

Report to Cabinet
10 February 2021
Report of Interim Director of resources (S.151 officer)
Subject Q3 Budget Monitoring 2020/21

Item

8

Purpose

To update Cabinet on the Q3 forecast financial position for financial year 2020/21.

Recommendation

To:

- 1) note the forecast outturn for the 2020/21 General Fund, HRA and capital programme;
- 2) note the consequential forecast of the General Fund and Housing Revenue Account balances; and
- 3) approve the creation of an East Norwich Masterplan earmarked reserve to hold the balance of contributions unutilised at year end (paragraphs 14-15).

Corporate and service priorities

The report helps to meet the corporate priority of providing a healthy organisation.

Financial implications

The report is of a financial nature with the financial implications detailed throughout the report.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

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Background documents

None

Financial Summary Q3 (Figures in 000s)

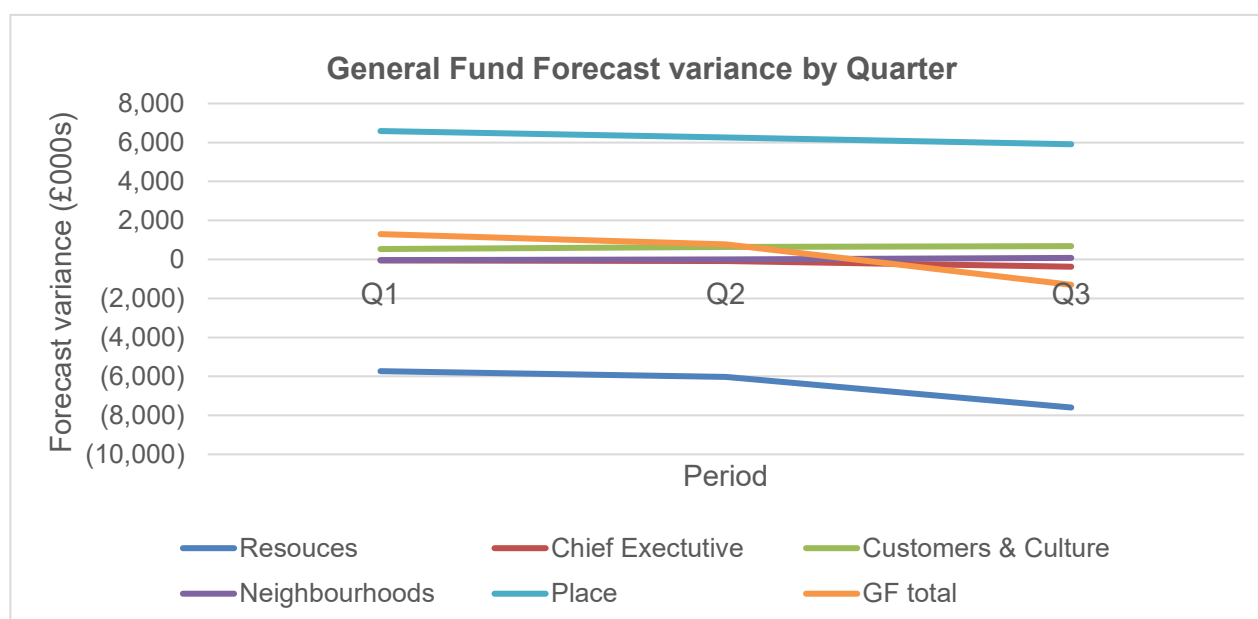
General Fund	Budget	Forecast	Variance
Expenditure	143,295	192,858	49,563
Income	(54,930)	(48,691)	6,239
Grants and subsidies	(88,365)	(145,470)	(57,105)
Total	0	(1,303)	(1,303)

Housing Revenue Account	Budget	Forecast	Variance
Expenditure	68,783	68,442	(341)
Income	(68,783)	(68,029)	754
Total	0	413	413

- The General Fund revenue budget is forecast to underspend by £1.303m. This position incorporates one-off savings identified earlier in the year, including lower than budgeted external borrowing costs, which have been used to offset reduced income across a range of council areas including car park fees and commercial rents. Also included is additional government funding from the Covid-10 government grant and income reimbursement scheme.
- The HRA is forecast to overspend by £0.413m mainly due to anticipated increase in bad debt provision relating to dwelling rent income, partially offset by savings in the HRA dwellings repair budget.

Capital Programme	Budget	Forecast	Variance
General Fund	38,030	6,070	(31,959)
Housing Revenue Account	51,268	22,169	(29,099)

- The General Fund capital programme is forecast to underspend by £31.959m. The forecast reflects the halt on budgeted investment property purchases (£25m) along with delays in a number of projects as a result of Covid-19.
- The Housing Revenue Account capital programme is forecast to underspend by £29.099m, largely due to Covid-19 related disruption to planned work on HRA stock and re-profiling of expenditure on new build projects into the next financial year.



Report

General Fund Revenue Budget

Covid-19 Impacts

1. The Covid-19 pandemic has had a significant impact on the 2020/21 general fund budget; this is due to a combination of increased costs (e.g. housing the homeless, investment in IT to allow staff to work from home, food costs for vulnerable people, higher recycling costs) and lost income (e.g. from car parks, commercial rents, planning fees, licensing, event bookings).
2. A number of forecasts are based on assumptions as to how income streams will continue to be impacted by the Covid-19 situation over the last quarter of the financial year. The performance will be dependent on how lockdown restrictions and the recovery of the economy in general.
3. The council has been awarded Covid-19 funding of £2.78m to assist in dealing with the crisis which is recognised in the budget forecasts. Based on the current forecast position, the receipt of this funding, alongside the positive short term saving decisions taken by the council, has led to an overall general fund underspend. This will mean no general reserves being needed to balance the budget in 2020/21. Although a budget underspend is now forecast, in December 2020 Cabinet agreed to continue to deliver the in-year savings with any improved financial position kept aside to manage the future risks. As part of the 2021/22 Budget papers it is proposed that any underspend is used to fund two new earmarked reserves: one to manage future budget risks and the other to fund support costs for the transformation change programme. There remain however a number of risks and uncertainties over the final outturn position which are set out in paragraphs 7 to 10.

