

# 2020/21 Revenue Financial Performance Quarter Three

<b>Committee considering report:</b>	Overview and Scrutiny Management Commission
<b>Date of Committee:</b>	20 April 2021
<b>Portfolio Member:</b>	Councillor Ross Mackinnon
<b>Date Portfolio Member agreed report:</b>	21 January 2021
<b>Report Author:</b>	Melanie Ellis
<b>Forward Plan Ref:</b>	EX3911

## 1 Purpose of the Report

- 1.1 To report on the in-year financial performance of the Council's revenue budgets.

## 2 Recommendation

- 1.1 To note the Quarter Three forecast of £3.4m under spend.

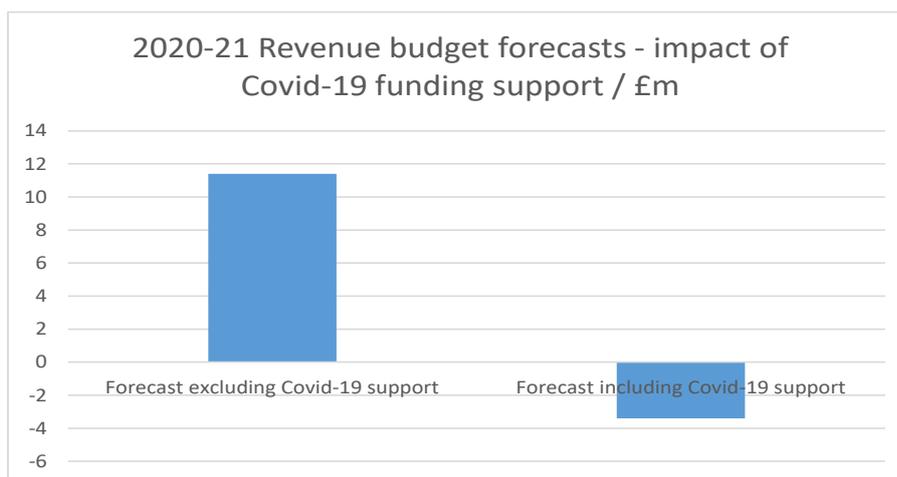
## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	The Quarter Three forecast is an under spend of £3.4m. Any under spend at year end will be added to the Council's reserves. Any under spend arising from the Covid grant funding will be set off against the Collection Fund deficit.
<b>Human Resource:</b>	None
<b>Legal:</b>	None
<b>Risk Management:</b>	Risks to next years' budget are included where relevant in the report. Where identified these will form part of the budget build process for 2021/22.
<b>Property:</b>	Impact on income due to an unlet commercial property.
<b>Policy:</b>	No

	Positive	Neutral	Negative	Commentary
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		Y		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		Y		
<b>Environmental Impact:</b>		Y		
<b>Health Impact:</b>		Y		
<b>ICT Impact:</b>		Y		
<b>Digital Services Impact:</b>		y		
<b>Council Strategy Priorities:</b>		y		Business as usual
<b>Core Business:</b>		y		
<b>Data Impact:</b>		y		
<b>Consultation and Engagement:</b>	Budget holders, Heads of Service and Directors.			

## 4 Executive Summary

- 4.1 The current financial year continues to present a significant number of financial challenges for the Council in supporting our residents and business. The overall forecast under spend is interlinked to the use of covid resources provided by central government and allows for the protection of the Council’s financial position in the midst of the current Covid-19 pandemic enabling Council services to deliver their key areas of responsibility.
- 4.2 It is important to recognise that this underlying forecast under spend is due to the large level of Government financial support. The Council is forecasting almost £6m of additional Covid-19 expenditure pressures which the Council has received funding for from Central Government, as well as income pressures of over £4m which the Government has funded over half of this loss. Adult Social Care (ASC) costs have also been supported with additional funding from the Clinical Commissioning Group (CCG) of almost £5m. Without this level of support, the Council would be facing a significant over spend of approximately £11m that would likely have put the Council far below its minimum level of reserves resulting in some immediate ceasing of service activity. As referenced further in this report, funds of £84m have been received from Government for other Covid-19 schemes and grants which are supporting a range of activities within our district.

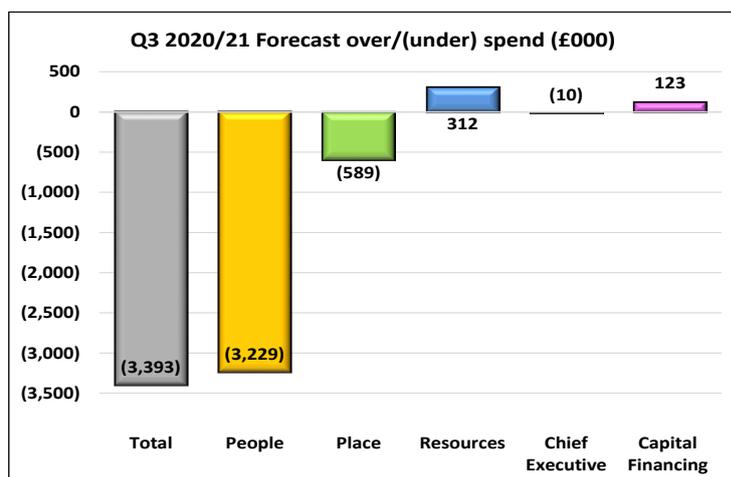


- 4.3 There has been a significant increase in the under spend from Quarter Two to Quarter Three. This has been driven primarily from the People directorate and by two main factors. Firstly, in respect of both Adult and Children Social Care, the Quarter Two forecast was made before the second wave of the pandemic; there was an expectation that there would be an increase in demand to both service areas that had been suppressed due to the 1<sup>st</sup> wave of the pandemic. The 2<sup>nd</sup> wave has however delayed this demand and, unfortunately as in the 1<sup>st</sup> wave, there have been a number of deaths amongst the residents supported by ASC which has reduced in-year costs within adult social care. The second factor is the preventative work that has taken place within children social care to reduce demand by intervening earlier and providing support to reduce longer term costs. There has also been a decrease in demand related costs, for example in respect of Unaccompanied Asylum Seeking Children (UASC).
- 4.4 There will be further volatility in the financial position during the rest of the financial year. The pandemic will continue to place financial pressure on the Council but the funding provided by Government has supported the Council to continue delivering its services,

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often in a different way, to support our residents. At year end there will be a further reconciliation between the Covid-19 non-ringfenced Government grant where the Council will apportion as much cost and income losses to the Government funding as appropriate which will then mean any under spend flows in the Council's general reserve.

