

GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2021/22								
		Budget 2021/22	Movement	Draft Budget 2022/23 Round 1	Movement	Draft Budget 2022/23 Round 2	Movement	Draft Budget 2022/23 Round 3
	Notes	£	£	£	£	£	£	£
Cabinet		5,561,182	75,114	5,636,296	569,190	6,205,486	(6,172)	6,199,314
Community		4,083,712	(877,119)	3,206,593	730,439	3,937,033	(94,607)	3,842,426
Economy	1, 2, 3	(296,730)	60,629	(236,101)	166,313	(69,788)	50,238	(19,550)
Environment		3,926,239	(2,605)	3,923,634	572,031	4,495,664	(261)	4,495,403
Homes		393,010	(53,143)	339,867	128,418	468,285	(200,583)	267,702
<b>TOTAL NET DIRECT COST OF SERVICES</b>	1/4	<b>13,667,413</b>	<b>(797,125)</b>	<b>12,870,288</b>	<b>2,166,391</b>	<b>15,036,680</b>	<b>(251,385)</b>	<b>14,785,295</b>
Net recharge to HRA	4	(1,501,410)	(56,303)	(1,557,713)	-	(1,557,713)	(156,847)	(1,714,560)
Provision for the financing of capital spending	5	731,720	87,145	818,865	(65,405)	753,460	(66,800)	686,660
<b>NET COST OF SERVICES</b>		<b>12,897,723</b>	<b>(766,283)</b>	<b>12,131,440</b>	<b>2,100,986</b>	<b>14,232,427</b>	<b>(475,032)</b>	<b>13,757,395</b>
Net Interest Costs	6, 18	(539,050)	(262,665)	(801,715)	219,867	(581,848)	(410,765)	(992,613)
Finance Lease Interest Payable	7	159,410	9,146	168,556	(15,956)	152,600	-	152,600
Transfers To Earmarked Reserves	8	2,381,372	(715,788)	1,645,584	120,680	1,766,264	(7,200)	1,759,064
Transfers (From) Earmarked Reserves		(3,124,501)	1,631,861	(1,492,640)	(1,098,228)	(2,590,868)	(22,890)	(2,613,758)
Transfer (From) NNDR Smoothing Reserve	9	-	-	-	-	-	(1,677,640)	(1,677,640)
Transfers To/(From) General Reserves		-	-	-	-	-	-	-
<b>Proposed Contribution from New Homes Bonus Reserve</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(144,888)</b>	<b>(144,888)</b>
<b>TOTAL BUDGETED EXPENDITURE</b>		<b>11,754,954</b>	<b>(103,729)</b>	<b>11,651,225</b>	<b>1,327,349</b>	<b>12,978,575</b>	<b>(2,738,415)</b>	<b>10,240,160</b>
<b>Funded by: -</b>								
<b>Business Rates:</b>								
Retained Business Rates		(3,150,000)	(156,000)	(3,306,000)	116,000	(3,190,000)	2,107,090	(1,082,910)
S31 Grant associated with COVID-19 Reliefs	11	-	-	-	-	-	(2,449,280)	(2,449,280)
Business Rates prior year (surplus)/deficit		-	-	-	-	-	1,677,640	1,677,640
<b>Council Tax:</b>								
Council Tax-MDDC	12	(6,114,620)	(231,350)	(6,345,970)	(177,960)	(6,523,930)	-	(6,523,930)
Council Tax prior year (surplus)/deficit		115,109	(115,109)	-	(376,874)	(376,874)	(24,156)	(401,030)
<b>Un-Ringfenced Grants:</b>								
Covid-19 Related Grant	13	(407,699)	407,699	-	-	-	-	-
Covid-19 Related Income		(570,000)	570,000	-	-	-	-	-
Lower Tier Services Support Grant	14	(179,252)	179,252	-	(99,272)	(99,272)	-	(99,272)
Rural Services Delivery Grant	15	(489,742)	23,047	(466,695)	(23,047)	(489,742)	-	(489,742)
2022/23 Services Grant	16	-	-	-	(152,564)	(152,564)	-	(152,564)
New Homes Bonus	17	(958,750)	498,486	(460,264)	(258,808)	(719,072)	-	(719,072)
<b>TOTAL FUNDING</b>		<b>(11,754,954)</b>	<b>1,176,025</b>	<b>(10,578,929)</b>	<b>(972,525)</b>	<b>(11,551,454)</b>	<b>1,311,294</b>	<b>(10,240,160)</b>
<b>REQUIREMENT TO BALANCE THE BUDGET</b>		<b>-</b>	<b>1,072,296</b>	<b>1,072,296</b>	<b>354,824</b>	<b>1,427,121</b>	<b>(1,427,121)</b>	<b>(0)</b>

**Notes:**

- The annual pay award for 2021/22 has yet to be agreed nationally. The budget includes an estimate that a 1.75% increase will be agreed. A further assumption of a 2% increase in included for 2022/23 along with the increase in National Insurance as outlined by the Government's health and social care levy.
- Income flows have been reviewed and adjusted for changes in demand and unit price. Provision has been made to reflect the estimated continued recovery from the Covid-19 pandemic.
- "Movement" Includes budget virements and realignment of budgets in addition to the pressure and savings identified as part of this budget.
- The increase in the recharges to the HRA reflect the increased cost of service provision and greater transparency on the breakdown of insurance liability.
- The Provision for repayment of borrowing incorporates the financial implications of the proposed Capital Programme. Borrowing costs are minimised by the Council's internal borrowing policy
- Net Interest Costs includes both interest payable and receivable. Investment income has been based upon the lending criteria as outlined within the Treasury Management Strategy. Interest payable is minimised through the Council's internal borrowing policy.
- Lease costs are increasing reflecting the Councils move to leasing its vehicle fleet rather than purchasing.
- Transfers to/(from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves. All earmarked reserves have been reviewed and adjustment made based upon existing need.
- The drawdown from the NNDR Smoothing Reserve is in line with the Government's guidance to spread the deficit on the collection fund resulting from Covid-19 impacts over 3 financial years.
- This is the proposed addition use of New Homes Bonus to balance the remaining shortfall in the 2022/23 Budget
- Retained Business Rates income has reduced due to the Governments Covid-19 relief relating to Retail, hospitality and Leisure sectors. However, the Council is compensated by S31 grant. The prior year deficit on the collection fund (offset by the drawdown from reserves in note 9) is included here. No dividend from the Devon Business Rates pool is budgeted - should there be one, it will help the in-year or future year budget position.
- Council Tax has been increased by £5 (the higher of £5 or 2%) to £218.84 from £213.84 in line with the referendum limits announced within the Funding Settlement. The taxbase as also grown by 4.26%
- Government support through either grant funding, or through the compensation schemes for revenue losses arising in year from the pandemic have ceased. However, the Council is still incurring costs and reductions in its fee income.
- This grant as initially announced as one-off, but has been continued in 2022/23, albeit at a reduced level.
- This grant has continued at 2021/22 levels
- This is a new grant for 2022/23 only - reflecting the important services that local Councils deliver, and recognises the additional cost to the Council of the increase in National Insurance
- New Homes Bonus receipts based on the latest announcements in the Funding Settlement. An additional year was unexpectedly announced of £259k which has been used to support the budget.
- Benefits to the GF of 3 Rivers Developments Ltd - within the Net Interest costs is £38k of Interest Payable on loans to 3R and £578k of Interest Receivable on those loans from 3R. Therefore the net benefit to the GF in 2022/23 is £540k plus minor recharges for office accommodate etc.