

Supplementary Committee Agenda



Stronger Council Select Committee Tuesday, 14th September, 2021

Place: Council Chamber - Civic Offices

Time: 7.00 pm

Democratic Services Officer: Adrian Hendry, Democratic Services
Email: democraticservices@eppingforestdc.gov.uk

9.a Quarter 4 Budget Monitoring Report 2020/21 (Final Outturn) (Pages 3 - 16)

To consider the final, quarter 4, budget monitoring report for 2020/21.

9.b Quarter 1 Budget Monitoring report 2021/22 (Pages 17 - 28)

To consider the quarter 1, budget monitoring report for 2021/22.

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Report to Stronger Council Select Committee

Date of meeting: 14th September 2021

Subject: Quarter 4 Budget Monitoring Report 2020/21 (Final Outturn)

Portfolio Holder: Councillor John Philip

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Democratic Services Officer: Adrian Hendry 01992 564246

Recommendations/Decisions Required:

- 1. The General Fund revenue position at the end of Quarter 4 (Final Outturn) for 2020/21 be noted (*Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 4 (Final Outturn) for 2020/21 be noted (*Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 4 (Final Outturn) for 2020/21 be noted; and**
- 4. The Housing Revenue Account capital position at the end of Quarter 4 (Final Outturn) for 2020/21 be noted (*Appendix C*).**

Executive Summary:

This report sets out the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st March 2021, which represents the Quarter 4 (Final Outturn) for the full 2020/21 financial year.

In terms of General Fund revenue expenditure – at the Quarter 4 (Final Outturn) stage – a budget over spend of £0.157 million has been recorded, with net expenditure of £18.591 million against an overall budget provision of £18.434 million.

The General Fund revenue position in 2020/21 was dominated by the impact of the Covid-19 pandemic. Most notably:

- **Budget Pressures** – a range of 2020/21 budget pressures were experienced in the year, especially on Council income streams. Major cost centres affected include:
 - **Leisure Facilities (£2,565,882)** – the combined impact of the loss of the Management Fee was exacerbated by the need for compensation payments to the contractor in order to maintain the availability of Leisure Centres, whilst complying with social distancing requirements. The position did improve slightly as the year progressed (e.g. an overspend of £2.815 million was anticipated at the Quarter 2 stage) as ‘open book accounting’ arrangements led to a reduction in compensation payments. In addition, the Council was also successful in its compensation bid to Sport England, which yielded £279,393, thus further alleviating the cost pressure slightly.

- Qualis Income (£2,406,810) – a major shift in economic assumptions such as property prices and interest rates reduced achievable income streams from the Qualis initiative in the year. However, it also reduced the Council’s forecast borrowing costs, thereby partially offsetting the overall reduction; and
- Car Parking (£1,314,461) – there was a major decline in the usage of Council car parks in 2020/21, especially during the ‘lockdown’ phases due to the pandemic. A huge increase in homeworking has led to a large – and potentially permanent – reduction in car park usage by commuters.
- **Government Support** – the Government was generally supportive of local authorities in the year, recognising the scale of the financial challenge at a local level. To this end, £1.947 million in general un-ringfenced funding was provided, along with further support of £2.289 million through an income loss compensation scheme (i.e. leading to combined funding of £4.236 million).

The Housing Revenue Account position was less affected by the Covid-19 pandemic, although there were some cost pressures to note, especially on Housing Repairs, which are not linked to the pandemic.

Turning to capital spending:

- **General Fund Capital Programme** – the Council incurred capital expenditure of £49.260 million (including £36.0 million in Qualis Investments) in the year, against an overall budget of £70.928 million, resulting in a net underspend of £21.668 million; and
- **HRA Capital Programme** – the Council incurred capital expenditure of £17.930 million in the year, against an overall budget of £25.458 million, leading to an underspend of £7.528 million. The largest area of underspend was Housing Development (£4.540 million).

1) Background and Introduction

- 1.1 The Council's budget for 2020/21 (both General Fund and Housing Revenue Account) was approved by full Council on 25th February 2020. This report updates the Stronger Council Select Committee on how the Council's services have performed against their budgets in the financial year.
- 1.2 This is the fourth (and final) update for 2020/21 and includes the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st March 2021 ("Quarter 4").

2) General Fund Revenue Budget

- 2.1 The General Fund revenue position for 2020/21, at the Quarter 4 (Final Outturn) stage – summarised by service area – is presented in **Appendix A**. A budget over spend of £0.157 million has been recorded, with net expenditure of £18.591 million against an overall budget provision of £18.434 million. The table below summarises the position by service.

General Fund Revenue Budget 2020/21 (Quarter 4)			
Description	Budget 2020/21 (Updated)	Total Spending (31/03/21)	Variance
	£000's	£000's	£000's
Chief Executive	1,605	1,120	(485)
Community & Wellbeing	1,353	1,107	(246)
Contracts & Technical	(190)	3,806	3,996
Corporate Support	7,553	8,299	746
Customer Services	2,561	3,403	842
Place (Economic Projects)	1,531	1,444	(87)
Finance & Audit	1,264	2,366	1,102
Housing & Property	2,746	2,283	(463)
Planning	2,839	2,488	(351)
Strategy, Delivery & Performance	1,545	995	(550)
Additional Pension Costs (corporate)	581	833	252
Qualis	(3,626)	(1,220)	2,407
Government Covid Support	0	(4,236)	(4,236)
Financing & Recharges	(1,328)	(4,098)	(2,770)
Totals	18,434	18,591	157

