this reserve to meet expenditures falling during 2021/22.
Final net expenditure	2,121,640	2,227,799	106,159	

6 KEY MOVEMENTS FROM REVISED ESTIMATE TO OUTTURN

- 6.1 The main variations have been extracted and are shown at Annex 1. However, a summary of the major variations after movements in earmarked reserves is set out in the table below:

Service Area	Description of Variance	Variance £
CEXEC Chief Executive	Council staffing budgets at revised estimate assume an average vacancy underspends of 2% across the authority on estimated costs. Turnover during 2020/21 within the Chief Executives Department was lower than that built into the budget, mainly as a result of vacancy underspends within the Environmental Health and Building Control sections, bringing about the underspend shown.	-23,700

Service Area	Description of Variance	Variance £
CIVST Civic Suite	There was an accountancy adjustment during the year to recharge the cost of utilising the council's Civic Suite and Committee rooms throughout the pandemic across to specific coronavirus funding.	-33,186
Service Specific Grant Funding	New burdens funding of -£19k was received from central government to pay for the software and administrative costs of implementing the council tax hardship fund and business rates relief measures. Transparency code new burdens funding of -£8k was also received (and transferred to earmarked reserves)	-18,908
LUNCH Luncheon Clubs	Luncheon clubs were not meeting in the last financial year because of the pandemic and as a result the budget provision set aside was largely not required.	-13,580
Net support costs	Net Committee support service variance within Policy and Finance Committee service budgets	70,873
Earmarked reserve reviews	<u>Individual Electoral Registration Reserve</u> New burdens grant funding was received in previous years for the annual cost of moving from household to individual electoral registration. The funds were set aside in an earmarked reserve to cover potential future expenditures. A review has been carried out in light of savings resulting from the 2020/21 canvass reform and funds have now been released.	-16,589
	<u>EU Exit Reserve</u> New burdens grant funding was received in 2018/19 and 2019/20 to fund expenditures incurred preparing for the EU Exit. As the UK has now left the EU, funds can now be released.	-52,452
	<u>Land Charges Reserve</u> Funds held in reserve that were originally received into the Land Charges service through new burdens grant funding. The grant was received for the potential cost of settling legal claims and for lost income following the abolition of personal search fees. Following a review, it was determined unlikely that there will be any further claims and that funds can now be released.	-51,117
Coronavirus Response	<p>There are many sizeable variances within this committee that are a result of the coronavirus response and further information concerning these is set out within the Annex to the report.</p> <p>In summary, before movements in earmarked reserves, the coronavirus grant income and expenditure that has been accounted for within this committee nets to an underspend of -£274k.</p> <p>£569k has then been added to coronavirus earmarked reserves at the end of the financial year, leaving a final overspend after movements in reserves of £295k relating to coronavirus specific cost centres.</p>	295,295

7 CONCLUSION

- 7.1 There have been a number of variations in both income and expenditure during the year, and this has given rise to an overall underspend of £439,453 on the net cost of services. After transfers to and from earmarked reserves the overall overspend is £106,159.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF46-21/VT/AC
20 AUGUST 2021

For further information please ask for Valerie Taylor.

POLICY & FINANCE COMMITTEE – VARIANCES 2020/21

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
	£	£	£	£	£	£	£
<u>Main variances within Service Cost Centres</u>							
CEXEC: Chief Executive's Department							
Council staffing budgets at revised estimate assume an average vacancy underspend of 2% across the authority on estimated costs. Turnover during 2020/21 within the Chief Executives Department was lower than that built into the budget, mainly as a result of vacancy underspends within the Environmental Health and Building Control sections.	-23,700						
There were reduced opportunities for training during the year as a result of the coronavirus pandemic and social distancing rules.	-3,135						
Court action taken against a sundry debtor for an unpaid debt resulted in a charging order being applied against a property. As the principal debt was outstanding for a number of years accrued interest costs were charged.		-2,157					
Reduced costs within other service areas has in turn reduced the charge to the Chief Executive Department for the year. Mainly in respect of civic suite (-£5k) and the resources department (-£4k) (see CIVST/RESOR)			-9,226				
Due mainly to the variances detailed above the net cost of running the Department was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			41,842				
Total Chief Executive's Department	-26,835	-2,157	32,616	0	3,624	0	3,624