Sales, fees and charges scheme

4. The sales, fees and charges scheme has been created to assist with lost income due to Covid-19. The new income loss scheme involves a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned sales, fees and charges income, with the government compensating councils for 75p in every pound of relevant loss thereafter. By introducing a 5% deductible the government is accounting for an acceptable level of volatility, whilst seeking to shield authorities from the worst losses. Income from commercial revenues, including rental amounts are not considered relevant losses and will not be compensated for under this scheme.
5. Two claims have been submitted, covering the 8 month period from April to November. The claims total £2.09m for the General Fund. The Q3 forecasts include an estimate of general fund income from the scheme of £3.47m for the full financial year. This is an increased estimate from P8, reflecting the reduced forecast parking income following the 2nd national lockdown.

General Fund Forecast

6. The forecast is a £1.303m underspend. This equates to 0.9% of the gross expenditure budget. The general fund forecast has reduced by £2.088m since quarter 2. The main reasons for these changes are shown in the table below:

Table 1

Area	Movement from Q2 (£000)	Comments
Investment Property rental income	(961)	Earlier in the year officers took a cautious approach to the income forecast given uncertainties due to Covid-19 in particular which is affecting the high street retail, leisure and hospitality sectors in particular. However, even though the country is now in another lockdown, at the end of Q3 there is now greater confidence that budgeted rents will be paid by more tenants based on the record of payments made to date (including deferred rental payments where these have been applied).
Covid-19 grant funding	(960)	Additional Covid-19 local government support grant (Tranche 4) confirmed during Q3.
City Hall	(151)	Reduced costs on supplies and services due to lower staff occupancy of the building
Car parking fee income	136	Net impact of revised car parking fee income based on current trends. Figure shows net movement after fees and sales government grant income is taken into account.
Other movements	(152)	
Total movement	(2,088)	

7. **Car parking income:** The current forecast shows a net reduction in income against budget £3.988m, taking into account current income and anticipated car park usage for the remainder of the financial year. These models are being regularly assessed and updated, taking into account the most recent available usage figures. At the end of December, daily usage income from car parks was lower than budgeted by £2.7m.
8. **Investment property income:** Income from investment properties is being kept under constant review, with each case being individually assessed and allowance made for agreed rent discounts and deferred rental payments. Based on this review, the current forecast net loss of income from existing properties is £0.571m. In a number of cases it is assumed rent will be recovered in the future financial years. In addition, the halt on further commercial property acquisitions is resulting in a forecast underachievement of the new rental income budget of £0.690m.
9. **Council Tax Hardship Fund:** The council was awarded £2.037m of grant to provide a Council Tax Hardship Fund. The council has developed a scheme to determine how this fund should be distributed to those currently part of the council tax reduction scheme. In addition to the Government directive of

awarding £150 to working age customers in receipt of a partial CTR award, the council decided to award additional funds to reduce their liability for 2020/21 to zero. The same principle has been applied to pensionable age customers. As a result of significant increases in partial CTR claimants we are currently forecasting that the cost will go above the current hardship allocation – the current additional cost of £100k has been included in the Q3 forecasts. There remains a significant risk that this additional cost increases further in particular if there are rises in CTR claimants following the end of the extended furlough scheme.

10. The forecast budget variances by directorate are shown in the tables below:

Table 2: Total General Fund by directorate

Current budget (£000s)		Forecast outturn (£000s)	Forecast variance (£000s)
(14,400)	Corporate Finance	(23,055)	(8,656)
658	Corporate Management	1,558	900
(13,742)	Total Corporate	(21,498)	(7,755)
4,143	Business Services	4,405	262
333	Democratic Services	254	(79)
0	Human Resources	(8)	(8)
0	Procurement & Service Improvement	(18)	(18)
4,476	Total Resources	4,633	157
0	Chief Executive	(10)	(10)
489	Strategy & Programme Management	125	(364)
489	Total Chief Executive	115	(374)
1,849	Communications & Culture	2,428	579
(94)	Customer Contact	(71)	23
0	IT Services	80	80
1,756	Total Customers, Comms & Culture	2,438	683
10,546	Citywide Services	10,812	266
1,560	Neighbourhood Housing	1,414	(147)
704	Neighbourhood Services	662	(42)
12,810	Total Neighbourhoods	12,888	78
(8,209)	City Development	(2,346)	5,863
0	Environmental Strategy	(37)	(37)
0	Executive Head of Regeneration	(2)	(2)
1,479	Planning	1,884	405
941	Property Services	621	(319)
(5,789)	Total Place	121	5,910
0	Total General Fund	(1,303)	(1,303)

Further detail is set out in **Appendices 1 & 2**.

Grant Income

11. £5.05m of unbudgeted grants have been received in 2020/21:

Table 4

Grant	Value (£000s)	Details
New burdens grant for administration of BEIS grants	170	Government grant designed to assist with additional costs associated with the distribution of BEIS grants
Local Authority Discretionary grant fund new burdens payment	77	
Covid-19 emergency funding	2,778	Covid-19 funding designed to support local authorities in dealing with challenges arising from Covid-19. Includes the fourth tranche of £960k announced in October.
Rough sleeper initiative grant	435	Additional funding announced after the deadline for inclusion in the 2020/21 budgets
HB unbudgeted New Burdens	52	Additional new burdens grant relating to administering housing benefit
Tourism support grant	494	To be spent on supporting the tourism industry deal with the challenges brought about by Covid-19. This will fund some revenue activity and some capital projects
Next Steps Accommodation	217	To be used to fund emergency accommodation
Norfolk Local Outbreak Control Plan funding	100	Funding for environmental health officers to deal with Covid-19 related issues (£60k) and to provide support to high risk individuals & communities (£40k).
Compliance & Enforcement	86	Funding to support local authority compliance and enforcement activity, including Covid-19 secure marshals or equivalents
Safer Streets grant	187	Capital funding to assist with community safer measures
Norfolk Strategic Fund	427	To support projects involving the Good Economy Commission, Norwich market and the development of East Norwich.
Track & Trace Admin Costs	31	Funding to support the administration of Track & Trace Payments
	5,054	

12. Additional grants totalling £62.744m have been received where the council has acted as the distributor of funding (Table 5).