- 4.5 The Quarter Three forecast is an under spend of £3.4m, which is 2.7% of the Council's 2020/21 net revenue budget of £131m.



- 4.6 The People Directorate is forecasting an under spend of £3.2m, with the main under spends arising from ASC £1.8m, CFS £1m and Education £360k.

- In ASC, long term services (LTS) are forecast to be £2.2m under spent. ASC continues to see excess deaths when compared to the same period last year. The majority have been in over 65's in care homes. The increased number of deaths will have been largely, but not solely, due to Covid-19.

Short term services (STS) are forecasting a £304k over spend at Quarter Three as a number of short term placements have been extended due to Covid-19.

Council owned care homes have been impacted by Covid-19 with occupancy falling significantly leading to income pressures of £238k. The Quarter Two forecast assumed a staggered increase in occupancy returning to budgeted levels by December. Due to Covid-19 this has not been possible. The care home pressure is offset by under spends which have arisen across staffing and other budgets.

A number of assumptions have been made regarding the impact of Covid-19 on budgets and these are detailed in the report.

- In CFS, the forecast under spend of £1m is largely in placements, where since the end of the financial year 2019/20, there has been a decrease in the number of clients. Decreases have mainly been in UASC and In-house fostering. There has been a conscious effort by the service to provide effective support and earlier help to prevent entry to care and the signs are very positive. However there is evidence among neighbouring authorities of increases in children entering care as a result of Covid-19 disruption.

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- Education is forecasting an under spend of £361k, an increase of £164k from last quarter. Home to School Transport is the largest area of under spend at £206k, due to previously suspended services and routes being retendered and renegotiated.
- 4.7 The Place Directorate is forecasting an under spend of £589k. The main variances are:
- In Development & Planning, a forecast under spend of £318 arising mainly from savings in the Housing service for bed and breakfast accommodation.
  - In Transport & Countryside, a forecast under spend of £320k mainly from landfill usage and garden waste subscriptions.
- 4.8 The Resources Directorate has a £312k forecast over spend. The main areas are under achievement of income from commercial property in Finance and Property and staffing costs to complete the Statement of Accounts, and in Human Resources from staff and training savings.
- 4.9 The Capital Financing Quarter Three forecast position is a £123k over spend. £100k relates to a corporate commercialisation target and £23k to under recovery of write back targets. Neither are achievable and will be reviewed as part of the 2021/22 budget build.
- 4.10 The 2020/21 savings and income generation programme of £3.2m, is 89% Green, 4% Amber and 7% Red.

### **Covid-19 impact on the 2020/21 budget**

- 4.11 There continues to be significant impact on the 2020/21 budget due to Covid-19. To date, the Council has been awarded four tranches of un-ringfenced emergency expenditure grant from Central Government to mitigate the impact of Covid-19 totalling £9.56m. There is also an emergency grant for lost income, with an estimated total of £2.27m. In addition, there have been a number of specific grants received.
- 4.12 The latest assessment is that the funding provided by Government and the income scheme below are sufficient for the 2020/21 Financial Year based on current estimates. Clearly, these can fluctuate, and will in light of further impacts from the Covid-19 outbreak. The Council also has general reserves to support further impacts and these are above the minimum level set by the s151 officer.
- 4.13 The COVID emergency grants will fund Covid related expenditure, lost income and unmet savings. These are being estimated, recorded and reported to GOLD. The latest forecast through to March 2021 is that these pressures amount to £10.1m which the emergency grant funding will offset. The assumption in budget monitoring is that there will be enough grant to cover all expenditure losses but that income may not be fully compensated. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known.
- 4.14 The Council has now submitted eight forecasts to Central Government on the Covid-19 financial impact and claimed against the income guarantee scheme for April to November.

