
2020/21 Revenue Financial Performance Provisional Outturn

Committee considering report:	Overview and Scrutiny Management Commission
Date of Committee:	6 th July 2021
Portfolio Member:	Councillor Ross Mackinnon
Date Head of Service agreed report: <i>(for Corporate Board)</i>	12.5.21
Date Portfolio Member agreed report:	12.5.21
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Forward Plan Ref:	EX3914

1 Purpose of the Report

- 1.1 To report on the financial performance of the Council's revenue budgets. This report is the provisional outturn position for 2020/21.

2 Recommendations

- 2.1 To note the provisional outturn position of £4.6m under spend. The under spend is 3.5% of the Council's 2020/21 net revenue budget of £131m. From the £4.6m under spend, the impact of Covid on spend against budgets accounts for £3.6m, with business as usual (BAU) accounting for the remaining £1m.
- 2.2 To note that the under spend will be added to the Council's general reserves, of which £2.8m has already been allocated to support the 2021/22 budget and balance the financial impact of the pandemic on residents with the cost pressures the Council faces. The increase to reserves from the outturn will therefore be £1.8m.
- 2.3 To note the ongoing impact that Covid will have on the 2021/22 budget, particularly in Quarter One, as the Council continues to be supported by external funding and see reduced demand for some services.
- 2.4 To note that a budget movement of £400k from Finance & Property to Capital Financing was approved by Executive on 10 June 2021. The capital financing and investment income budgets have been reviewed and realigned to reflect market conditions. The move reflects savings against capital financing costs and pressures against investment income.

3 Implications and Impact Assessment

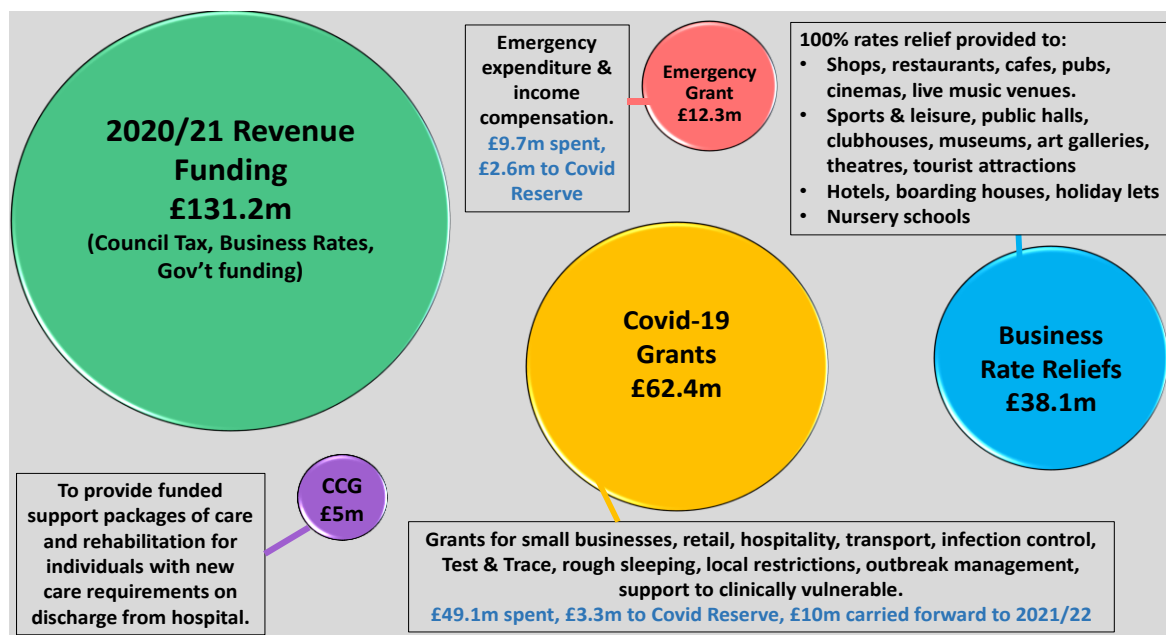
Implication	Commentary			
Financial:	The provisional under spend of £4.6m will be added to the Council's general reserves, of which £2.8m has already been allocated to support the 2021/22 budget. The increase to reserves from the outturn will be £1.8m.			
Human Resource:	None			
Legal:	None			
Risk Management:	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.			
Property:	Impact on income due to an unlet commercial property.			
Policy:	No			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		Y		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		Y		
Environmental Impact:		Y		

Health Impact:		Y		
ICT Impact:		Y		
Digital Services Impact:		Y		
Council Strategy Priorities:		Y		Business as usual
Core Business:		Y		
Data Impact:		Y		
Consultation and Engagement:	Budget holders, Heads of Service and Directors.			

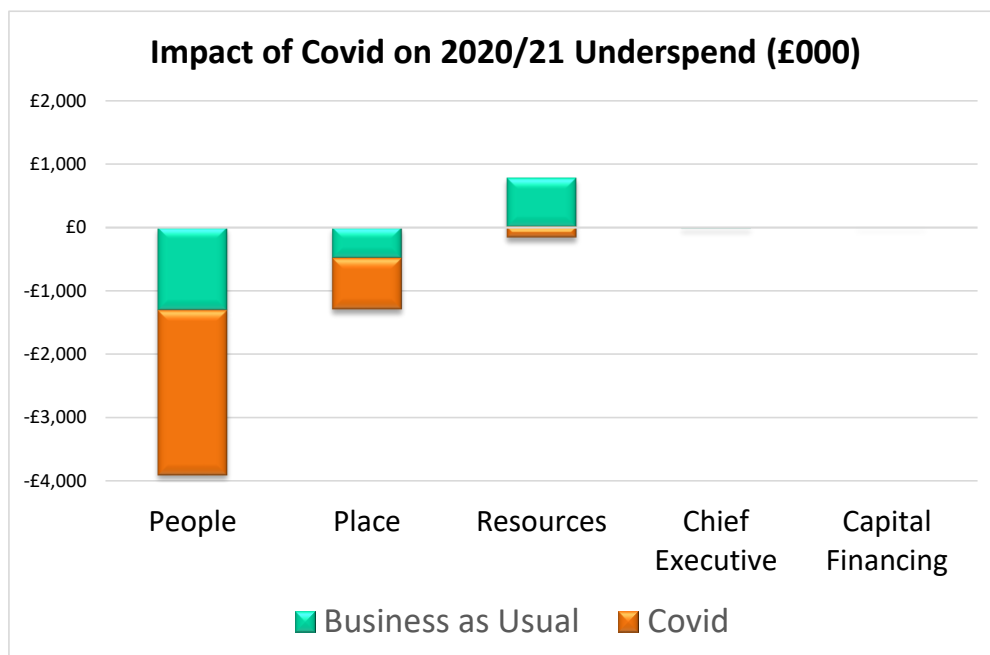
4 Executive Summary

- 4.1 This report is to inform members of the financial performance of the Council's revenue budgets. This report is the provisional outturn position for 2020/21.
- 4.2 The 2020/21 financial year presented a significant number of financial challenges for the Council in supporting our residents and business. The 2020/21 net revenue budget of £131m was set in March 2020, however, before the start of the financial year, the country was in national lockdown due to the Covid-19 global pandemic.
- 4.3 The Council has played a significant part in responding to the pandemic, supported by Central Government grant funding of £113m and £5m CCG funding, enabling us to support a range of activities within our district and distribute business rate reliefs. £101m has been spent or distributed, £6m put to a Covid reserve and £10m carried forward to 2021/22. Grant funding compared to our revenue budget is shown in the chart below:

2020/21 Revenue Financial Performance Provisional Outturn

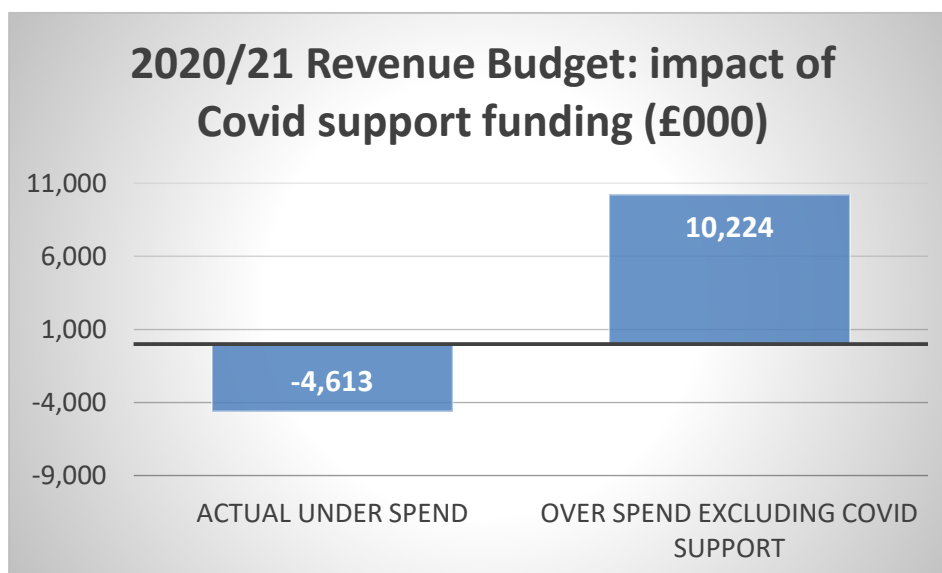


4.4 The provisional revenue outturn position is an under spend of £4.6m. The under spend is 3.5% of the Council's 2020/21 net revenue budget of £131m. From the £4.6m under spend, the impact of Covid on budgets accounts for £3.6m, with business as usual (BAU) accounting for the remaining £1m. The under spend will be added to the Council's general reserves, of which £2.8m has already been allocated to support the 2021/22 budget and balance the financial impact of the pandemic on residents with the cost pressures the Council faces. The increase to reserves from the outturn will therefore be £1.8m, which will protect the Council's financial position in the midst of the current Covid-19 pandemic, enabling Council services to deliver their key areas of responsibility.



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4.5 The overall under spend is interlinked to the impact of the pandemic and the use of Covid support funding. Without the Emergency Grant funding for expenditure and income compensation, and Adult Social Care funding from the Clinical Commissioning Group, the Council would be facing an over spend of £10m, which would likely have put the Council far below the minimum level of reserves resulting in some immediate ceasing of service activity.



4.6 The People Directorate under spend is £3.9m, with the main under spends arising from ASC £2m, CFS £1.2m and Education £0.6m.

- In ASC, there have been 58 excess deaths compared to 2019/20, with client numbers 84 lower than modelled. Fewer clients received a long term service due to Covid, as clients in step down placements were funded by Health. There was a reduction in the take up of respite services and direct payments as service users were unable or unwilling to access services.
- In CFS, the under spend 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. However there is evidence among neighbouring authorities of increases in children entering care as a result of Covid-19 disruption.
- The Education under spend largely relates to savings in Home to School Transport, due to suspended services during school closures.

4.7 The Place Directorate under spend is £1.3m. The main under spends are:

- Homelessness prevention, predominantly due to lower expenditure on rent incentives and pause on evictions of private tenants due to Covid-19.
- Sports and leisure, partly as a result of lower spend on repairs and maintenance during Covid, and partly from the leisure management contract. Shaw House saw unachieved income from room hire and catering.

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- Waste management had a reduction in commercial waste going to landfill and an opportunity to send more general refuse to 'energy from waste' facilities instead.
 - Traffic network income streams have been greater than anticipated. These budgets are demand led and difficult to accurately forecast, but will be reviewed as part of Outcomes Based Budgeting for 2022/23. Car park income was significantly impacted by Covid, however, as lost income has been compensated for by grant funding, it has not impacted on the outturn position.
- 4.8 The Resources Directorate/Chief Executive over spent by £588k due to loss of income in vacant commercial property. Capital Financing was £516k under spent due to lower payments on annuity loans, and this has been set aside for financing of prior capital expenditure (Minimum Revenue Provision).
- 4.9 The under spend increased significantly in the final two quarters of 2020/21. 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 led services that had been suppressed due to the 1st wave. The 2nd wave however, further delayed this demand and, unfortunately as in the 1st wave, there were a number of deaths amongst the residents supported by Adult Social Care which reduced in-year costs. In the Waste service, there was a reduction in commercial waste going to landfill and an opportunity to send more general refuse to 'energy from waste' facilities instead.
- 4.10 The 2020/21 savings and income generation programme of £3.2m was 95% Green.

Conclusion

- 4.11 The 2020/21 financial year presented a significant number of financial challenges for the Council in supporting our residents and business and the Council has played a significant part in responding to the pandemic. Grants of £113m were received from Government for Covid-19 to support additional costs and lost income and to enable us to support a range of activities within our district.
- 4.12 The provisional revenue under spend of £4.6m is interlinked to the impact of the pandemic and the use of Covid resources provided by central government. The £3.2m savings and income generation programme was 95% achieved. 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.
- 4.13 The Covid-19 grant under spend will be used in 2021/22 to fund the ongoing pandemic response. The Council continues to be supported by external funding and see reduced demand for some services which will have an impact on 2021/22, particularly on Quarter One. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the full impact on 2021/22 and beyond is known.

