



Report to Cabinet

Date:	9 November 2021
Title:	Quarter 2 Budget Monitoring Report 2021-22
Relevant councillor(s):	John Chilver
Author and/or contact officer:	Richard Ambrose, Service Director – Corporate Finance & S151 Officer
Ward(s) affected:	none specific
Recommendations:	Cabinet are asked to note the report and the risks and opportunities contained within it.
Reason for decision:	To understand the financial position of the Council in respect of 2021-22 Budgets.

1. Executive summary

- 1.1 This report sets out the Revenue and Capital position for Buckinghamshire Council for the financial year 2021/22.
- 1.2 The Appendix provides further detail for each Portfolio and information about performance relating to overdue debts and late payments of commercial debt.

2. Revenue

- 2.1 The forecast revenue budget outturn is summarised in Figure 1. The key Portfolio variances are explained in Appendix 1.
- 2.2 Overall a nil variance is forecast after allowing for £4.8m of corporate mitigations. This is a favourable movement of £0.5m since Q1. The nil variance comprises:
 - a) **£4.9m** adverse variance on Portfolio Covid related spend (£6.7m adverse August) and;
 - b) **£0.1m** favourable variation on Portfolio BAU (£0.9m adverse August).
 - c) **£2.8m** favourable variation on Corporate Contingencies (£4.0m August)

- d) £0.9m favourable variation relating to Covid Sales Fees and Charges compensation scheme
- e) £1.1m favourable variation on Corporate Budgets, principally capital financing costs.

Figure 1: Revenue Budgets

	Budget	Y/E Outturn	Variance	Change in Variance
	£000	£000	£000	£000
Revenue				
Expenditure	8,800	8,600	(200)	(300)
Income	(800)	(600)	200	200
Leader	8,000	8,000	0	(100)
Expenditure	37,700	37,600	(100)	(2,300)
Income	(8,200)	(8,900)	(700)	1,700
Climate Change & Environment	29,500	28,700	(800)	(600)
Expenditure	14,200	14,400	200	100
Income	(3,300)	(4,300)	(1,000)	(900)
Communities	10,900	10,100	(800)	(800)
Expenditure	11,500	10,300	(1,200)	(1,000)
Income	(4,700)	(2,700)	2,000	(800)
Culture & Leisure	6,800	7,600	800	(1,800)
Expenditure	619,700	609,900	(9,800)	1,700
Income	(533,900)	(522,000)	11,900	400
Education & Childrens Services	85,800	87,900	2,100	2,100
Expenditure	172,600	175,500	2,900	3,600
Income	(119,600)	(121,700)	(2,100)	(3,500)
Finance, Resources, Property & Assets	53,000	53,800	800	100
Expenditure	230,800	232,400	1,600	1,000
Income	(74,500)	(75,400)	(900)	(800)
Health & Wellbeing	156,300	157,000	700	200
Expenditure	15,800	18,700	2,900	4,400
Income	(8,900)	(11,500)	(2,600)	(4,300)
Housing & Homelessness & Regulatory Serv	6,900	7,200	300	100
Expenditure	14,800	16,400	1,600	1,200
Income	(8,900)	(10,500)	(1,600)	(1,200)
Planning & Regeneration	5,900	5,900	0	0
Expenditure	69,400	71,300	1,900	(1,100)
Income	(14,700)	(14,900)	(200)	1,300
Transport	54,700	56,400	1,700	200
Portfolios Total	417,800	422,600	4,800	(600)
Corporate	36,300	32,400	(3,900)	(2,600)
Funding	(454,100)	(455,000)	(900)	2,700
Corporate & Funding Total	(417,800)	(422,600)	(4,800)	100
Revenue Total	0	0	0	(500)

- 2.3 The total Portfolio net revenue forecast variance is £4.8m adverse (1.1% of the total Portfolio budget).
- 2.4 Significant risks to the Revenue forecasts have been identified, a proportion of which are likely to materialise. These and any new pressures can potentially be covered by a number of contingencies that are not yet fully committed and could be used if required. **Appendix 1** provides further detail on the revenue forecast outturn by Portfolio.

3. Achievement of Savings

- 3.1 £13.2m of savings were incorporated into the approved 2021-22 Revenue budgets. The table below shows performance against those targets.

Figure 2 Savings Targets by Portfolio

Portfolio	Target £k	Forecast £k	Shortfall £k
Climate Change & Environment	1,126	1,126	0
Communities	392	392	0
Culture & Leisure	1,113	933	180
Education & Childrens Services	2,363	2,363	0
Finance, Resources, Property & Assets	2,251	2,121	130
Health & Wellbeing	2,319	2,349	-30
Housing & Homelessness & Regulatory Services	305	305	0
Leader	1,274	1,124	150
Planning & Regeneration	1,219	1,219	0
Transport	875	716	159
Total	13,237	12,648	589

4. Contain Outbreak Management Fund

- 4.1 The Contain Outbreak Management Fund (COMF) provides funding to local authorities to help reduce the spread of coronavirus and support local public health. Buckinghamshire is expected to benefit from £15.9m of this spread over three financial years as detailed in Figure 3 below.

