

# 2021-22 Revenue Financial Performance Quarter Four: Provisional Outturn

<b>Committee considering report:</b>	Executive
<b>Date of Committee:</b>	9 June 2022
<b>Portfolio Member:</b>	Councillor Ross Mackinnon
<b>Date Portfolio Member agreed report:</b>	26 May 2022
<b>Report Author:</b>	Melanie Ellis
<b>Forward Plan Ref:</b>	EX4018

## 1 Purpose of the Report

- 1.1 To report on the financial performance of the Council's revenue budgets. This report is Quarter Four, the provisional outturn position for the 2021-22 financial year. The reporting of this figure is the culmination of budget monitoring throughout the financial year and the figure will then become part of the Council's financial statements for the 2021-22 financial year.
- 1.2 The report highlights where over and underspends have occurred during the year and reasons for these, as well as the overall position for the financial year, which is an underspend of £0.2m.

## 2 Recommendation

To note the provisional outturn of £0.2m underspend. The under spend is 0.17% of the Council's 2021-22 net revenue budget of £142m.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	£0.2m provisional underspend. This will be added to the Council's general reserves. M.Ellis 11.5.22
<b>Human Resource:</b>	None
<b>Legal:</b>	None

<b>Risk Management:</b>	Risks to next years' budget are included where relevant in the report.			
<b>Property:</b>	Impact on income due to a commercial property not being let during the financial year.			
<b>Policy:</b>	No			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		Y		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		Y		
<b>Environmental Impact:</b>		Y		
<b>Health Impact:</b>		Y		
<b>ICT Impact:</b>		y		
<b>Digital Services Impact:</b>		y		
<b>Council Strategy Priorities:</b>		y		Business as usual

<b>Core Business:</b>	Y			The financial position and stewardship has enabled the Council to continue to provide services in line with the approved 2021-22 budget.
<b>Data Impact:</b>		y		
<b>Consultation and Engagement:</b>	Budget holders, Heads of Service and Directors.			

## 4 Executive Summary

- 4.1 This report is to inform members of the financial performance of the Council's revenue budgets. This report is the provisional outturn for 2021-22 as at Quarter Four.
- 4.2 The 2021-22 net revenue budget of £142m was set on 2nd March 2021. Since then the Council has continued to play a significant and positive role in responding to the pandemic, from helping to coordinate the community response, supporting local businesses and working with schools. The overall outturn is interlinked to the impact of the pandemic and the use of Covid resources provided by central government and the Clinical Commissioning Group. Funding received from Government to date for Covid-19, and the Council's level of general fund reserves, meant that the Council was well placed to continue its efforts on response and recovery from Covid-19. The Covid-19 grant underspend from 2020-21 has been used to fund the ongoing pandemic response as well as funds from Government for 2021-22, including a quarter year of the income compensation scheme.
- 4.3 The provisional revenue outturn is a £0.2m underspend, which will be added to the Council's general reserves. The outturn is after taking account of any funds carried forwards to 2022-23, which comprise of moving unspent funding and grants into earmarked reserves to spend next year, including the Public Health grant and Covid grants, net of any drawdowns from earmarked reserves to support services in 2021-22.
- 4.4 The forecast position has remain relatively consistent at a Council wide position, but has fluctuated during the year in services as pressures/opportunities have emerged. The outturn position both protects the general fund reserve but also specific earmarked reserves which will not have a draw on them as forecast earlier in the year.

## 2021-22 Revenue Financial Performance Quarter Four: Provisional Outturn

Directorate Summary	Final Net Budget	Outturn	(Under)/over spend					
			Quarter One	Quarter Two	Quarter Three	Quarter Four		
			Year end forecast	Year end forecast	Year end forecast	Variance to budget	Carried forward to 2022/23	Final variance
	£000	£000	£000	£000	£000	£000	£000	£000
People	81,203	81,466	59	1,153	1,322	263	1,389	1,652
Place	29,829	28,887	231	(654)	(275)	(943)	37	(905)
Resources	15,011	14,026	405	364	219	(984)	1,163	179
Chief Executive	561	579	0	18	15	18	0	18
Capital Financing	15,058	13,878	(1,000)	(1,222)	(1,236)	(1,179)	0	(1,179)
<b>Total</b>	<b>141,661</b>	<b>138,836</b>	<b>(305)</b>	<b>(341)</b>	<b>44</b>	<b>(2,825)</b>	<b>2,589</b>	<b>(236)</b>

4.5 The People Directorate overspend is £1.6m. At Quarter Three, the forecast was an overspend of £1.3m after a draw down from reserves of £0.5m. This is no longer required due to the overall Council underspend.

4.6 The Adult Social Care (ASC) overspend is £42k. The 2021-22 budget was built using £2.3m of one-off Covid emergency grant, of which £1.2m supported the general budget pressures in ASC such as increased client numbers, and £1m supported specific Covid pressures. The ongoing budget pressures have been addressed as part of the 2022-23 budget build process. The £43k overspend could have been fully mitigated if required at year-end by using some of the £0.9m identified as a risk against the General Fund during the budget build process.

- Long term services (LTS) are £40k underspent, after allocation of Covid funding. Although there are lower client numbers than modelled, 1697 compared to 1716, the cost of client care packages are higher due to the amount of care required, including an increase in double up care at home and earlier hospital discharge.
- There is lower than modelled occupancy within Council owned care homes, which has resulted in unmet savings. The budget was set at 95% occupancy across the three homes and is currently at 78%. As clients are discharged from hospital earlier, their needs are often too high for the provision available, and so are placed externally, resulting in higher costs.
- Short term services are £79k over spent after the allocation of Covid funding. The overspend is due to an increase in services being commissioned short term due to the uncertainty that Covid brings. ASC have proactively claimed for Continuing Health Care (CHC) and Covid funding to help mitigate this.
- The service continues to take action to suppress market demand by reinforcing the three conversations model, strategic review of in-house care home provision and use of technology enabled care. Market Management works with local providers to ensure supply and demand are better aligned and offer better value for money. Net weekly spend on long term services is carefully monitored, with requests for long term services scrutinised weekly at Good Practice Forum.

- 4.7 In Children & Family Services (CFS), the overspend is £1.2m. The risk reserve for residential placements of £0.4m could have been used to support this.
- Placements are £0.7m over spent, comprising a £1.2m overspend in residential care offset by underspends in areas including fostering and UASC. Whilst the children in care population has been stable, there is increasing complexity in the needs of children who have entered care and an increase in associated costs.
  - The Family Safeguarding Model had a saving target of £209k for income from partner agencies to support this model. The partner decision not to contribute has resulted in a pressure as this saving will not be met.
  - Additional Child Care Lawyer Fees have been incurred in relation to two investigations. The savings target of £150k against Child Care Lawyers has therefore not been achieved.
- 4.8 Education is reporting a £0.5m overspend, predominantly due to an exceptional residential placement which started in the autumn term, together with pressures on Home to School Transport. There is £80k set aside in reserves which could have been used to offset some of this.
- 4.9 The Place Directorate under spend is £0.9m arising largely due to additional income from dry recycling and diversion of waste from landfill to 'energy from waste' sites.
- 4.10 The Resources Directorate overspend is £0.2m arising from a vacant commercial property and a number of schools leaving the Council insurance in favour of cheaper Risk Protection Arrangements offered by the Department for Education. At Quarter Three, both were forecast to be met from reserves, but the overall underspend position has removed the need for this.
- 4.11 Capital Financing underspent by £1.2m from lower capital expenditure during the pandemic and savings through utilisation of short term borrowing and cash flow as opposed to longer term financing. Savings have also been achieved through the prepayment of pension contributions.
- 4.12 The 2021-22 savings and income generation programme of £3.6m is 76% Green.
- 4.13 Grant funding has helped the Council to cover additional costs and lost income and to enable us to continue to support a range of activities within our district.
- 4.14 Funding received from Government to date for Covid-19, and the Council's level of general fund reserves, meant that the Council was well placed to continue its efforts on response and recovery from Covid-19. The Covid-19 grant underspend from 2020-21 has been used to fund the ongoing pandemic response as well as funds from Government for 2021-22, including a quarter year of the income compensation scheme.

