

Month 10 (January 2020) Financial Report

Strategy & Resources Committee 25th March 2021

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Chief Finance Officer (s151)**

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Finance Improvement Programme - update

- **The first phase Finance Improvement Programme (FIP)** has been ongoing now for the last c6 months. Much progress has been made which has enabled the finances of the Council to improve. A Q1 (Month 3) overspend of c£2m has turned around to a surplus position at Month 8 and a balanced budget for 2021/22 has been set and approved. This surplus has increased at Month 10 (details as part of this report). This phase of the Programme has been all about “getting the basics” right in both revenue and capital, reported to Members via a monthly reporting process either through Committees or emailed directly to Group Leaders for dissemination to the Group
- **The next phase of the journey for Finance** will be a review of the Council’s Finance leadership arrangements with the secondment ending for the CFO (s151) on 31st March. S&R agreed at the meeting on 2nd February 2021 to explore 3 options for the provision of the statutory and financial leadership and associated financial activities – recruitment of a permanent CFO, sharing with another District and sharing with Surrey County Council. This options appraisal is currently being undertaken and a report will be provided to S&R for review and agreement at the meeting at end of March. The priorities for the Finance function for 2021/22 have been set with discussions on the 2022/23 budget setting having commenced

Executive Summary

Revenue (slides 5 & 6, 8 - 10, Annex slides: 15 - 26):

- At M10, the Council is projecting a **full year £0.2m surplus** against the budget baseline of £10.6m, **an improvement of c£0.1m from M9**
- Of the overall £0.2m surplus, £0.8m Business as Usual (BAU) underspend, offset by £0.6m COVID-19 overspend

Capital (slide 7, Annex slide 29):

- The approved budget is £15.7m
- The latest forecast is a increase in slippage of £1.2m from M9
- **Total slippage is now £3.4m.** The slippage relates primarily to delays in the Property Development Fund expenditure on Quadrant House of £0.6m, delayed expenditure on the Council House Building programme of £1m in relation to Uplands and buy backs, £0.3m in CIL and lessor slippage on other schemes as detailed in the Annex.

HRA (Annex slides 27 & 28):

- **HRA is forecasting a surplus of £0.2m** against the approved budget, unchanged from M9

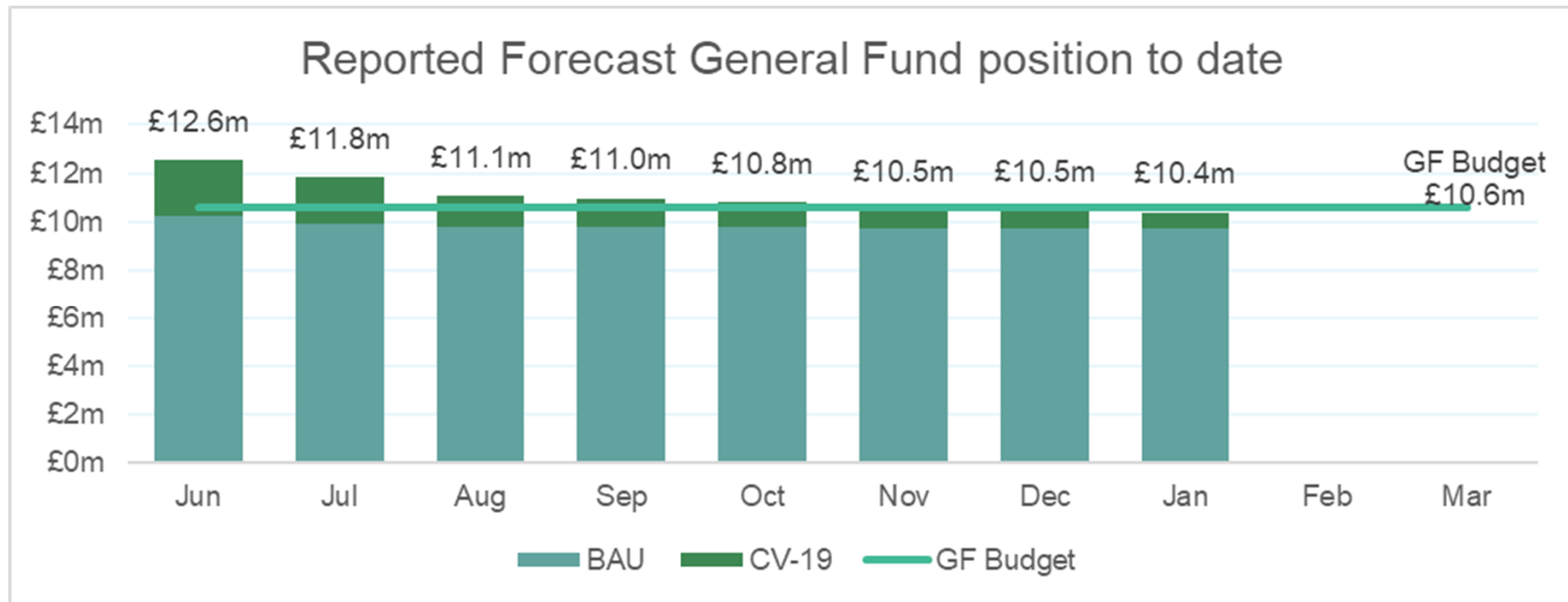
Cashflow (slide 11):

