



Report to Cabinet

Date: 28 July 2020

Title: **Q1 2020/21 Budget Monitoring Report**

Relevant councillor(s): Cllr Katrina Wood

Author and/or contact officer: Luke Whitehead, Finance Accountancy Lead x3006

Ward(s) affected: None specifically

Recommendations:

- **Cabinet are asked to note the current forecast outturn for the financial year 2020/21 and the proposed mitigating actions to bring the position back into line with the budget.**
- **Cabinet are asked to delegate to the relevant Corporate Director, in consultation with the relevant Cabinet Member(s) and the S151 Officer, agreement on the usage of specific un ring-fenced Covid-19 grants.**

Reason for decision: To understand the current financial position.

1. Executive summary

- 1.1 This report sets out the overview of the financial Revenue and Capital outturn position for Buckinghamshire Council for the financial year 2020/21 as at quarter 1.
- 1.2 A full analysis of the forecast outturn for each of the Council's six Directorates is contained within the appendices to this report. As well as narrative information, the financial performance against their associated targets is shown.
- 1.3 Forecast Revenue outturn is an overspend of £5.97m (after estimating the overall Buckinghamshire allocation from the 2nd July 2020 government announcement on further funding to offset the impact of the pandemic) and forecast Capital outturn is £175.5m, representing slippage of £5.24m.
- 1.4 Mitigating actions to address the in-year forecast revenue overspend include continuing lobbying of government for the full recovery of all additional expenditure

and lost income in relation to Covid-19. Furthermore, Directorates are developing mitigations to address their business as usual pressures.

- 1.5 Over recent months there have been a number of funding announcements and the majority of these are ring-fenced for specific purposes (e.g. infection control grant). However, some recently announced funding has come through as an un ring-fenced grant (s31 grant) even though the purpose around the usage of the grant is quite specific (e.g. emergency assistance grant for food and essential supplies). Due to the urgency of allocating such funding it is recommended that cabinet delegate the usage of such funding to the relevant Corporate Director, in consultation with the relevant Cabinet Member(s) and the S151 Officer.

2. Content of report

2.1 Revenue Budget Outturn

The forecast revenue budget outturn is summarised in Table 1 below. The key Directorate variances are explained in Appendix 1. The outturn forecasts represent the anticipated year end position reflecting knowledge and understanding about the outcome of events and management actions within the remainder of 2020/21. Circumstances continue to change rapidly and consequently the forecast outturn position will continue to be monitored closely.

All six directorates are forecast to overspend this year, for most the driver behind this being the loss of income and increased costs in relation to the Council's response to Covid-19. Corporate budgets and external funding are forecast to underspend by £38.4 million, due to an estimated £35.5m of additional grant income from central government in response to Covid-19 (£6.5m of which is an estimate following the government announcement around compensating for lost income from sales, fees and charges on the 2nd July 2020) and £2.9m of corporate contingencies that can offset some of the directorate pressures. The Council's recent allocation from the latest distribution of the £500m national emergency funding was £3.548m.

Key variances in 'Business As Usual' (BAU) budgets are in Adults Directorate where a £1.8m pressure relates to increased costs within Learning Disabilities budgets, in Children's Services Directorate where there is a forecast overspend of £1.5m in Home to School Transport budgets, and in Planning, Growth & Sustainability where there are staffing pressures of approximately £0.7m.

Appendix 2 presents a breakdown of pressures arising from Covid-19.