2.2 The most notable variances (in excess of £0.5 million) to budget in the table above include:

- Contracts and Technical Services (£3,995,463 Overspend) – the large overspend was due to two well documented financial pressures. Firstly, Car Parking (£1,314,461) with lower income resulting from lower demand for parking provision, due to successive 'lockdowns', and changes in working and shopping habits as a result of the Pandemic. The introduction of a temporary 20 pence charge helped increase take-up to an extent, but commuter long stay parking remained particularly low throughout the year. And secondly, Leisure Facilities (£2,565,882), which is the largest single Covid-19 related cost. The leisure centres are now open, but usage has yet to return to pre-pandemic levels
- Corporate Support (£745,662 Overspend) – significant cost pressures were experienced due to the additional capacity required to manage the Covid-19 impacts, such as the ICT demands of homeworking (e.g. an overspend of £481,584 was recorded on the ICT budget, with Covid-19 costs adding to the transitional costs associated with an internal restructure). However, the spending pressures in Corporate Support were partially offset by savings in other areas
- Customer Services (£842,259 Overspend) – the largest budget pressure was an overspend of £503,219 on the Housing Benefits service. The single largest factor here related to mis-coded Rent Allowance payments of £260,261 which were made in March 2020 (i.e. 2019/20) but were consequently met by the 2020/21 budget. In addition, a total spending pressure of £172,461 (salaries and agency combined) was experienced on staff-related costs in the Housing Benefits service as the pandemic triggered a need for additional staff resources
- Finance and Audit (£1,102,109 Overspend) – the single largest factor, was the requirement to provide an additional contribution to the corporate Bad Debt Provision as the impact of the pandemic made general outstanding debts owed to the Council less collectable, with £645,441 eventually provided compared to a budget of £102,000 (i.e. creating a cost pressure of £543,441). Additional resourcing costs were also incurred in the Corporate Finance Team to cover vacant posts, especially in specialist areas such as the Housing Revenue Account, which necessitated the short-term recruitment of additional professional support
- Strategy, Delivery and Performance (£550,196 Underspend) – the Elections service recorded a surplus of £334,308, following the postponement of the May 2020 local elections due to the Coronavirus outbreak
- Qualis Income (£2,406,810 Overspend) – income from Qualis was lower than that assumed within the original budget. The pandemic occurred at a critical time for the development of the Qualis Business Plan as, necessarily, the organisation was required to focus on managing the impacts of the virus. The consequential delay in getting to a point where Qualis could implement its Business Plan, the Covid19 related impacts on property prices and the reductions in the capital financing costs have all had an impact on the base budget assumptions. When the budget was developed the Qualis related income was flagged as being dependent on key actions taking place during the year in order to deliver this income stream. Prudently, contingency was built into the budget plans should any slippage occur. This included a large contingency provision and the central control over the release of funding for some service investment activities until there was confidence that the targeted income had been achieved. Given the unknown nature of the pandemic this caution has proved fortuitous and has enabled the Council to accommodate the reduced Qualis income associated with the pandemic delays. The delays have also reduced the amount of borrowing the Council had expected to have taken at this point and the cost of that borrowing. The reductions partially net off the overspend here

- Government Support (£4,235,706 Underspend) – the Government introduced a range of funding support streams in the year. However, the amount of support was barely half of the cost of the pandemic to the Council. The Government eventually provided £1.947 million in general un-ringfenced support. The “SFC Compensation Scheme” was also introduced, under which the Government covered 75% of the Council’s income losses, but only after the Council had met the first 5% of budgeted losses; Epping Forest District Council eventually received £2.289 million from this source; and
- Financing & Recharges (£2,770,233 Underspend) – there was exceptional volatility experienced in the year in terms of Financing and Recharges. This was partly driven by the changing financing requirements of the Qualis initiative, although the single largest element was HRA recharges (£2,272,864) where the income budget under-estimated the net recharges at year end; this was partly due to additional one-off HRA costs in the year (e.g. the development costs of the new HRA Business Model), although the underlying budget expectation was particularly prudent (the net budget expectation has subsequently been raised in preparing the 2021/22 budget).

3) Housing Revenue Account (revenue)

- 3.1 The Housing Revenue Account (HRA) revenue position for 2020/21, at the Quarter 4 (Final Outturn) stage, is summarised in the table below. An actual surplus of £75,000 was recorded for the year, compared to a budgeted surplus of £30,000.

Housing Revenue Account Budget 2020/21 (Quarter 4: Final Outturn)			
Description	Budget 2020/21	Final Outturn (31/03/21)	Variance
	£000's	£000's	£000's
EXPENDITURE			
Supervision & Management (General)	7,023	5,854	(1,169)
Supervision & Management (Special)	3,665	4,174	509
Rents, Rates Taxes and Insurances	520	519	(1)
Contributions to Repairs Fund	6,000	8,389**	2,389
Management & Maintenance	17,208	18,936	1,728
Capital Charges	8,011	9,239	1,228
Major Repairs on Leasehold Properties	306	0	(306)
Treasury Management Expenses	57	71	14
Provision for Bad/Doubtful Debts	70	13	(57)
Total Expenditure	25,652	28,259	2,607
INCOME			
Gross Rent from Dwellings	(31,997)	(32,034)	(37)
Non-Dwellings Rents	(831)	(772)	59
Charges for Services & Facilities	(1,834)	(1,623)	211
Contributions from General Fund	(350)	(376)	(26)
Total Income	(35,012)	(34,805)	207
Net Cost of Services	(9,360)	(6,546)	2,814
Interest on Receipts and Balances	(378)	(49)	329
Interest Payable on Loans	5,668	5,403	(265)
Pensions Interest Payable/Return on Assets	640	387	(253)
Net Operating Income	(3,430)	(805)	2,625
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	4,430	2,000	(2,430)
IAS19 Adjustment	(1,160)	(1,270)	(110)
Transfer to Self-Financing Reserve	130	0	(130)
(Surplus)/Deficit for Year	(30)	(75)	(45)

** Spend net of £250,000 Housing Repairs Fund balance as at 31st March 2020

3.2 Members of the Committee should note that the surplus was achieved by reducing the planned revenue contributions to Capital (down £2.430 million) as well as foregoing a planned contribution of £130,000 to the HRA Self-Financing Reserve as reported at the Quarter 3 stage. This protected the minimum working balance of £2.0 million on the HRA reserve in accordance with current strategy.

3.3 The need to rein back the level of revenue contributions was triggered by a limited range of key spending pressures as follows:

- Contributions to Repairs Fund (Negative £2.389 million) – as previously reported in January 2021, spending from the Housing Repairs Fund has been consistently exceeding the annual contributions in. The balance brought forward on the Fund on 1st April 2020 was insufficient to absorb the spending pressure in 2020/21. Both Responsive and Void Repairs were a problem area in the year. Although some of the additional costs were transitional in nature (e.g. the clearing up of ‘historic backlog’ issues) triggered by the transfer of the Housing Repairs service to Qualis on 1st October 2020, the pressure on Voids in particular has been a stubborn area in recent years with budget provision struggling to keep up with actual costs; wider uncertainty on Stock Condition is a further complicating factor. The future delivery of the Housing Repairs service by Qualis is a key part of the solution and officers are currently looking in detail at the position, in the context of the emerging updated 40-Year Business Plan; and
- Capital Charges (Negative £1.228 million) – as previously reported, the most significant factor, based on a review of the Fixed Asset Register, was a shortfall in the Depreciation budget. This is an historic problem that also led to an overspend in 2019/20 (the 2020/21 budget had already been set by the time the issue had been identified).

3.4 In addition, there was also a positive variance of £1.169 million on General Supervision and Management. This is partly a budget profiling issue, with Special Supervision and Management overspending by £509,000 i.e. in reality there was a net underspend of £660,000 on Supervision and Management, which partly reflects the new Housing Repairs arrangements, which are leading to lower recharges.

4) General Fund Capital Programme

4.1 The General Fund Capital Programme for 2020/21 as at 31st March 2021 (Quarter 4: Final Outturn) is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The Programme – updated in the light of the Covid-19 pandemic and adjusted to better reflect proper accounting practice – totals £70.928 million. Spending in the year totalled £49.260 million, resulting in a net underspend of £21.668 million.