## 5 Supporting Information

### Introduction

- 5.1 The 2021-22 net revenue budget of £142m was set on 2nd March 2021. Since then the Council has continued to play a significant part in responding to the pandemic, from helping to coordinate the community response, supporting local businesses and working with schools. The overall outturn is interlinked to the impact of the pandemic and the use of Covid resources provided by central government and the Clinical Commissioning Group.

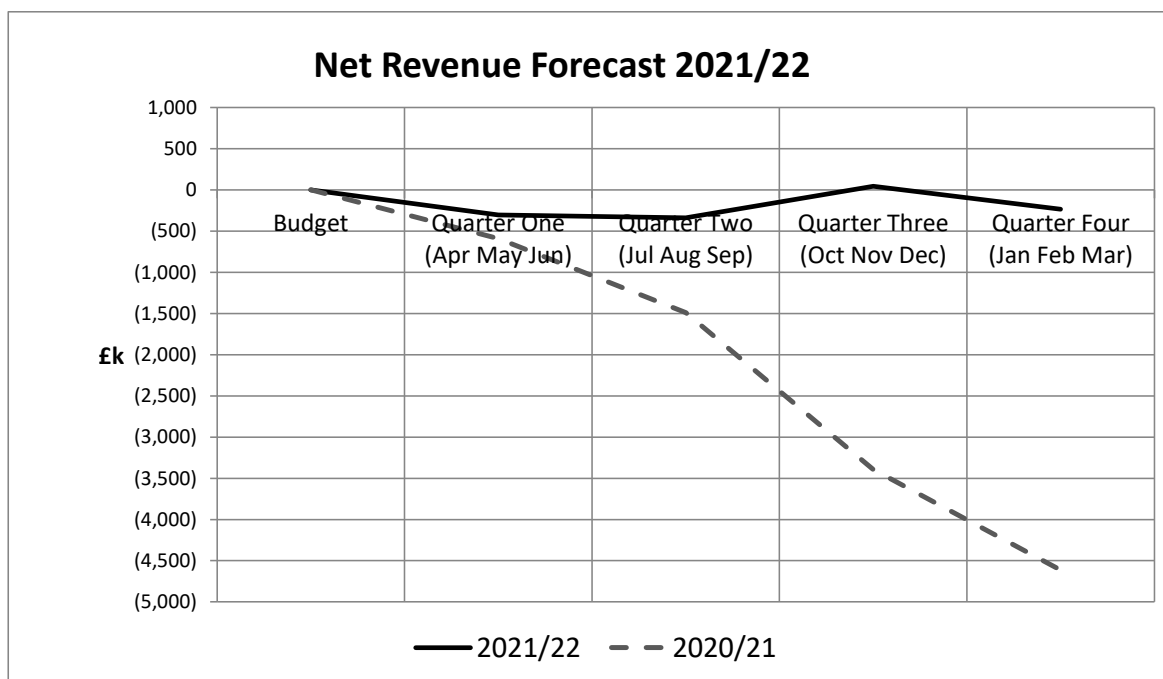
### 2021/22 Outturn

- 5.2 The provisional revenue outturn is £0.2m underspend, which is 0.17% of the Council's 2021-22 net revenue budget of £142m. This financial outturn report shows the underspend against budget, after taking account of any funds carried forwards to 2022-23. These comprise of moving unspent funding and grants into earmarked reserves to spend in 2022-23, including the Public Health grant and Covid grants, net of any drawdowns from earmarked reserves to support services in 2021-22.

Directorate Summary	Final Net Budget	Outturn	(Under)/over spend					
			Quarter One	Quarter Two	Quarter Three	Quarter Four		
			Year end forecast	Year end forecast	Year end forecast	Variance to budget	Carried forward to 2022/23	Final variance
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Resources	15,011	14,026	405	364	219	(984)	1,163	179
Chief Executive	561	579	0	18	15	18	0	18
Capital Financing	15,058	13,878	(1,000)	(1,222)	(1,236)	(1,179)	0	(1,179)
<b>Total</b>	<b>141,661</b>	<b>138,836</b>	<b>(305)</b>	<b>(341)</b>	<b>44</b>	<b>(2,825)</b>	<b>2,589</b>	<b>(236)</b>

- 5.3 Forecasting was challenging this year due to the impact of recovering from Covid-19. The overall outturn position has remained close to forecast throughout the year, however there were some significant fluctuations within individual service areas.

## 2021-22 Revenue Financial Performance Quarter Four: Provisional Outturn



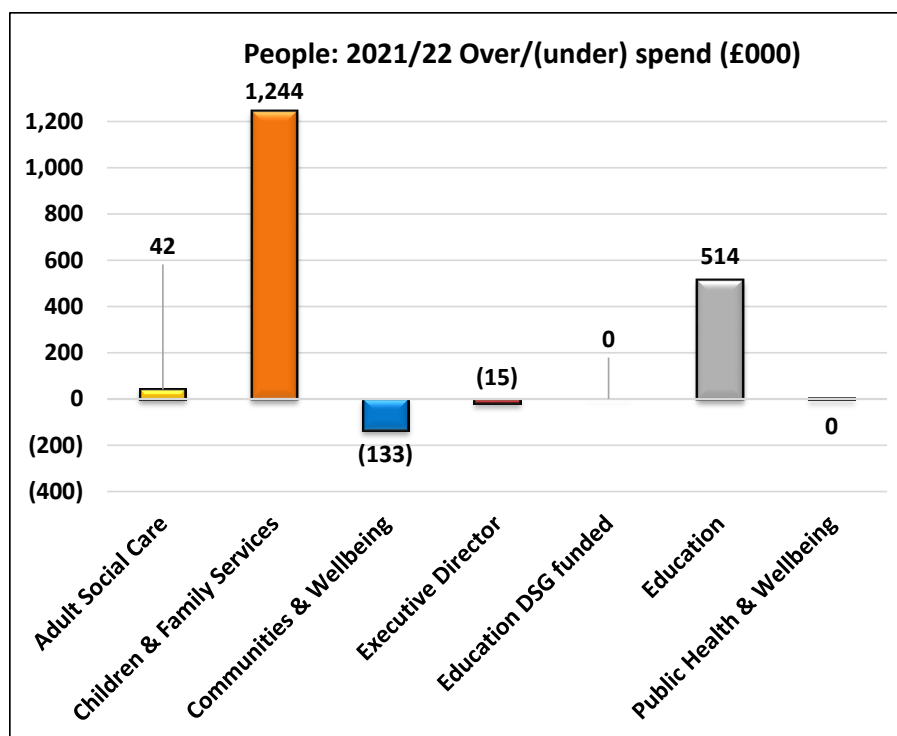
The forecasts by service are shown in the following chart:

