



Policy, Finance and Development Committee	Tuesday, 29 June 2021	Matter for Information
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Report Title: Provisional Financial Outturn Report (Q4 2020/21)

Report Author(s): Comie Campbell (Head of Finance / Acting 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 fourth quarter for both Revenue and Capital Expenditure.
Report Summary:	The Council has completed the 2020/21 financial year. Covid 19 has resulted in the Council incurring additional expenditure and income loss. A full 2020/21 Capital Programme is set out in Appendix 1
Recommendation(s):	That the contents of the report and appendix be noted.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Comie Campbell (Head of Finance / Acting 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 6 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:	None.
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. From March 2020, the Council has incurred additional expenditure due to the Covid 19 situation and has received government grant funding to offset these costs.

2. General Fund Position

- 2.1 The main reason the outturn position has improved is due to the Council receipt of additional Covid 19 government grants for 2020/21 see Table 2. The Council received a total of £1,794,511 Covid related grants that could be used directly to offset additional costs and loss of income due to the Covid 19 situation throughout 2020/21.
- 2.2 The Council Provisional 2020/21 Quarter 4 Outturn position is forecast to be an underspend of £296,047 which represents 4.9% of the overall budget. This is an improvement in the position of the Council forecast for Quarter 3 where an estimated overspend of £291,770 was expected. There still may be some adjustments to the 2020/21 Provisional Outturn whilst the 2020/21 Statement of Accounts are being prepared and the 2019/20 Accounts audit is being finalised.
- 2.3 On a departmental basis the breakdown of the budget, Provisional Outturn and Variance underspend is shown in **Table 1 – General Fund Budget Monitoring 2020/21**. Customer Services & Business Transformation shows an overspend of £96,708 which was primarily due to agency cost and a £70k target of unachievable staff savings attributed to that Service area which have now been removed. The 2021/22 staffing budget will need to be reviewed to ensure the correct cost of staffing for that service area is reflected. Other service areas such as Law & Governance and the Built Environment incurred small overspends of approx. £10k each.
- 2.4 Excess income of £153k over expenditure is shown for Covid 19. Although all efforts to transfer direct Covid 19 expenditure costs correctly to this area have been made. There still may be other direct or indirect costs that would be attributable to Covid 19 related expenditure.
- 2.5 Finance & Resources (including Corporate Budgets) show an underspend of £54k which is attributed across the Service Area. The underspend for Community & Wellbeing is mainly due to additional income of £50k collected for Garden waste, £30k underspend on Depot vehicle recharges and the previously forecasted £73k overspend at Quarter 3 did not happen.

Table 1
General Fund Budget Monitoring 2020/21

Services	Original Budget 2020/21	Revised Budget 2020/21	Provisional Outturn 2020/21	Variance
	£	£	£	£
Covid 19 Council Costs	0	0	(153,051)	(153,051)
Senior Leadership Team	473,400	473,400	424,752	(48,648)

Finance & Resources (Including Corporate Budgets)	2,218,468	2,224,068	2,169,967	(54,101)
Law & Governance	228,060	165,060	175,332	10,272
The Built Environment	793,974	757,584	768,186	10,602
Community & Wellbeing (C&W)	1,521,466	1,515,866	1,358,038	(157,828)
Customer Service & Business Transformation	1,026,100	1,026,100	1,122,808	96,708
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	5,723,431	(296,047)

2.6

Table 2 - Covid 19 Income and Expenditure

	£	£
Salary and Agency Staff Costs	503,741	
Supplies and Services	1,137,718	
Covid 19 Related Expenditure		1,641,460
COVID 19 Emergency Funding Tranche 1 - 4 (DCLG)	(769,886)	
Other Grants including New Burdens	(479,349)	
Sales, Fees & Charges Support (COVID loss of income)(DCLG)	<u>(515,733)</u>	
Covid Grants Received (or claimed but not received yet)		(1,794,511)
Covid 19 Fixed Penalty Income	(2,000)	
Other Income	(27,543)	
		(29,543)
Covid 19 Grants and Other Income		(153,051)

2.7 The movement between the 2020/21 Quarter 3 forecast and the 2020/21 Quarter 4 Provisional Outturn is £587,818 (£296,047 +£291,770). Details of the list of items contributing to this movement are shown in **Table 3**.