Table 5

Grant	Value (£000s)	Details
BEIS support grant payment	40,640	Small business and retail & hospitality grants to be paid out – the full amount of the grant was not distributed, £2.155m was returned to central government in January 21.
Covid-19 business support grant payments (various schemes)	3,541	Local Restrictions Grant (Closed)
	2,811	Additional Restrictions Grant
	5,311	Local Restrictions Grant (Closed) Addendum
	10,620	Closed Business Lockdown Payment
	1,249	Additional Restrictions Grant Top-Up
	579	Local Restrictions Support Grant (Closed) and Local Restrictions Support Grant (Open) schemes
	83	Christmas Support Payment for wet-led pubs
BEIS discretionary grant	2,032	The council has developed a scheme to determine how this fund should be distributed. The full amount of the grant was not distributed, £0.441m was returned to central government in January 21.
BID support grant	44	Grant received by the council and dispersed to the Business Improvement Districts in order to assist with Covid-19 related issues
Covid-19 hardship fund	2,037	The council has developed a scheme to determine how this fund should be distributed to those currently part of the council tax reduction scheme
Track & Trace Support	106	Test and Trace Support payments
Track & Trace Support Discretionary Payments	43	Test and Trace Discretionary Support payments
	62,744	

13. In addition:

- income of £3.4m has been forecast in relation to the sales, fees and charges income reimbursement scheme detailed in paragraphs 4-5;
- a claim has been made for £0.066m from the Re-opening the high street fund;
- funding of £100m has been announced designed to support the leisure industry. A claim from the Council was submitted in January 2021.
- £49.243m additional section 31 grant will be received to compensate the council for additional business rate reliefs announced. Any unused element will be returned following the finalisation of the year –end business rates return to MHCLG.

East Norwich Masterplan Earmarked Reserve

14. A report was taken to Cabinet on 10 June 2020 about the creation of a new public-private sector partnership - the East Norwich Partnership – to steer development of a masterplan for the East Norwich area. Contributions to the masterplan costs have been committed by most public sector partners within the Partnership and the council identified £100k in funding from it 2020/21

budget (£50k from planning budget and £50k from the Town Deal Capacity Fund grant).

15. Due to the timeline for the project, Cabinet approval is sought to set up an East Norwich Masterplan earmarked reserve. This will enable any un-utilised funding contributions to be carried forward into the 2021/22 financial year and applied to meet the costs of the project.

Collection Fund

16. The Collection Fund includes all income generated from council tax and business rates that is due in the year from council taxpayers and ratepayers. The impact of the Covid-19 pandemic on the collection rates of the two tax streams continues to be an involving picture.
17. Any shortfall in tax receipts (compared to expected levels) will result in a deficit position on the collection fund. In this scenario, billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year. The government have confirmed that repayments to meet collection fund deficits in 2020-21 will instead be phased over a three-year period (2021-22 to 2023-24) to ease immediate pressures on budgets.

Council Tax

18. The council tax forecasts have been updated to reflect the estimated changes in the tax base, level of council tax reduction support and collection levels. The estimates have continued to evolve and the final outturn will depend on how the economy and employment levels perform in the coming months.

Table 6

	Budget £000s	Forecast £000s	(Surplus) / deficit £000s
Total Council Tax Collection Fund Income	(72,117)	(71,873)	244
Norwich City Council Share	(9,968)	(9,934)	34

Business Rates

19. The Government announced an extension of the retail hospitality and leisure rate relief scheme to cover 100% of the business rates due in 20/21. The current value of this additional relief given to businesses is £43m. This will result in lower cash being collected from business rates payers, with the lost income being compensated separately from central government via a Section 31 grant. The council therefore does not lose out on income as a result of the extra reliefs provided.
20. Despite the reliefs, Covid-19 is expected to impact on the level of business rates collected as companies struggle with cash flow or cease trading. The forecasts have been updated to reflect the estimated changes in the taxbase, reliefs and collection rates. These are evolving estimates and much will depend on how the economy and employment levels perform in the coming months. The forecast also takes into account the additional S31 grant and lower forecast levy payment to the Norfolk Business Rates Pool.

Table 7

	Budget £000s	Forecast £000s	(Surplus) / deficit £000s
Norwich City Council Retained Income Share	(6,539)	(5,728)	811

Housing Revenue Account Budget**Covid-19 Impacts**

21. The Covid-19 pandemic has had a significant impact on the 2020/21 housing revenue account budget; this is mainly due to the projected loss of income in relation to housing rent and service charges, although this has been slightly offset by a forecast underspend on repairs work due to reduced works, caused by Covid-19 restrictions. Overall net expenditure on the HRA is forecast to be £0.413m overspent. The forecast budget variances by are shown below in Table 8.

Table 8: Housing Revenue Account

Current budget (£000s)		Forecast outturn (£000s)	Forecast variance (£000s)
13,899	Repairs & Maintenance	12,150	(1,749)
5,858	Rents, Rates, & Other Property Costs	5,072	(786)
13,224	General Management	13,481	257
4,949	Special Services	4,803	(145)
23,264	Depreciation & Impairment	23,298	35
202	Provision for Bad Debts	1,409	1,207
(57,545)	Dwelling Rents	(57,436)	108
(2,098)	Garage & Other Property Rents	(1,966)	132
(7,888)	Service Charges - General	(7,571)	317
(82)	Miscellaneous Income	(5)	76
6,631	Adjustments & Financing Items	7,462	831
(204)	Amenities shared by whole community	(204)	0
(210)	Interest Received	(80)	130
0	Total Housing Revenue Account	413	413

Further detail is set out in **Appendices 3 & 4**

22. The HRA fund forecast has reduced by £0.729m since quarter 2. The main reasons for these changes are shown in the table below.