	Current Net Budget	Outturn	(Under)/over spend						Change from Last Quarter
			Quarter One	Quarter Two	Quarter Three	Quarter Four			
			Year end forecast	Year end forecast	Year end forecast	Variance to budget	Carried forward to 2022/23	Final variance	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	51,259	51,260	0	0	0	1	41	42	42
Children & Family Services	16,966	18,153	67	444	711	1,188	57	1,244	533
Communities & Wellbeing	2,509	1,979	0	(29)	(42)	(530)	397	(133)	(91)
Executive Director	326	310	(7)	(9)	(12)	(15)	0	(15)	(3)
Education DSG funded	(441)	(441)	0	0	0	0	0	0	0
Education	9,115	9,532	0	747	665	417	97	514	(151)
Public Health & Wellbeing	1,470	673	0	0	0	(797)	797	0	0
People	81,203	81,466	59	1,153	1,322	263	1,389	1,652	330
Executive Director	198	182	0	0	0	(16)	0	(16)	(16)
Development & Regulation	5,907	5,753	87	(46)	58	(154)	37	(117)	(175)
Environment	23,724	22,951	144	(608)	(333)	(773)	0	(773)	(440)
Place	29,829	28,887	231	(654)	(275)	(943)	37	(905)	(631)
Commissioning & Procurement	802	369	(40)	(190)	(238)	(434)	0	(434)	(196)
ICT	2,162	2,077	64	88	107	(85)	68	(17)	(124)
Executive Director	301	300	1	6	9	(1)	0	(1)	(10)
Finance & Property	1,188	744	343	357	349	(444)	1,081	637	288
Covid Grant within F&P	4,155	4,155	0	0	0	0	0	0	0
Strategy & Governance	6,402	6,382	36	103	(8)	(21)	14	(7)	1
Resources	15,011	14,026	405	364	219	(984)	1,163	179	(40)
Chief Executive	561	579	0	18	15	18	0	18	4
Capital Financing	15,058	13,878	(1,000)	(1,222)	(1,236)	(1,179)	0	(1,179)	57
Capital Financing	15,058	13,878	(1,000)	(1,222)	(1,236)	(1,179)	0	(1,179)	57
Total	141,661	138,836	(305)	(341)	44	(2,825)	2,589	(236)	(280)

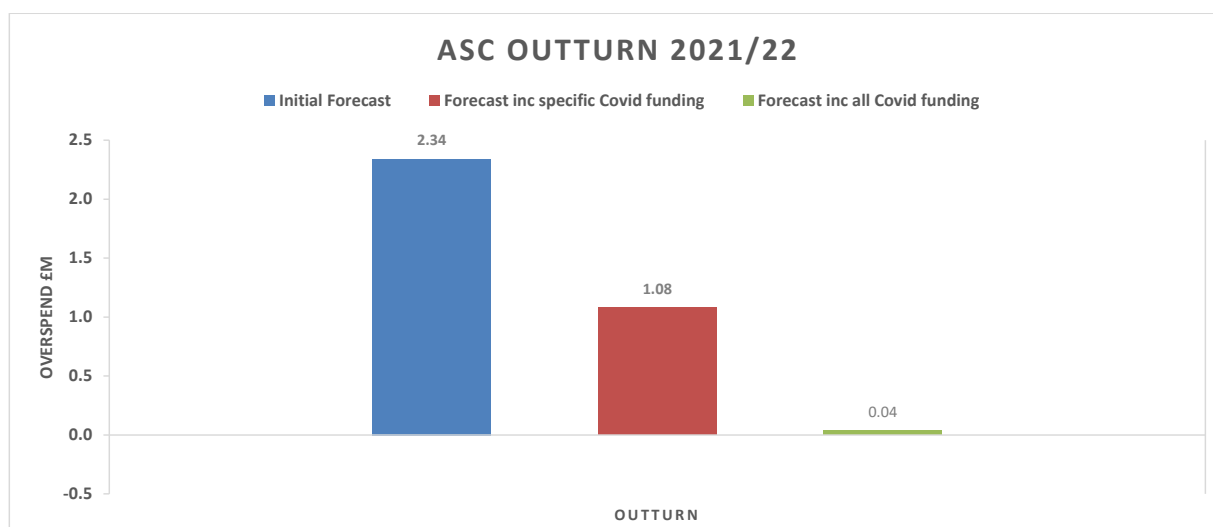
NB: Rounding differences may apply to the nearest £k.

## People Directorate

5.4 The Directorate outturn is an overspend of £1.6m. At Quarter Three, the forecast was an overspend of £1.3m after a draw down from reserves of £0.5m. This is no longer required due to the overall Council underspend, but explains why the overspend has increased.



5.5 In ASC, the overspend is £42k. The 2021-22 budget was built using £2.3m of one-off Covid emergency grant, of which £1.2m supported general budget pressures such as increased client numbers and their costs, and £1.1m was used to support specific Covid pressures. The ongoing budget pressures have been addressed as part of the 2022-23 budget build process. The £43k overspend could have been fully mitigated if required at year-end by using some of the £0.9m identified as a risk against the General Fund during the budget build process.