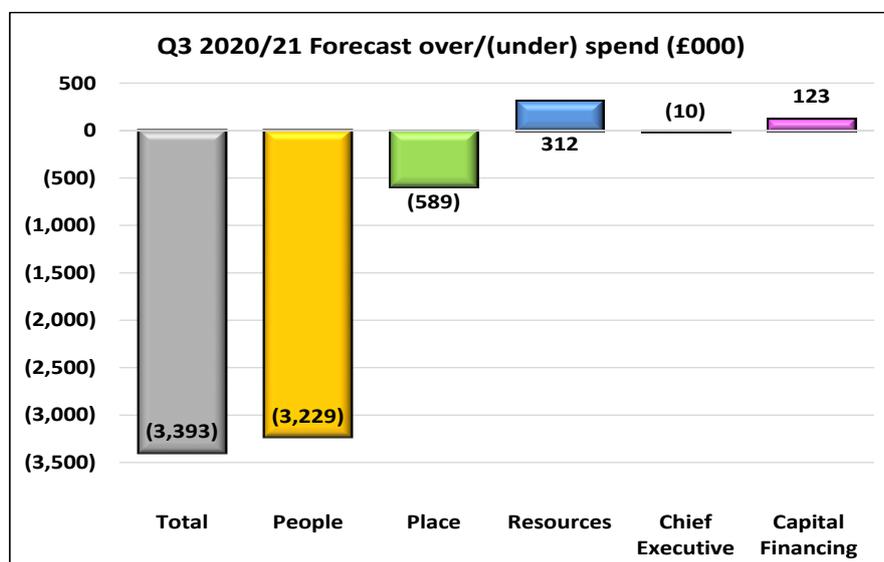
## Conclusion

4.15 The Council is forecasting an under spend of £3.4m, which is a positive reflection on the management of adult and children social care. The £3.2m savings and income generation programme is forecasting 89% achieved at Quarter Three. The Covid-19 grant funding received from Government to date, and the Council's level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 into next financial year. Any Covid-19 grant under spend will be used to offset Collection Fund deficit.

## 5 Supporting Information

### Introduction

5.1 The Quarter Three overall forecast is an under spend of £3.4m. This is 2.7% of the Council's 2020/21 net revenue budget of £131m.



5.2 The Directorate forecasts are shown in the chart below, showing the forecast under spend increasing by £1.9m since last quarter.

Directorate Summary	Current Net Budget	Net Forecast	Forecast (under)/over spend				Change to Service Forecast from Last Quarter	Current Quarter % over / (under) spend
			Quarter One	Quarter Two	Quarter Three	Quarter Four		
			Service Forecast	Service Forecast	Service Forecast	Service Over/ (under)		
	£000	£000	£000	£000	£000	£000	£000	%
People	76,149	72,921	(810)	(1,859)	(3,229)	0	(1,370)	(4.2)%
Place	31,053	30,464	(101)	(57)	(589)	0	(532)	(1.9)%
Resources	11,649	11,960	230	244	312	0	68	2.7%
Chief Executive	758	748	(10)	(10)	(10)	0	0	(1.3)%
Capital Financing	11,197	11,320	100	193	123	0	(70)	1.1%
<b>Total</b>	<b>130,806</b>	<b>127,412</b>	<b>(590)</b>	<b>(1,489)</b>	<b>(3,393)</b>	<b>0</b>	<b>(1,904)</b>	<b>(2.6)%</b>

5.3 The Service forecasts are shown in the following chart:

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	Current Net Budget	Net Forecast	Forecast over/ (under) spend				Change to Service Forecast from Last Quarter
			Quarter One	Quarter Two	Quarter Three	Quarter Four	
			Service Forecast	Service Forecast	Service Forecast	Over/ (under) spend	
	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	50,355	48,549	(588)	(1,026)	(1,806)	0	(780)
Children & Family Services	17,167	16,121	(247)	(639)	(1,046)	0	(407)
Executive Director	321	306	3	4	(15)	0	(19)
Education DSG funded	(444)	(444)	0	0	0	0	0
Education	8,830	8,468	22	(197)	(361)	0	(164)
Public Health & Wellbeing	(80)	(80)	0	0	0	0	0
<b>People</b>	<b>76,149</b>	<b>72,921</b>	<b>(810)</b>	<b>(1,859)</b>	<b>(3,229)</b>	<b>0</b>	<b>(1,370)</b>
Executive Director	187	187	0	0	0	0	0
Development & Planning	3,055	2,737	(76)	(14)	(318)	0	(304)
Public Protection & Culture	3,930	3,979	75	61	49	0	(12)
Transport & Countryside	23,881	23,561	(99)	(104)	(320)	0	(216)
<b>Place</b>	<b>31,053</b>	<b>30,464</b>	<b>(101)</b>	<b>(57)</b>	<b>(589)</b>	<b>0</b>	<b>(532)</b>
Executive Director	281	301	0	20	20	0	0
Commissioning	769	708	(58)	(38)	(61)	0	(23)
Customer Services & ICT	2,983	2,982	59	60	(1)	0	(61)
Finance & Property	2,714	3,121	123	138	407	0	269
Human Resources	1,658	1,553	(10)	(23)	(105)	0	(82)
Legal and Strategic Support	3,244	3,296	115	87	52	0	(36)
<b>Resources</b>	<b>11,649</b>	<b>11,960</b>	<b>230</b>	<b>244</b>	<b>312</b>	<b>0</b>	<b>68</b>
<b>Chief Executive</b>	<b>758</b>	<b>748</b>	<b>(10)</b>	<b>(10)</b>	<b>(10)</b>	<b>0</b>	<b>0</b>
Capital Financing	11,197	11,320	100	193	123	0	(70)
<b>Capital Financing</b>	<b>11,197</b>	<b>11,320</b>	<b>100</b>	<b>193</b>	<b>123</b>	<b>0</b>	<b>(70)</b>
<b>Total</b>	<b>130,806</b>	<b>127,412</b>	<b>(590)</b>	<b>(1,489)</b>	<b>(3,393)</b>	<b>0</b>	<b>(1,904)</b>

NB: Rounding differences may apply to the nearest £k.

### People Directorate

5.4 The Directorate is forecasting an under spend of £3.2m, against a budget of £76m. The under spend has increased by £1.37m from last quarter.