- £1.3m Council Tax shortfall, Business Rates no shortfall on collection
- The Council **does not** expect to need to borrow to meet its cashflow needs

Key Messages – Full-Year Forecast

- At M10, the Council is projecting a full year £0.2m surplus against the budget baseline of £10.6m, an improvement of c£0.1m from M9
- The £0.2m underspend comprises of:
 - £0.8m Business as Usual underspend, primarily due to:
 - £0.5m underspend on salaries
 - £0.4m underspend on the Local Plan
 - £0.3m additional New Homes Bonus (NHB) income to support the General Fundoffset by:
 - £0.2m reduction in interest receivable due to investment property decisions and
 - £0.2m increased MRP charges
 - £0.6m CV-19 overspend, primarily due to:
 - £1m extra cost due to social distancing guidance, contractual forbearing due to services closed for lockdown staff overtime and other treasury costs
 - £1m loss of income due to planning applications, car parking, lower investment income due to Bank of England base rates and stock market rates, and our investment portfolio due to tenants rent holidaysoffset by £1.4m of government support.
- *Detailed variance analysis by Committee can be found in the Annex slides*

Key Messages – Monthly Movement (M9-M10)



- **At M10, there is an improvement of c£0.1m from M9**
- This is all in COVID-19 related income and expenditure
 - We are now forecasting reduced borrowing costs of £75k due to improved cashflow position and lower waste collection costs of £50k as some forecast costs of COVID-19 have not materialised.

Key Messages – Capital

- The Council's approved **Capital budget for 2020/21 is £120.1m**. The original budget approved in Feb was £82m. In July, S&R approved 2019/20 carry forward of £38.1m. On 24th November S&R approved reducing the Budget by £104.4m due to Property Development Fund change of policy
- **The restated approved budget is now £15.7m**
- **The Forecast has changed by £1.2m due to slippage of:**
 - **£0.3m Council House Building** – Further slippage on Uplands and buy backs
 - **£0.3m Community Infrastructure Levy contribution to third parties** – Slippage on planned schemes
 - **£0.2m Improvements to HRA stock** – Slippage on planned repairs work
 - **£0.4m** multiple other small schemes

	Restated Budget 2020/21 £	Forecast at M10 2020/20 £	Forecast Variance 2020/21 £	Change from M9 to M10 £
Strategy & Resources	1,747,200	997,700	(749,500)	(143,500)
Planning Policy	299,000	30,000	(269,000)	(269,000)
Community Services	3,813,400	2,913,800	(899,600)	(115,725)
Housing General Fund	526,000	380,000	(146,000)	(76,000)
Total General Fund	6,385,600	4,321,500	(2,064,100)	(604,225)
Housing Revenue Account	9,275,300	7,905,300	(1,370,000)	(567,600)
Total Capital Programme	15,660,900	12,226,800	(3,434,100)	(1,171,825)