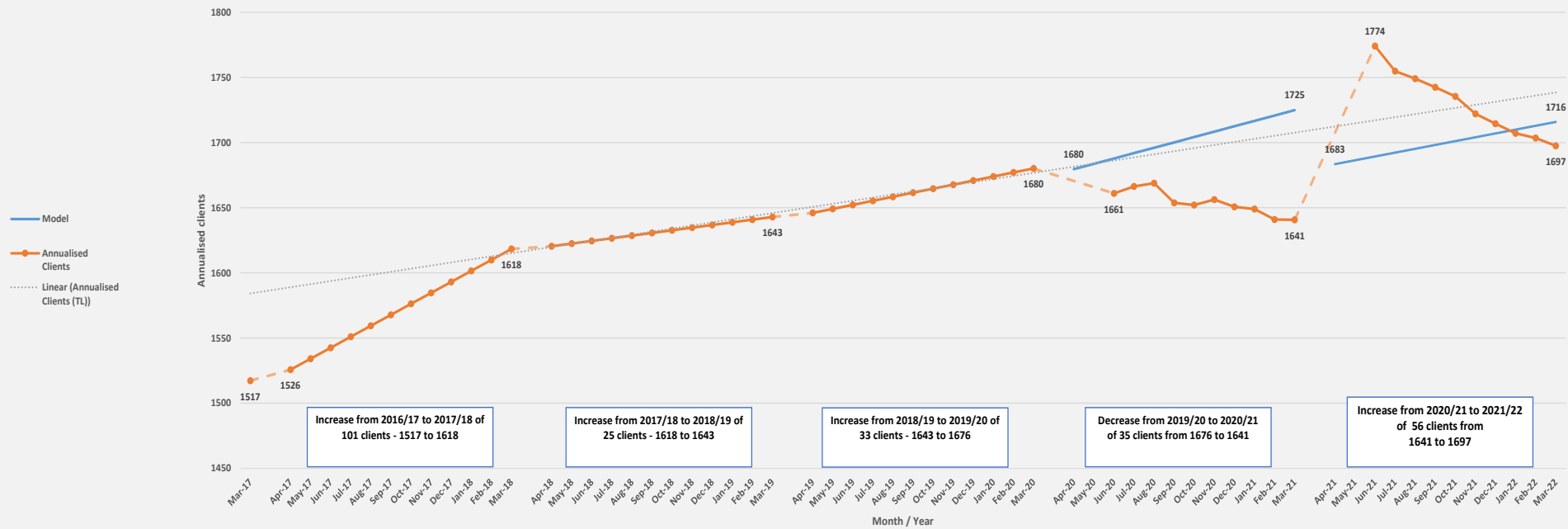


- (a) Long term services (LTS) are £40k underspent, after allocation of Covid funding. Although there are lower client numbers than modelled, 1697 compared to 1716, the cost of client care packages are higher due to the amount of care required, including an increase in double up care at home and earlier hospital discharge.
- (b) There is lower than modelled occupancy within Council owned care homes, which has resulted in unmet savings. The budget was set at 95% occupancy across the three homes and is currently at 78%. As clients are discharged from hospital earlier, their needs are often too high for the provision available, and so are placed externally, resulting in higher costs.
- (c) Short term services are £79k over spent after the allocation of Covid funding. The overspend is due to an increase in services being commissioned short term due to the uncertainty that Covid brings. ASC have proactively claimed for Continuing Health Care (CHC) and Covid funding to help mitigate this.
- (d) The service continues to take action to suppress market demand such as reinforcing the three conversations model suppressing the need for long term services, strategic review of in-house care home provision, use of technology enabled care and maximising external funding streams. Market Management is working with local providers to ensure supply and demand are better aligned and offering better value for money. Net weekly spend on long term services is carefully monitored. All requests for long term services are scrutinised weekly at Good Practice Forum by senior management to ensure Care Act compliance and also make best uses of resources.
- (e) The ASC Model for long term services has been updated monthly throughout this financial year to inform the 2022-23 budget. The assumptions are reviewed and agreed by the ASC Financial Planning Steering group and reported at the ASC Financial Planning meeting on a monthly basis. The modelling produces a financial impact range between low cost, most likely and high cost. The model inflation was built at 2.7%, with a Risk Reserve to cover inflation up to 7% during 2022-23. The was partly funded from the release of invoice provisions made at the end of 2021 that are no longer required.

The graph below shows client numbers from March 2017.

## 2021-22 Revenue Financial Performance Quarter Four: Provisional Outturn

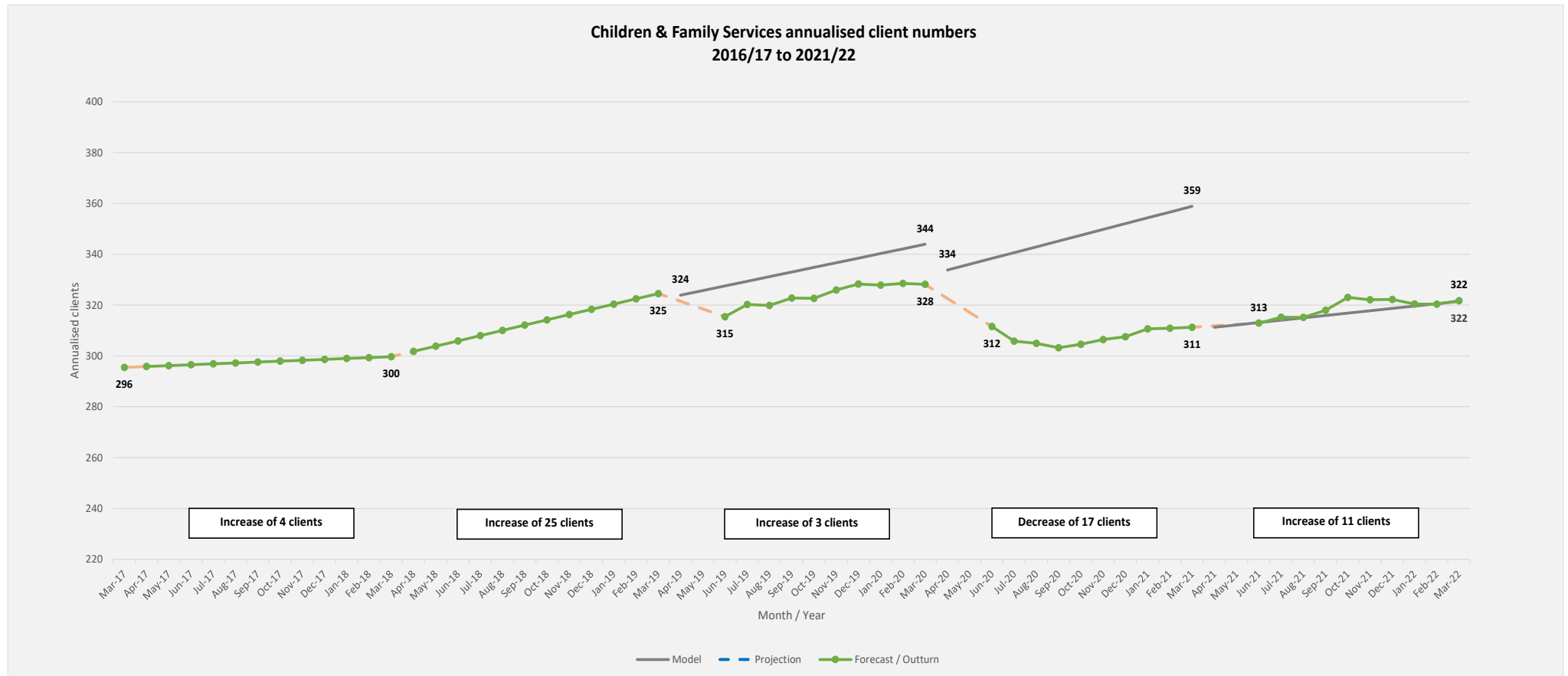
Adult Social Care annualised client numbers for Long Term Services  
2017/18 to 2021/22



5.6 In CFS, the outturn is a £1.2m overspend. The risk reserve for residential placements of £0.4m could have been used to support this and would have reduced the overspend to £0.8m.