Table 9

Area	Movement from Q2 (£000)	Comments
Revenue Contribution to Capital	1,269	Increased revenue contribution to capital to reflect the requirements of the new build capital programme

Area	Movement from Q2 (£000)	Comments
Provision for Bad Debts	(982)	Revised reduction in income based on most recent collection figures. Includes some income received during rent free weeks, which was not anticipated in previous calculations
HRA Repairs	(966)	Reduction in repairs works completed due to impact of Covid-19
Other minor movements	(50)	
Total Q2 to Q3 HRA movement	(729)	

23. In June 2020, in light of the Covid-19 pandemic, the MHCLG temporarily relaxed the rules governing the use of Retained RTB Receipts until 31st December 2020, with the intention of allowing authorities to catch-up with their new social housing spending plans. These arrangements have now been extended until 31st March 2021, however, despite schemes continuing to progress, the pandemic is again impacting on the ability to invest in new social housing. Unless the MHCLG extend this period further, it will be necessary to pay over between £4.1m and £6.6m of Retained RTB Receipts along with between £0.55m and £0.89m of interest, which is an HRA revenue cost, by the end of this financial year.

Reserves

24. The prudent minimum level of General Fund reserve has been assessed as £4.232m for 2020/21. The budgeted and forecast outturn's impact on the 31 March 2020 balance brought forward is shown in Table 10 and shows the General Fund balance is expected to continue to exceed the prudent minimum balance.

Table 10

Item	£000s
Balance as at 1 April 2020	(9,464)
Budgeted contribution to reserves 2020/21	(517)
Forecast outturn as at 31 March 2021	(1,303)
Proposed transfers to earmarked reserves (paragraph 25)	1,200
Forecast balance as at 31 March 2021	(9,878)

25. Table 10 assumes, in line with the proposed 2021/22 Budget report (on the same Cabinet agenda), that from the current year forecast underspend £0.7m will be transferred into the Budget Risk earmarked reserve and £0.5m will be transferred to the Business Change earmarked reserve.
26. The prudent minimum level of HRA reserve has been assessed as £5.844m. The budgeted and forecast outturn's impact on the 31 March 2020 balance brought forward is as follows:

Table 11

Item	£000s
Balance as at 1 April 2020	(33,968)
Budgeted contribution to reserves 2020/21	(4,570)
Forecast outturn as at 31 March 2021	413
Forecast balance as at 31 March 2021	(38,125)

The Housing Revenue Account balance is, therefore, expected to continue to exceed the prudent minimum balance.

Capital Programme

27. Project managers and NPS colleagues have participated in a review of the 2020/21 capital programme to assess the impact that the Covid-19 pandemic will have on the delivery of individual projects. Consideration was also given to the financial uncertainty that the pandemic has created and where practical expenditure planned for 2020/21 has been deferred.
28. The general fund capital programme is forecast to underspend by £31.959m and the HRA capital programme is forecast to underspend by £29.099m in this financial year. Full analysis of the projects and variances are shown in Appendix 6.

Table 12

Capital Programme	Current Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
General fund	38,030	6,070	(31,959)
Housing Revenue Account	51,268	22,169	(29,099)
	89,298	28,239	(61,059)

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	10/02/2021
Director / Head of service	Annabel Scholes
Report subject:	Q3 Budget Monitoring 2020/21
Date assessed:	02/02/21

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

Recommendations from impact assessment
Positive
Negative
Neutral
Issues
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Revenue Budget Monitoring Summary Year: 2020/21 Period: 9 (December) *Figures in £000s*

Current budget		Forecast outturn	Forecast variance
(14,400)	Corporate Finance	(23,055)	(8,656)
658	Corporate Management	1,558	900
(13,742)	Total Corporate	(21,498)	(7,755)
4,143	Business Services	4,405	262
333	Democratic Services	254	(79)
0	Human Resources	(8)	(8)
0	Procurement & Service Improvement	(18)	(18)
4,476	Total Resources	4,633	157
0	Chief Executive	(10)	(10)
489	Strategy & Programme Management	125	(364)
489	Total Chief Executive	115	(374)
1,849	Communications & Culture	2,428	579
(94)	Customer Contact	(71)	23
0	IT Services	80	80
1,756	Total Customers, Comms & Culture	2,438	683
10,546	Citywide Services	10,812	266
1,560	Neighbourhood Housing	1,414	(147)
704	Neighbourhood Services	662	(42)
12,810	Total Neighbourhoods	12,888	78
(8,209)	City Development	(2,346)	5,863
0	Environmental Strategy	(37)	(37)
0	Executive Head of Regeneration &	(2)	(2)
1,479	Planning	1,884	405
941	Property Services	621	(319)
(5,789)	Total Place	121	5,910
0	Total General Fund	(1,303)	(1,303)

Current budget		Forecast outturn	Forecast variance
23,879	Employees	24,058	179
10,155	Premises	10,034	(121)
230	Transport	183	(47)
18,253	Supplies & Services	65,429	47,176
67,963	Housing Benefits & Business Rates Tariff	73,882	5,919
5,435	Capital Financing	2,163	(3,272)
1,300	Rev Contris to Capital	1,000	(300)
(29,604)	Fees, charges and rental income	(23,264)	6,340
(88,365)	Government Grants	(145,470)	(57,105)
16,081	Recharge Expenditure	16,110	29
(25,326)	Recharge Income	(25,427)	(100)
0	Total General Fund	(1,303)	(1,303)

