



**REPORT of
DIRECTOR OF RESOURCES**

**to
STRATEGY AND RESOURCES COMMITTEE
14 JULY 2022**

PROVISIONAL OUTTURN

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee the provisional Outturn position for the year ended 31 March 2022.
- 1.2 To inform Members of movements in relation to the Council's General Fund, Earmarked Reserves and Capital Commitments as at 31 March 2022.

2. RECOMMENDATIONS

- (i) That the provisional outturn position for the 2021 / 22 financial year be noted;
- (ii) That the movement in Earmarked Reserves in **APPENDIX 1** be approved;
- (iii) That Revenue Commitments in **APPENDIX 2** be approved to be brought forward to 2022 / 23;
- (iv) That the Capital Commitment roll forwards into 2022 / 23 be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 The Outturn report provides financial results for the Council for the year ending 31 March 2022. It shows performance against the original budget agreed by the Council on 23 February 2021 and is used for management purposes. The annual statement of accounts is prepared for statutory reporting purposes.
- 3.2 The statutory deadline for the draft statement of accounts to be published is 31 July 2022 and the audit of these financial statements is due to conclude in November. As such the figures in the Outturn report are subject to change and therefore provisional.
- 3.3 **Final Budget**
 - 3.3.1 The final revised service budget for 2021 / 22 was £12.4m. This was based on the original budget approved by the Council on 23 February 2021 and subsequent amendments approved by the Strategy and Resources Committee throughout 2021 / 22, as summarised in Table 1.

Table 1 – Budget Reconciliation

Description	Amount £000
Original budget	11,916
Supplementary estimates	53
Mid-year growths	44
Drawdowns from Reserves - Revenue commitments (Appendix 2)	406
Drawdowns from Reserves - Other	3
Revised budget	12,422

3.4 Provisional Outturn

3.4.1 The following table (table 2) is an overview of the provisional outturn position including statutory accounting adjustments.

3.4.2 After movement in Earmarked Reserves, as detailed at **APPENDIX 1**, there is a cost of £5k to the General fund, which is £92k more favourable than budgeted.

Table 2 – Provision Outturn

	Budget £000	Actuals £000	Variance £000
Net Cost of Services	12,422	11,705	-718
Investment Income	-133	-198	-65
Statutory Adjustments	-2,330	-2,401	-71
Government Grants	-990	-990	0
Council Tax	-5,177	-5,277	100
National Non-Domestic Rates (NNDR) (including Section31 Grants)	-2,314	-1,859	992
Total	942	980	38
Movement in Earmarked Reserves	-845	-975	-130
Transfer from General Fund	97	5	-92

3.5 The above variances include Covid-19 and other budget variances. The following table (table 3) draws out some of the specific areas that have been financially impacted by the pandemic.

Table 3 – COVID Pressures

COVID Pressures	£000
Leisure Income	564
Increased waste tonnage and street cleansing	174
Town Centre Car Parking Income	98
Splash Park and Beach Hut Income	68
Leisure Recovery Fund Grant	-8

COVID Pressures	£000
Income Compensation Grant	-96
Covid Grant	-306
Net COVID Pressures	494

- 3.6 A breakdown of the variances that make up the £92k are at **APPENDIX 3** with explanations.
- 3.7 The impact on the general fund balance as a result of the outturn is shown in the following table (table 4).

Table 4 – General Fund Balance

	£000
Opening General Fund Balance	5,800
Transfer from General Fund (Table 2)	5
Closing General Fund Balance	5,795

- 3.8 This table shows that the general fund balance would remain above the minimum recommended level of £2.6m. A minimum level of reserve is set to ensure the Council has the financial resilience to respond to emergencies and unforeseen events such as the current pandemic. However, if it did fall below the minimum level it would need to be replenished in future years.