- (a) There is a £0.7m overspend in placements, comprising an overspend of £1.2m in residential care offset by underspends in most other areas including fostering and UASC. Whilst the children in care population has generally been stable, we are seeing increasing complexity in the needs of children who have recently entered care.
- (b) There is a particular cohort of young people with very high care needs, requiring specialist residential provision incurring costs considerably more than the typical price. Children with higher support needs require increased staffing ratios or solo occupancy of a home which will lead to a cost of more than double. This has contributed to the majority of the CFS projected overspend, and has meant the saving we were hoping to achieve from the placements budget is no longer possible.
- (c) The Family Safeguarding Model had a saving target of £209k for income from partner agencies to support this model. The partner decision not to contribute has resulted in a pressure as this saving will not be met.
- (d) Additional Child Care Lawyer Fees have been incurred supporting complex cases. The savings target of £150k against Child Care Lawyers has therefore not been achieved.
- (e) The service has a £126k overspend in other areas, most notably staffing. This is due to current demands on staff from higher demand coupled with vacancies, maternity leave and sickness absence. Many of these are being covered by agency staff.
- (f) The model for placements has been refined and is updated monthly. The graph below shows an increase in client numbers up to 2019-20, but 2020-21 saw a significant reduction. The client numbers for 2021-22 are the same as those budgeted, but the number of clients in higher cost provision has generated the in-year pressure.

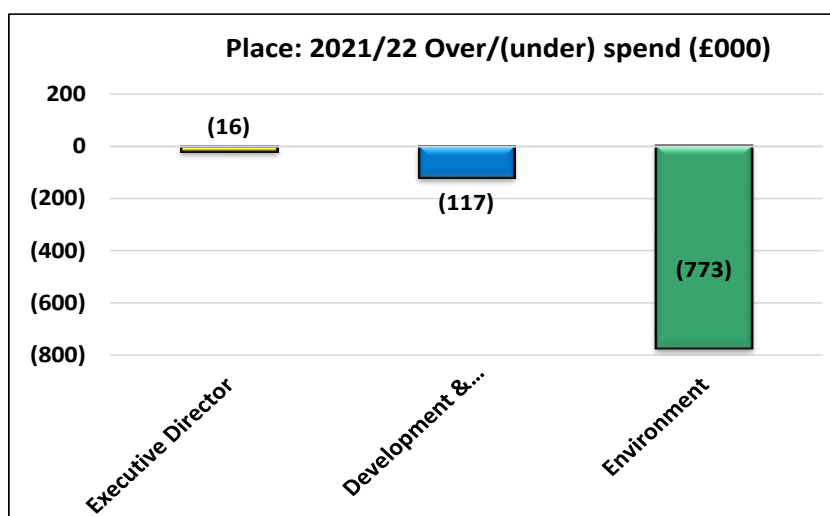
## 2021-22 Revenue Financial Performance Quarter Four: Provisional Outturn



- 5.7 Education is reporting a £0.5m overspend. An exceptional residential placement which started in the autumn term costing £16k per week, forms most of the disability support for children's overspend of £386k. There is a £260k overspend on Home to School Transport as a result of increased fuel costs, a shortage of drivers and an increase in the number of children being transported. There were £132k of savings across the service offsetting these pressures. The risk reserve for residential placements of £80k could have been used to support the overspend.
- 5.8 Communities & Wellbeing is reporting a £133k underspend with the majority of this coming from Building Communities Together, due to grant funding, and Leisure income from contract inflationary uplifts not being budgeted for. £400k of grant funding has been put into earmarked reserves to spend in 2022-23.
- 5.9 The Public Health grant is on line after transferring £797k of Public Health Grant funding to earmarked reserves. The underspend being transferred to reserves is mainly due to staff being deployed and supported by the Contain Outbreak Management Fund (COMF). There remains £1.4m of COMF, which has been earmarked against projects in 2022-23.

## Place Directorate

5.10 The Place Directorate outturn is an underspend of £0.9m against a budget of £30m.



5.11 In Development and Regulation, there is a £117k underspend.

- (a) There are favourable variances in both Economic Development £121k and the Housing Service £72k due to additional grant funding and staffing vacancies. Income has been over achieved in Temporary Accommodation £129k, Registrars £40k and Development Control £30k. There are adverse variances of £93k for delivery of the Local Plan and £170k on interim senior management costs.
- (b) The net expenditure reduced by £175k from Quarter Three forecast. This was mainly due to a delay in the Net Carbon Zero Project which will now take place in 2022-23 as part of the Local Plan, and staff vacancies and grant funding in Economic Development that had not been reported at Quarter Three. Grant

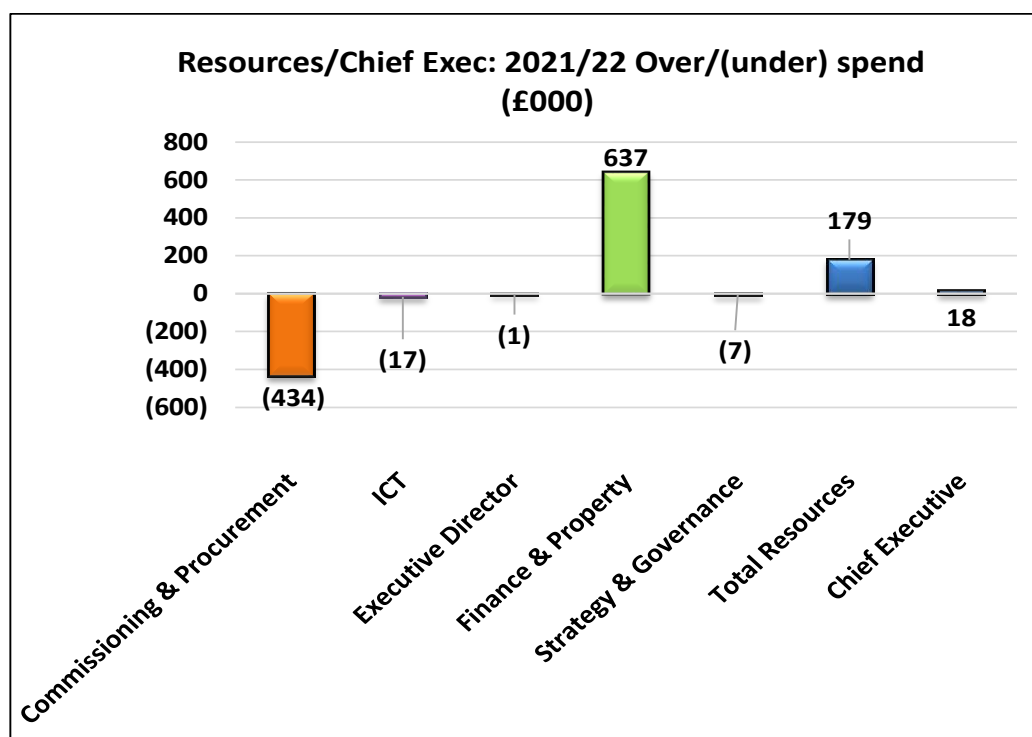
funding in support of the Afghan Relocations and Assistance Policy was received in the final quarter and had not previously been forecast.