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
CIVCF: Civic Functions							
Accountancy adjustment following the requirement to charge staff time against specific coronavirus funding.		-3,264					
Total Civic Functions	0	-3,264	0	0	-3,264	0	-3,264
CIVST: Civic Suite							
Accountancy adjustment to recharge the cost of utilising the council's Civic Suite and Committee rooms throughout the pandemic across to specific coronavirus funding.		-33,186					
Accountancy adjustment following the requirement to charge staff time against specific coronavirus funding.		-5,468					
Due mainly to the variances detailed above the net cost of running the Civic Suite was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			41,411				
Total Civic Suite	0	-38,654	41,411	0	2,757	0	2,757
CLOFF: Council Offices							
Some of the work for painting the council offices has fallen into the new financial year which has created an underspend against the 2020/21 revised estimate. As the work is being funded from the repairs and maintenance reserve there is a corresponding earmarked reserve variance.	-5,846					5,846	
Gas usage during the November to March period was higher than estimated, likely as a result of increased handwashing and the requirement to ensure well ventilated offices throughout the coronavirus pandemic.	2,191						
A reconciliation of room hire charges identified an undercharge from the 2018/19 financial year for which an invoice has now been raised.		-2,529					

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
Due mainly to the variances detailed above the net cost of running the council offices was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			6,600				
Total Council Offices	-3,655	-2,529	6,600	0	416	5,846	6,262
CLTAX: Council Tax							
The cost of council tax flood discounts awarded to residents in the 2020/21 financial year, to be reimbursed by central government.	34,716	-34,716					
New burdens funding received from central government for the software and administrative cost of implementing the council tax hardship fund during the pandemic.		-7,208					
The annual net cost of the Resources Department for 2020/21 was lower than estimated. This has in turn reduced the costs charged to other services (see RESOR).			-6,893				
Costs in respect of prior year summonses written off during the 2020/21 year		3,230					
Total Council Tax	34,716	-38,694	-6,893	0	-10,871	0	-10,871
COMPR: Computer Services							
Requirements for equipment and materials within the computer services section during the year were lower than allowed for within the budget.	-3,045						
A budget of £13,630 was approved by this committee in November 2020 for the cost of implementing Microsoft 365. Some of the consultancy costs have fallen into the 2021/22 financial year creating the underspend shown. As the expenditure is to be funded from the Business Rates Growth earmarked reserve there is a corresponding movement in reserve variance.	-5,180					5,180	

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
Due mainly to the variance detailed above the net cost of running the section was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			11,968				
Total Computer Services	-8,225	0	11,968	0	3,743	5,180	8,923
CORPM: Corporate Management							
The annual net cost of the Resources Department for 2020/21 was lower than estimated. This has in turn reduced the costs charged to other services (see RESOR).			-6,381				
Total Corporate Management	0	0	-6,381	0	-6,381	0	-6,381
COSDM: Cost of Democracy							
Lower net annual cost of the Civic Suite than budgeted for due to the reasons set out at CIVST have reduced the recharge to this service area.			-20,700				
The annual net cost of the Resources Department was lower than estimated. This has in turn reduced recharges out to other service areas, including those to this budget heading (see RESOR).			-4,572				
Total Cost of Democracy	0	0	-25,272	0	-25,272	0	-25,272
CSERV: Corporate Services							
The autumn publication of Ribble Valley News was not produced because of the coronavirus pandemic.	-5,100						
Events (and so therefore associated promotional activities) did not take place during the year, bringing about an underspend within the promotional activities budget compared to revised estimate.	-2,050						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
The annual recharge from the Resources department was lower than estimated. Partly a result of reduced costs within the department itself (as set out at RESOR), but also due to the requirement to charge staff time against specific coronavirus funding (-£6k).			-8,137				
Total Corporate Services	-7,150	0	-8,137	0	-15,287	0	-15,287
ELECT: Register of Electors							
The Cabinet Office introduced changes to the annual canvass process from the 2020/21 financial year that reduced the number of Household Enquiry Form reminders that were posted out, creating an underspend on postage and printing costs that was beyond that anticipated at revised estimate. Outturn will be used to inform future budget estimates.	-3,557						
Lower software maintenance costs than estimated following a recharge of backdated revenue costs for expenditure on software in respect of the parliamentary election.	-3,555						
New burdens grant funding had been received in previous financial years for the annual cost of moving from household to individual electoral registration. The funds were set aside in an earmarked reserve to cover potential future associated expenses. A review has been carried out in light of savings resulting from canvass reform (detailed above) and funds have now been released.						-16,589	
Total Register of Electors	-7,112	0	0	0	-7,112	-16,589	-23,701

