

# Month 2 (May 21) Financial Report

## Community Services 22<sup>nd</sup> June 2021

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# Key Messages

## General Fund Budget:

- On 13<sup>th</sup> Feb 2021, Council **Approved a £4.9m Revenue Budget**
- Since this approval, the Council has had to reset some of its revenue budgets. The **reason** for the is due to a number of factors including; (*refer Cover Report*)
  - **(£0.9m) – reversal of the Council’s unconventional treatment of depreciation (which consists of the application of budgets to non-cash/accounting only items).**
- 2021/22 Budget for Committee is provisional pending the 2020/21 Budget Outturn being presented to S&R. This will follow the completion of the forensic review by Grant Thornton LLP UK. There is a possibility that this work could impact other Committee budgets.
  - **At 22<sup>nd</sup> June proposed virements totalling £0.9m have been removed from the original budget, Provisional Budget is now set at £4.0m**

## Revenue Forecast position:

- **At M2 Community Services is forecasting a £13k overspend** predominately due to: (*refer Annex*)
  - **£14k loss of Parks & Open spaces income** - due COVID-19 lock down restrictions reducing available bookings,
  - **£5k overspend – due delays in replacing leased vehicles** for outright purchases**Offset by: £6k underspend** relating to longer required to charge business rates on Public Conveniences
- Provisional and subject to the Council’s 2020/21 Outturn being approved pending the GT Forensic Review

# Key Messages (cont'd)

## 2021/22 Savings Programme:

- There is a Council-wide £2.7m savings programme, of which **£1.4m (52%) is attributable to Community Services**

Committee	Target £000	Achieved £000	Plans in Place £000	Potential Barriers £000	High Risk £000	BAU Full year Forecast £000	Unachievable £000
Community Services	1,437	210	223	1,000	0	1,432	5

- Of the planned c£1.4m savings:
  - **c£0.2m (BLUE)** are considered to be achieved (i.e. there has been a reduction in spend attributed to the savings areas)
  - **c£0.2m (GREEN)** have plans in place that will be evident later in the year
  - **£1.0m (AMBER)** currently on target but could have potential barriers to achievability; and
  - **£5k (BLACK)** that relates to changing the ownership of vehicles is unachievable and subject to finding mitigation action somewhere within the Committee Budget (*refer Saving Tracker Annex*)

## Risks & Opportunities:

- **No risks** have been included in the forecast position at M2
- **Net risks of £110k** have been quantified for the Committee (*refer Financial Risks Annex*)

# Key Messages (cont'd)

## Capital Budget:

- 2021/22 Capital Budget was approved by Council on 13<sup>th</sup> February 2021, at **c£2.0m for Community Services**;
  - Programme slippage of c£1.2m from 2020/21 is shown below as being carried forward in to 2021/22 but is yet to be approved. Approval is anticipated in September when the 2020/21 outturn position is reported to Strategy and Resources Committee.
  - As Outturn is still pending, **the provisional budget is £3.1m**, if the 2020/21 carry forward is approved
- **At M2, the Committee's Capital budget is forecast as balanced**

Capital Budget Monitoring at Month 2 end May	Original Budget 2021/22 £	Pending Potential Carry Forward from 2020/21 £	Provisional Budget including Carry Forwards £	Forecast at M2 2021/22 £	Forecast Variance at M2 2021/22 £
<b>Community Services</b> - Committee Chair: Councillor J Wren - Officer: A Boote					
Waste and Recycling	123,200	788,100	911,300	911,300	0
Parks, Playgrounds and Open Spaces	773,700	211,600	985,300	985,300	0
Community infrastructure and assets	1,057,300	182,400	1,239,700	1,239,700	0
<b>Total Community Services</b>	<b>1,954,200</b>	<b>1,182,100</b>	<b>3,136,300</b>	<b>3,136,300</b>	<b>0</b>

# ANNEX

## DETAILED REVENUE

- Community Services Committee – Revenue (slide 7)
- Community Services Committee - Saving Tracker (slide 8 & 9)
- Community Services Committee - Financial Risks (slide 10)