5.12 In Environment, there is a £773k underspend.

- (a) There is a net saving on the Waste Service of £679k due to additional income from dry recycling sales and diversion of waste from landfill to 'energy from waste' sites. There was additional income of £146k from the garden waste subscription. Public Transport budgets are £326k under spent from lower vehicle lease costs and receipt of Covid grant funding to support income and social distancing requirements. Car parks saw an underspend of £200k due to saving on repairs and maintenance and staff vacancies.
- (b) Pressures in the Environment service included £312k overspend on Ash Dieback remedial work required to ensure safety on the highway. It was previously agreed to treat this is a risk, however, ongoing investment will need to be made, unless funding becomes available to mitigate the costs. There are £167k pressures in Transport Services from Streetworks IT, testing costs and permit income. The majority of losses have been covered by Covid grants, but this pressure relates to residual amounts that aren't funded. There were Asset Management pressures of £220k from energy costs and highways emergency revenue spend which could not be funded from capital.
- (c) Net expenditure reduced by £440k from the Quarter Three forecast. This was largely due to the increased price received for recycled materials and a decrease in landfill site usage as waste has been sent to energy recovery plants. There were further underspends in car parks due to staffing vacancies and lower spend on maintenance.

### **Resources Directorate/Chief Executive**

5.13 The Directorate outturn is an overspend of £0.2m against a budget of £15m.



5.14 In Commissioning, there is £434k surplus income largely from the agency contract rebate, as a result of the increased agency usage for Covid cover during the year. The rebate was £183k higher than forecast at Quarter Three. Additional income has been reflected in the 2022-23 budget.

5.15 In ICT the underspend of £17k is from postage costs, staff vacancies and covid grant funding.

5.16 In Finance and Property, the £637k overspend has arisen as follows:

- (a) Commercial Property has a shortfall in net income for the year of £369k in light of ongoing vacancy at one of the Council's Commercial Property assets. At Quarter Three the pressure was forecast to be funded from reserves, but due to the overall underspend, this will not be required.
- (b) A number of schools have left the Council insurance in favour of cheaper Risk Protection Arrangements offered by the Department for Education. This has resulted in loss of income of £240k. At Quarter Three, this was to be supported by £100k release from reserves, but this will not be required.
- (c) Temporary staff costs covering vacancies in the Financial Reporting Team has led to an overspend of £73k due to recruitment difficulties.
- (d) A £158k saving was expected from rationalisation of office space, however, the timing of office moves and demand for temporary storage has left £86k unmet.
- (e) A surplus of £987k from the release of expired invoice provisions has been put into earmarked service risk reserves.

## Capital Financing

5.17 The Capital Financing outturn is an underspend of £1.2m. Capital financing costs are lower than expected due to less capital expenditure than expected during the pandemic and savings on capital financing through utilisation of short term borrowing and cash flow as opposed to longer term financing. Savings have also been achieved through the prepayment of pension contributions.

## Covid-19 impact on the 2021/22 budget

5.18 In 2020-21, the Council was awarded £9.6m of un-ringfenced emergency expenditure grant from Central Government and claimed £2.8m of emergency funding for lost income. Overall emergency grant funding totalled £12.4m and losses totalled £9.5m, so the balance of £2.9m was put to an earmarked Covid reserve to use during 2021/22.

5.19 In 2021-22, the Council has received a further £3.2m emergency grant and has claimed £1m in lost income. There is £1m grant remaining of which £0.9m has been committed as part of the 2022-23 budget build.

	General Grants 2021/22		
	Emergency Expenditure Grant	Income compensation Scheme	Total
Covid Funding 2021/22	£000	£000	£000
Grants brought forward	(2,947)		(2,947)
Track and Trace	(79)		(79)
Grants 2021/22	(3,257)	(971)	(4,228)
<b>Total grants available</b>	<b>(6,282)</b>	<b>(971)</b>	<b>(7,254)</b>
<b>To be awarded to services:</b>			
Adult Social Care	2,144	156	2,300
Children & Family Services	412	0	412
Education	171	10	181
Communities & Wellbeing	471	70	541
<b>People</b>	<b>3,198</b>	<b>236</b>	<b>3,434</b>
Development & Planning	(3)	48	45
Public Protection	121	5	127
Environment	642	273	915
<b>Place</b>	<b>760</b>	<b>326</b>	<b>1,086</b>
Finance & Property	43	76	119
Commissioning	0	0	0
ICT	286	0	286
Strategy & Governance	147	5	151
<b>Resources</b>	<b>476</b>	<b>81</b>	<b>557</b>
<b>CEX</b>	<b>0</b>		<b>0</b>
<b>Recovery</b>	<b>106</b>		<b>106</b>
<b>Total to be awarded to services</b>	<b>4,540</b>	<b>643</b>	<b>5,183</b>
Bus Routes	395		395
Car parking loss of income 21/22		500	500
Awarded from reserve	112		112
<b>Total awarded</b>	<b>5,047</b>	<b>1,143</b>	<b>6,190</b>
<b>Grant Remaining</b>	<b>(1,235)</b>	<b>172</b>	<b>(1,064)</b>
<b>Commitments 2022/23</b>			<b>866</b>
<b>Collection fund support</b>			<b>198</b>
<b>Grant Remaining</b>			<b>0</b>

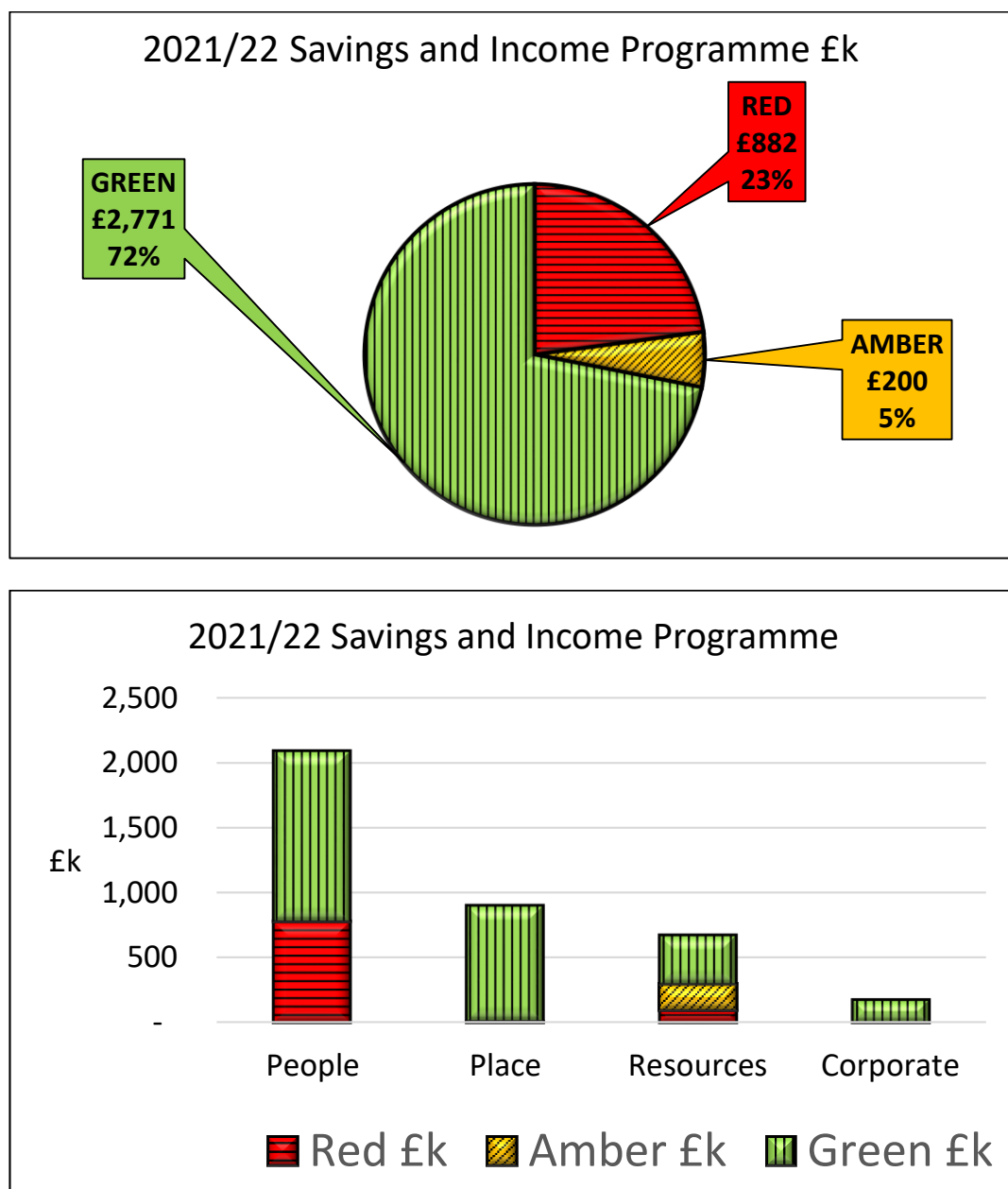
5.20 Further non-ringfenced grants were received during 2020-21 for New Burdens, Control Outbreak Management Fund (COMF), Clinically Extremely Vulnerable (CEV) and Test & Trace. At year end, £3.3m of this was put to the Covid reserve. There is now £1.6m of this remaining and will be used to support these areas during 2022-23.