Table 1 – Summary of Council Revenue budget outturn

			Budget	Y/E Out- turn	Forecast Variance		of which COVID	of which BAU
			£000	£000	£000	%	£000	£000
		Expenditure	220,461	245,455	24,994	11%		
		Income	(61,798)	(74,210)	(12,412)	(20%)		
	Adults, Health and Housing		158,663	171,245	12,582	8%	10,827	1,755
		Expenditure	599,671	591,402	(8,269)	(1%)		
		Income	(496,289)	(481,881)	14,408	3%		
	Children's Services		103,382	109,521	6,139	6%	4,420	1,719
		Expenditure	92,245	95,684	3,439	4%		
		Income	(33,033)	(22,735)	10,297	31%		
	Communities		59,213	72,949	13,736	23%	13,404	332
		Expenditure	22,027	23,102	1,075	5%		
		Income	(1,647)	(1,397)	250	15%		
	Deputy Chief Executive		20,380	21,705	1,325	7%	1,386	(61)
		Expenditure	38,145	40,336	2,191	6%		
		Income	(34,815)	(29,388)	5,426	16%		
	Planning, Growth & Sustainability		3,330	10,948	7,618	229%	6,608	1,010
		Expenditure	171,384	172,334	951	1%		
		Income	(131,984)	(129,974)	2,010	2%		
	Resources		39,400	42,360	2,961	8%	2,401	559
Directorates			384,368	428,729	44,361	12%	39,046	5,314
	Corporate		56,083	53,163	(2,921)	(5%)	0	(2,921)
	Funding		(440,452)	(475,922)	(35,470)	(8%)	(35,495)	25
Corporate & Funding			(384,368)	(422,759)	(38,391)	(10%)	(35,495)	(2,896)
Total			0	5,970	5,970		3,551	2,418

Actions to mitigate BAU pressures are being developed within each Directorate.

Mitigating actions to address the in-year Covid-19 overspend include continuing the lobbying of government for the full recovery of all additional expenditure and lost income.

2.2 Capital Budget Outturn

The capital programme forecast outturn position reflects underspend/slippage of £5.24 million and is summarised in Table 2 below.

The Adults Health & Housing Directorate is forecasting an in year overspend of £3.149 million due to some schemes progressing ahead of schedule. This is partially offset by slippage on other schemes, including (£800k) on Affordable Housing.

The Children's Services Directorate is forecasting an overspend of £459k due to a £800k overspend on Chesham Grammar, partially offset by slippage on Early years schemes of (£300k).

The Communities Directorate is forecasting underspend/slippage of £1.474 million due to a £1.1 million slippage within Highways & Technical Services, relating mainly to Wycombe area car parks, gainshare within Strategic Highways Maintenance, and vehicle costs of new Southern Waste contract.

The Planning, Growth & Sustainability Directorate is forecasting underspend / slippage of £7.26m million due to £3.75 million slippage on Strategic Transport & Infrastructure, £2.64 million on Regeneration projects. There is an £787k underspend on Agricultural Estate, pending the Agricultural Estate review.

The Resources and Deputy Chief Executive Directorates are forecasting at / close to budget.

Table 2 – Summary of Council Capital budget outturn

Directorate	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Adults Health & Housing	3,087	14,464	0	14,464	17,613	0	17,613	3,149
Children's Services	1,154	33,356	4,510	37,867	34,129	4,197	38,326	459
Communities Directorate	11,550	56,433	15,776	72,209	65,540	5,195	70,735	-1,474
Deputy Chief Executive	0	674	0	674	674	0	674	0
Planning Growth & Sustainability	1,834	28,006	19,811	47,818	33,664	6,896	40,560	-7,258
Resources Directorate	1,162	6,619	1,085	7,704	6,584	1,007	7,591	-113
Grand Total	18,787	139,552	41,183	180,735	158,203	17,296	175,499	-5,236

3. Other options considered

3.1 None arising directly from this report.

4. Legal and financial implications

4.1 This is a Finance report and all the financial implications are included in the report.

4.2 There are no legal implications arising from the report.

5. Corporate implications

5.1 Actions resulting from consideration of this report may influence future expenditure in areas of concern / interest.

6. Consultation and communication

6.1 N/A

7. Next steps and review

A further paper will be brought to Cabinet outlining the forecast outturn for the financial year 2020/21 following the conclusion of Q2.

8. Background papers

Appendix 1 – Directorate level summaries

Appendix 2 – Covid-19 'best estimate' scenario.

9. Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the Democratic Services team. This can be done by telephone [01296 382343] or email [democracy@buckinghamshire.gov.uk].