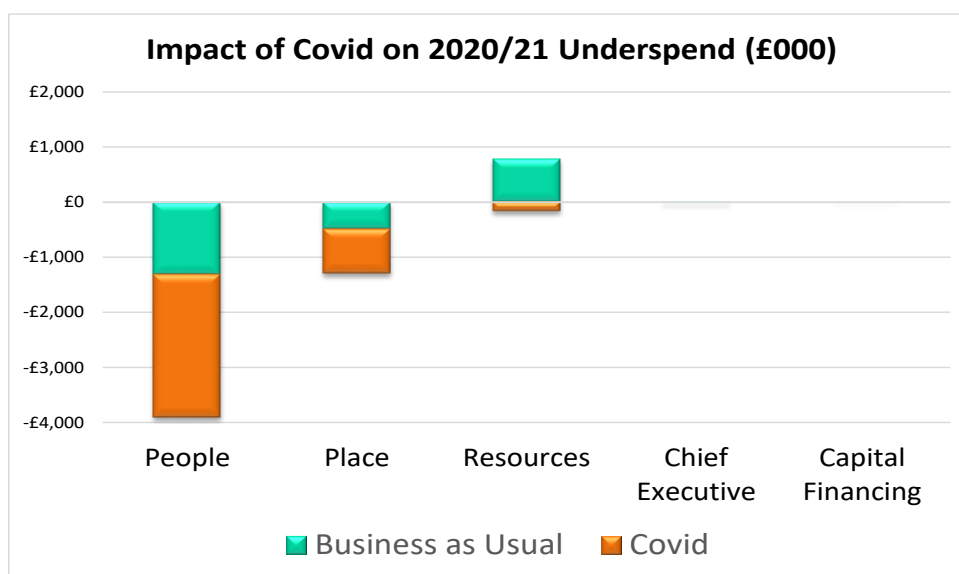
5 Supporting Information

Introduction

- 5.1 The 2020/21 financial year presented a significant number of financial challenges for the Council in supporting our residents and business. The 2020/21 net revenue budget of £131m was set in March 2020, however, before the start of the financial year, the country was in national lockdown due to the Covid-19 global pandemic.
- 5.2 The Council has played a significant part in responding to the pandemic, from helping to coordinate the community response, supporting local businesses and working with schools in delivering online learning. As referenced further in this report, grants of £113m have been received from Government for Covid-19 to support additional costs and lost income and to enable us to support a range of activities within our district and distribute business rate reliefs.
- 5.3 The overall under spend is interlinked to the impact of the pandemic and the use of Covid resources provided by central government. The under spend allows for an increase to reserves which will protect the Council’s financial position in the midst of the current Covid-19 pandemic, enabling Council services to deliver their key areas of responsibility.
- 5.4 This financial outturn report shows the under spend against budget, after taking account of any funds carried forward to 2021/22. The report also shows the impact Covid-19 has had on the outturn, in order to try to provide a meaningful comparison to budget and to previous years.

2020/21 Outturn

- 5.5 The provisional revenue outturn is an under spend of £4.6m. The under spend is 3.5% of the Council’s 2020/21 net revenue budget of £131m. From the £4.6m under spend, the impact of Covid on spend against budgets accounts for £3.6m, with business as usual (BAU) accounting for the remaining £1m as shown below by Directorate.

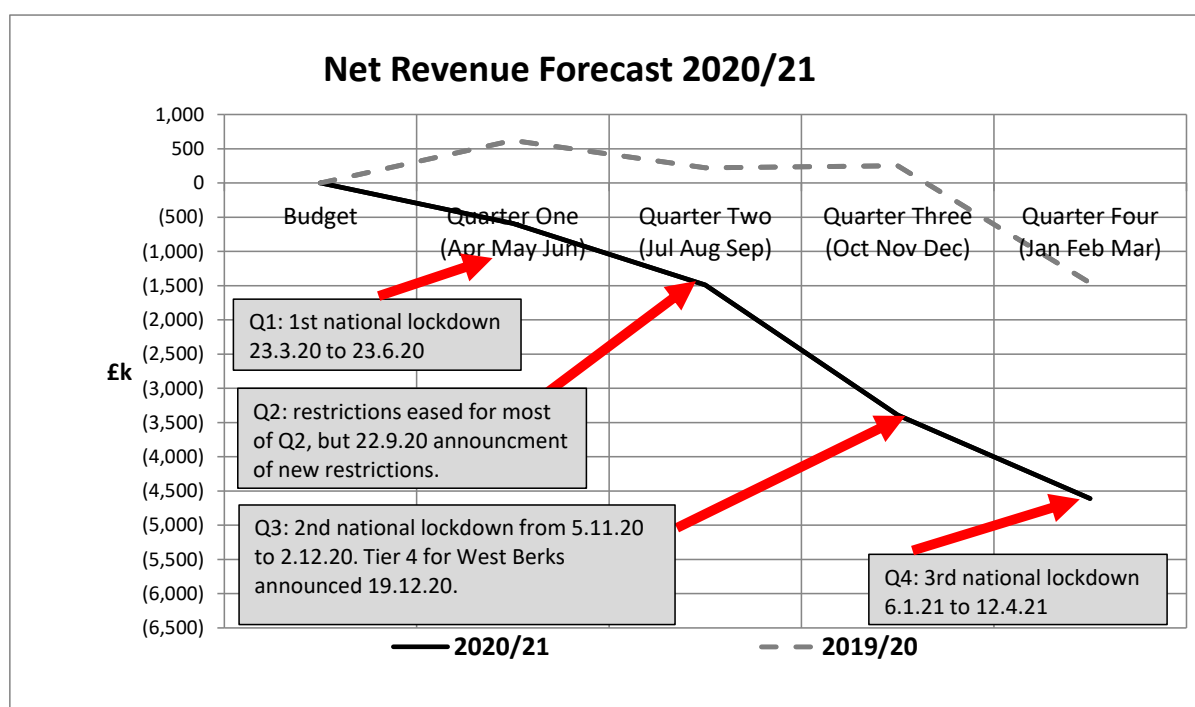


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5.6 The table below shows the quarterly forecasts and year end position, after net funds carried forward to 2021/22. These comprise of moving unspent funding into earmarked reserves to spend in 2021/22, including the Public Health grant, general Covid grants and specific Covid grants such as the Contain Outbreak Management Fund (COMF), net of any drawdowns from earmarked reserves to support services in 2020/21.

Directorate Summary	Final Net Budget	Actual Outturn	(Under)/over spend						Change to Service Forecast from Last Quarter
			Quarter One	Quarter Two	Quarter Three	Quarter Four			
			Forecast	Forecast	Forecast	Actual	Carried forward to 2021/22	Final	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
People	76,244	68,632	(810)	(1,859)	(3,229)	(7,612)	3,711	(3,900)	(672)
Place	31,203	29,503	(101)	(57)	(589)	(1,700)	400	(1,300)	(711)
Resources	11,388	12,484	230	244	312	1,096	(489)	607	295
Chief Executive	764	46	(10)	(10)	(10)	(718)	699	(19)	(9)
Capital Financing	11,597	10,703	100	193	123	(894)	894	(0)	(123)
Total	131,196	121,368	(590)	(1,489)	(3,393)	(9,828)	5,215	(4,613)	(1,220)
Allocated to 2021/22 Budget								2,775	
Net increase in Reserves								(1,838)	

5.7 Forecasting has been challenging this year due to the ongoing impact of Covid-19. At the end of Q1, the national lockdown had just lifted and so forecasts were largely based on a return to normal for the remainder of the year. However, the second and third lockdowns further increased the Council’s under spend as a result of savings made on activities and government funding received in compensation for losses. The overall forecasts and outturn are shown in the following chart:



5.8 There was a £1.9m increase in the under spend from Quarter Two to Quarter Three. This was 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 1st wave of the pandemic. The 2nd wave further delayed this demand and, unfortunately as in the 1st wave, there were 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 was also a decrease in demand related costs, for example in respect of Unaccompanied Asylum Seeking Children (UASC).

5.9 During the final quarter, the under spend increased by a further £1.2m, reflecting the impact of the continuing pandemic.