Summary of Committee positions

Policy Committee	20/21 BAU forecast at M10 £	Overall Annual Budget £	M9 BAU Variance £	20/21 CV-19 forecast at M10 £	Overall Forecast Variance £	Committee Change from M9 to M10 £	Increase / Decrease / Unchanged
Planning Policy	910,132	1,338,038	(427,906)	220,986	(206,920)	0	unchanged
Community Services	6,232,100	6,351,100	(119,000)	985,900	866,900	7,200	Increase
Housing General Fund	317,063	459,063	(142,000)	400	(141,600)	(18,400)	Decrease
Strategy & Resources	2,286,831	2,411,531	(124,700)	675,150	550,450	(80,000)	Decrease
Policy Committee Budget Envelopes	9,746,126	10,559,732	(813,606)	1,882,436	1,068,830	(91,200)	Decrease
CV-19 Grants				(1,264,500)	(1,264,500)	0	Unchanged
Overall	9,746,126	10,559,732	(813,606)	617,936	(195,670)	(91,200)	Decrease
Forecast change from M9 to M10	(3,500)			(87,700)	(91,200)		
Increased / Decreased	Decrease			Decrease	Decrease		

£0.2m PLANNING POLICY underspend (unchanged from M9)

- **£0.4m underspend on BAU**
 - £13k underspend on salaries (unchanged from M9)
 - £0.4m underspend on the Local Plan
- **£0.2m overspend CV-19 (unbudgeted)**
 - **£0.3m of CV-19 Extra costs primarily due to** Lower income volumes in Planning Applications and advice, Community Infrastructure Levy (CIL) admin fees and Building Control income

Offset by

- **£0.1m** of COVID-19 Income support grant applied £33k

Details for each Committee can be found in the Annexes to this report

Summary of Committee positions

£0.9m overspend COMMUNITY SERVICES (unchanged from M9)

- **£0.1m underspend on BAU** - c£0.2m underspend on salaries (no change since M9) offset by £36k loss of off street car parking income due changing charge rates
- **£1m overspend CV-19 (not budgeted – overspend)**
 - **£0.6m of CV-19 costs primarily due to :**
 - £0.3m – An improvement of c£0.3m. At S&R Committee on 24th November, Members agreed to provide Freedom Leisure (FL) with a rent free period of £53k. However, the 2020/21 budget currently includes c£200k of rental and interest income expected from FL plus loan repayment. All invoices have been sent and no payments have been received to date. A prudent assumption, is that no funds will be received from FL this FY and that a provision has been made for the loan. We await the outcome of the bid for Govt funding
 - £0.3m – Waste Services. Costs of additional Health & Safety requirements, cleaning and disinfecting equipment and personnel, social distancing of workers, professional fees of extension of waste contract, increased cost of maintaining old vehicles where renewal is delayed and hire of vehicles
 - **c£0.4m of loss of income** due to lower volumes of income due to lower capacity and opportunities (car parking, taxi licenses, Tandridge Commercial service)
 - **offset against £0.1m CV-19 Income Support Grant** applied to the committee

£0.1m underspend HOUSING GF (unchanged from M9)

- **£0.1m underspend on BAU** - on salaries (unchanged from M9)
- **£1k overspend CV-19 costs** (unbudgeted – minor change since M9)

Summary of Committee positions

£0.6m overspend STRATEGY & RESOURCES (unchanged from M9)

£0.1m underspend on BAU

- £0.3m additional New Homes Bonus income used to support revenue budget
- £0.2m underspend on salaries (unchanged from M9); and

Offset by: £0.2m increased MRP charges and £0.2m reduction in interest receivable due to investment property decisions

£0.7m overspend CV-19 costs (unbudgeted overspend)

- **£0.1m of CV-19 costs (unbudgeted overspend) primarily due to :**
 - £0.1m staff overtime and other associated costs to ensure the council continues working.
- **£0.6m of loss of income primarily due to:**
 - £0.3m – Reduction in interest receivable following cut in the Bank of England base rate
 - £0.2m – Reduction in Investment Property Income, due to the enforced closedown some tenants have requested rent holidays, this primarily affects Quadrant House

£1.4m CV-19 total grant funding

- £1.1m - CV-19 grant. Received in four separate tranches
- £0.2m –CV-19 grant : £130k New burdens, £43k - COVID-19 Clinically Extremely Vulnerable grant
- c£100k of income support grant as part of the Income Compensation Scheme