4. EARMARKED RESERVES

- 4.1 **APPENDIX 1** provides a breakdown of the Earmarked Reserves. Earmarked Reserves balances as at 31 March 2022 are £7.4m. This is a net decrease of £1.0m from 1 April 2021.
- 4.2 Drawdowns totalled £4.2m during 2021 / 22 which include £3.0m from the Council Tax and Business Rates Equalisation reserve to pay outstanding NNDR to Central Government, a planned £0.8m contribution from the New Homes Bonus reserve, and £0.4m to cover revenue commitments as at 31 March 2021.
- 4.3 Increases totalled £3.2m which include £1.8m to contribute towards this year's outstanding NNDR payable to Central Government during 2022 / 23, £0.5m to help pay for the triennial contribution to Essex Pensions, £0.5m towards the Local Development Plan (as underspent in 2021 / 22) and £0.3m of revenue commitments carried forward to spend in 2022 / 23 (this is committed expenditure against 2021 / 22 budgets but will not be delivered until 2022/23 - detailed at **APPENDIX 2**).

5. CAPITAL COMMITMENTS

- 5.1 The Council's approved capital programme was £0.7m in 2021 / 22. This includes the prior year programme roll forwards, and supplementary estimates. During the year £0.3m was spent, leaving a Capital underspend of £0.5m. This is mainly due to the inability to access people's homes during the pandemic to carry out disabled facility capital works. Other underspends are captured in Table 5 below.

- 5.2 As at 31 March 2022, a number of capital projects were still on-going and the following budget amounts, totalling £298k, are requested to be carried over into 2021 / 22 as listed below:

Table 5 – Capital Commitments

Capital Project	Description	Budget 2021 / 22 £	2021 / 22 Expenditure £	2021 / 22 Balance £	Carry forward £
New accessible playsite	The original tender for this work did not receive any suitable responses and so the works need to be retendered and carried out this year.	48,000	0	48,000	48,000
Splash park elements	The works to the element replacements is now to be done during the resurfacing works in 2022 / 23.	30,000	0	30,000	30,000
Blackwater Leisure Centre Air Handling Unit (AHU)	The AHU cannot be replaced until there is safe access up onto the roof of Blackwater Leisure Centre. A bid for funds to allow us to fit the safe system of access in 2022 / 23 was approved allowing the works to the AHU to proceed.	24,500	0	24,500	24,500
Capital project - Blackwater Leisure Centre - Entrance / exit works and car park works	Works to start onsite on Tuesday 18 April. Delayed due to Covid and Leisure Centre customer commitments including Covid test centre	25,000	0	25,000	25,000
Burnham-on-Crouch House-boat project		120,000	3,500	116,500	116,500

Capital Project	Description	Budget 2021 / 22 £	2021 / 22 Expenditure £	2021 / 22 Balance £	Carry forward £
Gym Expansion Dengie 100	This is dependent on prior works to the existing leases and for the leaseholder, Burnham-on-Crouch (BoC) Sports Club, which is taking longer than envisaged.	30,000	0	30,000	30,000
New Laptops - rolling replacement programme	2021/ 2 2 was a lower year than average due to the young age of laptops but 2022 / 23 is expected to see higher than average laptop replacements.	47,000	23,200	23,800	23,800
Total		324,500	26,700	297,800	297,800

6. CONCLUSION

- 6.1 Actual net expenditure for 2021 / 22 was £92k under budget. However, a final Outturn position will not be established until after the 2021 / 22 Financial Statements are audited.
- 6.2 A number of capital projects have been completed in-year, although some projects were unable to be completed by 31 March 2022 and budgets have therefore been committed at year end for 2022 / 23 accordingly.
- 6.3 The advent of the Coronavirus Pandemic has had a direct impact on the Council's ability to operate within its budget for affected areas. It has resulted in some large income shortfalls. Government grants have offset some of the impact, as well as other underspends, meaning a very small deficit has been charged to the General Fund at the end of 2021 / 22.

Nevertheless, the impacts of the coronavirus pandemic will be ongoing to an extent, and likely to cost the Council money in terms of lost income in areas such as leisure services and town car parking.

7. IMPACT ON STRATEGIC THEMES

- 7.1 This report links to the corporate core values of being open and transparent, and accountable for our actions.

8. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – No corporate risk issues associated with this report.
- (iv) **Impact on Resources (financial)** – Outlined in the report.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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