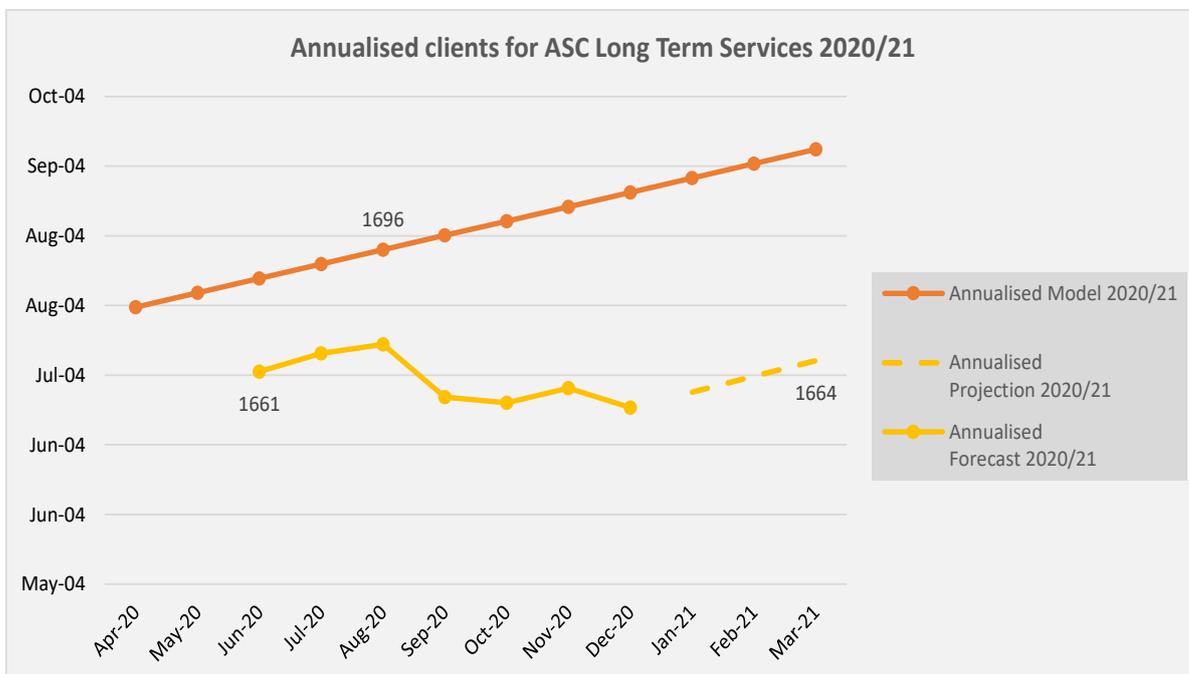
- In ASC, the forecast under spend of £1.8m, has increased by £1.8m since last quarter. The under spend is 3.6% of net budget.

Long term services (LTS) are forecast to be £2.2m under spent. ASC continues to see excess deaths when compared to the same period last year. There has been 57 excess deaths in Quarter Three. The majority have been in over 65's in care homes.

The increased number of deaths will have been largely driven, but not solely, due to Covid-19 and may have been a combination of both direct and indirect impacts. Covid-19 will also have had further impacts, such as on the circumstances, behaviours and choices of service users and their families.

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There are 57 clients in step down placements and the forecast assumes that half of them will require a LTS. The service has taken action to suppress demand including use of technology enabled care wherever possible, reinforcing the 3 conversations model, maximising external funding streams and ensuring supply and demand are better aligned.



Assumptions have been made regarding the impact of Covid-19 on budgets. It is assumed that the second wave of Covid will not have the same impact as the first wave, as a result of the additional measures put in place such as testing, infection control and heightened awareness. It is assumed that services that are currently unavailable will not be operational for the second half of the financial year.

Short term services (STS) are forecasting a £304k over spend at Quarter Three. Within this area there is a forecast under spend in Maximising Independence budgets, due to costs being covered by Health Covid-19 funding. Other STS are over spending, after accounting for health and grant funding. A number of short term placements have been extended due to Covid-19, leading to increased short term costs.

In Provider Services, Council owned care homes have been impacted by Covid-19 with occupancy falling significantly in Birchwood and Walnut Close leading to an income pressure of £238k. The Quarter Two forecast assumed a staggered increase in occupancy returning to budgeted levels by December. Due to Covid-19 cases this has not been possible. The care home pressure is offset by under spends which have arisen across staffing and other budgets.

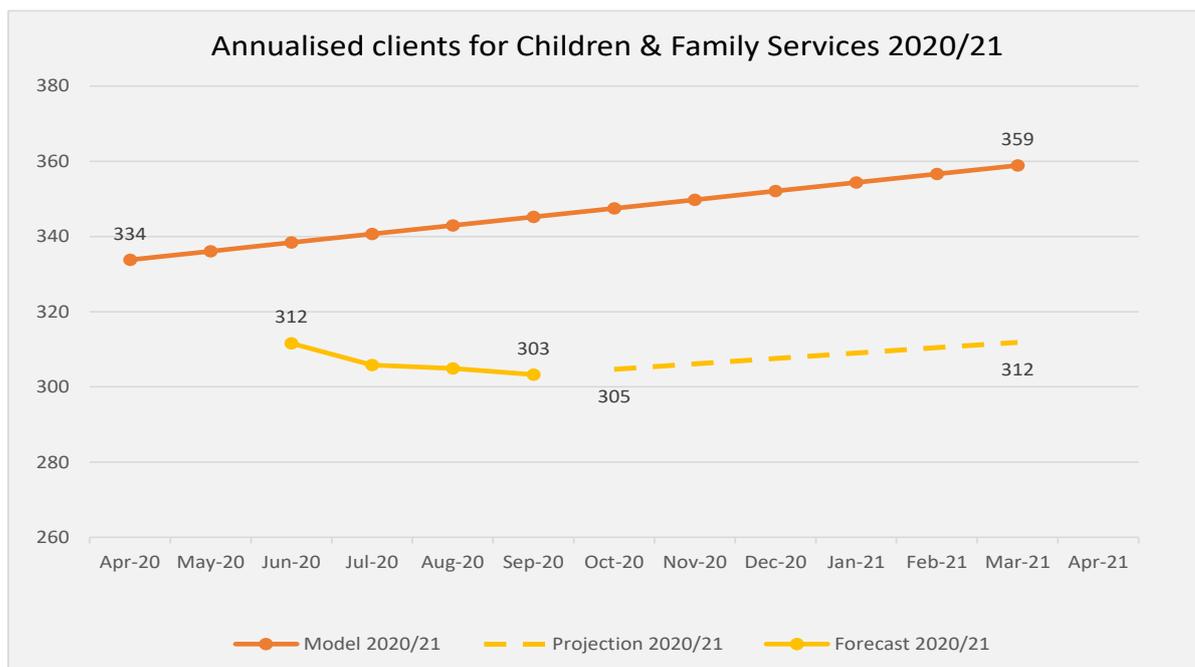
- In CFS, the forecast under spend of £1m is largely in placements, where since the end of the financial year 2019/20, there has been a decrease in the number of clients. Decreases have mainly been in Unaccompanied Asylum Seeking Children (UASC) and In-house fostering. There has been a conscious effort by the service to provide effective support and earlier help to prevent entry to care and the signs are