4.2 Members should note that, as with Quarter 3, there has been some further realignment to the General Fund Capital Programme to improve compliance with proper accounting practice. The adjustments result in an overall increase in the Programme budget of £17.498 million as follows:

Description	Value	Comment
	£000's	
Quarter 3 Budget 2020/21	53,430	
Disabled Facilities Grants	856	Moved from revenue to capital.
Home Assistance Loans	487	Moved from revenue to capital.
Oakwood Hill Depot Extension	155	Moved from HRA to General Fund (to reflect ownership of asset).
Asset Purchase Loan (Qualis)	16,000	Capitalised.
Quarter 4 Budget 2020/21	70,928	

4.3 The service structure presented was superseded with effect from 1st October 2020. This does not affect the delivery of any of the capital schemes listed. The new service structure will be reflected in the 2021/22 General Fund Capital Programme adopted by full Council on 25th February 2021.

General Fund Capital Programme 2020/21 (Quarter 4: Final Outturn)			
Description (using opening service structure for 2020/21)	Budget 2020/21 (Updated)	Spending (@ 31 March 2021)	Remaining Budget/ Underspend (@ 31 March 2021)
	£000's	£000's	£000's
Business Support	1,252	594	658
Commercial & Regulatory	12,177	9,849	2,328
Community & Partnerships	896	61	835
Contracts & Technical	3,988	2,533	1,455
Housing & Property	615	223	392
Qualis Investments	52,000	36,000	16,000
Totals	70,928	49,260	21,668

4.4 The table above shows that significant spending has taken place in the financial year; the single largest item was the Qualis Investment Loan of £30.0 million. Spending in other areas has been slightly more constrained – to a large extent – due to the disruption caused by the pandemic. However, capital spending this year was dominated by three schemes in particular:

- Civic Offices Accommodation – this is the largest General Fund project in 2020/21, with a core project budget of £7.242 million for the year (excluding IT costs). As at 31st March 2021, £7.069 million had been spent in the year, and the new facility was completed and open for occupation in early 2021/22 (subject to Covid-19 restrictions).

There was an additional budget allocation of £0.907 million for IT costs, which formed a major part of the fit-out stage of the project. An underspend of £0.449 million was recorded on IT costs in the year (with the unspent balance carried forward and available for project completion in 2021/22).

- Investment Property Acquisitions – an unspent balance of £4.833 million was rolled forward into 2020/21 from the original allocation of £30.0 million in 2019/20 for investment property acquisitions. Continued high demand for light industrial units in the district was a major factor behind the decision to acquire additional properties in Brooker Road, Waltham Abbey this year. Total spending for 2020/21 was £2.681 million, leaving an unspent balance of £2.152 million available for carry forward at the year-end; and
- Leisure Centres – the refurbishment of Ongar Leisure Centre was completed in the year as scheduled. Total spending of £1.289 million meant that the project was also delivered within its £1.3 million budget allocation.

5) Housing Revenue Account (HRA) Capital Programme

5.1 The Housing Revenue Account (HRA) Capital Programme for 2020/21 as at 31st March 2021 (Quarter 4: Final Outturn) is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The Programme budget totalled £25.458 million. Overall spending for the year was £17.930 million, leading to an underspend of £7.528 million.

5.2 Members should note that, as with the General Fund Capital Programme (noted above), there was some realignment to the HRA Capital Programme in Quarter 4 to improve compliance with proper accounting practice. The adjustments result in an overall increase in the Programme budget of £0.145 million (from £25.313 million to £25.458 million) as follows:

Description	Value	Comment
	£000's	
Quarter 3 Budget 2020/21	25,313	
Oakwood Hill Depot Extension	(155)	Moved from HRA to General Fund (to reflect ownership of asset).
Leaseholder Contributions	300	Re-classification from Net Expenditure to Funding
Quarter 4 Budget 2020/21	25,458	

HRA Capital Programme 2020/21 (Quarter 4: Final Outturn)			
Description	Budget 2020/21 (Updated)	Spending (@ 31 March 2021)	Remaining Budget/ Underspend (@ 31 March 2021)
	£000's	£000's	£000's
Housing Development	15,092	10,552	4,540
Capital Works	9,592	7,370	2,222
Other Housing Schemes	700	8	692
Vehicle Replacements	74	0	74
Totals	25,458	17,930	7,528

5.3 There were two significant areas of underspending/slippage on the HRA Capital Programme for 2020/21; Housing Development and Capital Works. Thus:

- Housing Development (underspend £4.540 million) – there are two elements to note:
 - Housebuilding – the Housebuilding Programme had a budget of £15.092 million for 2020/21 (including rolled forward funds of £640,000 from 2019/20). The final outturn on the Programme is £10.552 million, which has led to an underspend of £4.540 million for the year. The Covid-19 pandemic has slowed progress and – due to planning delays – Phase 4.4 was removed from the 2020/21 Programme; however

- Open Market Acquisitions – the underspend was offset to a large extent by the purchase of some existing properties on the open market at a total cost of £5.683 million. This has allowed the Council to increase its housing stock, whilst averting the loss of capital receipts from the Right to Buy (RTB) scheme (which were required to be paid over to the Government if they were not spent on replacement stock within three years).
- Capital Works (underspend £2.222 million) – the largest item of underspending in this category is Windows, Doors and Roofing (underspend £1.372 million). The Covid-19 pandemic was the primary cause of slippage in the Programme, which caused difficulties in obtaining roof tiles, thereby slowing down Roofing Works (the largest single item). Double glazing works were also restricted to emergency repairs for much of 2020/21.

Reason for Decision:

This report facilitates the scrutiny of the Council's financial position for 2020/21. In terms of General Fund revenue, it was a very challenging year due to the financial pressures created by the Covid-19 pandemic. Whilst the HRA was not as badly affected by the pandemic, there were some other key spending pressures, which necessitated a reduction in planned revenue contributions in order to maintain the minimum balance on the HRA reserve.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 11th October 2021.

Options:

There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported.

Resource Implications:

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

Legal and Governance Implications:

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.

Safer, Cleaner, Greener Implications:

There are no SGS implications.

Consultation Undertaken:

The development of the original 2020/21 budget was informed by the statutory public consultation and democratic scrutiny processes.

