

Revenue Outturn 2020/21

Relevant Portfolio Holder	Cllr Geoff Denaro
Portfolio Holder Consulted	Yes
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Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. Purpose and summary

The purpose of this report is to set out the Council's Revenue outturn position for the financial year April 2020 – March 2021 (subject to final accounts closedown procedures and audit).

2. Recommendations

The Cabinet is asked to resolve

- 2.1 To note the outturn financial position in relation to the revenue budgets for the year April 2020 – March 2021 as detailed in the report.

That Cabinet recommend to Council

- 2.2 that £228,736 be transferred from the General Covid Grant to the Council's general fund to balance the outturn position for 2020/21.

3. Revenue budgets

- 3.1 This report provides details of the revenue outturn position of the Council for 2020/21 and performance against budget.
- 3.2 This report presents the financial outturn position and performance against budget by service (for example 'Environmental Services).
- 3.3 Table 1 below sets out the revenue outturn position compared to budget:

Table 1: Summary Revenue Outturn 2020/21

Service	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Revised Actuals	2020/21 Variance
	£	£	£	£
Regulatory Client	207,208	194,818	210,946	16,128
Business Transformation & Organisational Development	1,707,974	1,562,447	1,486,244	-76,202
Chief Executive	1,585,088	1,844,322	1,928,958	84,636
Community & Housing GF Services	1,076,023	805,300	705,052	-100,248
Corporate Financing	-11,812,000	-11,261,625	-11,514,569	-252,944
Environmental Services	2,780,695	2,734,139	3,423,943	689,804
Financial & Customer Services	1,340,726	1,253,385	1,214,559	-38,826
Legal, Dem' & Property Services	1,458,600	1,493,003	1,378,214	-114,788
Planning, Regeneration & Leisure Services	1,655,685	1,374,208	1,395,385	21,176
Grand Total	0	0	228,736	228,736

Note: The Revised Budget reflects in year approved adjustments to the Original

- 3.4 The above table shows that the revenue outturn position was overspent by £228,736 in total. It should be noted that this position is before any allocation from any remaining balances in relation to General Covid-19 Grant funding.
- 3.5 This report will now set out a financial commentary on this outturn position by service area.

Regulatory Client (Total overspend of £16k)

- 3.6 The above table shows that in summary this service area was overspent by circa £16k. The main variation was as follows:
- £24k underperformance on licence income due to the impact of Covid-19.

Business Transformation & Organisational Development (Total underspend of £76k)

- 3.7 The above table shows that in summary this service area was under by circa £76k. The main variations being as follows:

- £75k underspend on training and organisational development. Training and organisational development have underspent on the corporate training budget due to COVID-19 having had a direct impact on the ability to deliver training. There is currently a review being undertaken on how training will be provided moving forwards, including opportunities for moving towards higher levels of remote training as appropriate.

Chief Executive (Total overspend of £85k)

3.8 The above table shows that in summary this service area was overspent by circa £85k. The main variations being as follows:

- £62k overspend on corporate services due to higher than originally budgeted for pension costs which resulted from budgets not accurately reflecting actuarial updates. These issues have now been resolved within future budgets.

Community & Housing GF Services (Total underspend £100k)

3.9 The above table shows that in summary this service area was under by circa £100k. The main variations being as follows:

- £40k underspend on lifeline due to salary savings.
- A number of minor underspends spread across a range of budget areas including savings on reallocating demand for temporary accommodation from the Burcot Lane Hostel to BDHT. Covid-19 (and the associated funded programmes) has also led to a reduction in financial pressure / demand associated with homelessness cases.

Corporate Financing (Total underspend £253k)

3.10 The above table shows that in summary this service area was under budget by circa £253k. The main variations being as follows:

- £245k saving on interest payable due to a lower than forecast borrowing requirement, lower cost of borrowing and a reduced Minimum Revenue Provision charge (due to underspends on the capital programme).

Environmental Services (Total overspend of £690k)

3.11 The above table shows that in summary this service area was overspent by £690k. The main variations being as follows:

- £339k overspend on waste management. This was due to some additional commercial Waste Disposal Costs. A Business case has been put forward to address this going forwards in the budget. There are also increased costs from Severn Trent on disposal of septic waste and overspends on additional overtime due to out of Hours Callout costs (which is being reviewed corporately). This has now been addressed and amended in the budget for the new financial year.