Cash Flow Impact due to CV-19

- Concern about the extent to which CV-19 reduces amounts received for Council Tax and Business Rates
- Precepts were set well before the start of the financial year, prior to the onset of CV-19
- Collection rates will be below expectation but we are seeing continuous improvement in the position
- Payments to preceptors set in line with statute, the gearing effect reducing Council's cashflow
- **Council Tax shortfall** in collection in 2020/21 will be **1.7% less than budget = negative** impact on Council's cash flow of c£1.3m for 2020/21 (deterioration of £0.2m since M9)
- **Business Rates** is no longer forecasting a **shortfall** in collection in 2020/21 (improvement of £0.1m since M9)
- Overall impact is a combined shortfall of £1.3m, will not impact until March 2021
- The Council is **no longer forecasting a need to borrow for cashflow needs**

Risks and Opportunity Register

Committee	Risk	Mitigation	Category	Amount
Community Services	Economic development – requirement for additional resources to support economic recovery after COVID-19	Will look to contain within existing budget across the Council	BAU, COVID-19	TBC
Strategy & Resources	Leadership recruitment – potential extra costs due to interim CXO and CFO if filled with agency cover	Currently CXO acting up from Exec Head of Resources and CFO seconded from SCC	BAU	TBC
All	Present assumptions are that lockdown restrictions could reduce: income streams further, Council tax and Business rates collectability, and social distance guidance increases costs	Monitor guidance as it is released and plan alternative strategies to deliver inline with current guidance. Income Support Compensation grant will offset 71% of income losses.	COVID-19	TBC
All	Unknow outturn variances – There is a risk of unidentified adverse variances materialising as part of the year end closedown process. Examples of Risks include: <ul style="list-style-type: none"> • The high level of income budgeted for reclaiming Housing Benefit Overpayment but low level of visibility within the organisational • Quadrant House voids and associated Business Rates payments 	Officers are investigating the key risk and opportunity areas for outturn	BAU	TBC

Risks and Opportunity Register (Cont'd)

Committee	Opportunity	Mitigation	Category	Amount
Community Service	Freedom Leisure support grant: Current provision for worst case scenario	Negotiations under way. Possible government support for leisure operators	COVID-19	TBC
Community Service	Waste Contract: Extra costs for provision of social distancing guidance	Offset underspends and grants	COVID-19	£216k
All	Unknown outturn variances – There is a opportunity of unidentified favourable variances materialising as part of the year end closedown process. Examples of Opportunities include: <ul style="list-style-type: none"> • Further improvement on the salaries underspend • Additional New Burdens Grants from Government • Additional Sales, Fees and Charges grant form Central Government (claims 2 and 3 yet to be added) • A more favourable interest receivable position • Potential release of provision made for Planning appeal if costs are lower and case is settled before the year end. 	Officers are investigating the key risk and opportunity areas for outturn	BAU	TBC

ANNEX

DETAILED REVENUE AND CAPITAL

Planning Policy Service - Revenue (Slides 15 - 17)

Community Service - Revenue (Slides 18 – 21)

Housing Service - Revenue (Slides 22 – 23)

Strategy & Resources - Revenue (Slides 24 – 26)

Housing Revenue Account (Slides 27 – 28)

Capital – Detail (Slides 29)

Planning Policy - Overview

2020/21 Forecast to year-end (31st March 2021)

Committee Chair: Cllr K Jecks, Executive Head: C Parker

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	M10 Overall Forecast Variance at year end (31/3/2021) £	M9 Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
<u>Planning Policy</u>						
Salaries	1,510,700	(15,900)	2,900	(13,000)	(13,000)	0
<u>Non Salaries</u>						
Planning Application and Advice	(634,562)	0	250,786	250,786	250,786	0
Local Plan	439,500	(400,000)	0	(400,000)	(400,000)	0
Enforcement	22,400	(12,006)	0	(12,006)	(12,006)	0
Other net items of less than £10,000	0	0	0	0	0	0
Covid-19 Income Support Grant	0	0	(32,700)	(32,700)	(32,700)	0
Planning Policy Total	1,338,038	(427,906)	220,986	(206,920)	(206,920)	0