General Fund Directorate forecasts - detail

Appendix 2

Corporate

Budget (£000)	Corporate	Forecast Outturn (£000)	Forecast Variance (£000)
(14,400)	Corporate Finance	(23,055)	(8,656)
658	Corporate Management	1,558	900
(13,742)	Total Corporate	(21,498)	(7,755)
Key variances:			
Savings/increased income			
Central government emergency Covid-19 grant income – a proportion of the funding was allocated directly to homelessness and rough sleeping.			(2,672)
Estimated payment from government income reimbursement scheme			(3,474)
Lower than budgeted net borrowing costs due to internal, rather than external, borrowing			(2,259)
Reduction in revenue contribution to the capital programme due to reduction in housing improvement agency team work caused by Covid-19 enforced delays.			(300)
No contribution to commercial property earmarked reserve anticipated in 2020/21.			(418)
Increase in utilisation of Invest to Save fund against budget to match approved spend			(315)
Lower than budgeted minimum revenue provision requirement due to timing of investment acquisitions.			(122)
Budget pressures – overspends/loss of income			
Lower than anticipated housing benefit subsidy recovery rates & lower overpayments identified			1,033
Vacancy factor overspend against this service with offsetting underspends shown within service areas			400
Unbudgeted contribution to the Norfolk Strategic Fund to assist with economic recovery in the region.			150
Net forecast reduction in income against budget in respect of invested funds due to low interest rates.			93
Other minor variances			129
Total forecast variance			(7,755)

Resources Directorate

Budget (£000)	Resources - excluding corporate	Forecast Outturn (£000)	Forecast Variance (£000)
4,143	Business Services	4,405	262
333	Democratic Services	254	(79)
0	Human Resources	(8)	(8)
0	Procurement & Service Improvement	(18)	(18)
4,476	Total Resources Directorate	4,633	157
Key variances:			
Savings/increased income			
Unbudgeted New Burdens funding within Revenues and Benefits			(268)
Electoral Registration – reduction in canvassing due to Covid-19 impact			(59)
Other minor variances			(41)
Budget pressures – overspends/loss of income			
Project Place transition team costs – these are fully funded from the Invest-to-Save fund in line with the project budget. Variance due to a movement in the directorate costs are allocated to - offset by underspend within Chief Executive Directorate			525
Total forecast variance			157

Chief Executive Directorate

Budget (£000)		Forecast Outturn (£000)	Forecast Variance (£000)
0	Chief Executive	(10)	(10)
489	Strategy and Programme Management	125	(364)
489	Total Chief Executive Directorate	115	(374)
Key variances:			
Savings/increased income			
Costs of joint venture insourcing work (Project Place) now showing against Business Services in the Resources Directorate; funded from Invest to Save reserve			(288)
Staff vacancies			(107)
Budget pressures – overspends/loss of income			
Other minor variances			21
Total forecast variance			(374)

Customers, Communications and Culture Directorate

Budget (£000)		Forecast Outturn (£000)	Forecast Variance (£000)
1,849	Communications & Culture	2,428	579
(94)	Customer Contact	(71)	23
0	IT Services	80	80
1,756	Total Customers, Communications and Culture Directorate	2,438	683
Key variances:			
Savings/increased income			
Net forecast underspend relating to cancellation of key events i.e. Lord Mayor's Procession			(268)
Other minor variances			(58)
Budget pressures – overspends/loss of income			
Anticipated cost of support payment to Riverside Leisure Centre			494
Additional IT costs relating to Covid-19 expenditure – Citrix licences and equipment to enable homeworking			140
Net forecast reduction in St Andrews Hall income – assumes 12% of budgeted income budget			138
Net forecast reduction in Norman Centre income - assumes 34% budgeted income			108
Net forecast reduction in income from Tourist Information Centre			57
Forecast reduction in Riverside Leisure Centre management fee income			72
Total forecast variance			683

People & Neighbourhoods Directorate

Budget (£000)		Forecast Outturn (£000)	Forecast Variance (£000)
10,546	Citywide Services	10,812	266
1,560	Neighbourhood Housing	1,414	(147)
704	Neighbourhood Services	662	(42)
12,810	Total People & Neighbourhoods Directorate	12,888	78
Key variances:			
Savings/increased income			
Homelessness - The council has been successful in securing additional grant funding for its rough sleeping work with partners. This includes the Government's next steps programme which includes grant for additional staffing; the allocation of funds for winter working and balances for our general rough sleeping activity and contribution to Pathways. The potential utilisation of these funds is currently being explored. Any impact of this work will be included in future monitoring reports.			(231)
Net forecast saving in year due to Neighbourhood Services / ASB restructure			(94)
Garden waste collection income – additional forecast income due to rise in demand and charges uplift			(67)
Budget pressures – overspends/loss of income			
Forecast reduction in budgeted income relating to licenses – taxis & liquor			190
Forecast additional Covid-19 costs for recycling relating to increased labour, disposal and PPE costs			165
Reduction in private sector leasing rental income due to assumed 10% reduction in collectable income, slightly offset by a higher than previously anticipated increase in properties being used within the scheme			88
Other minor variances			27
Total forecast variance			78

Place Directorate

Budget (£000)		Forecast Outturn (£000)	Forecast Variance (£000)
(8,209)	City Development	(2,346)	5,863
0	Environmental Strategy	(37)	(37)
0	Executive Head of Regeneration & Development	(2)	(2)
1,479	Planning	1,884	405
941	Property Services	621	(319)
(5,789)	Total Place Directorate	121	5,910
Key variances:			
Savings/increased income			
Forecast underspend on general repairs and maintenance due to revised prioritisation of works			(178)
City Hall - reduced costs on supplies and services due to lower staff occupancy of the building, also reduced NPSN recharges			(149)
Budget pressures – overspends/loss of income			
Total net reduction in forecast car park income – lockdown is forecasted to continue until the end of March with Rose Lane MSCP remaining closed and St Giles MSCP opened to staff and emergency services free of charge			3,988
Forecast net reduction in rental income from current tenanted investment properties			527
No income from new commercial property acquisitions in 2020/21			690
Net overspend against planning mainly due to loss of income in respect of planning fees			405
Reduction in net forecast rental income from the market due to increased voids and other factors			280
Reduction in income iro bus shelter advertising - Clear Channel			109
Head of City Development - additional staff in post supporting commercial tenant liaison			75
City Growth and Development – reduction in income from rechargeable work			73
Increased Travellers' site management costs requested by County due to Covid-19			57
Other minor variances			33
Total forecast variance			5,910