Background Papers:

Management Accounts 2020/21 (Month 12)

Risk Management

The report is primarily presented for information only and has no risk management implications, although regular monitoring and reporting of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

General Fund Revenue Budget 2020/21

Quarter 4 (Final Outturn)

Epping Forest DC: Rolling Forecast 2020/21				
@ 31 March 2021 (Month 12)				
General Fund				
Service Area	Activity	Full Year Budget (M12) £'s	Net Expenditure	
			Actual £'s	Variance £'s
Chief Executive	Chief Executive Support Services	662,550	719,776	57,226
	Corporate Activities	49,560	120,953	71,393
	Other Activities	892,680	279,538	(613,142)
	Sub-Total	1,604,790	1,120,267	(484,523)
Community & Wellbeing	Community, Health & Wellbeing	192,146	104,238	(87,908)
	Cost Centres - Community & Wellbeing	32,046	-	(32,046)
	Homelessness	477,090	422,801	(54,289)
	Housing Policy	(304,090)	(315,663)	(11,573)
	Museum, Heritage & Culture	659,120	607,898	(51,222)
	Voluntary Sector Support	296,320	287,546	(8,774)
	Sub-Total	1,352,632	1,106,820	(245,812)
Contracts & Technical Services	Car Parking	(1,188,660)	125,801	1,314,461
	Contracts & Technical Support Services	1,961,950	1,931,795	(30,155)
	Cost Centres - Contracts & Technical	2,938,380	2,884,645	(53,735)
	Environmental Health	215,840	92,900	(122,940)
	Land Drainage/Sewerage	107,200	92,110	(15,090)
	Land & Property	(6,554,520)	(7,156,760)	(602,240)
	Leisure Facilities	(1,421,420)	1,144,462	2,565,882
	North Weald Centre	(73,990)	94,677	168,667
	Parks & Grounds	474,260	427,406	(46,854)
	Private Sector Housing	(115,570)	(205,291)	(89,721)
	Regulatory Services	(833,780)	(606,775)	227,005
	Waste Management	4,300,431	4,980,613	680,182
	Sub-Total	(189,879)	3,805,584	3,995,463
Corporate Support	Business Support	1,660,060	1,436,813	(223,247)
	Cost Centres - Corporate Support	219,830	218,883	(947)
	Emergency Planning & Other	88,290	106,475	18,185
	ICT	3,296,853	3,778,437	481,584
	Insurance Premiums	844,170	855,600	11,430
	Other Support Services	1,443,930	1,902,586	458,656
	Sub-Total	7,553,133	8,298,795	745,662
Customer Services	Cost Centres - Customer Services	2,230,750	2,526,503	295,753
	Customer Support Services	1,542,520	1,522,764	(19,756)
	Housing Benefits	(695,870)	(192,651)	503,219
	Local Taxation	(516,200)	(453,157)	63,043
	Sub-Total	2,561,200	3,403,459	842,259
Place	Community & Partnership	363,543	205,310	(158,233)
	Cost Centres - Place	915,920	972,734	56,814
	Economic Projects Support Services	251,850	266,269	14,419
	Sub-Total	1,531,313	1,444,313	(87,000)
Finance & Audit	Audit Support Services	358,880	372,742	13,862
	Finance & Other Activities	101,050	574,782	473,732
	Finance Support Services	804,040	1,418,554	614,514
	Sub-Total	1,263,970	2,366,079	1,102,109
Housing & Property	Accommodation	898,530	824,774	(73,756)
	Cost Centres - Housing & Property	546,890	539,298	(7,592)
	Facilities & Depot Management	636,860	474,731	(162,129)
	Housing & Property Support Services	664,190	444,571	(219,619)
	Sub-Total	2,746,470	2,283,374	(463,096)
Planning	Cost Centres - Planning Services	1,535,400	1,603,339	67,939
	Local Plan Implementation	1,966,437	1,222,470	(743,967)
	Planning & Development	(1,156,300)	(792,490)	363,810
	Planning Support Services	493,560	454,545	(39,015)
	Sub-Total	2,839,097	2,487,864	(351,233)
Strategy, Delivery & Performance	Cost Centres - Strategy, Delivery & Performance	85,330	88,541	3,211
	Elections	291,550	(42,758)	(334,308)
	Member Activities	420,460	337,484	(82,976)
	Strategy, Delivery & Performance Support Services	747,760	611,636	(136,124)
	Sub-Total	1,545,100	994,904	(550,196)
	Additional Pension Costs (corporate)	580,526	832,525	251,999
	Qualis Income	(3,626,398)	(1,219,588)	2,406,810
General Fund Total (Gross)		19,761,954	26,924,394	7,162,440
	Government Support:			
	Main Government Grant	-	(1,946,631)	(1,946,631)
	SFC Compensation	-	(2,289,075)	(2,289,075)
		19,761,954	22,688,688	2,926,734
	Financing:			
	Interest (inc. Qualis):			
	Interest Receivable	(100,000)	(24,817)	75,183
	Interest Payable	1,443,600	1,084,537	(359,063)
	MRP (inc. Qualis)	514,000	738,000	224,000
	HRA Recharges	(3,185,225)	(5,458,089)	(2,272,864)
	Other Recharges	-	(437,489)	(437,489)
General Fund (Net Expenditure)		18,434,329	18,590,830	156,501

General Fund Capital Programme 2020/21

Quarter 4 (Final Outturn)

General Fund Capital Programme 2020/21: Quarter 4 Final Outturn								
Schemes	2019/20 Budget Outturn (xtract)			2020/21 Budget Progress (@ 31 March 2021: Q4)				
	2019/20 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2020/21	Balances Rolled Forward from 2019/20	2020/21 Budget Allocation	2020/21 Budget (Updated)	Actual	Variance (Under)/ Over
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
Business Support								
ICT General Schemes	- 2,397	2,397	-	-	111,000	111,000	21,979	- 89,021
ICT Strategy Implementation	122,137	- 12,037	110,100	110,100	124,000	234,100	113,636	- 120,464
Civic Offices Accommodation Project (ICT)	-	-	-	-	907,000	907,000	458,244	- 448,756
Sub-Totals	119,740	- 9,640	110,100	110,100	1,142,000	1,252,100	593,859	- 658,241
Commercial & Regulatory								
Civic Offices Accommodation	- 67,354	- 639	- 67,993	- 67,993	7,310,000	7,242,007	7,068,892	- 173,115
NWA Brexit HGV Parking	- 138,378	138,378	-	-	-	-	-	-
St Johns Road development	- 172,000	- 172,000	-	-	-	-	-	-
Waltham Abbey SP site	- 339	- 339	-	-	-	-	-	-
Investment Properties (Landmark Building)	80,381	87	80,468	80,468	-	80,468	28,677	- 51,791
EFDC Shopping Park	21,677	-	21,677	21,677	-	21,677	-	- 21,677
Cartersfield Road	-	-	-	-	-	-	71,136	71,136
Investment Property Acquisitions	4,833,000	-	4,833,000	4,833,000	-	4,833,000	2,680,613	- 2,152,387
Sub-Totals	4,901,665	- 34,513	4,867,152	4,867,152	7,310,000	12,177,152	9,849,318	- 2,327,834
Community & Partnership								
CCTV Systems	38,639	- 7,562	31,077	31,077	170,000	201,077	54,407	- 146,670
Superfast Broadband (REFCuS)	350,000	- 350,000	-	-	350,000	350,000	-	- 350,000
Museum Schemes	-	-	-	-	300,000	300,000	-	- 300,000
Car Park CCTV Systems	-	-	-	-	45,000	45,000	6,577	- 38,423
Sub-Totals	388,639	- 357,562	31,077	31,077	865,000	896,077	60,984	- 835,093
Contracts & Technical								
Leisure Centres	3,310	- 3,310	-	-	1,300,000	1,300,000	1,289,230	- 10,770
Car Park Schemes	-	-	-	-	-	-	46,361	46,361
Disabled Facilities Grants	-	-	-	-	855,960	855,960	675,045	- 180,915
Home Assistance Loans	-	-	-	-	487,208	487,208	487,208	-
Grounds Maintenance	25,050	-	25,050	25,050	30,000	55,050	35,650	- 19,400
Climate & Environmental	-	-	-	-	400,000	400,000	-	- 400,000
Highways	-	-	-	-	140,000	140,000	-	- 140,000
Parking & Traffic Schemes (REFCUS)	60,000	- 60,000	-	-	-	-	-	-
Vehicle Fleet	-	-	-	-	750,000	750,000	-	- 750,000
Sub-Totals	88,360	- 63,310	25,050	25,050	3,963,168	3,988,218	2,533,494	- 1,454,724
Housing & Property								
Oakwood Hill Depot Extension	155,000	-	155,000	155,000	-	155,000	115,829	- 39,171
Town Mead Depot	799	-	799	799	-	799	-	- 799
Investment Property Works	48,541	- 10,563	37,978	37,978	315,000	352,978	88,577	- 264,401
Active Planned Maintenance	- 13	- 3,159	- 3,172	- 3,172	109,250	106,078	18,150	- 87,928
Sub-Totals	204,327	- 13,722	190,605	190,605	424,250	614,855	222,556	- 392,299
Qualis Capital Investments								
Investment Loan (Maturity)	-	-	-	-	30,000,000	30,000,000	30,000,000	-
Asset Purchase Loan (EIP)	-	-	-	-	16,000,000	16,000,000	-	- 16,000,000
Regeneration Finance Loan (1st Advance) (EIP)	-	-	-	-	6,000,000	6,000,000	6,000,000	-
Sub-Totals	-	-	-	-	52,000,000	52,000,000	36,000,000	- 16,000,000
Totals	5,702,731	- 478,747	5,223,984	5,223,984	65,704,418	70,928,402	49,260,211	- 21,668,191

