

## Report to Cabinet



Date of Meeting	29 <sup>th</sup> September 2020
Portfolio	Leader of the Council and Cabinet Member for Finance
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Public/Private Document	Public

### Finance Update Report Period 4 2020/21

#### Executive Summary

1. To inform Cabinet and the Corporate Overview and Scrutiny Committee on the Council's forecast 2020/21 financial position as at the end of July 2020.
  - 1.1. The Finance Update report contains details of the following:
    - The forecast Revenue outturn position, which is a pressure of £11,426k. The General Fund pressure relating to Covid-19 is £26,920k, partially offset by the use of the government funding relating to Covid-19 of £16,032k. Non-Covid-19 pressures are currently reported as an in year pressure of £538k. This being a movement of £1,651k largely from additional funding to address pressures in Adult care.
    - Savings plans of £4,169k ongoing and £280k one off, with a balance to address of £764k. The balance to address being an impact of Covid-19.
    - An update on the Health & Social Care Pool Fund.
    - Forecast Capital expenditure of £135,430k, after re-phasing of £23,407k, £22,000k for schools being delivered in the next financial year and funded through external grants, grant increases of £2,295k for transport schemes and a budget reduction due to the transfer of £18k funding to an Academy.
    - The forecast 2020/21 Collection Fund position of a deficit of £30,450k, which will be partially mitigated by increased government Section 31 grant of £20,950k, leaving a residual pressure of £9,500k, this pressure relating to the impact of Covid. The Council's share of the forecast 20/21 Collection Fund deficit is £8,381k, which will impact on the Council's General Fund budget for 21/22.

## Recommendation

- 2.1 Cabinet notes the forecast 2020/21 financial positions for Revenue, Capital, and the Collection Fund as at the end of July 2020.
- 2.2 Cabinet approves the utilisation of the 3<sup>rd</sup> tranche of emergency Covid 19 funding of £2,416k detailed in section 4.1.1.
- 2.3 Cabinet notes the forecast Health & Social Care Pool Budget position as detailed in section 4.2.
- 2.4 Cabinet approves the Budget Pressure requests in section 4.3
- 2.5 Cabinet approves the procurement process in relation to the use of the Insurance Reserve for the Town Hall restoration project
- 2.6 Cabinet note the forecast unachieved savings target in section 4.4
- 2.7 Cabinet notes the net Capital budget changes of £2,277k detailed in section 4.6.2
- 2.8 Cabinet notes the Capital re-phasing of £23,407k detailed in section 4.6.3.
- 2.9 Cabinet approves the request to change the use of Capital Budget as detailed in section 4.6.5.
- 2.10 Cabinet notes the forecast 2020/21 Collection Fund position detailed in section 4.7

## Reason for Recommendation

3. Cabinet Members should be kept updated on the financial position of the authority, as effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities.

This report focuses on the forecast 2020/21 financial position as at the end July 2020.

## Key Points for Consideration

#### 4. Revenue Budget 2020/21

The budget set by Budget Council on 26<sup>th</sup> February 2020 was £224,127k. Increases in budget in this financial year up to period 4 are detailed in the following table:

4.1

Approved by	When	Reason for change	Amount (£'000)
Budget Council	Mar-20	Approved budget	224,127
Cabinet	Apr-20	Emergency Covid-19 Funding tranche 2	6,116
Cabinet	Apr-20	Hardship Funding	3,064
Cabinet	Apr-20	S31 - Covid-19 Grant Business Rates relief compensation	20,950
Pending	Jul-20	Emergency Covid-19 Funding tranche 3	2,416
Pending	Jul-20	Business Rates Top up Grant - final settlement adjustment	677
Pending	Jul-20	New Burdens grant relating to Covid 19	170
Pending	Jul-20	S31-Business Rates Grant Relief adjustment	292
<b>GRAND TOTAL</b>	-	-	<b>257,812</b>

The following amounts have increased the Council's Revenue budget since the period 2 Finance Update report was finalised:

- £2,416k Emergency funding for local government (tranche 3) in relation to Covid-19
- £170k New burdens funding relating to the Covid 19 Business grant
- £677k Business Rates Top up Grant final settlement adjustment
- £292k S31 Business Rates relief grant adjustment

Approval for the utilisation of funding provided by the Government to mitigate the additional expenditure/loss of income resulting from the impact of Covid-19 has been obtained in accordance with the Council's constitution for previous funding received. Members are asked to approve the use of the third tranche of emergency Covid 19 funding of £2,416k received in July 2020 to help to offset the financial impact of Covid 19. The total emergency Covid 19 funding received is now £16,032k.

