



<b>Policy, Finance and Development Committee</b>	<b>Tuesday, 14 September 2021</b>	<b>Matter for Information and Decision</b>
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**Report Title:** **Financial Outturn Report (Q1 2021/22)**

**Report Author(s):** **Comie Campbell (Head of Finance/Acting S151 Officer)  
Deen Odunsi (Interim Finance Manager)**

<b>Purpose of Report:</b>	This report gives a summary of the overall Council position for the financial year 2021/22, as at the end of the first Quarter for both Revenue and Capital Expenditure.
<b>Report Summary:</b>	The Council has completed quarter one of the 2021/22 financial year. The Council's General Fund is currently expected to come in on budget.
<b>Recommendation(s):</b>	<b>That the contents of the report and appendix be noted.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	Comie Campbell (Head of Finance/ Acting S151 Officer) (0116) 257 2713 <a href="mailto:comie.campbell@oadby-wigston.gov.uk">comie.campbell@oadby-wigston.gov.uk</a>  Deen Odunsi (Interim Finance Manager) (0116) 257 2731 <a href="mailto:deen.odunsi@oadby-wigston.gov.uk">deen.odunsi@oadby-wigston.gov.uk</a>
<b>Corporate Objectives:</b>	Providing Excellent Services (CO3)
<b>Vision and Values:</b>	"A Stronger Borough Together" (Vision) Accountability (V1)
<b>Report Implications:-</b>	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out throughout 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.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	Unable to comment due to Annual Leave.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.

<b>Consultees:</b>	Senior Leadership Team
<b>Background Papers:</b>	None
<b>Appendices:</b>	<b>1.</b> Capital Programme (2021/22)

## **1. Introduction**

1.1 In February 2021, the Council approved a General Fund Budget for 2021/22 of £7.081m.

## **2. General Fund Position**

2.1 Across the departments as a whole, the Council, as at Quarter 1 is expecting to come in on budget with a forecast small surplus of £28K. On a departmental basis, some departments are reporting forecast overspends which are being offset by other departments forecasting underspends. Outlined in the paragraphs below is a brief narrative of the forecast outturn position of each department highlighting the main factors causing the reported variances. Please note due to the changes in Head of Services area of responsibilities the budgets will be realigned to reflect this in future Financial Quarterly Outturn reports.

2.2 **Senior Leadership Team (SLT) – Forecast Underspend £ (188)K.** The forecast underspend relates to a forecast reduction in salary costs this year. This is due to a number of currently unfilled SLT positions. The S151 Director post is expected to be filled later this year and the other Director post will be recruited to in 2022. The current forecast reflects this and staff cost savings are required to offset agency costs for hard-to-fill roles and interim temporary senior finance staff agency costs.

2.3 **COVID-19 – Forecast Underspend £ (224)K.** This underspend is due to receiving various Covid-19 related funding that is still to be committed or further work is required before transferring Covid-19 related expenditure to this area. Once this has been completed the final year end forecast expenditure and income should net back to zero. Grants received so far includes COVID-19 Section 31 grant and Containment funding. It is anticipated that lost fees and charges income for Quarter 1 will be eligible to be claimed back via a government grant.

2.4 **Finance and Resources - Forecast Overspend £117K.** Contributing factors to this overspend is an increase in the Council pension lump sum contributions of £53K and an expected non-achievement of investment income interest of £41K. There was also £12K additional cost required to be spent on acquiring computer software for a new HR computer package. The remaining overspend is the net cost of overspends and underspends within the Finance and Resources service area.

2.5 The Car Park budget has been forecast to receive £250K of additional income for 2021/22. If this income target is not achieved it will result in a deficit in the Council overall 2021/22 budget by the amount not received. The Quarter 1 budget forecast is based on the Council achieving this income target.

2.6 **Law & Democracy – Forecast Overspend £7K.** There is a small forecast overspend across the service area.

2.7 **The Built Environment – Forecast Overspend £173K.** The department's forecast overspend is due to a forecast overspend on staff costs £222k less (£49k) relating to mainly (£33k) of grant income and small savings across the service area. Staff cost overspends consist of £144k of forecast agency cost in Planning to cover two vacant hard-to-fill posts. The second area relates to £78k of additional costs for two fixed term Economic Development posts. There may be an opportunity later this year to capitalise these additional Economic Development staffing costs due to both roles working directly on capital projects. The

Housing General Fund which is also part of the Built Environment department is forecast to break even.

