



## Report to Cabinet

<b>Date:</b>	08 June 2021
<b>Title:</b>	<b>Quarter 4 Budget Monitoring Report – Outturn 2020-21</b>
<b>Cabinet Member:</b> <b>Cabinet Member for Resources</b>	Cllr John Chilver
<b>Contact Officer:</b>	Richard Ambrose, Service Director – Corporate Finance & S151 Officer
<b>Ward(s) affected:</b>	none specific
<b>Recommendations:</b>	<b>Cabinet are asked to note the outturn for the financial year 2020/21 and the impact and funding related to Covid-19.</b>
<b>Reason for decision:</b>	To understand the financial position of the Council at 31 March 2021.

### **1. Executive summary**

- 1.1 This report sets out the Revenue and Capital outturn position for Buckinghamshire Council for the financial year 2020/21. This is subject to external audit and to continued pre-audit quality checks.
- 1.2 A full analysis of the outturn for each of the Council's six Directorates is contained within the appendices to this report.
- 1.3 The Revenue outturn is an underspend of £0.4m. This is an improvement of £0.5m over the forecast reported for Quarter3 and has been achieved through additional Covid-19 funding and active management of overspends.
- 1.4 The Capital outturn is £169.5m. This represents £34.4m (16.9%) slippage (£6.7m more slippage than forecast at Quarter 3, partly due to the impact of the third lockdown).

1.5 The Council's first year has been exceptionally challenging for financial management. The challenges of bringing together the different systems, policies and practices of the legacy councils continue and have been exacerbated by the impact of the pandemic on ways of working. Appendix 2 provides an indication of the scale of the Council's response to the pandemic itself and the management and maximisation of the multiple associated funding streams continues to provide a challenge. It is testament to the commitment of staff and the strong budget accountability within the Council that despite these challenges we have achieved a small underspend against budget and retained adequate reserves and balances. These strengths will undoubtedly help us in the years ahead with the likely difficult funding situation in the future following increased government debts.

## 2. Content of report

### 2.1 Revenue Budget Outturn

2.2 The revenue budget outturn is summarised in Table 1 below. The key Directorate variances are explained in Appendix 1. The outturn variances are split between Business as Usual and those relating to the Covid-19 response.

2.3 Nationally many Councils find themselves in difficult financial positions, both as a result of existing pressures, and exacerbated by the impact of Covid-19. Whilst Buckinghamshire Council has clearly experienced pressures both in Business as Usual budgets and delivery, and as a result of Covid-19 we continue to hold circa £47m of General Fund Reserves. Given the unpredictability of many of our demand led services it is essential that we have a reasonable level of reserves. This reserve constitutes just over 10% when compared to our net operating budget of £459m.

2.4 In contrast, a significant number of Local Authorities have depleted their reserves in managing pressures over previous years. Relative to the sector we are in a significantly healthier position to address these issues into future years. Additionally, we expect to be able to drive out further efficiency savings as a direct result of becoming a unitary authority over the next few years and these will be considered as part of the Medium Term Financial Plan.

2.5 Across the Council all services have an adverse variance this year, predominantly in relation to the Council's response to Covid-19; the major driver behind this being the loss of income and increased costs. The overall council position is an **underspend of £0.4m** (compared to a £0.5m overspend at Q3), which comprises of an adverse directorate variance of **£47.6m**, offset by a favourable corporate position of **£48.0m**.

2.6 In relation to the impact of the pandemic increased service costs and lost income has meant a directorate overspend of £46.6m. However, this has been completely offset through un-ringfenced government grant meaning a neutral overall impact in relation to Covid.

- 2.7 In terms of Business as Usual activities there is a **£1.0m** Directorate overspend, which is more than offset through a corporate underspend of **£1.4m** in relation to un-ringfenced grants and unreleased contingencies.
- 2.8 The most significant movements in Directorate outturn positions since Q3 are: the allocation of Disabled Facilities Grant (DFG) to fund equipment spend in Adults; an increase in expenditure on Home to School Transport within Children’s Services; the impact of COVID 19 on Waste costs within Communities Directorate and increased use of COVID grants to fund pressures. Full details of these may be found in Appendix 1.
- 2.9 **Appendix 1** provides further detail on the revenue forecast outturn by Directorate and of performance relating to Late Payments and Sundry Debts.
- 2.10 **Appendix 2** presents a breakdown of pressures arising from Covid-19.
- 2.11 **Table 1 – Summary of Council Revenue budget outturn**