- £101k underspend on tree management. This was due to vacant posts. It should be noted that this area is currently going through a service review.
- £512k loss of carparking income against budget due to the impact of Covid-19 (noting that these losses are after accounting for some additional support from Government in relation to the sales, fees and charges support scheme).

Financial & Customer Services (Total underspend of £39k)

3.12 The above table shows that in summary this service area was under budget by £39k. The main variations being as follows:

- £41k underspend in accounts and financial management due to significant vacancies. It should be noted that plans are in place to strengthen the Finance Team and recruit to these vacant posts.

Legal, Democratic & Property Services (Total underspend of £115k)

3.13 The above table shows that in summary this service area was under budget by £115k. The main variations being as follows:

- £39k saving in members and democratic support due to vacancies in the team.
- £70k saving in business development due to a combination of salary savings (due to vacancies) and the successful recovery of previous year overcharges on water costs.

Planning, Regeneration & Leisure Services (Total overspend of £21k)

3.14 The above table shows that in summary this service area was overspent by £21k. The main variations being as follows:

- Development control had an overspend of £270k. This was primarily driven by a £200k charge due to losing a planning appeal to a developer. This was offset by a number of underspends within planning budgets, due particularly to vacancies (linked to difficulties in recruitment caused by a national scarcity of this skillset) and increased numbers of planning application income (linked to Covid-19).
- It should be noted that Leisure budgets would have been significantly overspend in year had it not been for the General Covid-19 Grant provided to the Council, which allowed these pressures to be offset as explained below.

Covid grant

- 3.15 It is clear that budget and budgetary performance for the 2020/21 financial year was significantly impacted by the Covid-19 pandemic. Covid-19 distorted many expenditure budgets – as demonstrated above – typically through reducing income levels significantly (eg car parking), increasing Leisure costs, and reducing some costs areas which were operationally restricted as a result of Covid.
- 3.16 In recognition of this negative impact on the Council's resources (and particularly for district councils reduced income levels achievable for car parks and Leisure), the council was awarded £1.255 million General Covid-19 Grant in 2020/21 (and £0.411 million in 2021/22). This income was not budgeted for when the Council set its budget back in February 2020. Strict control was maintained over the accounting for these monies.
- 3.17 In total £476k of expenditure was applied from this General Covid-19 Grant in the 20/21 year, £356k of which was paid to the Council's outsourced provider of the Bromsgrove Sports and Leisure Centre. This was in recognition of the impact of Covid-19 on the ability of the provider to operate in accordance with the (pre- Covid) agreed contract.
- 3.18 The current position of the General Covid-19 Grant is set out in detail in Appendix 1 which shows that there is sufficient funds (at circa £766k) available to allocate circa £228k to fund the 20/21 overspend as set out in section 3.3, thereby bringing the 2020/21 position to balance without pressure on the General Fund.

4. Treasury and Cash Management

- 4.1 As at 31st March 2020, the Council had £4.75m of short term borrowing, no long term borrowing, and had placed £2m in investment accounts to generate an income for the Council.

5. General Fund Balances

- 5.1 The general fund balance was maintained at £4.4m (subject to the £228k overspend set out in section 3.3 being funded from the General Covid Grant as set out in 3.18).

6. LEGAL IMPLICATIONS

No legal implications have been identified.

7. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 7.1 The Outturn position relates to all strategic purposes.

Climate Change Implications

7.2 No climate change implications were identified.

8. OTHER IMPLICATIONS

Equalities and Diversity Implications

8.1 No equalities and diversity implications were identified.

Operational Implications

8.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

9. RISK MANAGEMENT

9.1 Managing financial risks features in the corporate risk register for the authority.

Appendix 1: General Covid Fund Grant Account at 8 November 2021

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General Covid-19 Grant Funding	£
Amount Received (four initial tranches)	1,254,853
Amount spent 19/20	12,059
Amount spent 20/21	476,465
Remaining balance at 31/3/21 (pre balancing outturn)	766,329
Planned use of grant to balance outturn position	228,736
Remaining balance at 31/3/21 (post balancing outturn)	537,593
Fifth tranche of grant (21/22)	411,102
Total remaining covid grant (prior to 21/22 pressures)	948,695