5.21 The funding received from Government to date, and the Council's level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 in the current financial year.

### 2021-22 Savings and income generation programme

5.22 In order to meet the funding available, the 2021-22 revenue budget was built with a £3.6m savings and income generation programme. The programme is monitored using the RAG traffic light system. The status is shown in the following charts:



Red items are as follows:

Saving item	Impact on 2022-23
-------------	-------------------

£50k for ASC Supported Accommodation unit for Learning as this is not due to open until 1.8.2022.	Smaller impact on 2022-23; full year saving expected in future financial years.
£25k ASC Resource Allocation System, which will be implemented with Care Director V6 scheduled for 1.4.2022.	Smaller impact on 2022-23; full year saving expected in future financial years.
<b>Saving item</b>	<b>Impact on 2022-23</b>
£9k from ASC Hillcroft rent reduction not met as rent reduction was lower than anticipated.	Will be resolved through budget alignment within ASC for 2022-23.
£150k from childcare legal fees, due to high costs from a complex case.	One-off in year – not expected to have same case for 2022-23.
£250k CFS placement savings. Placements are reporting an overspend due to increased demand for most costly placements to meet complex needs (particularly mental health).	Adjusted for in the 2022-23 budget with funding into the CFS model.
£209k CFS Family Safeguarding Model income from third parties who have indicated that they will not be contributing. This forms part of the overspend in this area.	Adjusted for in the 2022-23 budget with additional investment.
£33k in Education from premature retirement savings not met and agency cost in Disabled Children's team.	Expected to be fully met in 2022-23.
£50k in Education from CHC income generation. There have been no new cases that have attracted health funding.	Uncertain for 2022-23 as will depend on cases.
£10k in Environment from street naming and numbering. The policy document needs to be reviewed and amended before charging can commence, and extra resource is needed for this.	Will be delayed until resource is obtained.

£86k in Finance & Property from accommodation savings and £10k bank charges: Delay in vacating corporate buildings and need for temporary storage has diluted saving achievable in 2021/22.	Expected to be delivered during 2022-23 once the project is complete and review undertaken in early Autumn 2022. Costs already started to reduce in 2021-22.
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## Proposals

5.23 To note the provisional outturn £0.2m underspend.

5.24 To note the ongoing impact that Covid will have on the 2021-22 budget as the Council sees increased demand for some services, but continues to be utilise external funding.

## 6 Other options considered

None.

## 7 Conclusion

7.1 The 2021-22 financial year continued to present financial challenges for the Council in supporting our residents and business. Grant funding has helped the Council to cover additional costs and lost income and enabled us to support a range of activities within our district.

7.2 The outturn is interlinked to the impact of the pandemic and the use of Covid resources provided by central government. The Covid-19 grant funding received from Government to date, and the Council's level of general fund reserves mean that the Council has been well placed to focus its efforts on response and recovery from the Covid-19 during the financial year. The Covid-19 grant underspend from 2020-21 has been used in 2021-22 to fund the ongoing pandemic response.

7.3 The £3.6m savings and income generation programme was 76% achieved.

## 8 Appendices

8.1 Appendix A – Quarter Four position

8.2 Appendix B – Budget changes

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### Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval

☐

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- |  |                                     |
|--|-------------------------------------|
| Delays in implementation could have serious financial implications for the Council   | <input type="checkbox"/>            |
| Delays in implementation could compromise the Council's position   | <input type="checkbox"/>            |
| Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months | <input type="checkbox"/>            |
| Item is Urgent Key Decision  | <input type="checkbox"/>            |
| Report is to note only   | <input checked="" type="checkbox"/> |

**Officer details:**

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## Appendix A – Quarter Four position

