

Appendix 1: General Fund Revenue Outturn

Section One - General Fund Revenue Outturn as at 31st March 2021

The latest summary of the revenue outturn position for the main service accounts of the Authority is set out in the table below.

	2020/21			Remove Covid-19 Related Variances	Remove Reserve Funded Variances	Variance from Working Budget	Appendix 1 Note
	Original Budget	Working Budget	Actual				
	£000	£000	£000	£000	£000	£000	
Expenditure:							
Central Services	1,108	1,131	1,156	2	(3)	(26)	
Communities & Environment	8,068	9,548	13,387	4,287	(627)	(179)	1
Corporate Services	5,373	7,615	5,836	262	(1,514)	527	2
Economic Growth & Regeneration	7,867	8,823	8,404	1,188	(1,429)	178	3
Other Corporate Income & Expenditure Items	(4,513)	(3,969)	(6,330)	(5,739)	3,573	195	4
NET REVENUE EXPENDITURE	17,903	23,148	22,453	-	-	695	

Note 1 Communities & Environment

Car Parking Income (£84K shortfall)

The extended lockdown period since the revised budget position was set has naturally seen a shortfall in income, this is offset by a proportion of compensation received from the government as detailed in appendix note 4.

Licensing Income (£63K shortfall)

Largely due to suspending the payment of licences and closures due to the pandemic. Again, this shortfall in income is offset by a proportion of compensation received from the government as detailed in appendix note 4.

Note 2 Corporate Services

Bad Debt Provision (£192K increase)

Following the review of historic information and the levels of collectability regarding debt, the annual contribution was deemed insufficient and increased in-line with current income projections.

Luneside East Legal Case (£688K removal)

For a number of years the Council have carried an accrual in the accounts relating to the court case which was also held within the bad debt provision. An opinion has been sought and the accrual has now been removed from the accounts. This is offset by a shortfall in the income position as also included within note 3.

Note 3 Economic Growth & Regeneration

Luneside East Legal Case (£688K removal)

As detailed in note 2, the removal of an accrual is offset by a corresponding reduction to the bad debt provision.

Employee Costs (£262K underspend)

Salary savings in the year were achieved largely due to vacancies held which have historically

been difficult to recruit to. Also, due to the pandemic, there was a reduced need for casual staff largely at venues which were closed during the year. This figure is offset by any additional agency/consultancy costs incurred with the exception of PTT consultancy as detailed below).

Property Transaction Team Consultancy (£118K underspend)

A budget of £175K was included in the revised budget to assist towards due diligence work required on PTT investments. The Council's position regarding external investments has since changed and the requirement for due diligence work has diminished.

Supplies & Services (£89K underspend)

The closure of venues and festivals has led to a significantly reduced demand for marketing and supplies and services in general.

Property R&M and use of Municipal Buildings (£150K underspend)

The Council has had to react to the pandemic and this has resulted in varying use and usage levels of its buildings. Lancaster Town Hall has been utilised by the NHS for its vaccine programme and the Court Service have occupied the Ashton Hall. This has led to additional income of £74K within 2020/21. There has been a net saving of £76K attributable to R&M.

Land Drainage/Sea Defences R&M (£61K underspend)

The R&M budget was not fully utilised due to pandemic restrictions being in place. Also, staff time has largely been directed to the Caton Road flood defence scheme which is externally funded.

White Lund Gateway (£125K debtor)

As part of the White Lund Gateway scheme, budgetary provision of £125K was included in the revised estimate to reflect the amount paid to the managing agents (Sanderson/Weatherall) in advance of service provided. Upon receipt of further information, the company are to recover the money via service charging and therefore are to return the cash advance at a later date, resulting in a debtor position and no budgetary provision was required in 2020/21.

Note 4 Other Corporate Income & Expenditure

New Burdens Grants (£503K credit)

The Council have benefitted from new burdens grants received from governments to help tackle the pandemic which weren't included in estimates throughout the year. This is largely due to amounts not being known and uncertainty relating to whether or not the grants were subject to ringfencing and could be used to offset the overall net cost of services.

Sales, Fees & Charges Compensation (£280K credit)

As part of the pandemic the government introduced a scheme which allowed Councils reclaim a portion of their in-year income losses relating to sales fees and charges. At the time the revised budget was set, income targets were reassessed. However due to the extended lockdown periods endured during the winter months, further losses were realised. These losses have been included as appropriate within the relevant service areas and whilst not always detailed in full within the above sections, collectively they amount to approximately £400K.

Business Rates Retention Reserve (£558K provision)

We have already adopted a prudent approach to forecasting the level of retained business rates for 2021/22. A certain level of volatility, however, remains and the City Council's share of the Collection Fund deficit is sensitive to differences that arise in year between the estimated and actual level of net rates payable. To mitigate against this risk an amount of £558K has been transferred to the Business Rates Retention Reserve to boost resilience against

movements on the fund deficit. (This represents the impact of a potential 2% reduction in net rates payable between the amount estimated at 31 January 2021 and that at 31 March 2022).