Housing Revenue Account Capital Programme 2020/21

Quarter 4 (Final Outturn)

HRA Capital Programme 2020/21: Quarter 4 Final Outturn									
Schemes	2019/20 Budget Outturn (xtract)			2020/21 Budget Progress (@ 31 March 2021: Q4)					
	2019/20 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2020/21	Balances Rolled Forward from 2019/20	Virements between schemes 2020/21	2020/21 Budget Allocation	2020/21 Budget (Updated)	Actual	Variance (Under)/ Over
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Housing Development Programme:									
Housebuilding	640	-	640	640	-	14,452	15,092	4,869	- 10,223
Open Market Acquisitions	-	-	-	-	-	-	-	5,683	5,683
Sub-Totals	640	-	640	640	-	14,452	15,092	10,552	- 4,540
Capital Works:									
Heating	158	-	158	158	200	1,454	1,096	783	- 313
Windows, Door and Roofing	307	-	307	307	18	2,374	2,663	1,291	- 1,372
Compliance Planned Maintenance	44	3	41	41	30	265	276	214	- 62
Kitchens & Bathrooms (inc void allocation)	322	-	322	322	1,175	2,300	1,447	1,322	- 125
Electrical	69	-	69	69	200	1,001	1,132	1,241	109
Sprinklers	179	-	179	179	-	-	179	4	- 175
Environmental	128	9	119	119	43	240	402	178	- 224
Structural works	688	2	690	690	1,180	1,100	1,590	1,511	- 79
Disabled adaptations	6	-	6	6	-	450	444	500	56
Asbestos	18	-	18	18	-	205	223	124	- 99
Estate Improvements	-	-	-	-	-	140	140	202	62
Sub-Totals	77	14	63	63	-	9,529	9,592	7,370	- 2,222
Other Housing Schemes:									
Service Enhancements	108	-	108	108	-	592	700	8	- 692
Sub-Totals	108	-	108	108	-	592	700	8	- 692
Vehicle Replacements	14	-	14	14	-	60	74	-	74
Total Expenditure	839	14	825	825	-	24,633	25,458	17,930	- 7,528

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SCRUTINY



Epping Forest District Council

Report to Stronger Council Select Committee

Date of meeting: 14th September 2021

Subject: Quarter 1 Budget Monitoring Report 2021/22

Portfolio Holder: Councillor John Philip

Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)

Democratic Services Officer: Adrian Hendry 01992 564246

Recommendations/Decisions Required:

- 1. The General Fund revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions being or proposed to improve the position, where significant variances have been identified, be noted (*Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 1 (30th June 2021) for 2021/22 be noted (*Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions proposed to ameliorate the position, where significant variances have been identified, be noted.**
- 4. The Housing Revenue Account capital position at the end of Quarter 1 (30th June 2021) for 2021/22 be noted (*Appendix C*).**

Executive Summary:

This report sets out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2021 ("Quarter 1").

In terms of General Fund revenue expenditure – at the Quarter 1 stage – a budget over spend of £0.126 million is forecast, with projected net expenditure of £16.937 million against an overall budget provision of £16.811 million.

The financial pressures – especially on income – due to the impact of the Covid-19 pandemic have carried over into 2021/22. The single largest item relates to Leisure Facilities whereby an overspend of £532,161 is forecast by the year end; although greatly reduced income was assumed from the contract with Places Leisure in 2021/22, the third lockdown and social distancing requirements extended beyond expectations at the time the Budget was developed in late January/early February 2021.

A delay in asset disposals to Qualis as part of the Regeneration element of the initiative is also causing some financial pressure in areas such as Building Costs and Interest Receivable.

However, despite the pressure, a projected surplus on Financing and Recharges is expected to help avoid any major overspending.

As with 2020/21, the Housing Revenue Account position is less affected by the Covid-19 pandemic. Indeed, income from Council Dwellings is outperforming its budget, although there is some spending pressure on Housing Repairs, which is not linked to the pandemic.

Turning to capital spending:

- General Fund Capital Programme – spending in the first 3 months was £0.480 million, with a forecast outturn of £41.362 million, which – if this materialises – would lead to an underspend of £14.903 million. The drawdown on Qualis loans is slightly lower than budget and is the most significant variance (£15.0 million); and
- Housing Revenue Account – spending in the first 3 months was £3.758 million, with a forecast outturn of £30.558 million, which – if this materialises – would lead to an underspend of £8.792 million. Slippage on the Housebuilding Programme is the most notable factor.

Finally, Members of the Committee should note that the Council’s draft Balance Sheet position as at 31st March 2021 is showing that the General Fund unallocated reserve is now getting close to the £4.0 million minimum contingency balance adopted by Council in February 2021, which is partly a consequence of late accounting adjustments to the 2019/20 Statement of Accounts (reported to Audit and Governance Committee, and approved by full Council in July 2021).

Officers are therefore now working to offset the currently projected spending pressure and deliver a surplus by the year end in order to reduce the planned use of General Fund reserves to support the 2021/22 Budget from the original assumption of £1.350 million (determined prior to the accounting adjustments mentioned above); this will reduce the need to contribute to the reserve as part of the Medium-Term Financial Plan (MTFP), which is due before Cabinet on 11th October 2021.