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very positive. However there is evidence among neighbouring authorities of increases in children entering care as a result of Covid-19 disruption.

Additional placement costs are also forecast to be under budget due to reduced demand of complex support when placements are at risk of ending. This has arisen through careful planning and matching and delivering good support leading to less need for urgent intervention and support.

The remaining under spend has arisen in adoption advisory, child care lawyers, and vacancy and mileage savings across the teams.



- Education is forecasting an under spend of £361k, an increase of £164k from last quarter. Home to School Transport has a forecast under spend of £206k, partly due to previously suspended services and partly due to routes being retendered and renegotiated. External funding has been received towards the Mental Health School team project and LAC Mental Health project resulting in a £38k under spend. Other small under spends make up the balance.
- Education DSG is reported on line for the Council as any over or under spends are ring-fenced within the grant. However, in 2020/21 funding was lower than expenditure requirements and there is a £1.3m in-year shortfall. This is in addition to the £1.7m brought forward deficit, taking the total forecast DSG deficit at year end to £3m. The pressures are mostly in High Needs but also in Early Years.

The Department for Education recognises the position that many authorities are in, and are expecting to work with authorities during 2020 to 2022 to agree a plan of action to recover the deficits.

- The Public Health grant budget is on line, however the longer term implications of Covid-19 are not yet known. Any pressures in this area are dependent on increases to the grant and what additional commitments are placed on Public Health.

## Place Directorate

5.5 The Place Directorate is forecasting an under spend of £589k against a budget of £31m. The under spend has increased by £532k since last quarter.

- In Development and Planning, the forecast under spend of £318k, has increased from £14k last quarter. The forecast under spend for the Housing service has increased by £241k from last quarter to £294k. This is mainly due to the continued temporary suspension of evictions of private tenants due to Covid-19, leading to reduced need for bed and breakfast accommodation. Development Control is still forecasting an under achievement of planning income. There are under spends from vacant posts, consultancy and supplies and services.
- In Public Protection & Culture, there is a forecast over spend of £49k, a minor change from last quarter. There are income pressures in Shaw House and building control and these areas are being reviewed for 2021/22 implications.
- In Transport & Countryside, there is a forecast under spend of £320k, an increase of £216k from last quarter. Forecast savings in the waste service are now at £314k, an increase of £64k from last quarter reflecting the latest data on landfill usage and garden waste subscriptions. There is a shortfall of £100k in parking income mainly due to the closure of Market Street car park but this is expected to be offset by savings on running costs. Budget pressures have been submitted in respect of ongoing car park income losses, and the continuing work to address Ash Die Back disease. Savings planned for 2020/21 from the implementation of solar panels are now expected to be achieved in 2021/22.

## Resources Directorate

5.6 The Directorate has a £312k forecast over spend against a budget of £12m. This is a similar position to last quarter. The main variances are:

- In Finance and Property, there is an overall over spend of £407k largely due to staffing costs for the preparation and audit of the Statement of Accounts and an income shortfall from a vacant commercial property.
- Human Resources are forecasting an under spend of £105k due to vacant posts and staff training savings.
- Other services are forecasting minor over and under spends.

## Chief Executive

5.7 An under spend of £10k is being forecast in the contingency budget, unchanged from last quarter.

## Capital Financing

5.8 The Capital Financing Quarter Three forecast position is a £123k over spend against a £11m budget. The overspend consists of

- a £100k corporate commercialisation target that is not achievable and will be removed as part of the 2021/22 budget build,

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- a £23k under recovery of write back targets, partly attributable to Covid economic conditions and partly related to new payment arrangements. This target will be reviewed as part of budget build.

### Covid-19 impact on the 2020/21 budget

5.9 There continues to be a significant impact on the 2020/21 budget due to Covid-19. To date, the Council has been awarded four tranches of un-ringfenced emergency expenditure grant from Central Government to mitigate the impact of Covid-19 totalling £9.56m. There is also emergency grant funding for lost income, with an estimated total of £2.28m. In addition, there have been a number of specific grants received. All grants are summarised in the table below.