- In People, £253k was in ASC with clients spending longer than forecast in beds funded by Health, low take up of respite provision and delays to packages of care starting. CFS under spend increased by £153k in placements, legal and specialist assessments. Education under spend increased by £239k largely attributable to home to school transport further savings in the Spring Term 2021.
- In Place, Environment's under spend increased by £708k in the final quarter. Car parks outturn was affected by receipt of £161k Covid support funding which was not forecast in the previous quarter. Traffic network management saw an unanticipated rise in works applications in the final quarter resulting in increased income of £281k. The Waste service costs were £100k lower than previously forecast, mainly due to the opportunity to divert more general refuse to energy from waste initiatives. This was created by capacity created by a fall in commercial waste incineration due to a reduction in economic activity linked to Covid.

5.10 Outturn by service is shown in the following table:

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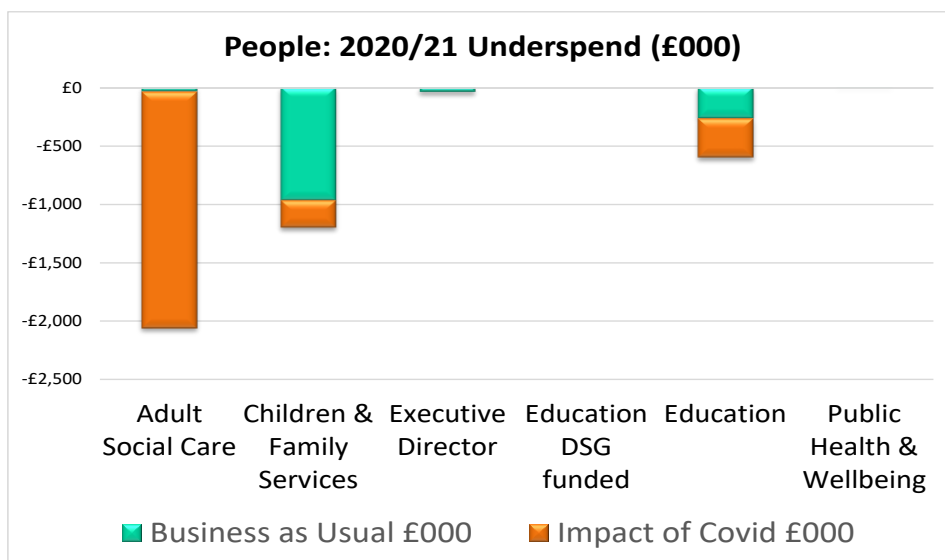
	Current Net Budget	Net Forecast	(Under)/over spend						Change to Service Forecast from Last Quarter
			Quarter One	Quarter Two	Quarter Three	Quarter Four			
			Forecast	Forecast	Forecast	Actual	Carried forward to 2021/22	Final	
£000	£000	£000	£000	£000	£000	£000	£000	£000	
Adult Social Care	50,294	48,235	(588)	(1,026)	(1,806)	(2,059)	0	(2,059)	(253)
Children & Family Services	17,244	16,007	(247)	(639)	(1,046)	(1,236)	37	(1,199)	(153)
Executive Director	322	280	3	4	(15)	(42)	0	(42)	(27)
Education DSG funded	(444)	(444)	0	0	0	0	0	0	0
Education	8,852	8,117	22	(197)	(361)	(735)	135	(600)	(239)
Public Health & Wellbeing	(24)	(3,563)	0	0	0	(3,539)	3,539	(0)	(0)
People	76,244	68,632	(810)	(1,859)	(3,229)	(7,612)	3,711	(3,900)	(672)
Executive Director	187	190	0	0	0	3	0	3	3
Development & Planning	3,249	2,951	(76)	(14)	(318)	(298)	145	(153)	165
Public Protection & Culture	3,852	3,622	75	61	49	(230)	108	(122)	(171)
Environment	23,915	22,740	(99)	(104)	(320)	(1,175)	147	(1,028)	(708)
Place	31,203	29,503	(101)	(57)	(589)	(1,700)	400	(1,300)	(711)
Executive Director	270	296	0	20	20	26	0	26	6
Commissioning	772	656	(58)	(38)	(61)	(116)	0	(116)	(55)
Customer Services & ICT	2,987	2,978	59	60	(1)	(9)	0	(9)	(8)
Finance & Property	2,382	3,799	123	138	407	1,417	(683)	734	327
Strategy & Governance	4,976	4,754	105	64	(54)	(222)	194	(28)	26
Resources	11,388	12,484	230	244	312	1,096	(489)	607	295
Chief Executive	764	46	(10)	(10)	(10)	(718)	699	(19)	(9)
Capital Financing	11,597	10,703	100	193	123	(894)	894	(0)	(123)
Movement through Reserves	0	0	0	0	0	0	0	0	0
Capital Financing	11,597	10,703	100	193	123	(894)	894	(0)	(123)
Total	131,196	121,368	(590)	(1,489)	(3,393)	(9,828)	5,215	(4,613)	(1,220)
Allocated to 2021/22 Budget								2,775	
Net increase in Reserves								(1,838)	

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

People Directorate

5.11 The Directorate outturn is an under spend of £3.9m, which is 5.1% against a budget of £76m. The under spend has increased by £0.7m from last quarter.

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	Business as Usual	Impact of Covid	Total Under Spend
	£000	£000	£000
Adult Social Care	(37)	(2,022)	(2,059)
Children & Family Services	(964)	(235)	(1,199)
Executive Director	(42)	0	(42)
Education DSG funded	0	0	0
Education	(266)	(334)	(600)
Public Health & Wellbeing	(0)	0	(0)
People	(1,309)	(2,591)	(3,900)

5.12 In ASC, the under spend of £2m has increased by £250k since last quarter.

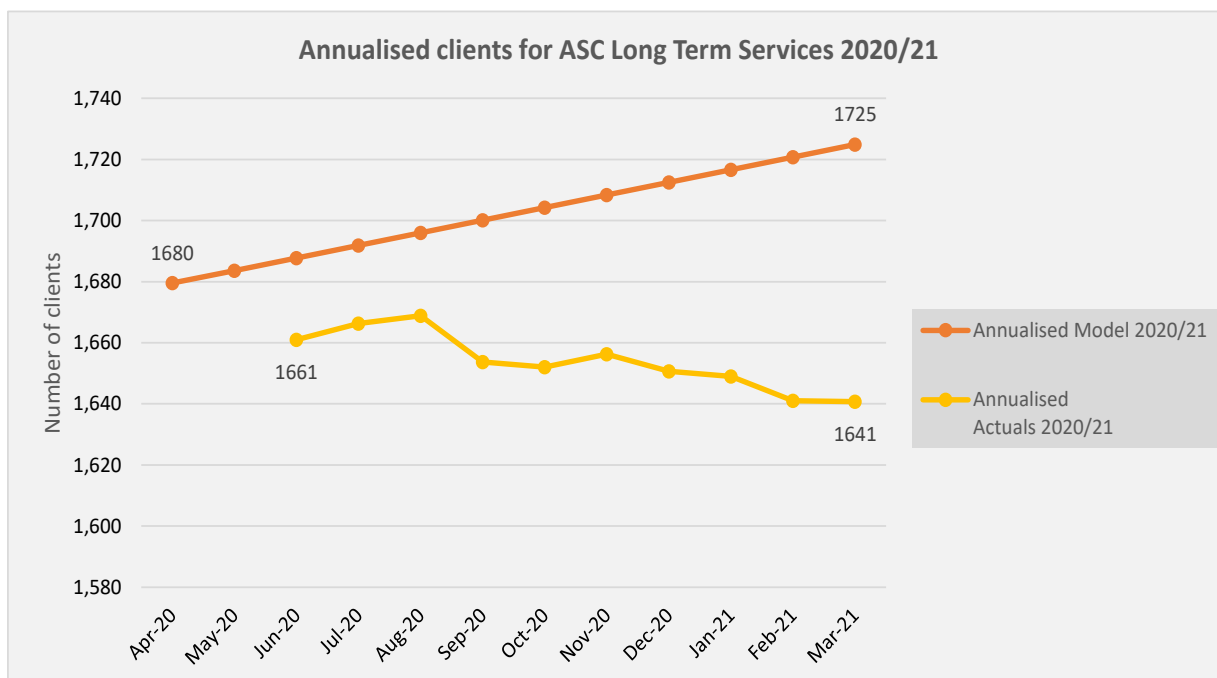
Long term services (LTS) are £2.9m under spent. There has been 58 excess deaths compared to 2019/20, with client numbers 84 lower than modelled. The majority have been in over 65's in care homes.