1) Background and Introduction

- 1.1 The Council’s budget for 2021/22 (both General Fund and Housing Revenue Account) was approved by full Council on 25th February 2021. This report updates the Stronger Council Select Committee on how the Council’s services have performed against their budgets in the first three months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.
- 1.2 This is the first update for 2021/22 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2021 (“Quarter 1”).
- 1.3 It should be noted that, as reported to Cabinet in February 2021, late service realignments meant that the General Fund service structure presented within the initial 2021/22 Budget required further refinement. The required changes, which are reflected in the table above, were relatively slight and have no impact on Net Expenditure or Funding.

2) General Fund Revenue Budget

- 2.1 The General Fund revenue position for 2021/22, at the Quarter 1 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget overspend of £0.126 million, with projected net expenditure of £16.937 million against an overall budget provision of £16.811 million. The table below summarises the position by service.

General Fund Revenue Budget 2021/22 (Quarter 1)			
Description	Budget 2021/22 (Updated)	Forecast Spending (31/03/22)	Variance
	£000's	£000's	£000's
Chief Executive	812	801	(11)
Commercial & Technical	473	1,200	727
Community & Wellbeing	1,506	1,346	(160)
Corporate Support	8,701	8,568	(133)
Customer Services	2,614	2,652	38
Finance & Audit	3,138	3,323	185
Housing & Property	2,079	2,369	290
Place	431	263	(168)
Planning & Development	1,822	1,776	(46)
Strategy, Delivery & Performance	842	906	64
Qualis	(3,365)	(3,150)	215
Financing	(2,242)	(3,117)	(875)
Totals	16,811	16,937	126

2.2 The table below reconciles the base budget approved by full Council on 25th February 2021 to the updated position presented in the table above.

Budget Reconciliation 2021/22: Quarter 1	
Description	Value (£000's)
Net Expenditure (approved by full Council 25/02/21)	16,690
<i>Pre-Pandemic DDF Commitments (approved prior to 2020/21):</i>	
Community Housing Fund	24
Contribution to Police Officers	84
MHCLG Recycling Reward Scheme	13
Total additions to Budget at Q1 stage*	121
Net Expenditure (updated Budget 2021/22 @ Q1)	16,811

*Revised DDF commitments of £842,000 for 2021/22, established in 2020/21 in the light of the Covid-19 pandemic, to be added in Q2.

2.3 The most notable variances (in excess of £0.2 million) to budget in the table above are as follows:

- Commercial and Technical Services (£726,628 forecast Overspend) – the two largest factors that are driving the spending pressure are Leisure Facilities and Waste Management. Leisure Facilities (£532,161) is the dominant item. This is due to lockdown restrictions and social distancing measures on leisure centres subsequently extending beyond the expectations used in developing the budget for 2021/22 (in late January/early February 2021). At the time of preparing this report, industry leaders are lobbying the Government for further compensation (as with the Sport England funding received in 2020/21), but this is uncertain and has not been assumed in current forecasts. Turning to Waste Management, as with 2020/21, there appears that there could be a small structural deficit on the budget provision for the Waste Management contract; this is currently under investigation by officers, and may potentially lead to an additional budget requirement for 2022/23
- Housing & Property (£289,811 forecast Overspend) – there are two factors – both related to the Civic Offices – that are driving the overspend. Firstly, the budget had assumed that a letting agreement for the Ground Floor with a third-party tenant would be in place for the second half of the financial year. However, whilst discussions with potential tenants are progressing, it now appears that the Council will not receive any income from this source in 2021/22, which is driving a budget pressure of £125,000. And secondly, the assumed sale of the Conder Building to Qualis is now anticipated in the autumn and not in April as originally assumed, which has delayed the realisation of assumed savings from Business Rates (estimated impact £91,277)
- Qualis Income (£214,528 forecast Overspend) – forecast income from Qualis is now slightly lower than assumed within the budget due to a temporary delay in the planned sale of Land and Buildings to Qualis (including Conder Building as noted above) which reduces expected income from loan margins by £414,528, although this is partially offset by the quicker than expected drawdown of the Regeneration loan and the recently agreed extension of the Qualis loan facility (combined impact £200,000); and
- Financing (£875,000 forecast Underspend) – as reported elsewhere on this agenda, the established HRA Recharges budget is overly prudent; whilst Finance officers are currently reviewing the position in readiness for developing the 2022/23 Budget and updated Medium-Term Financial Plan (to be reported to Cabinet in October 2021), it now appears reasonable to assume an additional £500,000 on this budget line for 2021/22. In addition, an estimated Government grant in support of the Garden Town initiative of £500,000 was assumed in the budget, although – due to uncertainty at the time – this was offset by a specific contingency of the same amount. Best estimates at this stage, suggest that the call on the contingency will be limited to £125,000 (which – if realised – would generate a surplus of £375,000).

2.4 Members of the Committee should further note that the anticipated level of Government support for Covid-19 in 2021/22 currently appears to be broadly in line with the overall Budget assumption of £1.263 million.

2.5 The un-ringfenced allocation for Epping Forest District Council of £663,322 remains unchanged and the Government has recently confirmed its more detailed intentions for the Sales, Fees and Charges (SFC) Compensation scheme; principally that support is extended to cover the period April to June 2021 only, with the methodological principles established in 2020/21, being rolled over into 2021/22 (losses are to be measured against 2020/21 budgets). Based on monthly Covid-19 survey returns submitted to date, compensation approaching £0.5 million can be anticipated from this source.

3) Housing Revenue Account (revenue)

3.1 The Housing Revenue Account (HRA) revenue position for 2021/22, at the Quarter 1 stage, is summarised in the table below. As at 30th June 2021, a deficit of £493,000 is forecast for the year end, compared to a balanced budget position.

Housing Revenue Account Budget 2021/22 (Quarter 1)			
Description	Budget 2021/22	Forecast Spending (31/03/22)	Variance
	£000's	£000's	£000's
EXPENDITURE			
Supervision & Management (General)	6,633	6,635	2
Supervision & Management (Special)	3,953	3,966	13
Rents, Rates Taxes and Insurances	533	512	(21)
Contributions to Repairs Fund	7,723	8,178	455
Management & Maintenance	18,842	19,291	449
Capital Charges	8,782*	8,782	0
Major Repairs on Leasehold Properties	300	300	0
Treasury Management Expenses	58	58	0
Provision for Bad/Doubtful Debts	91	91	0
Total Expenditure	28,073	28,522	449
INCOME			
Gross Rent from Dwellings	(33,349)	(33,356)	(7)
Non-Dwellings Rents	(810)	(801)	9
Charges for Services & Facilities	(2,092)	(2,050)	42
Contributions from General Fund	(357)	(357)	0
Total Income	(36,608)	(36,564)	44
Net Cost of Services	(8,535)	(8,042)	493
Interest on Receipts and Balances	(36)	(36)	0
Interest Payable on Loans	6,125	6,125	0
Pensions Interest Payable/Return on Assets	652	652	0
Net Operating Income	(1,794)	(1,301)	493
<i>Appropriations:</i>			
Direct Revenue Contributions to Capital	2,973	2,973	0
IAS19 Adjustment	(1,179)	(1,179)	0
(Surplus)/Deficit for Year	0	493	493

*adjusted for reversal on Repairs Depreciation (£68,000)

3.2 The is just one significant factor behind the forecast deficit are as follows:

- **Repairs and Maintenance (Negative £455,000)** – as reported elsewhere on this agenda, there is ongoing budget pressure on Housing Repairs (albeit less so than in 2020/21), which is being investigated by officers, in the context of the emerging updated 40-Year Business Plan. In previous years, the Repairs Fund had been used to smooth the annual cost of repairs, but this was exhausted in 2020/21.