The Revenue Budget Table in 4.1.2 provides detail of budget allocations and the estimated 2020/21 financial position.

4.1.1 The forecast position as at the end of July 2020 is a General Fund overspend of £11,426k.

This is a reduction of £6,213k from period 2 and is due to funding and mitigations against the forecast overspend in Adult Social Care and additional funding for Covid-19.

4.1.2 £10,888k is attributable to Covid-19 pressures which are net of the Covid-19 emergency funding; these pressures include £729k of 2020/21 savings proposals that are not currently achievable. Budget will be allocated to Directorates to offset the pressures related to Covid-19.

Non Covid-19 pressures are currently £538k.

The table below provides detail by Directorate:

Directorate/ Detail	Budget Council	Virements/ Contingency	Current Budget	Service and Corporate Uncontrollables	Current Controllable Approved Net Budget	Forecast Controllable Outturn	Total In Year Saving/ (Overspend)	Previous Monitoring Report (July Cabinet)	Movement Since July Cabinet
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	£'000	£'000	£'000	£'000	£'000	£000	£'000	£'000	£000
Adult Care	60,795	(236)	60,559	3,002	57,557	58,057	(500)	(2,027)	1,527
Children's	65,735	1,424	67,159	17,925	49,234	49,042	192	295	(103)
Economy	15,721	(219)	15,502	520	14,982	15,152	(170)	(85)	(85)
Neighbourhoods	50,734	1,984	52,718	1,054	51,664	51,883	(219)	(379)	160
Public Health and Wellbeing	20,586	540	21,126	1,782	19,344	19,344	-	-	-
Resources	8,825	3,368	12,193	(2,145)	14,338	14,186	152	-	152
<b>TOTAL GENERAL SERVICES SPENDING</b>	<b>222,396</b>	<b>6,861</b>	<b>229,257</b>	<b>22,138</b>	<b>207,119</b>	<b>207,664</b>	<b>(545)</b>	<b>(2,196)</b>	<b>1,651</b>
Integrated Pool Budget Contribution From	(102,339)	-	(102,339)	-	(102,339)	(102,339)	-	-	-
Integrated Pool Budget Contribution To	102,339	-	102,339	-	102,339	102,339	-	-	-
<b>TOTAL POOLED BUDGETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Finance Control: Corporately Held Budgets	578	11,298	11,876	(19,424)	31,300	31,293	7	-	7
Covid-19 Emergency funding	-	13,616	16,032	-	16,032	26,920	(10,888)	(15,443)	4,555
Finance Control: Budget Pressures	1,153	(506)	647	-	647	647	-	-	-
<b>TOTAL FINANCE CONTROL SPENDING</b>	<b>1,731</b>	<b>24,408</b>	<b>28,555</b>	<b>(19,424)</b>	<b>47,979</b>	<b>58,860</b>	<b>(10,881)</b>	<b>(15,443)</b>	<b>4,562</b>
<b>NET EXPENDITURE REQUIREMENTS</b>	<b>224,127</b>	<b>31,269</b>	<b>257,812</b>	<b>2,714</b>	<b>255,098</b>	<b>266,524</b>	<b>(11,426)</b>	<b>(17,639)</b>	<b>6,213</b>

The variations to controllable Revenue budget, by service, which are not related to Covid-19 are detailed below and full details can be found in Appendix A:

The variations to controllable Revenue budget, by service, which are related to Covid-19 are detailed below:

## 4.1.3

Service	Narrative	Amount £'000
<b>Adult Care</b>	Adult Social Care had an opening £2m pressure representing the continuation of services that were previously funded by Transformation Funding that was initially planned to be funded from a GM HSCP loan in 2020/21 that ultimately was not available. This pressure has since reduced to £0.5m due to an additional one off contribution of £1m from the CCG towards expensive placements and reduced expenditure on residential placements of £0.5m. The Adult Care Service along with support from Finance Service is working to address how these budgets will be funded going forward.	(500)
<b>Children's</b>	<p>The Service is forecasting an in-year saving of £192k excluding Covid pressures. This relates to in year savings and over achievement of income on Personnel &amp; Governors Services (£244k), vacant posts in Early Help/Years due to a restructure (£134k) and other minor savings detailed in Appendix A. There is a pressure in Child Protection &amp; Care Proceedings of £53k in relation to translation fees.</p> <p>The High Needs block is forecasting a pressure of £657k which is increasing the deficit in the Dedicated Schools Grant (DSG) Reserve. There is a further pressure of £152k relating to a rise in demand in personal payments for children with Special Education Needs &amp; Disabilities which is not related to the DSG Reserve deficit.</p>	192
<b>Economy</b>	The Economy Directorate is reporting a potential in-year pressure of £170k within Planning and Building Control and Asset Rationalisation from ongoing targeted savings that will not be achieved and budget pressures funding is to be requested. There are also pressures within Properties due to the transfer of management of Bowlee Sports Centre and the closure of Springfield Park Barn.	(170)
<b>Neighbourhoods</b>	The Neighbourhoods Directorate is reporting a potential in-year pressure of £219k. The main variance relates to a £350k pressure in respect of housing benefit and homelessness costs which are not fully covered by Government subsidy. Corporate funding has been earmarked to address any shortfall. Budget pressure funding of £40k is requested for a recurrent pressure in ICT due to lost school SLA contracts. There are several in year savings which are being used to offset the overspend including vacant posts and delays in projects which are detailed in Appendix A.	(219)
<b>Finance Control</b>	Minor ad-hoc savings due to reduced interest payments	7
<b>Resources</b>	The Resources Directorate is reporting a potential in-year saving of £152k from current year employee savings from vacant posts, temporary arrangements and one off funding. These savings are being used to mitigate pressures within the Legal Shared Service with Manchester which are currently under discussion, and increased maintenance costs for the new I Trent Payroll system.	152
<b>Total</b>		<b>(538)</b>

The variations to controllable Revenue budget, by service, which are related to Covid-19 are detailed below:

<b>Expenditure</b>	<b>£'000s</b>
Adult Social Care	6,718
Children's Social Care	2,729
Education	481
Highways and transport, Public Health & Housing	2,962
Cultural & Related	2,229
Environmental and regulatory services	1,134
Finance & Corporate	4,077
Other services	1,468
<b>Estimated Total Spending Pressure</b>	<b>21,798</b>
Less funding received for Infection Control, Test & Trace, Hardship Fund and Health (via CCG)	(10,782)
<b>Estimated Funding Pressure</b>	<b>11,016</b>
<b>Income</b>	<b>£'000s</b>
Sales, fees and charges	4,906
Commercial Income	10,998
<b>Estimated Total reduction in Income</b>	<b>15,904</b>
<b>Total Estimated Pressure</b>	<b>26,920</b>
<b>Government Emergency Funding</b>	<b>(16,032)</b>
<b>Residual Pressure</b>	<b>10,888</b>

The Government has developed an income compensation scheme for lost sales, fees and charges for 2020/21 as a result of the impact of Covid 19. The Council will be submitting claims that meet the criteria of the scheme to reduce the residual pressure. The scheme will not compensate the Council for the majority of income lost due to commercial losses not being eligible.

The Council has reviewed its level of Reserves, and Treasury Management strategy to maximise the use of any available one off funds to offset against the pressures caused by the impact of Covid-19. Currently the Council has indicated to the government that £7m of Reserves could be used; a £3m reserve established for Manchester Airport dividend pressures, and £4m of General Balances, established for various unforeseen issues, including demand pressures and a reduction in the collection of Business Rates and Council Tax. It is intended to replenish these reserves to their original value, and therefore they are only available as a short term measure.

The forecast cost projections relating to Covid-19 include possible financial support for Link4Life, the Council's culture and leisure provider. A recovery plan has been developed for Link4Life as it emerges from lockdown. This has been discussed at Cabinet previously and will be monitored through the contract.

Work is on-going to assess the financial impact and timeframe involved relating to Covid-19. The longer term implications also need to be considered to support the Council in its financial planning going forward.

The Council will, with other Greater Manchester councils, continue to lobby the government to provide further funding to offset the ongoing financial impact of Covid-19.

#### 4.2 Health & Social Care Pool Budget

As at the end of July 2020 the forecast gap in the Pool Fund for 2020/21 is £10,400k:

- £2,100k of which is the forecast remaining element of the opening pool gap if the current health funding arrangements end on 30<sup>th</sup> September,
- £7,800k relating to Covid-19 pressures, and
- £500k pressure on Adult Social Care

#### 4.3 Budget Pressures

The Budget Pressure Fund for 2020/21 reported to July Cabinet was £647k; the following table details adjustments and requests received to the end of July 2020. It should be noted that due to the increased requests for budget pressures the unspent funds from 2019/20 will not be available towards the 2021/22 budget gap, as shown in the table.