The number of clients receiving a long term service was also impacted by Covid, as clients in step down placements were funded by Health as part of the rapid community discharge during the pandemic. There has been a reduction in the take up of respite services due to Covid restrictions. Direct payments were also underutilised as service users were unable or unwilling to access services.

The service has also taken action to suppress market demand such as use of technology enabled care, reinforcing the three conversations model suppressing the need for long term services, use of market management to offer better value for money, and maximising external funding streams.

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Short term services are £442k over spent largely as a result of some short term services being extended due to Covid, instead of transferring to long term. Care homes are £471k over budget due to lost income and additional staffing costs.

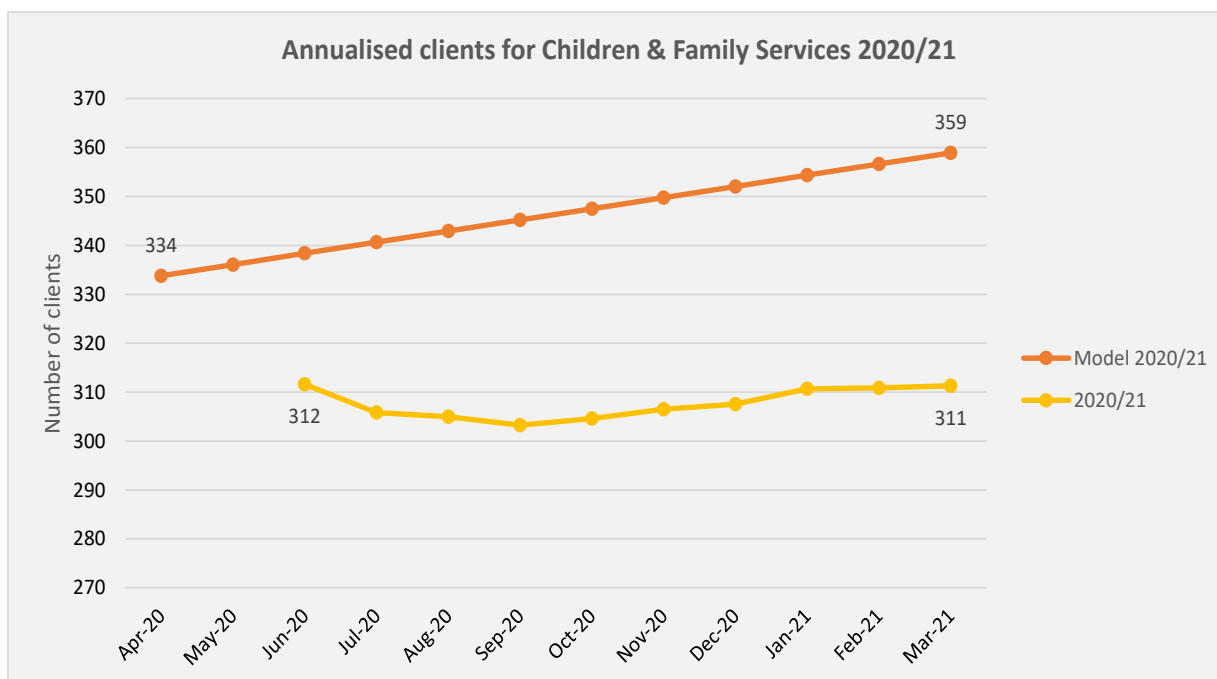


5.13 The full impact of Covid on ASC budgets is not completely clear, particularly around future demand, transitional periods and funding. The ASC model for long term services has continued to be updated monthly to inform the 2021/22 budget.

5.14 In CFS, of the £1.2m under spend, £857k is in placements, and is due to an overall decrease in the number of clients. There are 17 fewer clients than 2019/20 and 48 fewer than budgeted. The main reductions are within 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, or at least promote the less costly forms of intervention, and currently the signs are very positive. However, there is evidence among neighbouring authorities of a noticeable increase in children entering care as a result of Covid-19 disruption and the increasing stresses on households. The presentation and demand for UASC placements remains impossible to predict. UASC presentation in the UK has not declined overall and it may be that as cross channel freight traffic increases we will see increasing demand once again. The remaining under spend has arisen in adoption advisory, child care lawyers, and vacancy and mileage savings across the teams.

5.15 Demand is increasing and there is the possibility of increased demand as services navigate through the Covid-19 recovery period. There are delays in the court process and signs of the extra pressures accumulating in households (finance, employment and housing security), some of which will manifest into safeguarding issues. There has been a 35% increase in child protection plans between January and March 2021, so there are tangible signs of increasing need and demand.

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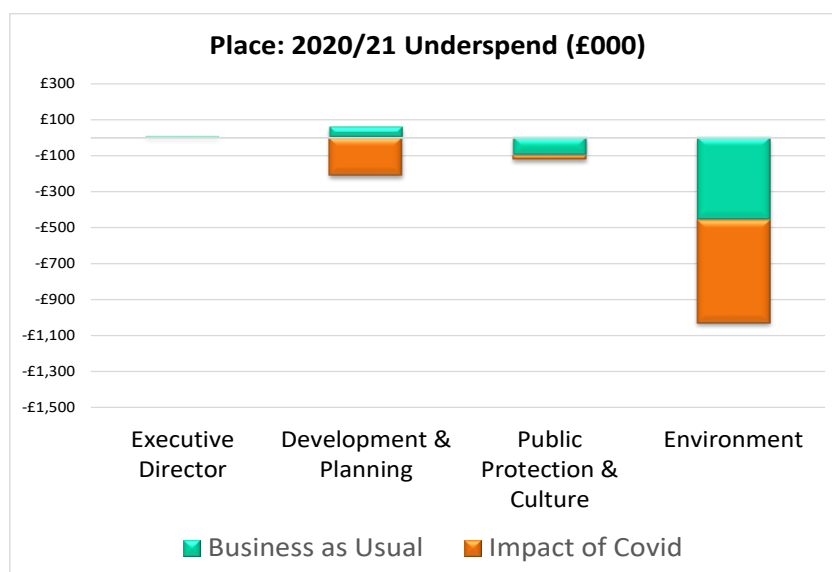