Covid grant funding	Q1	Q2	Q3	Q4 est	2020/21 Total
	2020/21	2020/21	2020/21	2020/21	
	£k	£k	£k	£k	£k
Non-ringfenced emergency expenditure grant	7.56	1.04	0.96	-	9.56
Income compensation scheme for lost sales, fees & charges	-	0.86	0.94	0.47	2.28
Business grants and discretionary grants	29.31	0.17	2.72	-	32.20
Additional restrictions grant*			3.17		3.17
Council tax support	0.55	-	0.02	0.84	1.41
Bus services support grant	0.11	-	-	-	0.11
Reopening High streets safely fund	0.14	-	-	-	0.14
Home to school transport	-	0.13	-	-	0.13
Emergency active travel fund	-	0.12	0.50	-	0.62
Infection control fund	0.70	0.70	1.41	-	2.81
Support to Clinically Extremely Vulnerable individuals fund	-	-	0.06	-	0.06
Test and trace service support grant	0.54	-	-	-	0.54
Test and trace support payment scheme	-	-	0.11	-	0.11
Contain outbreak mgt fund	-	-	1.27	0.44	1.71
Emergency assistance grant for food and essential supplies	-	0.10	-	-	0.10
Winter grant scheme	-	-	0.14	0.14	0.28
Additional support for rough sleepers	-	-	0.19	-	0.19
Wellbeing for Education return grant	-	0.03	-	-	0.03
Surge funding compliance and enforcement	-	-	0.06	-	0.06
Support funding for leisure sector	-	-	0.30	-	0.30
Business Rates relief distributed		37.80			37.80
<b>TOTAL GRANT FUNDING</b>	<b>38.91</b>	<b>40.96</b>	<b>11.85</b>	<b>1.89</b>	<b>93.61</b>

\* [https://info.westberks.gov.uk/article/37669/Additional-Restrictions-Grant-ARG-scheme-launched-for-West-Berkshire-Businesses#:~:text=The%20Additional%20Restrictions%20Grant%20\(ARG,November%20until%20%20December%202020.](https://info.westberks.gov.uk/article/37669/Additional-Restrictions-Grant-ARG-scheme-launched-for-West-Berkshire-Businesses#:~:text=The%20Additional%20Restrictions%20Grant%20(ARG,November%20until%20%20December%202020.)

5.9 The COVID emergency grants will fund service Covid related expenditure, lost income and unmet savings. These are being estimated, recorded and reported to GOLD. The latest forecast through to March 2021 is that these pressures amount to £10.1m for 2020/21 which the emergency expenditure and income grant will offset.

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Emergency grant funding	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 est 2020/21	2020/21 Total
	£m	£m	£m	£m	£m
Covid emergency expenditure grant	7.56	1.04	0.96	-	9.56
Covid emergency income grant	-	0.86	0.94	0.47	2.28
<b>TOTAL EMERGENCY GRANT</b>	<b>7.56</b>	<b>1.90</b>	<b>1.91</b>	<b>0.47</b>	<b>11.84</b>
Expenditure	1.59	1.57	1.29	1.37	5.83
Income losses	1.62	1.28	0.87	0.55	4.31
<b>TOTAL FUNDING REQUIRED</b>	<b>3.21</b>	<b>2.85</b>	<b>2.16</b>	<b>1.92</b>	<b>10.14</b>
<b>NET SURPLUS</b>					<b>1.70</b>

5.10 Surplus funds that are non-ringfenced will be held against collection fund deficits and future covid costs in 2021/22.

5.11 Funds will be transferred to services on a quarterly basis. The assumptions in budget monitoring is that there will be enough grant to cover all expenditure losses and most income losses. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known.

5.12 All other grants are being spent in line with their specific conditions.

5.13 The funding received from Government to date, and the Council's level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 in the current financial year.

5.14 The table below sets out some of the key items raised during Covid-19 and the response provided through the Council.

Item	Response
<p>Additional expenditure pressures – especially:</p> <ul style="list-style-type: none"> <li>- Adult Social Care</li> <li>- Leisure services</li> <li>- Community Hub</li> <li>- Housing</li> </ul>	<p>Government have provided non ring-fenced funding of £9.6m to support the Council in its response to Covid-19. This figure has been received in four separate tranches and the Council monitors this on a weekly basis.</p> <p>The latest assessment is that the funding provided by Government and the income scheme below are sufficient for the 2020/21 Financial Year based on current estimates. Clearly, these can fluctuate, and will in light of further impacts from the Covid-19 outbreak. The Council also has general reserves to support further impacts and these are above the minimum level set by the s151 officer.</p>

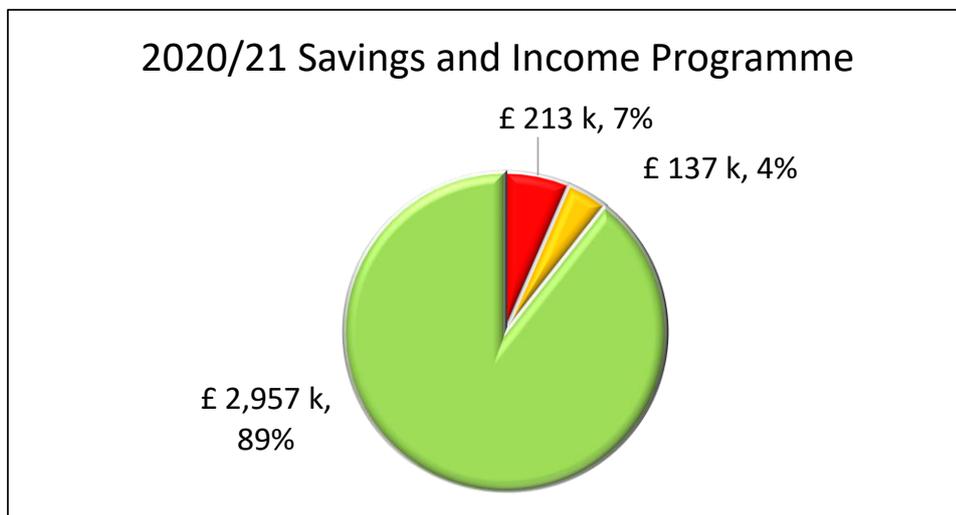
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Item	Response
<p>Income pressures, the most significant being:</p> <ul style="list-style-type: none"> <li>- Car parking income</li> <li>- Adult Social Care</li> <li>- Other Sales, fees and charges</li> </ul>	<p>Government have provided an income share scheme.</p> <ul style="list-style-type: none"> <li>- The Council funds the first 5% of losses</li> <li>- The Council shares 25% and Government 75% of all further losses.</li> </ul>
<p>Cashflow risks</p>	<p>Government provided up front funding of, for example, business grants and paused the payment required for business rates</p>
<p>Specific grants provided by Government for key areas of activity, as shown above</p>	<p>These funds are being applied to support service specific pressures and/or to provide services through the grant.</p>
<p>Losses on Council Tax and Business Rates</p>	<p>The Council Tax collection rate has held up well to date; collection is marginally down, but the Council did offer the ability to amend the two months of non Council Tax payment to early in the financial year.</p> <p>The Council made a quick early decision in March to suppress business rates recovery and the initial direct debit to support businesses. The Government have also provided a significant amount of business rates reliefs.</p> <p>The Government have announced that the collection fund deficit can be spread across a three year period rather than one year. This option will be considered as part of the budget setting process for the March Council.</p>
<p>Impact on 2021/22 budget setting</p>	<p>The long term flow of changed costs and lost income is difficult to estimate in detail. However, the budget for the year ahead is being prepared with adjustments for Covid-19.</p> <p>The Government has also paused the roll out of the fair funding review and further retention of business rates which reduces by just over £1m the savings requirement for 2021/22 on the assumption that all changes are paused, including the rest of business rates baselines.</p>

