



Policy, Finance and Development Committee	Tuesday, 16 March 2021	Matter for Information and Decision
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Report Title: **Financial Outturn Report (Q3 2020/21)**

Report Author(s): **Comie Campbell (Head of Finance / Deputy Section 151 Officer)**

Purpose of Report:	This report gives a summary of the overall Council position for the financial year 2020/21 at the end of the third quarter for both Revenue and Capital Expenditure.
Report Summary:	The Council has completed quarter three of the financial year 2020/21. There is a significant variation in the General Fund due to COVID-19 related additional expenditure and income losses. A full 2020/21 Capital Programme is set out at in Appendix 1 .
Recommendation(s):	A. That the contents of the report and appendix be noted; B. That the additional Capital Expenditure for 2021/22 (as set out at paragraph 3 of the report) be approved.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Stephen Hinds (Deputy Chief Executive / Section 151 Officer) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk Comie Campbell (Head of Finance / Deputy Section 151 Officer) (0116) 257 2713 comie.campbell@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out at paragraphs 1 to 4 of this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Economy / Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.

Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	Senior Leadership Team and Heads of Service
Background Papers:	<ul style="list-style-type: none"> • Report entitled '2020/21 Budget & Medium-Term Financial Strategy (2021/22 - 2024/25)' to Full Council 20 February 2020
Appendices:	1. Capital Programme (2020/21)

1. Introduction

- 1.1. In February 2020, the Council approved a General Fund Budget for 2020/21 of £6.119m. This budget has been revised to £6.019m.

2. General Fund Position

- 2.1 On a departmental basis, the Council is currently forecasting an overspend variance of £292k which is 4.8% of the overall budget. This forecast overspend is mainly due to an estimated £1.8m of COVID-19 related costs and income loss. Currently the COVID-19 forecast comprises of £510k expenditure relating to Salary, Agency staff costs and various supplies and services costs. The forecast COVID-19 related income loss of £1.2m relates primarily to realigned Selective Licensing Income to 2021/22, the reported loss of income through the leisure closures and contractual agreements. Minor losses of income relate to the loss of car parking income and income from the closure of our community buildings.
- 2.2 With respect to variances that are outside of the direct consequences and impacts of COVID-19 (although indirect impacts have been included in the following), there have been few significant variances. These variances include £69k additional cost for interim finance staff, £91k investment income not achievable, additional £120k ICT & Telephony contract procurement costs that were not included in the original budget. These costs have been offset against savings in vacant posts and minor underspends across the council
- 2.3 A summary of the overall General Fund Budget and Forecast Outturn is outlined in the **Table 1** at a service level. **Table 2** outlines a summary of the General Fund Budget and COVID-19 monitoring.

(Continued overleaf)

Table 1 – General Fund Budget Monitoring

Services	Original Budget 2020/21	Revised Budget 2020/21	Quarter 3 Forecast 2020/21	Quarter 3 Variance
-	£	£	£	£
Covid 19 Council Costs	0	0	(1,370,982)	(1,370,982)
Senior Leadership Team	473,400	473,400	437,900	(35,500)
Finance & Resources (Including Corporate Budgets)	2,218,468	2,218,468	2,572,729	496,861
Law & Governance	228,060	165,060	174,965	9,905
The Built Environment	793,974	757,584	853,335	95,751
Community & Wellbeing	1,521,466	1,521,466	2,461,185	939,719
Customer Service & Business Transformation	1,026,100	1,026,100	1,182,117	156,017
HRA Recharge	(1,195,600)	(1,195,600)	(1,195,600)	0
Capital Financing	1,053,000	1,053,000	1,053,000	0
Net Expenditure	6,118,868	6,019,478	6,168,648	291,770

Table 2 – Summary General Fund and COVID-19 Monitoring**General Fund****Budget Monitoring 2020/21**

	£'000	£'000
Supplies and Services	165,772	165,772
Salary and Agency Staff Costs	344,069	344,069
Loss of Income	1,192,143	
Costs Related to Covid 19 Support	1,701,984	509,841
Grants Received		(1,880,823)
Net Covid 19 Costs		(1,370,982)
Budget Monitoring Variance		1,662,753
Net Forecast Cost Variance Quarter 3		291,771

(Continued overleaf)

3. Capital Programme 2021/22

- 3.1 The 2021/22 Capital programme was set at Full Council on 16 February 2021, after year end schemes from 2020/21 which are not completed are to be added to the 2021/22 Capital programme.
- 3.2 There is an additional new capital scheme for 2021/22 where the council has been awarded an On Street Residential Charge Point Scheme grant of £91,270 from the Office for Low Emission Vehicles. The purpose of this grant is to fund the installation of plug-in vehicle charge points for the use of local residents in areas without off-street parking. This will enable up to 15 electric vehicle charge points to be installed in the Councils car parks. The Council are required to contribute £13k capital towards this project.

4. Capital Programme 2020/21

- 4.1 **Table 3** shows a summary of the 2020/21 capital programme. The General Fund capital variance is currently £0.5m underspent and the HRA capital is £0.6m. This is due to schemes not yet completed. The full capital programme is shown in **Appendix 1**.

Table 3

Capital Fund	Capital Budget 2020/21	31.12.2020 Spend to date	Variance
	£'000	£'000	£'000
General Fund	1,403	903	(500)
Housing Revenue Account	2,185	1,536	(649)
Total	3,588	2,439	(1,149)

- 4.2 Expenditure will be continually monitored and assessed to see if the current COVID-19 situation has a material impact on the capital 2020/21 expenditure outturn.

5. Housing Revenue Account (HRA)

- 5.1 The Housing Revenue Account had been budgeted to have a small surplus of around £27k for 2020/21. Quarter 3 forecast shows the HRA will make a surplus of £62k which is more than budgeted for. This would result in the HRA reserve increasing from £1.132m to £1.194m.
- 5.2 Some of this substantial balance has been earmarked to continue funding the capital schemes bought forward from previous years but this has still left the account in a reasonably stable position given the prospect of increasing rents gradually over the next five years. The position on the account at the end of quarter one is shown in **Table 4** as follows:

(Continued overleaf)

Table 4 - HRA	Original	
	Budget	Forecast
	2020/21	2020/21
	£'000	£'000
Net Cost of Services on the HRA	(602)	(604)
Capital Charges	575	542
Revenue Contributions to Capital		
Appropriations to Earmarked Reserves		
Deficit in Year	<u>(27)</u>	<u>(62)</u>
Actual Balance b/f HRA a/c	(1,083)	(1,132)
Budget (Surplus)/Deficit in the Year	<u>(27)</u>	<u>(62)</u>
Balance c/f HRA a/c	<u>(1,110)</u>	<u>(1,194)</u>