- 5.16 Education has an under spend of £600k, an increase of £239k from last quarter. Home to School Transport has under spent by £310k, partly due to suspended services during school closures and partly due to routes being retendered and renegotiated. The under spend increased in Quarter Four as a result of Covid impacts in the Spring Term. Other under spends include Castlegate and Family Wellbeing hubs due to periods of closure, and over achievement of income in traded services.
- 5.17 Education DSG is reported on line for the Council as any over or under spends are ring-fenced within the grant. There was a brought forward deficit on the DSG of £1.7m. At outturn, the DSG has a cumulative deficit of £1.5m. There were in-year pressures relating to demand led top up funding in the High Needs Block, but these have been offset against under spends on the growth fund, as a result of a delay in the opening of a new primary school. The Department for Education recognises the position that many authorities are in, and are expecting to work with authorities during 2021/22 to agree a plan of action to recover the deficits.
- 5.18 The Public Health grant outturn is on line, after carrying forwards £3.5m of grant funding to 2021/22; £600k against the Public Health Grant and £2.6m against the Contain Outbreak Management Fund (COMF). The COMF grant has supported the Council in its local response to the pandemic, which has included a number of ongoing projects to support the community including contact tracing, testing, enforcement, health & safety support to schools, mental health support for children and young people, monitoring of community transmissions and providing support to local businesses. Much of the underspend against the Public Health Grant has been due to offsetting staffing costs against COMF to ensure future funds are protected to support health and wellbeing programmes as part of the recovery.

Place Directorate

- 5.19 The Place Directorate provisional outturn is an under spend of £1.3m against a budget of £31m. The under spend has increased by £711k since last quarter.

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	Business as Usual	Impact of Covid	Total Under Spend
	£000	£000	£000
Executive Director	3	0	3
Development & Planning	58	(211)	(153)
Public Protection & Culture	(99)	(23)	(122)
Environment	(453)	(575)	(1,028)
Place	(491)	(809)	(1,300)

5.20 In Development and Planning, homelessness prevention was under spent by £240k due to lower expenditure on rent incentives and pause on evictions of private tenants due to Covid-19. Other housing services, temporary accommodation and Gypsy sites, were over spent. There was an under spend due to delay in consultancy spend in support of the Minerals and Waste Service Plan.

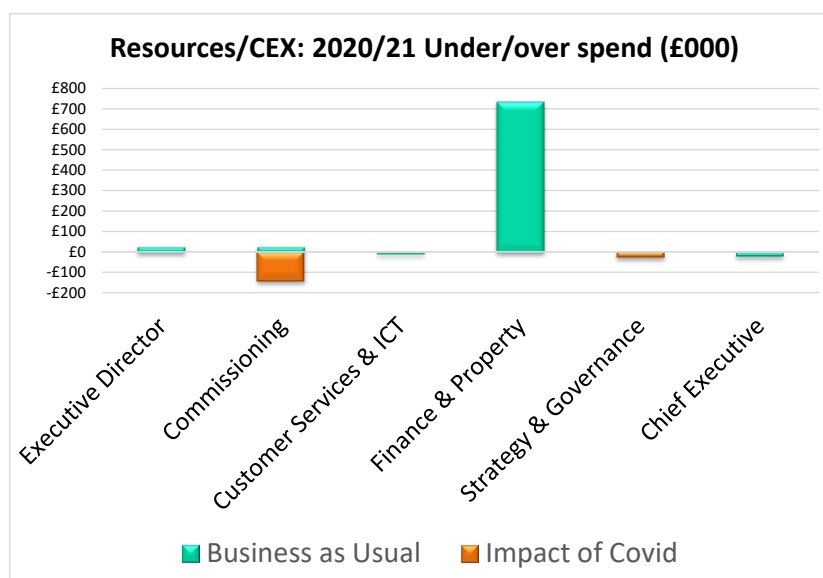
5.21 Public Protection & Culture had under spends in sports and leisure, due to lower spend on repairs and maintenance during Covid, and from the leisure management contract. Shaw House underachieved income from room hire and catering.

5.22 In Environment, waste management costs were £554k lower than budget, of which £147k has been carried forward to 2021/22. There has been a reduction in commercial waste going to landfill and an opportunity to send more general refuse to 'energy from waste' facilities instead. Traffic network income is £459k higher than budget; these budgets are demand led and difficult to accurately forecast. Although some works were postponed due to Covid, overall these income streams have been greater than anticipated, and budgets will be reviewed as part of Outcomes Based Budgeting for 2022/23. Car park income was significantly impacted by Covid, however, as lost income has been compensated for by grant funding, it has not impacted on the outturn position.

Resources Directorate/Chief Executive

5.23 The Directorate outturn is an over spend of £588k against a budget of £12m. This is a £286k change from the over spend forecast last quarter.

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	Business as Usual	Impact of Covid	Total Under Spend
	£000	£000	£000
Executive Director	26	0	26
Commissioning	26	(142)	(116)
Customer Services & ICT	(9)	0	(9)
Finance & Property	734	0	734
Strategy & Governance	1	(29)	(28)
Resources	778	(171)	607
Chief Executive	(19)	0	(19)

5.24 Commissioning under spend relates to a rebate from the agency framework agreement, which has increased in line with increased agency staff demand during 2020/21.

5.25 In Finance and Property, the £734k over spend is after year end carry forwards and reserve movements. Grant funding of £3.2m received in 2019/20 was drawn down from the Covid Reserve. During 2020/21, further grants were received and at year end, £2.6m remained and was transferred back to the Covid Reserve. £280k has been allocated into reserves towards provision for financing of prior capital expenditure (Minimum Revenue Provision). £587k was drawn from earmarked reserves for Housing Benefit claims not eligible for full subsidy, and to allow for an increase in provision for possible non-recovery of overpayments. The service saw over spends in commercial property as a result of a vacant property. There were over spends in agency costs covering staff absence and implementation of the new Agresso financial system, and an increase in the general bad debt provision.

5.26 In Strategy and Governance, the under spend arose from not running a number of training courses during Covid, and additional buyback income in payroll.

Capital Financing

5.27 The Capital Financing outturn was an under spend of £516k, which has been set aside for financing of prior capital expenditure (Minimum Revenue Provision). The surplus has

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arisen from lower than expected principle and interest payments on annuity loans. Further detail is provided in the Treasury Management outturn report.

Covid-19 impact on the 2020/21 budget

5.28 There has been a significant impact on the 2020/21 budget due to Covid-19. The Council was awarded four tranches of un-ringfenced emergency expenditure grant from Central Government totalling £9.6m and has spent £5m to date. The Council has faced income losses of £4.7m, and has claimed £2.8m of emergency grant funding against this. Overall emergency grant funding totalled £12.3m and losses totalled £9.7m, so the balance of £2.6m has been put to an earmarked Covid reserve to use during 2021/22.

5.29 Further non-ringfenced grants were received of £4.5m for New Burdens, Control Outbreak Management Fund (COMF), Clinically Extremely Vulnerable (CEV) and Test & Trace. £1.1m has been spent and the remaining £3.3m put to the Covid reserve. The reserve balance is £5.9m. The table below shows how the split across services.