Planning Policy - BAU Variance Analysis

Planning Policy Committee - Revenue Summary:

Budget Baseline: £1,338,038

Net BAU underspend of £427,906 (no change since M9)

CV-19 overspend £220,986 (£5k change since M9)

Business as Usual:

- **£400,000 underspend on the Local Plan.** Included in the Local Plan budget were costs for the delivery of the South Godstone Garden Community, such as early work on the Area Action Plan. Removal of £500k from a total budget of £621k at such an early point in the year was premature and did not capture all projected costs. In addition to the £127k currently budgeted in 2020/21, it is estimated that a further £100k needs to be identified for expenditure bringing the total forecast cost to £227k. We will keep in regular contact with the Project Manager to ensure our forecast outturn reflects the Planning Inspector's expectations of where the Local Plan will have progressed by year end. Costs will continue to be refined. Any slippages in progress in 2020/21 may impact future years. A complete review has been undertaken of all costs as part of the 2021/22 budget setting process. We are currently assessing the extent of any further underspends to carry forward to 2021/22 in an Earmarked Reserve
- **£15,900 salaries underspend** (unchanged from M9)
- **£12,006 Enforcement** – lower volumes of cases requiring counsel fees

Planning Policy - CV-19 Variance Analysis

At M10, the Committee is projecting **a full year CV-19 £220,986 overspend**

Extra costs of £2,900, (unchanged from M9) due to:

- **£2,900** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce
- **£0** – £44,000 Expenditure for meeting Tandridge's share of expected loss that will be made by Southern Building Control as a result of reduced business activity. The improvement relates to the actual income levels are now higher than initially anticipated. The current variance can be met from the building control reserve. Offset by COVID-19 Income support grant of £44,000 (no change since M9).

Loss of Income £250,786 (unchanged from M9) due to:

- **£250,786** – **Reduced income on Planning Applications** and advice (no change since M9)
- **£0** – **£45,000 Loss of 5% admin fee for Community Infrastructure Levy** work due to slowdown in development to be recovered by admin fee reserve. (no change since M9).

Offset by COVID-19 Income support grant applied to Committee of £32,700

Community Services - Overview

2020/21 Forecast to year-end (31st March 2021)

Committee Chair: Cllr B Connolly, Executive Head: A Boote

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	M10 Overall Forecast Variance at year end (31/3/2021) £	M9 Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
<u>Community Services Committee</u>						
Salaries	2,235,300	(156,100)	27,000	(129,100)	(129,100)	0
<u>Non Salaries</u>						
Car Parking-On Street	(106,000)	0	33,100	33,100	26,900	6,200
Car Parking-Off Street	17,100	35,800	106,900	142,700	83,500	59,200
Hackney Carriage/Private Hire	(17,600)	0	20,000	20,000	29,500	(9,500)
Leisure & Community Grants	468,200	0	308,000	308,000	308,000	0
Waste Services	3,590,100	0	263,200	263,200	313,700	(50,500)
Environmental Services	297,800	0	6,000	6,000	2,000	4,000
Cesspool Services	(34,800)	1,300	0	1,300	0	1,300
Operational Services	(217,500)	0	248,000	248,000	248,000	0
Parks and Open Spaces	1,093,100		21,500	21,500	32,600	(11,100)
Other Variances less than £10k	(974,600)	0	11,100	11,100	3,500	7,600
Covid-19 Income Support Grant	0	0	(58,900)	(58,900)	(58,900)	0
Community Services Total	6,351,100	(119,000)	985,900	866,900	859,700	7,200

Community Services - BAU Variance Analysis

Community Services Committee - Revenue Summary:

Budget Baseline: £6,351,100

Net BAU underspend £119,000 (£1,300 deterioration since M9)
CV-19 overspend £985,900 (£5,900 deterioration since M9)

Business as Usual:

- **£156,100 salaries underspend** (unchanged from M9)

Offset by:

- **£35,800 – reduced income** from BAU due to changing the Ellice Road Car Park, free parking from 1 hour to 3 hours during the period 1 July 20 – 30 September 20.
- **£1,300 – higher diesel costs** for cesspool service due to having to travel further to unload waste due to local waste points being shut.