5.15 The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the impact on 2021/22 and beyond is known. The Government have announced a pause to the fair funding review for 2021/22 and so the Council is planning for a similar financial settlement for 2021/22 as it received in 2020/21.

### 2020/21 Savings and income generation programme

5.16 In order to meet the funding available, the 2020/21 revenue budget was built with a £3.2m savings and income generation programme. The programme is monitored using the RAG traffic light system. The status of the programme is shown in the following charts:



5.17 Unachieved red savings are as follows:

- £40k in Development & Planning was planned to be capitalised but this is no longer possible. The target has been offset in year through other Housing under spends, and it is planned to fund this post from S106 in 2021/22.
- £68k in Planning & Public Protection from phase 2 solar panels on Council buildings. This work has been delayed but is expected to be achieved in 2021/22.
- A £40k VAT saving from mileage claims has not yet been put in place, but this has been offset by a general reduction in mileage claims. The VAT process will be investigated in 2021/22.
- £65k in Strategy & Governance: £45k from income generation in legal will not be achieved due to Covid-19 and £20k from training income.

5.18 Amber savings are as follows:

- £27k in ASC. This represents 3% of a range of savings that are otherwise met. Work is ongoing to achieve the remainder of the savings but has been slowed due to Covid-19.
- £100k in CFS. This saving was expected to be achieved as a result of increased income. In May 2019 the Home Office announced an increase in the daily sum that can be claimed per asylum seeker child in local authority care. We calculated that £100k could be released from the existing UASC budget because of this additional income. This has not been possible due to the decrease in UASC cases.
- £10k in HR relating to an efficiency target yet to be achieved.

## Proposals

5.19 To note the Quarter Three forecast.

## 6 Other options considered

6.1 None.

## 7 Conclusion

7.1 The Council is forecasting an under spend of £3.4m, which is a positive reflection on the management of adult and children social care. The £3.2m savings and income generation programme is forecasting 89% achieved at Quarter Three. The Covid-19 grant funding received from Government to date, and the Council's level of general fund reserves mean that the Council is well placed to focus its efforts on response and recovery from the Covid-19 into next financial year. Any Covid-19 grant under spend will be used to offset Collection Fund deficit.

## 8 Appendices

8.1 Appendix A – Forecast position

8.2 Appendix B – Budget changes

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### Subject to Call-In:

Yes:  No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

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Item is Urgent Key Decision

Report is to note only

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### Document Control

Document Ref:		Date Created:	
Version:		Date Modified:	
Author:			
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### Change History