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
EMERG: Community Safety							
A business continuity software update, associated system training and a business continuity exercise were postponed until the next financial year as a result of the coronavirus pandemic. Funds have been set aside in an earmarked reserve to be released when the expenditure on the software maintenance upgrade and training is now expected to take place during the 2021/22 year.	-3,198					2,000	
Total Community Safety	-3,198	0	0	0	-3,198	2,000	-1,198
ESTAT: Estates							
Overspend on estates following responsive repairs in respect of road damage at Dewhurst Road (adopted road).	5,903						
Depreciation charged to the cost centre for the annual capital charge was lower than estimated.				-3,660			
Total Estates	5,903	0	0	-3,660	2,243	0	2,243
FGSUB: Grants and Subscriptions							
Accountancy adjustment to move grant funds received in a previous financial year into earmarked reserves.		-24,326				24,326	
Reimbursement to Parish Council's for expenditure under the concurrent function grants scheme was lower than allowed for in the 2020/21 revised estimate budget by -£2.1k. The remainder of the variance is an underspend on the Voluntary Organisation Grants budget of -£1.6k.	-3,709						
Total Grants and Subscriptions	-3,709	-24,326	0	0	-28,035	24,326	-3,709
FMISC: Policy & Finance Misc.							
Consultancy expenditure on revaluation of the council's assets.	4,500						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
A transparency code new burdens grant received during the year from MHCLG has been set aside in the equipment reserve to fund associated future expenditures.		-8,103				8,103	
New burdens grant funding was received into this cost centre in 2018/19 and 2019/20 for expenditure incurred as a consequence of preparing for the EU Exit. As the UK has now left the EU, funds can now be released.						-52,452	
Total Policy & Finance Misc.	4,500	-8,103	0	0	-3,603	-44,349	-47,952
LANDC: Land Charges							
Land charges income received last financial year was higher than average. This is likely due to an increase in house sales following the temporary increase to the stamp duty threshold from July 2020.		-8,215					
The annual net cost of the Chief Executive Department was lower than estimated. This has in turn reduced recharges out to other service areas, including those to this budget heading (see CEXEC).			-2,019				
Funds held in reserve that were originally received into the Land Charges service through new burdens funding. The grant was received for the potential cost of settling legal claims and for lost income following the abolition of personal search fees. Following a review, it was determined unlikely that there will be any further claims and that funds can now be released.						-51,117	
Total Land Charges	0	-8,215	-2,019	0	-10,234	-51,117	-61,351

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
LUNCH: Luncheon Clubs							
Luncheon Clubs were not been meeting last financial year because of the pandemic and as a result the budget provision set aside to support clubs was largely not required.	-13,580						
Total Luncheon Clubs	-13,580	0	0	0	-13,580	0	-13,580
NNDRC: National Non-Domestic Rates							
The annual net cost of the Resources Department was lower than estimated. This has in turn reduced recharges out to other service areas, including those to this budget heading (see RESOR).			-5,017				
New burdens funding received from central government for the cost of implementing the business rates relief measures announced at the Budget.		-11,700					
Total National Non-Domestic Rates	0	-11,700	-5,017	0	-16,717	0	-16,717
RESOR: Resources Department							
Employee costs within the department were lower than estimated, mainly due to a vacancy within the internal audit section. Funds have been set aside in an earmarked reserve to pay for internal audit work to be carried out by a third party agency which has been secured in the new financial year to help clear the resulting backlog of work.	-35,462					41,410	
Underspend on the training budget that is available to meet the cost of tuition fees within the Resources department. The council contributes monthly to the Apprenticeship Levy and funds are currently being utilised for officers within the department to undertake qualification training courses. Opportunities for ad-hoc training were reduced due to the coronavirus pandemic.	-3,670						