Community Services - CV-19 Cost Variance Analysis

At M10, the Committee is projecting **a full-year CV-19 £985,900 overspend**

Expenditure of £560,600 (improvement of £42,900 since M9), **primarily due to increased costs of:**

- **£308,000** – Support to Freedom Leisure, currently under consideration by Members (no change since M9)
- **£214,500** – Waste Services, costs relate to additional H&S requirements, cleaning and disinfecting of equipment and personnel, social distancing of workers, professional fees in relation to extension of existing waste contract, increased cost of maintaining old vehicles where renewal has been delayed and hire of vehicles (improvement of £50,500 since M9)
- **£27,000** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce (unchanged from M9)
- **£11,100** – Miscellaneous expenditure on multiple budget lines relating to CV-19 (£7,600 deterioration since M9)

Community Services - CV-19 Income Loss Variance Analysis

Loss of Income of £484,200 (deterioration of £48,800 since M9) **primarily due to:**

- **£248,000** – Loss of income for Tandridge Commercial Services as the operational team is working within the boundaries of CV-19, social distancing and Health & Safety restriction with having to wear PPE and staff sickness means the team are unable to work at normal capacity. This will all have a knock-on effect on the team's capabilities to deliver a normal service of maintaining the HRA housing stock and lead to less billable work for the team
- **£48,700** – Loss of income for Garden Waste Club due to CV-19 delaying the start date of the new waste contract
- **£106,900** – Loss of income for off-street Car Parking
- **£21,500** – Parks and Open Spaces decrease in revenue from sports facilities
- **£20,000** – Loss of income from Hackney Carriages taxi driver licencing
- **£33,100** – Loss of income for on-street Car Parking
- **£6,000** – Decrease in revenue from premises licences

Offset by CV-19 Income support grant applied to Committee of £58,900

Housing Services – Overview

2020/21 Forecast to year-end (31st March 2021)

Committee Chair: Cllr L Parker, Executive Head: A Boote

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	M10 Overall Forecast Variance at year end (31/3/2021) £	M9 Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
<u>Housing - General Fund</u>						
Salaries	775,800	(142,200)	2,800	(139,400)	(139,400)	0
<u>Non Salaries</u>						
Meadowside Mobile Homes	(109,500)	0	(2,400)	(2,400)	7,600	(10,000)
Alarm Systems	(163,000)	(7,200)	0	(7,200)	0	(7,200)
Private Sector Enabling	63,863	8,800	0	8,800	0	8,800
Housing of the Homeless	(59,900)	0	0	0	8,600	(8,600)
Syrian Refugees	15,000	(4,000)		(4,000)	0	(4,000)
Other net items of less than £10,000	(63,200)	2,600	0	2,600	0	2,600
Housing General Fund Total	459,063	(142,000)	400	(141,600)	(123,200)	(18,400)

Housing Services – Variance Analysis

Housing Committee - Revenue Summary:

Budget Baseline: £459,063 Net BAU underspend £142,000 (deterioration of £200 since M9)
CV-19 overspend £400 (improvement of £18,600 since M9)

Business as Usual:

- **£142,200 salaries underspend** (no change since M9)
- **£7,200** – underspend on Alarm systems equipment
- **£4,000** – underspend on Syrian refugees

Offset by:

- **£8,800** – Additional costs of Environmental Health Partnership
- **£2,600** – Other minor overspend items

CV-19 - costs of £400, (£18,600 improvement since M9) due to:

- **£2,800** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce

Offset by:

- **£2,400** – Increased income at Meadowside due to additional sales.