# Community Services Services – Overview

**TABLE 2: 2021/22 Forecast: General Fund Financial Position at year end 31/03/2022**

	2021/22 Outturn forecast at M2 £	2021/22 Provisional Budget M2 £	M2 Forecast Variance £
Community Services (Chair: Cllr Wren; Lead Officer: A Boote)			
By function:			
Public Conveniences	88,030	94,030	(6,000)
Waste & Street Management	2,797,348	2,792,348	5,000
Management of Parks & Open Spaces	828,351	814,751	13,600
Client Services (incl Car Parks)	(148,600)	(148,600)	0
Operational Services	(131,455)	(131,455)	0
Community & Leisure Services	290,146	290,146	0
Environmental Health Services	281,980	281,980	0
<b>Community Services</b>	<b>4,005,800</b>	<b>3,993,200</b>	<b>12,600</b>
By subjective:			
Salaries (non planning grants)	1,363,229	1,363,229	0
Non Salaries	5,261,966	5,262,966	(1,000)
Income	(2,619,395)	(2,632,995)	13,600
	<b>4,005,800</b>	<b>3,993,200</b>	<b>12,600</b>

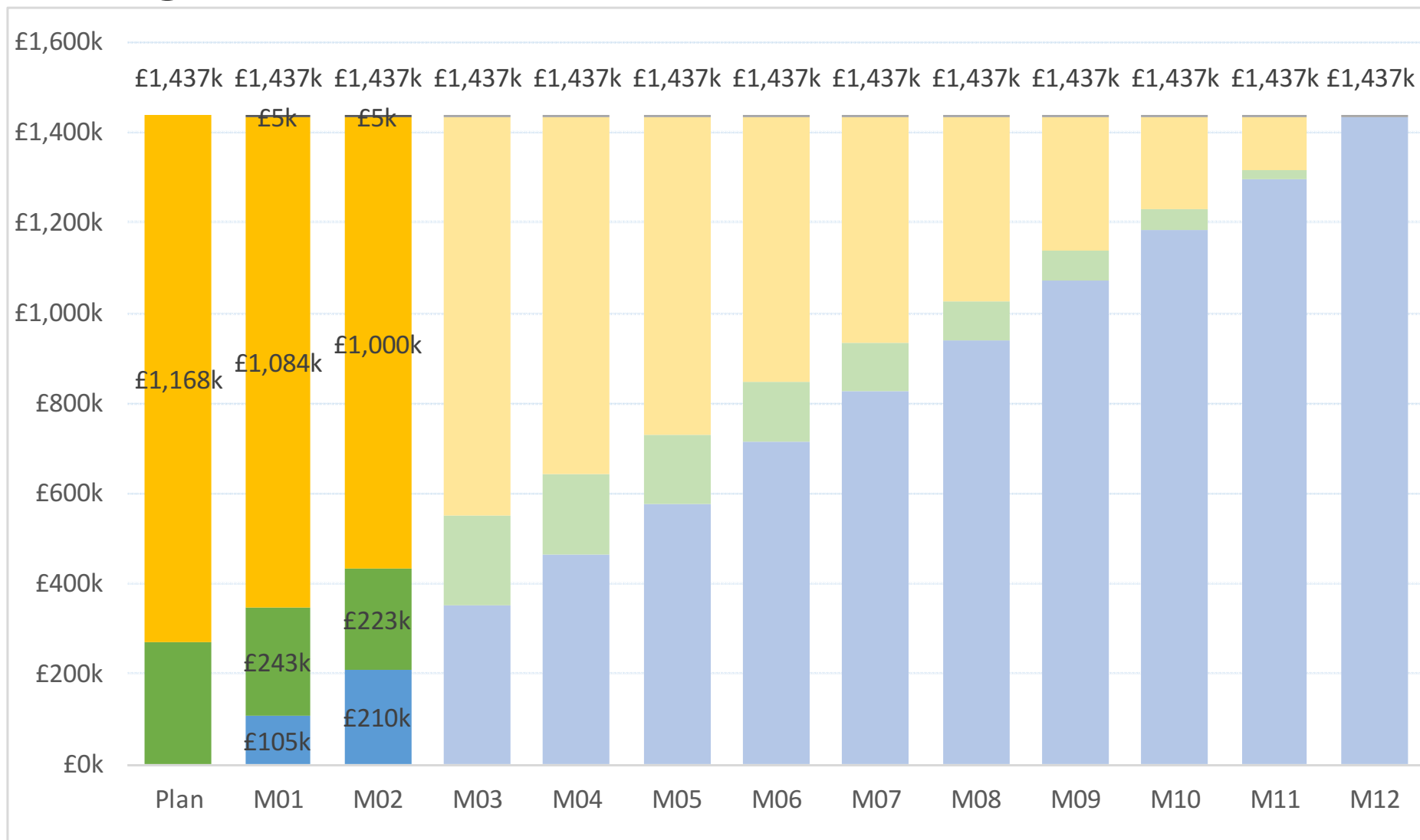
**At M2, the Community Services Budget is overspent by c£13k, due to:**