## Consolidated outturn report 2021/22

	Budget			Gross Performance						Net Outturn					
	Original Budget £	Budget Changes £	Revised Budget £	Expenditure			Income			Net Exp/Inc £	Items going straight to CIES £	Outturn £	Variance to budget £	Carried forward to 2022/23 £	Final variance £
				Annual Expenditure Budget £	Actual Expenditure £	Expenditure Variance £	Annual Income Budget £	Actual Income £	Income Variance £						
Adult Social Care	51,172,220	86,830	51,259,050	69,876,490	77,450,667	7,574,177	-18,617,440	-26,106,182	-7,488,742	51,344,485	-85,000	51,259,485	435	41,000	41,435
Children & Family Services	16,718,350	247,170	16,965,520	19,075,550	20,261,797	1,186,247	-2,110,030	-2,108,722	1,308	18,153,075		18,153,075	1,187,555	57,000	1,244,555
Executive Director - People	320,270	5,500	325,770	325,770	783,117	457,347	0	-472,783	-472,783	310,334		310,334	-15,436	0	-15,436
Education (DSG Funded)	-444,000	2,880	-441,120	115,333,260	116,839,904	1,506,644	-115,774,380	-117,281,024	-1,506,644	-441,120		-441,120	0	0	0
Education	9,026,100	88,570	9,114,670	12,935,640	13,568,695	633,055	-3,820,970	-4,037,012	-216,042	9,531,683		9,531,683	417,013	97,000	514,013
Public Health & Wellbeing	-80,000	1,549,550	1,469,550	6,048,220	8,573,387	2,525,167	-4,578,670	-7,900,624	-3,321,954	672,763		672,763	-796,787	797,000	213
Communities & Wellbeing	2,352,530	156,940	2,509,470	3,929,900	3,785,257	-144,643	-1,420,430	-1,806,204	-385,774	1,979,053		1,979,053	-530,417	397,000	-133,417
<b>People</b>	<b>79,065,470</b>	<b>2,137,440</b>	<b>81,202,910</b>	<b>227,524,830</b>	<b>241,262,825</b>	<b>13,737,995</b>	<b>-146,321,920</b>	<b>-159,712,552</b>	<b>-13,390,632</b>	<b>81,550,273</b>	<b>-85,000</b>	<b>81,465,273</b>	<b>262,363</b>	<b>1,389,000</b>	<b>1,651,363</b>
Development & Regulation	5,560,180	346,900	5,907,080	13,442,140	15,899,910	2,457,770	-7,535,060	-10,186,733	-2,651,673	5,713,176	40,000	5,753,176	-153,904	37,000	-116,904
Executive Director – Place	197,790	0	197,790	197,790	182,172	-15,618	0	0	0	182,172		182,172	-15,618	0	-15,618
Environment	24,337,330	-612,990	23,724,340	34,310,310	34,259,993	-50,317	-10,585,970	-11,308,682	-722,712	22,951,311		22,951,311	-773,029	0	-773,029
<b>Place</b>	<b>30,095,300</b>	<b>-266,090</b>	<b>29,829,210</b>	<b>47,950,240</b>	<b>50,342,075</b>	<b>2,391,835</b>	<b>-18,121,030</b>	<b>-21,495,416</b>	<b>-3,374,386</b>	<b>28,846,660</b>	<b>40,000</b>	<b>28,886,660</b>	<b>-942,550</b>	<b>37,000</b>	<b>-905,550</b>
ICT	2,162,970	-1,290	2,161,680	3,016,090	3,047,377	31,287	-854,410	-970,321	-115,911	2,077,057		2,077,057	-84,623	68,000	-16,623
Executive Director - Resources	203,910	97,570	301,480	301,480	307,689	6,209	0	-7,344	-7,344	300,345		300,345	-1,135	0	-1,135
Commissioning & Procurement	802,460	0	802,460	10,283,490	11,281,345	997,855	-9,481,030	-10,912,812	-1,431,782	368,532		368,532	-433,928	0	-433,928
Finance & Property	5,077,040	265,700	5,342,740	48,710,850	49,837,606	1,126,756	-43,368,110	-46,987,589	-3,619,479	2,850,017	2,049,000	4,899,017	-443,723	1,081,000	637,277
Strategy & Governance	6,437,480	-35,320	6,402,160	7,467,730	7,798,010	330,280	-1,065,570	-1,416,364	-350,794	6,381,646		6,381,646	-20,514	14,000	-6,514
<b>Resources</b>	<b>14,683,860</b>	<b>326,660</b>	<b>15,010,520</b>	<b>69,779,640</b>	<b>72,272,026</b>	<b>2,492,386</b>	<b>-54,769,120</b>	<b>-60,294,430</b>	<b>-5,525,310</b>	<b>11,977,597</b>	<b>2,049,000</b>	<b>14,026,597</b>	<b>-983,923</b>	<b>1,163,000</b>	<b>179,077</b>
<b>Chief Executive</b>	<b>552,850</b>	<b>7,890</b>	<b>560,740</b>	<b>560,740</b>	<b>594,056</b>	<b>33,316</b>	<b>0</b>	<b>-14,880</b>	<b>-14,880</b>	<b>579,176</b>	<b>0</b>	<b>579,176</b>	<b>18,436</b>	<b>0</b>	<b>18,436</b>
<b>Capital Financing and Management</b>	<b>12,430,960</b>	<b>2,626,790</b>	<b>15,057,750</b>	<b>15,177,750</b>	<b>7,744,199</b>	<b>-7,433,551</b>	<b>-120,000</b>	<b>-1,151,743</b>	<b>-1,031,743</b>	<b>6,592,456</b>	<b>7,286,000</b>	<b>13,878,456</b>	<b>-1,179,294</b>	<b>0</b>	<b>-1,179,294</b>
<b>Total</b>	<b>136,828,440</b>	<b>4,832,690</b>	<b>141,661,130</b>	<b>360,993,200</b>	<b>372,215,181</b>	<b>11,221,981</b>	<b>-219,332,070</b>	<b>-242,669,019</b>	<b>-23,336,949</b>	<b>129,546,161</b>	<b>9,290,000</b>	<b>138,836,161</b>	<b>-2,824,969</b>	<b>2,589,000</b>	<b>-235,969</b>

## Appendix B – Budget Changes

Service	Original Net Budget £000	Approved Budget B/F from 2020/21 £000	Budget changes not requiring approval £000	FAGG approved release from reserves £000	Approved by S151 & Portfolio Holder £000	Approved by Executive £000	Budget C/F to 2022/23 £000	Final Net Budget £000
Adult Social Care	51,172			87				51,259
Children and Family Services	16,718		23	159			65	16,966
Communities & Wellbeing	2,353			176			(19)	2,509
Executive Director	320			6				326
Education DSG funded	(444)			3				(441)
Education	9,026			109			(20)	9,115
Public Health & Wellbeing	(80)						1,550	1,470
<b>People</b>	<b>79,065</b>	<b>0</b>	<b>23</b>	<b>540</b>	<b>0</b>	<b>0</b>	<b>1,576</b>	<b>81,203</b>
Executive Director	198							198
Development & Planning	5,560		238	331			(222)	5,907
Environment	24,337			139		(766)	14	23,724
<b>Place</b>	<b>30,095</b>	<b>0</b>	<b>238</b>	<b>469</b>	<b>0</b>	<b>(766)</b>	<b>(208)</b>	<b>29,829</b>
Commissioning	802							802
Customer Services & ICT	2,163			27		(28)		2,162
Executive Director	204			98				301
Finance & Property	922		60	166		(1,892)	1,932	1,188
Covid Grant within F&P	4,155							4,155
Strategy & Governance	6,437		20	121			(176)	6,402
<b>Resources</b>	<b>14,684</b>	<b>0</b>	<b>80</b>	<b>411</b>	<b>0</b>	<b>(1,920)</b>	<b>1,756</b>	<b>15,011</b>
Chief Executive	553		8					561
<b>Capital Financing</b>	<b>12,431</b>		<b>(60)</b>			<b>2,686</b>		<b>15,058</b>
<b>Total</b>	<b>136,828</b>	<b>0</b>	<b>290</b>	<b>1,420</b>	<b>0</b>	<b>0</b>	<b>3,123</b>	<b>141,661</b>
<b>Quarter One</b>	<b>136,828</b>	<b>0</b>	<b>0</b>	<b>353</b>	<b>0</b>	<b>0</b>	<b>3,123</b>	<b>140,305</b>
<b>Quarter Two</b>	<b>136,828</b>	<b>0</b>	<b>0</b>	<b>434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,739</b>
<b>Quarter Three</b>	<b>136,828</b>	<b>0</b>	<b>234</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>140,985</b>
<b>Quarter Four</b>	<b>136,828</b>	<b>0</b>	<b>56</b>	<b>621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141,661</b>
<b>Total</b>	<b>136,828</b>	<b>0</b>	<b>290</b>	<b>1,420</b>	<b>0</b>	<b>0</b>	<b>3,123</b>	<b>141,661</b>