- 2.8 **Community & Wellbeing – Forecast Overspend £44K.** The overspend is mainly as a result of forecast increase in staff costs across street cleansing, domestic waste collection and other costs relating to the depot which is expected to bring about a forecast overspend of £57K. There is a forecast underspend of £21K in Recycling Collection offsetting some of the forecast overspend.
- 2.9 **Customer Services & Business Transformation – Forecast Overspend £44K.** This service area includes customer services, System support and transformation services including the newly created in-house IT team. The forecast overspend is mainly due to additional IT agency staff required to assist in the process of bringing the Council IT Service in-house at the start of January 2022. Where appropriate, qualifying IT implementation costs will be capitalised throughout this financial year.
- 2.10 A summary of the overall General Fund Budget and Forecast Outturn at a service level is set out in **Table 1**. This is followed by **Table 2** which provides a summary of the General Fund Budget and COVID-19 monitoring:

**Table 1 - General Fund Budget Monitoring**

Service	Budget 2021/22	YTD	Forecast Outturn	Variance
	£	£	£	£
Senior Leadership Team	623,400	49,910	435,460	(187,940)
COVID-19 Funding	0	(86,654)	(224,311)	(224,311)
Finance & Resources (Including Corporate Budgets)	2,756,125	1,788,549	2,872,402	116,277
Law & Democracy	165,060	312,145	172,460	7,400
The Built Environment 1 & 2	966,600	310,433	1,139,610	173,010
Community & Wellbeing (inc Depot)	1,521,166	133,192	1,565,366	44,200
Customer Service & Business Transformation	1,191,900	322,597	1,235,400	43,500
HRA Recharge	(1,195,600)	(298,900)	(1,195,600)	0
Capital Financing	1,053,000	263,250	1,053,000	0
<b>Net Expenditure</b>	<b>7,081,651</b>	<b>2,794,521</b>	<b>7,053,787</b>	<b>(27,864)</b>

**Table 2 - Summary General Fund and COVID 19 Monitoring**

General Fund Budget Monitoring 2021/22	Quarter 1 Forecast/ Variance	Covid 19 Forecast
	£'000	£'000
Salaries and Agency Staff Costs	85	226
Supplies and Services	56	80
Estimated Loss of Income	239	298
<b>Costs Related to COVID-19 Support</b>	<b>380</b>	<b>604</b>
Estimated Grants to be Received	-604	-604
<b>Net COVID-19 Costs</b>	<b>-224</b>	<b>0</b>

### 3. Capital Programme

- 3.1 The 2021/22 Capital Programme was set at Full Council in February 2021, after year-end capital schemes from 2020/21 which had not completed were carried forward. **Table 3** shows a summary of the 2021/22 capital programme and the full capital programme is shown at **Appendix 1**

**Table 3 - Capital Programme Summary**

Fund	Original Budget 2021/22	c/f 2020/21	Total Capital Budget 2021/22 (Includes C/fwd. 2020/21 Schemes)	Spend To Date	Variance to Budget
	£'000	£'000	£'000	£'000	£'000
General Fund	12,975	1,154	14,129	2,019	12,110
Housing Revenue Account	1,500	949	2,449	776	1,673
<b>Total</b>	<b>14,475</b>	<b>2,103</b>	<b>16,578</b>	<b>2,795</b>	<b>13,783</b>

### 4. Housing Revenue Account (HRA)

- 4.1 The Housing Revenue Account ended the financial year 2020/21 with a balance on its main reserve of £1.139m. In 2021/22 the account has been forecast to have a budget deficit of £0.149m. This partially due to increased Capital charges for 2021/22 compared to 2020/21 and a lower forecast of surplus income compared to the previous financial year due to increased depreciation of assets costs.

4.2 The position on the account as at the end of quarter on is set out in Table 4 below

Table 4 - HRA	Original Budget 2021/22	Forecast 2021/22
	£'000	£'000
Net Cost of Services on the HRA	(716)	(476)
Capital Charges	625	625
Revenue Contributions to Capital Appropriations to Earmarked Reserves	91	0
	0	149

Actual Balance b/f HRA a/c	(1,139)	(1,139)
Budget Deficit in the Year	0	149
Balance c/f HRA a/c	(1,139)	(990)