Allocation of Covid Funding	Emergency Grant Funding			Non-Ringfenced Grants				Total Non-Ringfenced Grants	Total Emergency/ Non-Ringfenced Grants
	Additional General Expenditure	Lost Income	Total General Grant	New Burdens	COMF	CEV	Test & Trace		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	2,325	345	2,670					0	2,670
Children & Family Services	188		188					0	188
Education DSG funded	73		73					0	73
Education	355	184	540					0	540
Public Health & Wellbeing			0		779			779	779
People	2,942	529	3,471	0	779	0	0	779	4,251
Development & Planning	701	107	808					0	808
Public Protection & Culture	792	801	1,593					0	1,593
Transport & Countryside	174	2,772	2,946					0	2,946
Place	1,666	3,680	5,347	0	0	0	0	0	5,347
Commissioning	7		7					0	7
Customer Services & ICT	41		41					0	41
Finance & Property	56	400	457	89			64	153	610
Human Resources	16		16					0	16
Legal and Strategic Support	191	82	273					0	273
Resources	312	483	795	89	0	0	64	153	948
CEX			0		30	193		223	223
Recovery	124		124					0	124
Total	5,045	4,692	9,737	89	810	193	64	1,156	10,893
Grant Received	(9,562)	(2,791)	(12,353)	(247)	(3,791)	(266)	(151)	(4,455)	(16,808)
Grant Remaining	(4,517)	1,901	(2,616)	(157)	(2,982)	(73)	(86)	(3,299)	(5,915)

5.9 In addition, specific ring-fenced grants and business rate relief funding was received totalling a further £96m of which £86m has been spent and £10m carried forward to 2021/22. This brings the total grant funding to £113m. All grants are summarised below:

2020/21 Revenue Financial Performance Provisional Outturn

Allocation of Covid Funding	Total Emergency/ Non- Ringfenced Grants	Ringfenced Grants								Total Ringfenced Grants	Total Grant Funding
		SBGF/ RHLGF	ARG/ LRSG	Transport	Infection Control	Test & Trace	Rough Sleeping	Business Rate Relief	Other		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	2,670				2,370				444	2,814	5,484
Children & Family Services	188									0	188
Education DSG funded	73									0	73
Education	540								796	796	1,335
Public Health & Wellbeing	779					347			433	780	1,559
People	4,251	0	0	0	2,370	347	0	0	1,673	4,390	8,640
Development & Planning	808			75			477		10	562	1,370
Public Protection & Culture	1,593								59	59	1,652
Transport & Countryside	2,946			505						505	3,451
Place	5,347	0	0	580	0	0	477	0	69	1,126	6,473
Commissioning	7									0	7
Customer Services & ICT	41									0	41
Finance & Property	610	29,361	12,978			90		38,146		80,576	81,186
Human Resources	16									0	16
Legal and Strategic Support	273									0	273
Resources	948	29,361	12,978	0	0	90	0	38,146	0	80,576	81,524
CEX	223									0	223
Recovery	124									0	124
Total	10,893	29,361	12,978	580	2,370	437	477	38,146	1,742	86,091	96,985
Grant Received	(16,808)	(29,361)	(21,936)	(1,066)	(2,595)	(665)	(393)	(38,146)	(1,865)	(96,029)	(112,837)
Grant Remaining	(5,915)	0	(8,958)	(487)	(225)	(229)	84	0	(123)	(9,937)	(15,853)

5.30 Other grants listed above include Wellbeing for Education, Surge funding, Support for leisure, ASC workforce capacity, ASC Rapid testing, Holiday and food programme, Pupil premium catch up, and Community testing. Adult Social Care (ASC) costs have also been supported with additional funding from the Clinical Commissioning Group (CCG) of £5.2m.

5.31 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. 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"> - Adult Social Care - Leisure services - Community Hub - Housing 	<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. The funding provided by Government and the income scheme below were sufficient for the 2020/21 Financial Year, with the surplus being put to reserves.</p> <p>The Council also has general reserves to support further impacts and these are above the minimum level set by the s151 officer.</p>

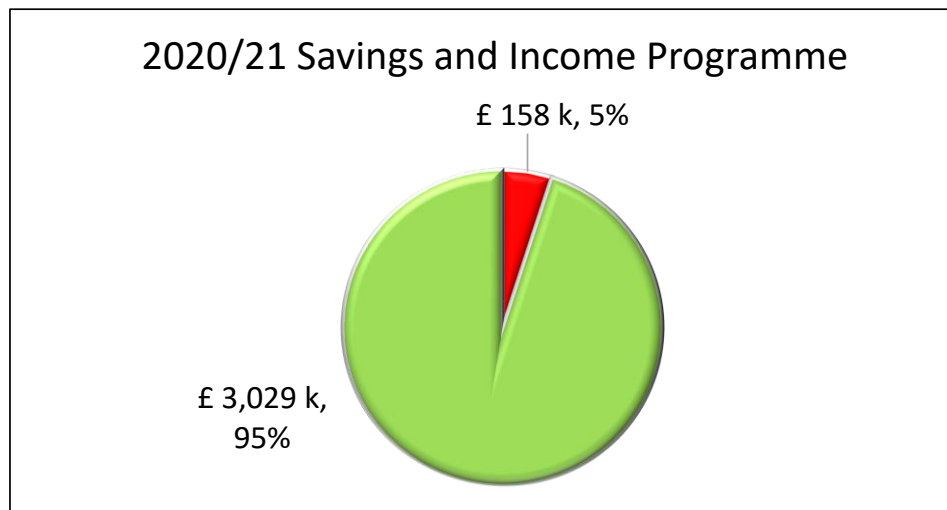
2020/21 Revenue Financial Performance Provisional Outturn

Item	Response
<p>Income pressures, the most significant being:</p> <ul style="list-style-type: none"> - Car parking income - Adult Social Care - Other Sales, fees and charges 	<p>Government have provided an income share scheme, and the Council has claimed £2.8m against losses of £4.7m.</p> <ul style="list-style-type: none"> - The Council funds the first 5% of losses - The Council shares 25% and Government 75% of all further losses.
<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 have been 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.</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>

5.32 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 planned for a similar financial settlement for 2021/22 as it received in 2020/21.

2020/21 Savings and income generation programme

5.33 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 is shown in the following charts:



5.34 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, £10k from training income and £10k staffing savings not met.

Proposals

5.35 To note the provisional outturn.

6 Other options considered

6.1 None.

7 Conclusion

7.1 The 2020/21 financial year presented a significant number of financial challenges for the Council in supporting our residents and business and the Council has played a significant part in responding to the pandemic. Grants of £113m were received from Government for Covid-19 to support additional costs and lost income and to enable us to support a range of activities within our district.

7.2 The provisional revenue under spend of £4.6m is interlinked to the impact of the pandemic and the use of Covid resources provided by central government. The £3.2m savings and income generation programme was 95% achieved. 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.

7.3 The Covid-19 grant under spend will be used in 2021/22 to fund the ongoing pandemic response. The Council continues to be supported by external funding and see reduced demand for some services which will have an impact on 2021/22, particularly on Quarter One. The longer term position will require further analysis and announcements from Central Government on the funding position for Local Government, before the full impact on 2021/22 and beyond is known.