Version	Date	Description	Change ID
1			
2			

## Appendix A – Forecast position

	Budget				Forecasted Performance						
	Original Budget 2020/21 £	Changes in year 2020/21 £	Funding Released from Reserves 2020/21 £	Revised Budget 2020/21 £	Expenditure			Income			Net
					Annual Expenditure Budget for 2020/21 £	Annual Expenditure Forecast for 2020/21 £	Expenditure Variance for 2020/21 £	Annual Income Budget for 2020/21 £	Annual Income Forecast for 2020/21 £	Income Variance for 2020/21 £	Net Variance £
Adult Social Care	50,220,510	0	134,920	50,355,430	75,846,670	73,189,560	-2,657,110	-25,491,240	-24,640,370	850,870	-1,806,240
Childrens and Family Services	17,102,250	-11,660	76,260	17,166,850	19,239,320	18,044,970	-1,194,350	-2,072,470	-1,924,470	148,000	-1,046,350
Executive Director - People	249,440	0	72,000	321,440	321,440	331,490	10,050	0	-25,000	-25,000	-14,950
Education (DSG Funded)	-444,000	0	0	-444,000	108,097,950	110,280,410	2,182,460	-108,541,950	-110,724,410	-2,182,460	0
Education	8,829,540	0	0	8,829,540	12,261,300	11,689,170	-572,130	-3,431,760	-3,220,890	210,870	-361,260
Public Health & Wellbeing	-80,000	0	0	-80,000	5,951,590	7,776,680	1,825,090	-6,031,590	-7,856,680	-1,825,090	0
<b>People</b>	<b>75,877,740</b>	<b>-11,660</b>	<b>283,180</b>	<b>76,149,260</b>	<b>221,718,270</b>	<b>221,312,280</b>	<b>-405,990</b>	<b>-145,569,010</b>	<b>-148,391,820</b>	<b>-2,822,810</b>	<b>-3,228,800</b>
Executive Director - Place	197,080	-10,000	0	187,080	187,080	187,080	0	0	0	0	0
Development and Planning	3,070,650	32,820	-48,730	3,054,740	6,467,540	6,100,440	-367,100	-3,412,800	-3,363,600	49,200	-317,900
Public Protection and Culture	3,903,550	-8,400	35,000	3,930,150	9,296,680	9,202,270	-94,410	-5,366,530	-5,222,680	143,850	49,440
Transport and Countryside	23,795,330	-41,840	127,700	23,881,190	34,815,930	30,747,390	-4,068,540	-10,934,740	-7,187,010	3,747,730	-320,810
<b>Place</b>	<b>30,966,610</b>	<b>-27,420</b>	<b>113,970</b>	<b>31,053,160</b>	<b>50,767,230</b>	<b>46,237,180</b>	<b>-4,530,050</b>	<b>-19,714,070</b>	<b>-15,773,290</b>	<b>3,940,780</b>	<b>-589,270</b>
Executive Director - Resources	120,870	159,880	0	280,750	280,750	300,750	20,000	0	0	0	20,000
Commissioning	814,420	-48,800	3,820	769,440	10,270,470	10,260,090	-10,380	-9,501,030	-9,551,850	-50,820	-61,200
Customer Services and ICT	2,970,540	0	12,380	2,982,920	3,837,330	3,782,670	-54,660	-854,410	-800,930	53,480	-1,180
Chief Executive	0	0	0	0	0	103,350	103,350	0	-103,350	-103,350	0
Finance and Property	2,823,670	-150,020	40,000	2,713,650	47,491,680	46,996,440	-495,240	-44,778,030	-43,875,570	902,460	407,220
Human Resources	1,723,870	-66,200	0	1,657,670	2,057,600	1,951,580	-106,020	-399,930	-399,330	600	-105,420
Legal and Strategic Support	3,004,900	103,040	136,460	3,244,400	3,930,040	3,897,520	-32,520	-685,640	-601,890	83,750	51,230
<b>Resources</b>	<b>11,458,270</b>	<b>-2,100</b>	<b>192,660</b>	<b>11,648,830</b>	<b>67,867,870</b>	<b>67,292,400</b>	<b>-575,470</b>	<b>-56,219,040</b>	<b>-55,332,920</b>	<b>886,120</b>	<b>310,650</b>
Chief Executive	833,510	-75,820	0	757,690	767,690	755,440	-12,250	-10,000	-7,750	2,250	-10,000
<b>Chief Executive</b>	<b>833,510</b>	<b>-75,820</b>	<b>0</b>	<b>757,690</b>	<b>767,690</b>	<b>755,440</b>	<b>-12,250</b>	<b>-10,000</b>	<b>-7,750</b>	<b>2,250</b>	<b>-10,000</b>
Capital Financing & Management	11,196,770	0	0	11,196,770	11,974,340	11,672,340	-302,000	-777,570	-352,570	425,000	123,000
Movement Through Reserves	-117,000	117,000	0	0	0	0	0	0	0	0	0
Risk Management	0	0	0	0	0	0	0	0	0	0	0
<b>Capital Financing and Risk Management</b>	<b>11,079,770</b>	<b>117,000</b>	<b>0</b>	<b>11,196,770</b>	<b>11,974,340</b>	<b>11,672,340</b>	<b>-302,000</b>	<b>-777,570</b>	<b>-352,570</b>	<b>425,000</b>	<b>123,000</b>
<b>Total</b>	<b>130,215,900</b>	<b>0</b>	<b>589,810</b>	<b>130,805,710</b>	<b>353,095,400</b>	<b>347,269,640</b>	<b>-5,825,760</b>	<b>-222,289,690</b>	<b>-219,858,350</b>	<b>2,431,340</b>	<b>-3,394,420</b>

## Appendix B – Budget Changes

Service	Original Net Budget	Budget changes not requiring approval	Approved Budget B/F from 2019/20	Other budget release from reserves	Approved by S151 & Portfolio Holder	Requiring Executive Approval	Proposed Budget C/F to 2021/22	Current Net Budget
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	50,221		288				(153)	50,355
Children and Family Services	17,102	(12)	76					17,167
Executive Director	249		87				(15)	321
Education DSG funded	(444)							(444)
Education	8,830							8,830
Public Health & Wellbeing	(80)							(80)
<b>People</b>	<b>75,878</b>	<b>(12)</b>	<b>451</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(168)</b>	<b>76,149</b>
Executive Director	197	(10)						187
Development & Planning	3,071	33	76				(125)	3,055
Public Protection & Culture	3,904	26						3,930
Transport & Countryside	23,795	15	71					23,881
<b>Place</b>	<b>30,967</b>	<b>64</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(125)</b>	<b>31,053</b>
Executive Director	121	160						281
Commissioning	814	(49)	4					769
Customer Services & ICT	2,971		12					2,983
Finance & Property	2,824	(89)					(21)	2,714
Human Resources	1,724	(66)						1,658
Legal and Strategic Support	3,005	95	85	131			(72)	3,244
<b>Resources</b>	<b>11,459</b>	<b>51</b>	<b>101</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>(93)</b>	<b>11,649</b>
<b>Chief Executive</b>	<b>834</b>	<b>(76)</b>						<b>758</b>
Capital Financing & Management	11,197							11,197
Movement through Reserves	(117)	117						0
<b>Capital Financing</b>	<b>11,080</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,197</b>
<b>Total</b>	<b>130,217</b>	<b>144</b>	<b>699</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>(386)</b>	<b>130,806</b>