Strategy & Resources – Overview

2020/21 Forecast to year-end (31st March 2021)

Committee Chair: Cllr T Elias, Executive Heads: J King, L Harrison, A Boote, A D'Alessandro

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21	Forecast Variance at year end (31/3/2021) BAU	Forecast Variance at year end (31/3/2021) COVID-19	M10 Overall Forecast Variance at year end (31/3/2021)	M9 Overall Forecast Variance at year end (31/3/2021)	Change in Forecast since last month
	£	£	£	£	£	£
<u>Strategy and Resources Committee</u>						
Salaries	5,166,671	(237,200)	52,200	(185,000)	(185,000)	0
<u>Non Salaries</u>						
Interest Payable	1,889,000	0	0	0	75,000	(75,000)
Investment Property Income	(989,000)	0	247,250	247,250	247,250	0
Interest Receivable	(2,764,200)	197,000	300,000	497,000	497,000	0
IT - Software and hardware	10,400	0	14,000	14,000	14,000	0
Covid 19 Grants	0	0	15,000	15,000	15,000	0
Land Charges	(135,000)	0	34,000	34,000	34,000	0
Other Variances less than £10k	770,333	0	17,000	17,000	17,000	0
Public Sector Reform funding	0	15,000	0	15,000	10,000	5,000
Monitoring Officer Function External Legal	0	26,000	0	26,000	26,000	0
Corporate Items	(1,755,173)	(48,000)	0	(48,000)	(48,000)	0
Printing, Stationary and Postage	185,900	(56,000)	0	(56,000)	(46,000)	(10,000)
Software and Hardware Accessories	10,400	(10,400)	0	(10,400)	(10,400)	0
Economic Development	22,200	(11,100)	0	(11,100)	(11,100)	0
Covid-19 Income Support Grant	0	0	(4,300)	(4,300)	(4,300)	0
Resources Total	2,411,531	(124,700)	675,150	550,450	630,450	(80,000)

Strategy & Resources - BAU Variance Analysis

Strategy and Resources Committee - Revenue Summary:

Budget Baseline: £2,411,531

Net BAU underspend: £124,700 (£5,000 improvement)

CV-19 overspend : £675,150 (£75,000 improvement)

Business as Usual underspends £564,700:

- **£250,000 additional income relating to New Homes Bonus (NHB).** Combination of receiving additional monies and choosing to use it all to support revenue budget
- **£237,200 salaries underspend**, comprised of numerous over and underspends (no change)
- **£56,000 saving on printing, stationery and postage** due to reduced occupancy
- **£11,100 underspend due to review of Economic Development** service provision across all committees
- **£10,400 underspend due to capital** policy review to group small capital items.

Offset by overspends £440,000:

- **£197,000 reduction in interest receivable** due to a decision to not proceed with an agreed property purchase through Gryllus
- **£152,000 increased charges to Minimum Revenue Provision**
- **£50,000 reduction in support service charges** in relation to Land Charges
- **£15,000 contribution to Public Sector Reform** to pay for consultancy costs in response to Government consultation
- **£26,000** - External legal advice regarding monitoring officer functions

Strategy & Resources – CV-19 Variance Analysis

At M10, the Committee is projecting **a full-year CV-19 £675,150 overspend**

Extra costs of £98,200, due to:

- **£15,000** – Support grants paid to Parish and volunteer agencies
- **£14,000** – Purchase of IT Software and Hardware to accommodate staff home working
- **£17,000** – Miscellaneous expenditure on multiple budget lines relating to CV-19
- **£52,200** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce

Loss of Income £581,250:

- **£300,000** – Reduction in interest receivable following the cut in the Bank of England base rate from 0.75% to 0.1%. Lower returns are now forecast on fund investments
- **£247,250** – Reduction in Investment Property Income, due to the enforced closedown some tenants have requested rent holidays, this primarily affects Quadrant House
- **£34,000** – Reduction in Land Charge searches income as the lockdown resulted in the reduction of property purchases

Offset by CV-19 Income support grant applied to Committee of £4,300

Housing Revenue Account - Overview

2020/21 Forecast to year-end (31st March 2021)