HRA summary: Period 9

Figures in £000s

Appendix 3

Current budget		Forecast outturn	Forecast variance
13,899	Repairs & Maintenance	12,150	(1,749)
5,858	Rents, Rates, & Other Property Costs	5,072	(786)
13,224	General Management	13,481	257
4,949	Special Services	4,803	(145)
23,264	Depreciation & Impairment	23,298	35
202	Provision for Bad Debts	1,409	1,207
(57,545)	Dwelling Rents	(57,436)	108
(2,098)	Garage & Other Property Rents	(1,966)	132
(7,888)	Service Charges - General	(7,571)	317
(82)	Miscellaneous Income	(5)	76
6,631	Adjustments & Financing Items	7,462	831
(204)	Amenities shared by whole community	(204)	0
(210)	Interest Received	(80)	130
0	Total Housing Revenue Account	413	413

Current budget		Forecast outturn	Forecast variance
5,951	Employees	5,868	(83)
22,173	Premises	19,784	(2,389)
95	Transport	60	(34)
2,656	Supplies and Services	3,540	884
2	Third Party Payments	0	(2)
8,271	Recharge Expenditure	8,691	420
27,487	Capital Financing	27,081	(406)
(68,496)	Receipts	(67,742)	753
(287)	Recharge Income	(287)	0
2,148	Revenue Contributes to Capital	3,418	1,269
0	Total Housing Revenue Account	413	413

HRA forecast variance detail

Appendix 4

Budget (£000)		Forecast Outturn (£000)	Forecast Variance (£000)
13,899	Repairs & Maintenance	12,150	(1,749)
5,858	Rents, Rates, & Other Property Costs	5,072	(786)
13,224	General Management	13,481	257
4,949	Special Services	4,803	(145)
23,264	Depreciation & Impairment	23,298	35
202	Provision for Bad Debts	1,409	1,207
(57,545)	Dwelling Rents	(57,436)	108
(2,098)	Garage & Other Property Rents	(1,966)	132
(7,888)	Service Charges - General	(7,571)	317
(82)	Miscellaneous Income	(5)	76
6,631	Adjustments & Financing Items	7,462	831
(204)	Amenities shared by whole community	(204)	0
(210)	Interest Received	(80)	130
0	Total Housing Revenue Account	413	413

Key variances:	
Savings/increased income	
Repairs: Underspend mainly caused by delays in non-essential repair work, due to Covid-19 related restrictions and retendering of some contracts	(1,749)
Property Costs: Lower than budgeted water costs relating to tenants' supply, partly offset by lower than budgeted service charge income in current financial year	(786)
Budget pressures – overspends/loss of income	
Increased revenue contribution to capital to reflect the requirements of the new build capital programme	1,269
Provision for bad debts: Based on current recovery rates and the anticipated trend going forward. Although the full income due will be raised, there is a requirement to calculate a provision for those debts considered to be at risk. Some of this may be recovered in future years but provision for the full amount will be required in 2020/21. The figure shown relates to both rental and service charge income.	1,207
Service charges: Forecast reduced income from water charge service charge income offset by lower water payment costs against Rents, Rates, & Other Property Costs	317
Interest income: reduced interest income from the general fund based on anticipated in-year balances	130
Other minor variances	25
Total forecast variance	413

Capital Budget Monitoring Summary Year: 2020/21

Period: 9 (December) *Figures in £000s*

Capital Programme Summary By Directorate	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)
Comms & Culture	630	16	156	(474)
People & Neighbourhoods	3,364	256	1,564	(1,799)
Place	28,457	308	1,406	(27,051)
Resources	5,578	2,030	2,943	(2,635)
HRA	51,268	8,141	22,169	(29,099)
	89,298	10,751	28,239	(61,059)

Capital programme forecast variance detail

Appendix 6

Communications & Culture Directorate

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AA1912 Riverside Leisure Centre - Plant	22	0	0	(22)	Work delayed as centre closed since March due to Covid-19 pandemic; deferred until 2021/22
AA1959 St Andrew's Hall refurbishment	280	0	15	(265)	Towns Fund project. Tender for significant part of planned expenditure closed 15/1. Suppliers have indicated lead time for delivery and installation of 12 weeks. Contract should be awarded before year end but likely that expenditure will now be carried forward into 21/22.
AA1000 Customer centre redesign	25	0	18	(7)	
ZZ5021 Tourism Support Package	253	16	90	(163)	Public Realm safety measures and improvements progressing but programme of planned works will continue into 21/22
AA1063 Chapelfield Gardens Improvements	50	0	33	(18)	Towns Fund project. Forecast based on upfront payment for power connection plus allowance for fees in 20/21. Contract for groundworks to facilitate connection should be confirmed before year end.
Total GF - Communications & Culture	630	16	156	(474)	

People & Neighbourhoods Directorate

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AA1009 Eaton Park path replacement	53	0	53	0	
AB1009 Eaton Park changing room shower replacement	17	0	17	0	
AA1058 Norwich Parks tennis expansion	490	33	380	(110)	Main contracted works at Lakenham Rec and Heigham Park should be completed before year end. Start date agreed. Towns Fund funded improvements at Harford Park (£67K) out to tender. Order should be placed before year end.
AA1079 Wensum Park Stone Wall	20	19	19	(1)	
AA1184 Community Centres - Upgrades	0	(8)	0	0	
AA2014 Heigham Park Tennis Pavilion	175	4	10	(165)	Tender process has not been started. Construction will be completed in 21/22. Forecast outturn for 20/21 makes allowance for fees.
AA5205 CCTV replacement	8	3	8	0	
AD0000 Parks Demolition	0	(7)	0	0	
EY5201 Play Sector 3 & 4 improvements	6	0	0	(6)	The disruption caused by the Covid-19 pandemic has delayed the progress and implementation of many S106/GNGP/CIL funded projects in 20/21.
FJ5201 St Georges open space and play	88	0	0	(88)	
FK5201 Wensum Park Play Area -	62	0	0	(62)	
FL5201 Bunkers Hill - Entrance & path	59	5	25	(34)	
ES5201 S106 Mile Cross Gardens Play	0	(0)	0	0	
EV5201 S106 Castle Green Play	70	4	5	(65)	
EX5201 Bowthorpe Southern park	5	0	6	1	
AA5202 CIL GNGB Castle Gardens	150	0	0	(150)	
AB5202 CIL GNGB Football Pitch	40	0	0	(40)	
AI5202 Earlham Millennium Green	10	0	6	(4)	
AM5202 GNGB Community Access Improvements 20 Acre Wood	57	0	0	(57)	
AL5200 CIL Crowdfunding matched funding	12	12	12	0	
AA5200 Co-CIL Nhood Ketts Heights	0	0	0	0	
AB5200 CIL Nhood 20 Acre Wood	3	0	3	0	