3.3 Members should note that the current HRA Business Plan includes the assumed maintenance of a minimum balance of £2.0 million in the HRA reserve; as at 31st March 2021, the balance was £2.105 million. In the circumstances, and assuming the anticipated deficit on the HRA materialises at year end, in order to maintain the minimum balance, it is proposed to reduce the planned Revenue Contributions to Capital (£388,000 based on the projection above).

4) General Fund Capital Programme

4.1 The General Fund Capital Programme for 2021/22 as at 30th June 2021 is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The updated Programme budget totals £56.115 million. Spending in the first 3 months was £0.480 million, with a forecast outturn of £41.362 million, which – if this materialises – would lead to an underspend of £14.903 million.

General Fund Capital Programme 2021/22 (Quarter 1)					
Description	Budget 2021/22 (Updated)	Spending (@ 30 June 2021)	Remaining Budget (@ 30 June 2021)	Forecast Spending (31/03/22)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Community & Wellbeing	770	45	725	770	0
Commercial & Technical	6,767	140	6,628	6,700	67
Corporate Services	2,807	269	2,538	3,000	193
Housing (General Fund)	494	27	467	465	(29)
Place	427	0	427	427	0
Qualis	45,000	0	45,000	30,000	(15,000)
Totals	56,265	480	55,785	41,362	(14,903)

4.2 A General Fund Capital Programme budget of £15.946 million was approved by Council in February 2021. A net total of £5.169 million in unspent budgets have been rolled forward from 2020/21, initially resulting in an updated Programme budget of £21.115 million. Further additions of £35,150,000 have been made, primarily to reflect the Cabinet's commitment (12th July 2021) to extend the Qualis loan facility by a further £35.0 million in support of the acquisition of additional regeneration sites. The overall updated General Fund Capital Programme for 2021/22 is £56.265 million.

4.3 Spending has been subdued in Quarter 1, and most of the forecast underspend is due to the drawdown on Qualis loans being below budget expectations. However, the IT Strategy budget is coming under slight pressure with a projected overspend of £193,000. The most challenging area is currently the Digital Planning project; at the time of reporting, officers are working on a potential solution to alleviate the problem and offset the projected overspend. It should be emphasised that the project is expected to deliver a range of benefits for the Council once implemented, including future efficiency savings.

5) Housing Revenue Account (HRA) Capital Programme

5.1 The Housing Revenue Account (HRA) Capital Programme for 2021/22 as at 30th June 2021 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £39.350 million. Spending in the first 3 months was £3.758 million, with a forecast outturn of £30.558 million, which – if this materialises – would lead to an underspend of £8.792 million.

HRA Capital Programme 2021/22 (Quarter 1)					
Description	Budget 2021/22 (Updated)	Spending (@ 30 June 2021)	Remaining Budget (@ 30 June 2021)	Forecast Spending (31/03/22)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Housing Development	24,506	2,635	21,871	16,313	(8,193)
Capital Works	14,143	1,123	13,020	13,574	(569)
Other Housing Schemes	701	0	701	671	(30)
Totals	39,350	3,758	35,592	30,558	(8,792)

5.2 An HRA Capital Programme budget of £36.506 million was approved by Council in February 2021. A net total of £2.844 million in unspent budgets have been rolled forward from 2020/21, resulted in an updated Programme budget of £39.350 million for the year.

5.3 There are two significant areas of underspending/slippage on the HRA Capital Programme at the Quarter 1 stage; Housing Development and Capital Works. Thus:

- Housing Development (forecast underspend £8.193 million) – there are three elements to note:
 - Housebuilding – the Programme has a total budget of £17.014 million for 2021/22. The projected outturn on the Programme is £13.682 million, which – if this materialises – would lead to an underspend of £3.332 million at year end. The Phase 5 schemes have not progressed as well as anticipated with some returning to the design review stage and others still to progress to the planning stage
 - Qualis Acquisitions – the budget allocation for this scheme in 2021/22 was £7.492 million, however due to Planning issues, the schemes have been re-scheduled to be delivered in 2022/23; and
 - Open Market Acquisitions – the focus of this scheme is to increase the Council's housing stock by averting the potential loss of capital receipts from the Government 1-4-1 Right to Buy (RTB) scheme. Although spending was planned for the final quarter of 2020/21, completions have taken place in the first quarter of 2021/22, thereby creating an overspend of £2.631 million.
- Capital Works (forecast underspend £0.569 million) – most works in this area are on target at the Quarter 1 stage, however, one Structural Scheme related to the Copperfield Regeneration Project (£0.6 million) has been re-scheduled to be delivered in 2022/23.

Reason for Decision:

This report facilitates the scrutiny of the Council's financial position for 2021/22.

In terms of General Fund revenue, it is again a challenging year, especially with some residual financial pressures – mainly on income – created by the Covid-19 pandemic. There is some spending pressure on the HRA revenue budget. Capital spending has been relatively limited in Quarter 1.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 11th October 2021.

Options:

There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported.

Resource Implications:

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

Legal and Governance Implications:

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.

Safer, Cleaner, Greener Implications:

There are no SGS implications.

Consultation Undertaken:

The development of the original 2021/22 budget was informed by the democratic scrutiny processes.

Background Papers:

Management Accounts 2021/22 (Month 3)

Risk Management

The report is primarily presented for information only and has no risk management implications, although regular monitoring and reporting of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