	Budget	Outturn	Variance		Change in Forecast Var	Variance:	
			£m	£m		£m	%
Expenditure	229.4	256.3	26.9	12%		22.7	4.2
Income	(84.2)	(103.1)	(18.9)	22%		(13.9)	(5.0)
<b>Adults &amp; Health</b>	<b>145.2</b>	<b>153.2</b>	<b>8.0</b>	<b>6%</b>	<b>(1.7) ↓</b>	<b>8.8</b>	<b>(0.8)</b>
Expenditure	597.3	453.3	(144.0)	(24%)		5.0	(149.0)
Income	(493.1)	(340.5)	152.6	(31%)		0.1	152.5
<b>Children's Services</b>	<b>104.2</b>	<b>112.8</b>	<b>8.6</b>	<b>8%</b>	<b>0.8 ↑</b>	<b>5.1</b>	<b>3.5</b>
Expenditure	90.7	98.0	7.3	8%		7.9	(0.6)
Income	(33.8)	(20.7)	13.1	(39%)		13.6	(0.5)
<b>Communities</b>	<b>56.9</b>	<b>77.3</b>	<b>20.4</b>	<b>36%</b>	<b>0.7 ↑</b>	<b>21.5</b>	<b>(1.1)</b>
Expenditure	26.0	30.1	4.1	16%		1.1	3.0
Income	(2.5)	(6.7)	(4.2)	...		-	(4.2)
<b>Deputy Chief Executive</b>	<b>23.5</b>	<b>23.4</b>	<b>(0.1)</b>	<b>(0%)</b>	<b>-</b>	<b>1.1</b>	<b>(1.2)</b>
Expenditure	52.7	61.0	8.3	16%		3.8	4.5
Income	(40.3)	(40.6)	(0.3)	1%		3.2	(3.5)
<b>Planning, Growth &amp; Sustainability</b>	<b>12.4</b>	<b>20.4</b>	<b>8.0</b>	<b>65%</b>	<b>(0.3) ↓</b>	<b>7.0</b>	<b>1.0</b>
Expenditure	172.2	156.0	(16.2)	(9%)		1.7	(17.9)
Income	(130.8)	(111.9)	18.9	(14%)		1.4	17.5
<b>Resources</b>	<b>41.4</b>	<b>44.1</b>	<b>2.7</b>	<b>7%</b>	<b>(0.5) ↓</b>	<b>3.1</b>	<b>(0.4)</b>
<b>Directorates</b>	<b>383.6</b>	<b>431.2</b>	<b>47.6</b>	<b>12%</b>	<b>(1.0) ↓</b>	<b>46.6</b>	<b>1.0</b>
Corporate	50.8	50.5	(0.3)	(1%)	5.4	-	(0.3)
Funding	(434.4)	(482.1)	(47.7)	11%	(4.8)	(46.6)	(1.1)
<b>Corporate &amp; Funding</b>	<b>(383.6)</b>	<b>(431.6)</b>	<b>(48.0)</b>	<b>13%</b>	<b>0.6 ↓</b>	<b>(46.6)</b>	<b>(1.4)</b>
<b>Total</b>	<b>-</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>...</b>	<b>(0.4) ↓</b>	<b>-</b>	<b>(0.4)</b>

## 2.12 Capital Budget Outturn

- 2.13 The capital programme outturn position is summarised in Table 2 below. It reflects underspend/slippage of **£34.4m** (16.9%). This represents an increase of £6.7m from Quarter 3. Over 75% of the slippage relates to expenditure on budgets which have not been released. This is primarily due to delays caused by the impact of COVID-19 and the five legacy councils becoming a Unitary Council.

## 2.14 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	Variance on Released Budget £000's	Variance on Total Budget £000's	% Variance Total Budget
Adults & Health	55	491	0	491	-436	-436	-88.9%
Children's Services	36,135	33,745	3,613	37,358	2,390	-1,223	-3.3%
Communities Directorate	70,294	70,553	10,217	80,770	-259	-10,476	-13.0%
Planning Growth & Sustainability	57,750	69,150	10,856	80,005	-11,400	-22,255	-27.8%
Resources Directorate	5,264	3,992	1,317	5,309	1,271	-45	-0.9%
<b>Grand Total</b>	<b>169,498</b>	<b>177,931</b>	<b>26,002</b>	<b>203,933</b>	<b>-8,433</b>	<b>-34,435</b>	<b>-16.9%</b>

2.15 Significant slippage / underspends are reported in Children's Services (£1.2m), Communities (£10.5m) and Planning, Growth & Sustainability (£22.3m). Children's Services slippage relates to the Secondary School Places programme, where restricted site access has delayed progress. However, it has proved possible to accelerate spend on Primary School Places, thus mitigating some of the impact reported in Q3. Communities slippage relates to Culture, Sport & Leisure of £3.8m, Highways & Technical Services of £4.9m and Neighbourhood Services of £1.8m. The impact of COVID and severe weather has increased slippage since the Q3 forecast. Planning, Growth and Sustainability slippage largely comprises reprofiling of schemes with unrealistic expenditure profiles inherited from the legacy councils.

2.16 Detail of the projects this relates to can be found in **Appendix 1**.

### 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. Local councillors & community boards consultation & views

6.1 Not applicable.

### 7. Communication, engagement & further consultation

7.1 Not applicable.

## **8. Next steps and review**

- 8.1 The outturn position continues to be validated as the accounts are prepared for audit by our external auditors. Audit is due for completion by the end of September.

## **9. Background papers**

- 9.1 Appendix 1 – Directorate level summaries.  
9.2 Appendix 2 – Covid-19 impacts.

## **10. Your questions and views (for key decisions)**

- 10.1 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](mailto:democracy@buckinghamshire.gov.uk)].