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AD5200 CIL Nhood Community Enabling	6	0	5	(2)	
AQ5200 West Earlham CC	24	0	24	0	
ZZ8039 CIL Neighbourhood Projects	176	0	60	(116)	
AK5200 CIL neighbourhood - Netherwood	28	11	11	(17)	
AA5207 Disabled Facilities Grant	1,250	114	785	(465)	Disabled Facilities grants have been difficult to progress during lockdown. Norfolk County Council have confirmed that any unspent grant allocation can be carried forward into 21/22.
AK0000 Private Sector Leasing – Empty homes	69	0	0	(69)	Project deferred until 21/22
AQ0000 DFG Residents Contribution	0	1	1	1	
AR0000 Strong & Well	0	7	7	7	
AB5207 HIA - Housing Assistance	250	56	122	(128)	Housing Assistance Grants have been difficult to progress during lockdown. Norfolk County Council have confirmed that any unspent BCF allocation can be carried forward into 21/22.
AA2016 West End Street PA MUGA	80	0	0	(80)	Towns Fund project. Completion before end of 20/21 dependent upon availability of contractors able to undertake the planned resurfacing work.
AA1064 Earlham Park toilet replacement	79	0	3	(76)	Towns Fund project. Procurement in course .Contract should be awarded before the end of 20/21. But installation of new toilets will be completed in 21/22.
AA1076 Sloughbottom Park Toilets	78	1	3	(76)	Towns Fund project. Procurement in course. Contract should be awarded before the end of 20/21. But installation of new facilities will be completed in 21/22.
Total GF - People & Neighbourhoods	3,364	256	1,564	(1,799)	

Place Directorate

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
FF5201 S.106 Bowthorpe To Clover Hill	68	3	12	(56)	The disruption caused by the Covid-19 pandemic has delayed the progress and implementation.
FG5201 St Stephens Towers Public Realm	63	1	1	(62)	Funding transferred to Transforming Cities budget.
AO5200 Yare - Wensum Green Infrastructure	95	5	20	(75)	The disruption caused by the Covid-19 pandemic has delayed the progress and implementation of many S106/GNGP/CIL funded projects in 20/2
AD5202 CIL GNGB Riverside Walk	172	0	1	(171)	
AE5202 GNGB IIF Marriott Sloughbottom	0	0	0	0	
AG5202 UEA to Eaton boardwalk extension	29	1	2	(27)	
AK5202 GNGP Bowthorpe Crossing	0	(3)	0	0	
AN5202 GNGB Marriott's Way/Hellesdon Station Green Infrastructure	36	1	4	(32)	
AH1000 City Hall heating system	315	27	107	(208)	Major refurbishment of heating system planned for 21/22. Additional spending on the City Hall Hot Water Heating System proposed in 20/21.
AJ1000 City Hall Kitchens & Toilets	35	(3)	35	0	
AL1000 City Hall chamber benches conservation	23	0	0	(23)	Expenditure deferred.
AA1005 Mile Cross Depot Site	0	7	0	0	
AA1037 Earlham Cemetery gates refurbishment	28	0	0	(28)	Earlham cemetery railings and gates work to extend into 2021/22.
AB1037 Earlham Cemetery railings replacement	142	0	45	(97)	Earlham cemetery railings and gates work to extend into 2021/22.
AA1204 Traveller Site	18	0	0	(18)	Expenditure deferred until 2021/22 due to Covid-19 pandemic.
AA1255 St John Maddermarket retaining wall	70	0	35	(35)	Contract documents prepared for tender but carry forward into 21/22 maybe required.
AA1432 4 Exchange Street emergency lighting	7	0	0	(7)	Funded from revenue.
AA1632 2 Upper King Street roof/windows	0	0	0	0	Budget has been vired to AA1287 Guildhall NNF.

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AA1791 Old Meeting House fire detection system	11	0	0	(11)	Works to be specified, ordered and programmed but unlikely to be completed by 31.03.21. Heritage requirements/permissions to be obtained.
AA1911 Riverbank stabilisation	15	1	0	(15)	Scheduled survey work deferred.
AB1021 Motor Cycle Park	11	0	0	(11)	Tender documentation being prepared but completion in 21/22 forecast.
AF0000 Riverside Footpath Lighting	21	(6)	21	0	
AF1856 St Giles Suicide preventative measures	10	0	10	0	
AV0000 Car parks structural survey	33	0	0	(33)	Structural survey delayed until 21/22
AW0000 Transforming Cities Fund	162	0	0	(162)	Matched funding for TFC projects being delivered by county. Programme will continue in 21/22 and 22/23.
AY5204 CCAG2 Wayfinding	30	0	0	(30)	Funding can be re-allocated.
AA5203 Cycle safety funding	0	(1)	0	0	
AA5208 Cycle safety funding	0	1	1	1	
AE1856 St Giles multi storey car park lighting upgrade	104	0	100	(4)	
AE5200 CIL Contribution Strategic	1,568	214	801	(767)	Forecast revised after analysis of CIL contributions scheduled for payment before the 31.03.2021.
AE5204 CCAG2 Fifers Lane/Ives Rd/Heyford	20	0	20	0	
AN5204 CCAG2 20 MPH	0	0	0	0	
AP5204 CCAG2 Wayfinding	12	0	0	(12)	
AA1012 Memorial Gardens Undercroft	78	0	5	(73)	Towns Fund project. Forecast spend accounted for by fees including cost of survey report. Listed building planning consent may also be required and English Heritage approval.
AA1019 Hay Hill Public Realm	0	1	1	1	
AA1287 Guildhall	161	0	50	(111)	Towns Fund project. Working towards lease completion before year end with the refurbishment to be completed in 21.22.
AA1391 Townshend House Digital Hub	75	4	75	0	Towns Fund project. NPS have implemented project. Working towards completing the works to improve the EPC rating of Townshend House before year end.
AA2015 Carrow House, King Street	0	14	14	14	