Table 3- Movement between 2020/21 Quarter 3 Forecast and Provisional 2020/21 Quarter 4 Outturn

Forecast Quarter 3	291,771
Provisional Outturn Quarter 4	(296,047)

Movement	(587,818)	This is the difference between Q3 and Q4 Outturn
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Reason for Provisional 2020/21 under spend

New Burdens Covid Grant	(58,500)	Received	January
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New Burdens Covid Grant	(166,000)	Received May 2021 that relates to 2020/21
Community Champions Local Authority Fund (DCLG)	(85,640)	Funding received February 2021
SLT Underspend Staffing	(48,648)	Staff cost savings due to vacant posts
C&W Garden Waste Collection	(50,401)	Additional income collected more than forecasted at Q3
C&W Fleet	(29,525)	Underspend on Depot vehicle recharges
C&W Depot Cost	(72,653)	Overspend forecast for Q3 did not happen
Finance & Resources (Including Corporate Budgets)	(54,101)	Various underspends across cost centres
Service Areas	(22,350)	Various small differences in forecast across all Service Areas

Movement Total	(587,817)	The items identified are the main factors that contribute to the Movement between the Q3 and Q4 Provisional Outturn
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3. Covid Business Grants

- 3.1 The Council has received various other government Covid grants over the last year, which are required to be issued to businesses to support them through the Covid 19 situation. There has been different criteria business had to meet to qualify for each of these grants. Although the Council has been required to administer these grants, they do not form part of the Council budget.
- 3.2 Remaining Business Grant, funding is carried forward to 2021/22 or returned back to the relevant government department. Currently the Council is administering a £1.812m Restart grant and £1.646m for the Additional Restrictions Grant (ARG). The Track and Trace grant payable to individuals self-isolating due to Covid19 requirements is also administered by the Council.

4. Capital Programme 2020/21

- 4.1 **Table 4** shows a summary of the 2020/21 capital programme. The General fund capital variance is currently £0.540m underspent and the HRA is £0.649m. This is due to schemes not yet completed. The full capital programme is shown in **Appendix 1**.

Table 4 - 2020/21 Capital Programme

Capital Fund	Capital Budget 2020/21	31.03.2021 Spend to date	Variance
	£'000	£'000	£'000
General Fund	1,402	862	(540)
Housing Revenue Account	2,186	1,598	(588)
Total	3,588	2,460	(1,128)

5. Capital Programme 2021/22

- 5.1 There will be a revised capital programme put forward to Members at the September 2021 PFD meeting due to proposed Council office move and changes to large development project expenditure profiles. Approved IT capital expenditure required will be added to the amended 2021/22 capital programme to facilitate the Council running its own IT service from January 2022.

6. Housing Revenue Account (HRA)

- 6.1 The Housing Revenue Account has made a surplus in 2020/21. This is principally due to the COVID 19 pandemic restricting access to residential dwellings for all but emergency repairs. This underspend of £376K has been appropriated into an earmarked reserve for the repayment of HRA debt.
- 6.2 Although the capital programme was also underspent it is important that we still fully fund the planned amount of contribution to the MRR to fund the programme when it continues in 2021/22 and as a result the drop off in capital spend does not effect this revenue account balance. The position on the account at the 2020/21 year end is shown in **Table 5**

Table 5 - HRA

	Original Budget 2020/21 £	Revised Budget 2020/21 £	Outturn 2020/21 £	Variance + / (-) £
Supervision and Management	1,882,400	1,882,400	1,857,714	(24,686)
Repairs and Maintenance	1,150,300	1,150,300	848,556	(301,744)
Depreciation	1,338,000	1,338,000	1,338,000	0
	4,370,700	4,370,700	4,044,270	(326,430)
Rental Income	(4,973,100)	(4,973,100)	(4,966,160)	6,940
Net Expenditure	(602,400)	(602,400)	(921,891)	(319,491)
Capital Charges and Appropriations	575,000	575,000	921,891	346,891
Deficit/(Surplus) on the HRA	(27,400)	(27,400)	0	27,400
Balance on the HRA b/f	(1,083,000)	(1,131,000)	(1,131,000)	
Balance on the HRA c/f	(1,110,400)	(1,158,400)	(1,131,000)	