General Fund Capital Programme 2021/22

Quarter 1 Forecast

General Fund Capital Programme 2021/22: Quarter 1 Forecast											
Schemes	2020/21 Budget Outturn (xtract)			2021/22 Budget Progress (@ 30 June 2021: Q1)							
	2020/21 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2021/22	Balances Rolled Forward from 2020/21	2021/22 Budget Allocation	2021/22 Budget (Updated)	Spending to Date	Remaining Budget	Forecast Outturn	Variance (Under)/ Over	
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
Community & Wellbeing											
Museum Schemes	300,000	-	300,000	300,000	470,000	770,000	44,710	725,290	770,000	-	
	300,000	-	300,000	300,000	470,000	770,000	44,710	725,290	770,000	-	
Contracts & Technical											
Cartersfield Road	71,136	-	71,136	71,136	1,330,000	1,258,864	-	1,258,864	1,258,864	-	
Investment Property Acquisitions	2,152,387	-	2,152,387	2,152,387	-	2,152,387	-	2,152,387	2,152,387	-	
Investment Properties (Landmark Building)	51,791	51,791	-	-	-	-	-	-	-	-	
EFDC Shopping Park	21,677	21,677	-	-	-	-	183,031	183,031	-	-	
CCTV Systems	146,670	50,854	95,816	95,816	85,000	180,816	67,026	113,790	118,065	62,751	
Superfast Broadband (REFCuS)	350,000	-	350,000	350,000	-	350,000	-	350,000	350,000	-	
Car Park CCTV Systems	38,423	30,423	8,000	8,000	-	8,000	335	8,335	8,000	-	
Disabled Facilities Grants	-	-	-	-	971,510	971,510	130,461	841,049	971,510	-	
Leisure Centres	10,770	10,770	-	-	-	-	54,394	54,394	-	-	
Car Park Schemes	46,361	46,361	-	-	-	-	-	-	-	-	
Civic Offices Accommodation	173,115	-	173,115	173,115	150,000	323,115	140,171	182,944	318,683	4,432	
Home Assistance Loans	-	-	-	-	-	-	-	-	-	-	
Grounds Maintenance	19,400	-	19,400	19,400	30,000	49,400	-	49,400	49,400	-	
Highways	140,000	-	140,000	140,000	-	140,000	-	140,000	140,000	-	
NWA Preparations Phase 1	-	-	-	-	200,000	200,000	-	200,000	200,000	-	
Vehicle Fleet	750,000	-	750,000	750,000	383,000	1,133,000	39,610	1,093,390	1,133,000	-	
	3,736,736	119,154	3,617,582	3,617,582	3,149,510	6,767,092	139,508	6,627,584	6,699,909	67,183	
Corporate Services											
ICT General Schemes	89,021	-	89,021	89,021	128,000	217,021	19,596	197,425	217,021	-	
ICT Strategy Implementation	120,464	35,060	155,524	155,524	1,970,500	2,126,024	73,059	2,052,965	2,319,109	193,085	
Civic Offices Accommodation Project (ICT)	448,756	-	448,756	448,756	15,000	463,756	176,457	287,299	463,756	-	
Sub-Totals	658,241	35,060	693,301	693,301	2,113,500	2,806,801	269,112	2,537,689	2,999,886	193,085	
Housing & Property											
Oakwood Hill Depot Extension	39,171	-	39,171	39,171	-	39,171	1,539	37,632	39,171	-	
Town Mead Depot	799	799	-	-	-	-	-	-	-	-	
Investment Property Works	266,400	10,484	255,916	255,916	65,100	321,016	4,016	317,000	321,016	-	
Active Planned Maintenance	85,928	-	85,928	85,928	48,000	133,928	21,152	112,776	105,150	28,778	
Sub-Totals	392,298	11,283	381,015	381,015	113,100	494,115	26,707	467,408	465,337	28,778	
Place											
Climate & Environmental Projects	400,000	223,016	176,984	176,984	250,000	426,984	-	426,984	426,984	-	
	400,000	223,016	176,984	176,984	250,000	426,984	-	426,984	426,984	-	
Qualis Capital Investments											
Regeneration Finance Loans	-	-	-	-	45,000,000	45,000,000	-	45,000,000	30,000,000	15,000,000	
Sub-Totals	-	-	-	-	45,000,000	45,000,000	-	45,000,000	30,000,000	15,000,000	
Totals	5,487,275	318,393	5,168,882	5,168,882	51,096,110	56,264,992	480,037	55,784,955	41,362,116	14,902,876	

Housing Revenue Account Capital Programme 2021/22

Quarter 1 Forecast

HRA Capital Programme 2021/22: Quarter 1 Forecast											
Schemes	2020/21 Budget Outturn (xtract)			2021/22 Budget Progress (@ 30 June 2021: Q1)							
	2020/21 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2021/22	Balances Rolled Forward from 2020/21	Virements between schemes 2021/22	2021/22 Budget Allocation	2021/22 Budget (Updated)	Actuals to Q1	Remaining Budget	Forecast Outturn at M3	Variance (Under)/ Over
	£	£	£	£	£	£	£	£	£	£	£
Housing Development Programme:											
Housebuilding	4,540,000	- 4,540,000	-	-	-	17,014,000	17,014,000	3,770	17,010,230	13,682,240	- 3,331,760
Open Market Acquisitions	-	-	-	-	-	-	-	2,631,000	-	2,631,000	2,631,000
Qualis Acquisitions	-	-	-	-	-	7,492,000	7,492,000	-	7,492,000	-	- 7,492,000
Sub-Totals	4,540,000	- 4,540,000	-	-	-	24,506,000	24,506,000	2,634,770	24,502,230	16,313,240	- 8,192,760
Capital Works:											
Heating	314,000	-	314,000	314,000	-	1,519,000	1,833,000	107,000	1,726,000	1,833,000	-
Windows, Door and Roofing	1,249,000	-	1,249,000	1,249,000	- 643,000	3,003,000	3,609,000	638,000	2,971,000	3,010,000	- 599,000
Compliance Planned Maintenance	61,000	-	61,000	61,000	150,000	623,000	834,000	44,000	790,000	870,000	36,000
Kitchens & Bathrooms (inc void allocation)	125,000	-	125,000	125,000	-	1,375,000	1,500,000	141,000	1,359,000	1,500,000	-
Electrical	129,000	-	129,000	129,000	-	2,175,000	2,046,000	143,000	1,903,000	2,046,000	-
Sprinklers	175,000	-	175,000	175,000	-	100,000	275,000	4,000	271,000	275,000	-
Environmental	106,000	-	106,000	106,000	-	584,000	690,000	3,000	687,000	717,000	27,000
Structural works	223,000	-	223,000	223,000	493,000	1,550,000	2,266,000	3,000	2,263,000	2,268,000	2,000
Disabled adaptations	56,000	-	56,000	56,000	56,000	650,000	650,000	33,000	617,000	650,000	-
Asbestos Removal	98,000	-	98,000	98,000	- 56,000	251,000	293,000	7,000	286,000	258,000	- 35,000
Estate Improvements	57,000	- 50,000	7,000	7,000	-	140,000	147,000	-	147,000	147,000	-
Sub-Totals	2,223,000	- 50,000	2,173,000	2,173,000	-	11,970,000	14,143,000	1,123,000	13,020,000	13,574,000	- 569,000
Other Housing Schemes:											
Service Enhancements	691,000	- 20,000	671,000	671,000	-	30,000	701,000	-	701,000	671,000	- 30,000
Sub-Totals	691,000	- 20,000	671,000	671,000	-	30,000	701,000	-	701,000	671,000	- 30,000
Vehicle Replacements	74,000	- 74,000	-	-	-	-	-	-	-	-	-
Total Expenditure	7,528,000	- 4,684,000	2,844,000	2,844,000	-	36,506,000	39,350,000	3,757,770	38,223,230	30,558,240	- 8,791,760

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