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AZ0000 St Giles Street Public Realm	0	1	1	1	
AB1429 Asset Acquisition 6	42	42	42	0	
AA2010 Asset Acquisition 11	5	0	5	0	
ZZ7438 144A King Street	0	0	0	0	
AB0000 Asset investment for income	25,000	0	0	(25,000)	Programme of acquisitions suspended
Total GF - Place	28,457	308	1,406	(27,051)	

Resources Directorate

GF Capital Expenditure Programme	Current Budget (£000s)	Actual at Q3 (£000s)	Forecast Outturn (£000s)	Forecast Variance (£000s)	Variance Notes
AA5206 IT Investment Fund	567	504	567	0	
AB5206 Finance System	51	(17)	51	0	
AC5206 HR System	11	4	11	0	
AF5206 IT Transformation - Digital platform	700	19	350	(350)	Forecast outturn reduced to 50% of approved budget. This corresponds with the procurement strategy for the investment in laptops.
AA2013 NCSL Establishment	639	370	704	65	Spending profile adjusted for ICT. Budget to be brought forward from 21/22 allocation.
AA1916 Equity Investment	3,500	1,150	1,150	(2,350)	NRL equity investment requirement fulfilled for 2020/21.
AH0000 Capital contingency	110	0	110	0	
Total GF - Place	5,578	2,030	2,943	(2,635)	

Total General Fund Capital Programme	38,030	2,610	6,070	(31,959)
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Housing Revenue Account

HRA Capital Expenditure Programme	Current Budget	Actual at Q3 (£000s)	Forecast Outturn	Forecast Variance	Variance Notes
AG5206 Tenancy & Estate Management	767	310	704	(63)	Forecast based on latest expenditure update provided by the Tenancy & Estate Management System project team.
AA5205 CCTV replacement	0	3	3	3	
5110 Electrical - Internal	3,126	1,568	2,251	(875)	Delivery has been delayed and the council is working with one of the two main contractors to understand whether delivery timelines can be improved.
5120 Whole House Improvements	1,332	225	324	(1,008)	Dispute with major contractor has delayed completions.
5121 Kitchen Upgrades	1,435	584	1,400	(35)	
5122 Bathroom Upgrades	2,050	797	1,680	(370)	Proposed to carry forward 60 planned upgrades to 21/22
5130 Boilers - Communal	3,177	238	717	(2,460)	Delays with procurement have led to slippage of programme and transfer of major schemes into 21/22.
5131 Boilers - Domestic	2,562	483	1,470	(1,092)	Forecast spend based upon current completion rate.
5140 Insulation	102	(13)	27	(75)	
5141 Solar Thermal & Photovoltaic	564	158	550	(14)	
5150 Windows - Programme	3,126	416	559	(2,567)	Latest forecast excludes planned tower blocks installations.
5151 Composite Doors	1,076	268	402	(674)	Problems with import of door blanks persist, forecast revised down to reflect.
5160 Community Safe – Door Entry Systems	874	234	781	(93)	
5161 Estate Aesthetics	769	335	501	(268)	Completion of planned projects delayed.
5163 HRA Shops	461	53	425	(36)	
5171 Sheltered Housing Comm Facilities	113	10	80	(33)	
5180 Planned Maintenance - Roofing	1,281	28	268	(1,013)	Problems with current contractor have led to delays in completing planned programme of works.
5181 Planned Maintenance - Structural	4,837	1,030	2,182	(2,655)	Delays experienced in completing procurement of contracts and securing leaseholder approvals.
5182 Tower Block Regeneration	1,627	249	610	(1,017)	Forecast revised for saving, and slippage this year (wiring access issues for contractor).
5183 Planned Maintenance - Lifts	154	6	104	(50)	

HRA Capital Expenditure Programme	Current Budget	Actual at Q3 (£000s)	Forecast Outturn	Forecast Variance	Variance Notes
5190 Disabled Adaptations – Misc.	717	19	470	(247)	Delivery of adaptations are experiencing delays and client leads are working with the main contractor to try and improve this position.
5191 Disabled Adaptations - Stair lifts	121	51	160	39	
5192 Disabled Adaptations - Comms	190	3	116	(74)	
AB5100 New Build Opportunities	8,461	17	2,850	(5,611)	Forecast revised to match pipeline of acquisitions still expected to complete in 21/22.
AE521X Open Market Property Acquisitions	1,325	1,267	1,325	(1)	
AE5100 Brazengate	0	(15)	0	0	
AD5100 New Build - Goldsmith Street	980	(427)	750	(230)	Final account for main build contract still under negotiation.
AJ5100 LANB - Northumberland Street	689	3	0	(689)	The sale of the land is still with the receivers - unlikely to have any spend in 20/21
AI5100 LANB - Three Score Phase 3	1,490	0	210	(1,280)	Expenditure re-profiled into next financial year as per project manager's latest forecast.
AP5100 LANB Argyle Street	660	0	40	(620)	Slight delay to selection of design team - re-profiled as per project manager's latest projection
AO5100 Affordable Housing Opportunities Oak St	150	0	0	(150)	Project cancelled.
AB1005 Mile Cross Depot Site	3,100	22	50	(3,050)	Expenditure re-profiled into next financial year as per project manager's latest forecast.
AM0000 Capital Grants to Housing	3,827	214	1,155	(2,672)	RP developments further delayed due to Covid 19 and HE grant rate higher than 30%.
AA5100 Demolition & Site Maintenance	127	5	5	(122)	No further expenditure forecast for 21/22.
Total HRA	51,268	8,141	22,169	(29,099)	

Total HRA Capital Programme	51,268	8,141	22,169	(29,099)
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