Figure 3: COMF Income, Spend and Current Unallocated Income

	Approved Spend/Allocation			Total Allocated
	FY21	FY22	FY23	
	£	£	£	
Spent in 2020-21	6,125,869			6,125,869
COVID Grants - Admin Support		314,000		314,000
Public Health		437,000		437,000
Health Outbreak Control		486,000		486,000
Local Contact Tracing		252,000		252,000
Social Work Case loads - CS		1,870,000	2,200,000	4,070,000
Social Work Case loads - ASC		665,900	600,000	1,265,900
Mutual Aid		13,567		13,567
Emergency Response Co-Ordinator		100,000		100,000
Imbulance/Health Bus		15,000		15,000
Flu jabs		57,000		57,000
Community Support Team		450,000		450,000
Legal Services (child protection caseloads)		173,700	173,700	347,400
Total Approved Allocations	6,125,869	4,834,167	2,973,700	13,933,736
Available for future prioritisation				1,955,480
Total Grant Income	13,016,496	2,872,720		15,889,216

- 4.2 Portfolio forecasts include this spending and income (net £nil).
- 4.3 The Governance process allows for bids through to the Grant Lead and Accountant and are reviewed and approved by the Deputy Chief Executive and Service Director – Service Finance, with final approval and sign off provided by the Leader. In addition to the above, all COMF spending plans also need to be cleared with the Director of Public Health.

5. Capital Budget Outturn

- 5.1 Capital slippage has increased between Q1 and Q2 from 1.6% (£3.0m) to 7.9% (£14.8m). Whilst this is currently below the corporate target of 10% there is an expectation that slippage may increase further in future months because as we progress through the year the opportunities to catch up on delays are reduced.

5.2 There are a number of specific circumstances which will impact on the progress of capital projects during the current financial year including.

- a) On-going impact of COVID-19, where contractor or subcontractors are affected by the requirement for staff to isolate.
- b) The availability of building materials and supply chain issues which are impacting on several industries.
- c) The worldwide shortage of semi-conductors, resulting in delays in the supply of technology equipment and vehicles.
- d) Post unitary impacts, including reviews to ensure that projects are still essential, changes in key staff and internal reorganisations.
- e) Whilst the aspiration is to deliver the capital programme and minimise slippage, it is important that we take consider the post Covid-19 environment and the priorities of the new Buckinghamshire Council.
- f) Further details for each portfolio may be found in **Appendix 1**.

Figure 4: Capital Budgets

Cabinet Portfolio	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	% Slippage	RAG Rating
Children's Services	28,351	57,476	1,410	58,886	57,323	460	57,783	-1,103	1.9%	Green
Climate Change & Environment	465	5,447	2,624	8,071	4,947	1,019	5,966	-2,106	26.1%	Amber
Communities	112	133	0	133	133	0	133	0	0.0%	Green
Culture & Leisure	9,910	16,340	1,020	17,360	13,952	228	14,180	-3,181	18.3%	Amber
Deputy Leader & Resources	520	3,545	480	4,025	3,944	0	3,944	-81	2.0%	Green
Finance, Resources, Property & Asse	638	3,285	286	3,571	3,838	0	3,838	267	-7.5%	Green
Health & Wellbeing	0	436	0	436	436	0	436	0	0.0%	Green
Housing, Homelessness & Regulator	2,639	11,234	2,019	13,253	13,273	0	13,273	20	-0.2%	Green
Leader	2,073	-564	8,793	8,229	7,055	20	7,075	-1,154	14.0%	Amber
Planning and Regeneration	8,566	28,208	626	28,833	17,426	5,581	23,007	-5,826	20.2%	Amber
Transport	14,764	40,397	4,179	44,576	41,307	1,672	42,980	-1,596	3.6%	Green
Grand Total	68,038	165,938	21,436	187,374	163,635	8,980	172,615	-14,759	7.9%	Green

6. Other options considered

6.1 None arising directly from this report.

7. Legal and financial implications

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

7.2 There are no legal implications arising from the report.

8. Corporate implications

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

9. Local councillors & community boards consultation & views

9.1 Not applicable.

10. Communication, engagement & further consultation

10.1 Not applicable.

11. Next steps and review

11.1 A report on the position at the end of December will be brought to Cabinet on 15 February.

12. Background papers

12.1 Appendix 1 – Directorate level summaries.

13. Your questions and views (for key decisions)

13.1 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].