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
Group corporate training was not undertaken last year because of COVID-19 social distancing requirements. Funds have been set aside in earmarked reserve to pay for the update of training equipment at the Salthill Depot (£3k) in 2021/22 and to meet the cost of future training initiatives (£6k).	-8,710					8,710	
The annual net cost of the Civic Suite for 2020/21 was lower than estimated. As this cost centre is fully charged out to services, this has in turn reduced the costs charged out to service users (see CIVST).			-6,918				
Expenditure on the purchase of equipment was under budget by -£2.7k and that on photocopying by -£2k, possibly as a result of increased homeworking during the year.	-4,740						
The budget set aside for the biennial replacement of contact centre staff uniforms was not required last year due to the temporary closure of the council offices.	-2,370						
Underspend on software maintenance costs, mainly an underspend on revenue costs in respect of the Civica Pay upgrade which wasn't completed during the financial year.	-2,184					1,600	
Due mainly to the variances detailed above the net cost of the Resources Department was lower than the revised estimate for 2020/2021. This has in turn reduced the charge out to other service areas.			65,838				
Total Resources Department	-57,136	0	58,920	0	1,784	51,720	53,504
<i>Other variances</i>	-14,137	4,731	-26,923	76	-36,253	-914	-37,167
Total of service cost centre variances	-99,618	-132,911	70,873	-3,584	-165,240	-23,897	-189,137

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
<u>Coronavirus response variances allocated to this committee</u>							
<p><u>Un-ringfenced grant funding received and allocated to this committee for the cost of the coronavirus response</u></p> <p>This income is un-ringfenced funding that has been received to help the council with the cost of the coronavirus response.</p> <p>-£378k has been received for the administrative burden of processing the various support grants for which the council was responsible for distributing during the financial year,</p> <p>- £142k for providing support to the Clinically Extremely Vulnerable and -£14k for providing practical support during self-isolation.</p> <p>The grant income received has been set aside in the coronavirus earmarked reserve as a contingency to offset potential future costs that may arise from the ongoing pandemic.</p>		-534,251			-534,251	534,251	0
<p><u>Net expenditure directly allocated to the coronavirus response</u></p> <p>-£296k of the grant income shown here is the allocation of Contain Outbreak Management Grant Funds (COMF) that have been fully expended during 2020/21 on associated activities. A grant of -£41k was received for infectious disease management, -£22k for lockdown enforcement and the remainder of the grant income (£-13k) was received for homelessness initiatives. The movement in reserve is unspent homelessness funding, set aside in the coronavirus reserve to meet future costs.</p> <p>The majority of the support service cost allocations (£197k) are for COMF activities that have been</p>	417,932	-372,979	242,342		287,295	3,912	291,207

	Variance in Expenditure	Variance in Income	Variance in Support Services	Variance in Capital Charges	Total Variance	Associated Earmarked Reserve Variance	Net Variance
recharged from other service areas. The main area of cost within the expenditure variance is staffing related at £204k.							
<p><u>Grants received and distributed to local businesses and residents (Principal)</u></p> <p>The council received two categories of grant funds for distributing to businesses and residents during the year, those where the council has discretion over the qualifying criteria (council acting as Principal) and those where strict terms are set out by the funder over which the council has no discretion (council acting as Agent). Grant funds shown here as income and expenditure are grants allocated to the 2020/21 financial year where the council was acting as Principal, as it is only these transactions that are required to be shown in the council's financial statements. The movement in reserve of £31k is the balance of funds outstanding at year-end and set aside to meet future associated grant claims (The majority of which is for discretionary self-isolation support payments).</p>	2,389,835	-2,421,180			-31,345	31,345	0
Council tax hardship grant funding received and allocated. The amount of council tax relief awarded during the pandemic exceeded the grant fund by £4k and this will fall on general fund balances.	226,141	-222,053			4,088		4,088
Total of coronavirus cost centre variances	3,033,908	-3,550,463	242,342	0.00	-274,213	569,508	295,295
Total Variances for Policy and Finance Committee	2,934,290	-3,683,374	313,215	-3,584	-439,453	545,612	106,159