8 Appendices

8.1 Appendix A – Outturn position

8.2 Appendix B – Budget changes

Corporate Board's recommendation

*(add text)

Background Papers:

*(add text)

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
 - Item is Urgent Key Decision
 - Report is to note only

Wards affected: *(add text)

Officer details:

Name: *(add text)
Job Title: *(add text)
Tel No: *(add text)
E-mail: *(add text)

Document Control

Document Ref:		Date Created:	
Version:		Date Modified:	
Author:			
Owning Service			

Change History

Version	Date	Description	Change ID
1			
2			

Appendix A – Outturn position

Consolidated outturn report 2020/21

	Budget			Gross Performance						Net Outturn			
	Original Budget £	Budget Changes £	Revised Budget £	Expenditure			Income			Net Exp/Inc to 31/03/2021 £	Actual Variance to 31/03/2021 £	Carried Forward to 2021/22 £	Final Variance to 31/03/2021 £
				Annual Expenditure Budget £	Actual Expenditure £	Expenditure Variance £	Annual Income Budget £	Actual Income £	Income Variance £				
Adult Social Care	50,220,510	73,530	50,294,040	78,257,790	74,042,676	-4,215,114	-27,963,750	-25,808,098	2,155,652	48,234,577	-2,059,463	0	-2,059,463
Children & Family Services	17,102,250	141,650	17,243,900	19,394,120	17,810,157	-1,583,963	-2,150,220	-1,802,709	347,511	16,007,448	-1,236,452	37,460	-1,198,992
Executive Director - People	249,440	72,380	321,820	321,820	305,108	-16,712	0	-25,000	-25,000	280,108	-41,712	0	-41,712
Education (DSG Funded)	-444,000	0	-444,000	108,150,910	111,424,015	3,273,105	-108,594,910	-111,868,015	-3,273,105	-444,000	0	0	0
Education	8,829,540	22,600	8,852,140	12,283,900	11,505,595	-778,305	-3,431,760	-3,389,359	42,401	8,116,236	-735,904	135,000	-600,904
Public Health & Wellbeing	-80,000	55,980	-24,020	6,007,570	7,009,878	1,002,308	-6,031,590	-10,572,860	-4,541,270	-3,562,982	-3,538,962	3,538,962	0
People	75,877,740	366,140	76,243,880	224,416,110	222,097,428	-2,318,682	-148,172,230	-153,466,042	-5,293,812	68,631,386	-7,612,494	3,711,422	-3,901,072
Executive Director - Place	197,080	-10,000	187,080	187,080	190,062	2,982	0	0	0	190,062	2,982	0	2,982
Development & Planning	3,165,740	83,020	3,248,760	6,736,160	6,413,710	-322,450	-3,487,400	-3,462,610	24,790	2,951,100	-297,660	145,000	-152,660
Public Protection & Culture	3,808,460	43,400	3,851,860	9,215,790	9,227,140	11,350	-5,363,930	-5,605,380	-241,450	3,621,761	-230,099	108,000	-122,099
Environment	23,795,330	119,790	23,915,120	34,850,540	34,405,338	-445,202	-10,935,420	-11,665,434	-730,014	22,739,904	-1,175,216	147,000	-1,028,216
Place	30,966,610	236,210	31,202,820	50,989,570	50,236,251	-753,319	-19,786,750	-20,733,424	-946,674	29,502,827	-1,699,993	400,000	-1,299,993
Executive Director - Resources	120,870	149,510	270,380	270,380	305,870	35,490	0	-9,000	-9,000	296,870	26,490	0	26,490
Commissioning	814,420	-42,060	772,360	10,273,390	10,921,917	648,527	-9,501,030	-10,265,829	-764,799	656,089	-116,271	0	-116,271
Customer Services & ICT	2,970,540	16,330	2,986,870	3,841,280	3,831,011	-10,269	-854,410	-853,865	545	2,977,146	-9,724	0	-9,724
Finance & Property	2,823,670	-441,410	2,382,260	47,160,290	83,048,024	35,887,734	-44,778,030	-79,248,845	-34,470,815	3,799,179	1,416,919	-683,000	733,919
Strategy & Governance	4,728,770	247,510	4,976,280	6,061,850	5,904,434	-157,416	-1,085,570	-1,149,820	-64,250	4,754,614	-221,666	194,000	-27,666
Resources	11,458,270	-70,120	11,388,150	67,607,190	104,011,256	36,404,066	-56,219,040	-91,527,358	-35,308,318	12,483,898	1,095,748	-489,000	606,748
Chief Executive	833,510	-69,220	764,290	774,290	866,659	92,369	-10,000	-819,996	-809,996	46,663	-717,627	699,000	-18,627
Chief Executive	833,510	-69,220	764,290	774,290	866,659	92,369	-10,000	-819,996	-809,996	46,663	-717,627	699,000	-18,627
Capital Financing & Management	11,196,770	400,000	11,596,770	11,974,340	12,609,290	634,950	-377,570	-1,913,572	-1,536,002	10,695,718	-901,052	901,052	0
Movement Through Reserves	-117,000	117,000	0	0	7,948	7,948	0	-762	-762	7,185	7,185	-7,185	0
Capital Financing	11,079,770	517,000	11,596,770	11,974,340	12,617,237	642,897	-377,570	-1,914,334	-1,536,764	10,702,903	-893,867	893,867	0
Total	130,215,900	980,010	131,195,910	355,761,500	389,828,831	34,067,331	-224,565,590	-268,461,154	-43,895,564	121,367,677	-9,828,233	5,215,289	-4,612,944

Appendix B – Budget Changes

Service	Original Net Budget	Approved Budget B/F from 2019/20	Budget changes not requiring approval	Budget released from reserves	Approved by S151 & Portfolio Holder	Requiring Executive Approval	Budget C/F to 2021/22	Final Net Budget
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	50,221	288					(214)	50,294
Children and Family Services	17,102	76	(12)	78				17,244
Executive Director	249	87					(15)	322
Education DSG funded	(444)							(444)
Education	8,830			23				8,852
Public Health & Wellbeing	(80)			56				(24)
People	75,878	451	(12)	157	0	0	(229)	76,244
Executive Director	197		(10)					187
Development & Planning	3,166	76	33				(26)	3,249
Public Protection & Culture	3,808		26				17	3,852
Environment	23,795	89	15				16	23,915
Place	30,967	165	64	0	0	0	6	31,203
Executive Director	121		150					270
Commissioning	814	4	(47)					772
Customer Services & ICT	2,971	16	3					2,987
Finance & Property	2,824		(89)			(400)	47	2,382
Strategy & Governance	4,729	134	35	131			(53)	4,976
Resources	11,458	154	51	131	0	(400)	(6)	11,388
Chief Executive	834		(70)					764
Capital Financing & Management	11,197					400		11,597
Movement through Reserves	(117)		117					0
Capital Financing	11,080	0	117	0	0	400	0	11,597
Total	130,216	771	150	288	0	0	(228)	131,196
Quarter One		699	50	131				
Quarter Two								
Quarter Three			96				(386)	
Quarter Four		72	4	157			158	
Total	130,216	771	150	288	0	0	(228)	131,196