- **£6k underspend** due to no longer required to charge business rates on Public Conveniences

Offset by:

- **£5k overspend** due to delays in new vehicles replacing lease costs
- **c£14k loss of income** due COVID-19 lock down restrictions reducing available bookings

# Saving Tracker as at M2



**Key:**

- Blue – Savings achieved;**
- Green – Plan in place to achieve savings;**
- Amber – Potential barriers to achieve savings;**
- Red – High risk of savings not being achieved, as no plan in place**
- Black – Part or all of the saving cannot be achieved**





# M2 Saving Tracker – by Project

Description	Target £000	Achieved £000	Plans in Place £000	Potential Barriers £000	High Risk £000	BAU Full year Forecast £000	Unachievable £000
Capitalise salaries for officers working on capital programme	80	13	67	0	0	80	0
Review staffing assignment to committees purpose	68	11	57	0	0	68	0
Contract Review - Garden Waste	449	75	0	374	0	449	0
Contract Waste - Bulky Waste	63	0	0	63	0	63	0
Contract Waste - New Waste Contract	493	82	0	411	0	493	0
Contract Review - Non-Biffa waste	69	12	0	58	0	69	0
On Street Parking	94	0	0	94	0	94	0
Replacing leased vehicles with unleased vehicles	21	0	16	0	0	16	5
Parks & Countryside – bio diversity grass cutting	47	8	39	0	0	47	0
Off Street Parking repairs	19	3	16	0	0	19	0
Parks and Countryside - non contract work	13	2	11	0	0	13	0
Contribution to Lottery and Small Grants	11	2	9	0	0	11	0
Community Transport	10	2	8	0	0	10	0
Net savings across committee service reviews to remodel service delivery	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,437</b>	<b>210</b>	<b>223</b>	<b>1,000</b>	<b>0</b>	<b>1,432</b>	<b>5</b>

# Financial Risks

Committee	Risk	Mitigation	Min & Max Range	Likely / Average Financial impact	RAG Risk
Across the Council	Continuation of COVID-19 social distancing affecting business interruptions	Applying current COVID-19 directions and identifying costs onto the COVID-19 loss of income & expenditure tracker	£50k - £1.5m	£100k	A
Community Services	Incomplete hand over of new contracts - Waste, Community Alarms and Garden Club		£25k - £100k		A
	COVID-19 easing measures reversed effecting leisure services and parking	Applying current COVID-19 directions and identifying costs onto the COVID-19 loss of income & expenditure tracker	£100k - £250k		A
	COVID-19 easing measure quickened effecting environmental and parks management	Applying current COVID-19 directions and identifying costs onto the COVID-19 loss of income & expenditure tracker	£20k - £100k	£30k	A
	Adverse county decisions on the recycling centres impacting on fly tipping and greater volumes of waste collection		£20k - £50k		A
	Ash dieback is far more advance than was previously projected. One of the areas that has been identified as high risk is near a railway line and also a children's play area in Manor Park. Due to the trees location, work will have to be undertaken in this year's programme	This is subject to a forecoming Committee report that will highlight the greater detail of the work, estimated cost and duration for the work	£50k - £100k	£50k	R
	BID impact insufficient to ensure bounce back on the high street effecting parking		£20k-£50k	£30k	A

Risk Criteria:

R: Critically severe & Probable

Amber: Moderately severe & Occasional

Green: Marginally severe & Remote