KEY HRA REVENUE VARIANCES Committee Chair - Councillor L Parker Officer - A Boote	Annual Budget 2020/21 (£)	Forecast Variance at year end (31/3/2021) BAU (£)	Forecast Variance at year end (31/3/2021) COVID-19 (£)	M10 Forecast Variance at year end (31/3/2021) Total (£)	Change in Forecast since December M9
Salaries	1,722,400	55,500	4,700	60,200	0
Services costs	5,951,600	(26,100)	(29,600)	(55,700)	9,900
Corporate Support Services	1,441,800	0	0	0	0
Repairs and Maintenance	2,640,500	(27,600)	(86,600)	(114,200)	(30,400)
Interest Charges on loan	1,912,100	(264,000)	0	(264,000)	0
Rental Income Dwellings	(14,200,500)	0	200,000	200,000	0
Rental Income Garages	(279,700)	0	10,000	10,000	0
Other Income	(226,000)	(6,300)	(5,800)	(12,100)	(350)
Forecast outturn before transfer to reserves	(1,037,800)	(268,500)	92,700	(175,800)	(20,850)
Transfer to reserves	1,037,800	268,500	(92,700)	175,800	20,850
Forecast outturn after transfer to reserves	0	0	0	0	0

Housing Revenue Account - Summary

Key variances in HRA BAU Budget (net c£0.3m underspend)

- **Underspend of £268,500**, (£12,250 deterioration since M9)
 - **£264,000 on interest payable**. Partly due to loans being refinanced at a lower than expected interest rate.
 - £26,100 collection of small variances against service costs, £27,600 on repairs and maintenance and £6,300 other income.
- **Offset by overspend of £55,500 on salaries** (unchanged from M9)

Key variances in HRA CV-19 expenditure (net c£0.1m overspend)

- **Overspend £210,000 on rent loss from bad debts** as HRA arrears are expected to increase significantly
- **Offset by Underspend £86,600 on repairs and maintenance expenditure**. Due to the lockdown and required social distancing measures, planned repairs and maintenance have been postponed
- **Underspend of £30,700 Service costs - Legal cost** savings expected due to TDC legal dept being able to deal with more of these items

Capital – Detailed Analysis

Capital Budget Monitoring at Period 10 end January 2021	Restated Budget 2020/21 £	Forecast at M10 2020/21 £	M10 Forecast Variance 2020/21 £	M9 Forecast Variance 2020/21 £	Change From M9 to M10 £
Community Services - Committee Chair: Councillor B Connolly - Officers: A Boote					
Waste and Recycling	2,991,300	2,293,100	(698,200)	(698,200)	0
Parks, Playgrounds and Open Spaces	285,000	120,000	(165,000)	(37,500)	(127,500)
Community infrastructure and assets	537,100	500,700	(36,400)	(48,175)	11,775
Total Community Services	3,813,400	2,913,800	(899,600)	(783,875)	(115,725)
Housing General Fund - Committee Chair: Councillor L Parker - Officer: A Boote					
Social Housing Grants	100,000	30,000	(70,000)	(70,000)	0
Disabled Facilities Grants	426,000	350,000	(76,000)	0	(76,000)
Total Housing GF	526,000	380,000	(146,000)	(70,000)	(76,000)
Strategy & Resources - Chair: Cllr T Elias - Officers: J King/L Harrison/A D'Alessandro/A Boote					
Property Development Fund	981,000	400,000	(581,000)	(581,000)	0
Council Offices Buildings	75,000	25,000	(50,000)	(25,000)	(25,000)
GF IT - Hardware/Infrastructure	691,200	572,700	(118,500)	0	(118,500)
Total Strategy & Resources	1,747,200	997,700	(749,500)	(606,000)	(143,500)
Planning Policy - Committee Chair: Councillor K Jecks - Officers: C Parker					
Capital contributions to third parties from CIL	299,000	30,000	(269,000)	0	(269,000)
Total Planning Policy	299,000	30,000	(269,000)	0	(269,000)
Total-General Fund	6,385,600	4,321,500	(2,064,100)	(1,459,875)	(604,225)
Housing Revenue Account - Committee Chair: Councillor L Parker - Officer: A Boote					
Council House Building	5,900,000	4,786,300	(1,113,700)	(815,900)	(297,800)
Improvements to Housing Stock	3,164,500	2,946,300	(218,200)	13,500	(231,700)
Housing Management Software	70,000	90,100	20,100	0	20,100
HRA IT - Hardware/Infrastructure	140,800	82,600	(58,200)	0	(58,200)
Housing Revenue Account	9,275,300	7,905,300	(1,370,000)	(802,400)	(567,600)
Total Capital Programme	15,660,900	12,226,800	(3,434,100)	(2,262,275)	(1,171,825)