Service	Ongoing £000s	One off £000's	Total £000s	Narrative
Neighbourhoods	0	9	9	One off request approved at July Cabinet for Pennines Townships funds to support the Wardle and Smallbridge Football Club Project.
Resources	127.9	0	127.9	Insurance costs increase due to contract extension with changes to provision requested in P2 monitoring for future years, this should have been requested to start from current year
<b>Opening Balance 2020/21 Period 4</b>	<b>359.9</b>	<b>150.4</b>	<b>510.3</b>	The balance brought forward is net of previously approved allocations
<b>Period 4 Requests:</b>	<b>Ongoing £'000s</b>	<b>One off £'000s</b>	<b>Total £'000s</b>	<b>Narrative</b>
Economy	2.5	0	2.5	Request for ongoing budget pressures funding for Hopwood Hall CCTV
Economy	50	0	50	Request for ongoing budget pressures funding due to income target being unachievable in Building Control
Economy	0	50	50	One-off budget pressure funding requested for Planning Service to employ agency staff to deal with the unprecedented rise in enforcement cases, and to clear the backlog of planning applications
Economy	0	12	12	One off budget pressure funding is requested for Springfield Park Barn for emergency works
Economy	0	20	20	One off funding is required for the short term management of Bowlee Sports Centre and St Marys kick pitch while a solution is sought for the properties
Economy	35	0	35	Ongoing budget pressure funding is requested due to the unachievable savings target relating to asset rationalisation
Neighbourhoods	39.9	0	39.9	Budget pressures funding is requested for the loss of SLA contracts relating to the EDIT team (ICT) due to schools converting to Academies
Neighbourhoods	26	0	26	Ongoing budget pressure funding is requested for Information Governance as project relating to the ongoing costs around the implementation of GDPR cannot be funded through Transformation Funding as previously expected
Resources	(33.3)	0	(33.3)	Budget pressure adjustment relating to the Legal Case Management system, request at period 2 was overstated.
Resources	16.6	0	16.6	Budget pressures funding is requested for I-Trent consultancy costs relating to changes from moving to the Cloud to facilitate the introduction of new functionality/modules and provide additional level of technical support.
Resources	0	(14.7)	(14.7)	Individual Electoral Registration Government funding has been received therefore the previously claimed pressure can be reduced and returned as a One Year Only
Reversal of Budget Pressure Reduction	(269.5)	0	(269.5)	Due to the increased requests for allocations of budget pressures, unspent funds from 19/20 will not be available for the 21/22 budget gap.
<b>Remaining Balance 2020/21</b>	<b>492.7</b>	<b>83.1</b>	<b>575.8</b>	<b>Total of remaining pressures budget</b>



If the requests are approved the balance remaining for budget pressures in 2020/21 is £576k; £493k ongoing and £83k one off.

## Savings

4.5 The overall savings target for Services for 2020/21 is £4,451k (£4,171k recurrent, and £280k one-off). Services have identified savings proposals which have a balance to address relating to Covid-19 of £729k (which is included in the reported pressure of £10,888k in 4.1.2) as shown in the table below:

Service	Nature of Saving	Savings Target - Ongoing	Savings Target - One Off	Achieved	On-Target	Mitigating Actions	Total Balance to Address	Balance to Address relating to Covid-19	Balance to Address Non Covid-19
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	Improved opportunities through person centred planning for people in Supported Living	300	(45)	-	55	-	200	200	-
Adult Care	Prevention Contracts (previously supported living)	180	-	-	-	-	180	180	-
Adult Care	Moving On	50	-	40	-	-	10	10	-
	<b>Sub Total Adults</b>	<b>1,284</b>	<b>60</b>	<b>330</b>	<b>624</b>	<b>-</b>	<b>390</b>	<b>390</b>	<b>-</b>
	<b>Sub Total Children's</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Economy	N1 Riverside Utilisation Income	35	-	-	-	-	35	35	-
	<b>Sub Total Economy</b>	<b>60</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>35</b>	<b>-</b>
Neighbourhoods	Capitalisation of Building Support Team and reduction in Training Budget	100	-	-	56	-	44	44	-
Neighbourhoods	Waste Vehicle cleaning	17	-	-	-	-	17	17	-
Neighbourhoods	Additional SIMS income from schools outside Borough	20	-	-	-	-	20	20	-
Neighbourhoods	Place based asset management system	100	-	-	20	40	40	40	-
	<b>Sub Total Neighbourhoods</b>	<b>499</b>	<b>100</b>	<b>268</b>	<b>97</b>	<b>113</b>	<b>121</b>	<b>121</b>	<b>0</b>
Public Health	System wide prevention review (including YP Substance Misuse and Sexual Health Contract review)	129	-	26	-	-	103	103	-
	<b>Sub Total Public Health</b>	<b>230</b>	<b>0</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>103</b>	<b>0</b>
Resources	Early Payment Initiative	-	120	-	40	-	80	80	-
Resources	Mayoral Support	53	-	18	-	35	-	-	-
	<b>Sub Total Public Resources</b>	<b>1,932</b>	<b>120</b>	<b>1,897</b>	<b>40</b>	<b>35</b>	<b>80</b>	<b>80</b>	<b>0</b>
	<b>Savings Grand Total with Balance to Address</b>	<b>4,171</b>	<b>280</b>	<b>2,647</b>	<b>927</b>	<b>148</b>	<b>729</b>	<b>729</b>	<b>0</b>

#### 4.5 Transformation Fund

The table below provides a summary of projects which have received funds in 2020/21 and includes details on progress.

Each of the projects aim to deliver and enable transformation and reform activity which as well as achieving wider objectives aim to deliver financial savings, or increased efficiency and effectiveness of service delivery.

Area of Service	Description	Budget Council £'000	In Year Movements £'000	Current Budget £'000	Forecast Spend 20/21 £'000	Variation - Forecast spend to Current Budget £'000	Explanation of Variances/Scheme Progression
Adults	Accommodation Strategy	120	(54)	66	60	6	There has been a delay to the progression of the Accommodation Strategy as consultancy support has been refocused to Covid-19 work, meaning that expenditure will be reduced from £120k to £60k, and resulting savings of £54k will not be realised until 2021/22
<b>ADULTS TOTAL</b>		<b>120</b>	<b>(54)</b>	<b>66</b>	<b>60</b>	<b>6</b>	
Economy	A Successful Future for Development Management	20	-	20	20	-	Mondrem CIC Consultants were appointed to work with the service on this project which has looked at the following: customer engagement and customer experience of the service, staff engagement sessions and workshops to map out existing business processes and identify opportunities for improvement prior to mapping out new business processes. The team have also focused on developing a detailed understanding of demand, which has allowed them to better prioritise work and allocate resources.
Economy	Strategic Planning	106	-	106	106	-	The transformation funding has been used to supplement the core budget for the Strategic Planning team. This has allowed the team to continue to focus on work to support the Greater Manchester Spatial Framework which is an integral part of the growth plans for Rochdale and the Covid-19 recovery plan.
Economy	One Public Estate /GMCA - Integration Mgr & Support Officer	64	-	64	64	-	Funding provided for additional staff which has resulted in the achieving the management of the Council's participation in the various projects, filling the resource gap was the fundamental aim of the funding, so we could be fully involved.
<b>ECONOMY TOTAL</b>		<b>190</b>	<b>-</b>	<b>190</b>	<b>190</b>	<b>-</b>	
Neighbourhoods	Place Based Asset	66	-	66	66	-	Project on target, this is funding a Consultant to deliver a new asset management system.
Neighbourhoods	Accelerated Housing (years 1 -2)	121	-	121	121	-	Phase 2 of the review of Strategic Housing's allocations and homeless services has now been completed and, through testing of a number of prototypes, new approaches to service delivery and changes to the existing out-sourced contracts are in preparation and it is intended to implement them following formal adoption by the Authority
Neighbourhoods	Integrated Place Team	511	-	511	511	-	The team uses an evidence based approach to provide a combination of educational, practical and emotional support to enable people to do things for themselves using a "high challenge, high support" delivery method. Project is on target
<b>NEIGHBOURHOODS TOTAL</b>		<b>698</b>	<b>-</b>	<b>698</b>	<b>698</b>	<b>-</b>	
Resources	Council property title and marketing project (Creation of 2 FTE Post for 24 months)	38	-	38	38	-	Having a dedicated resource has enabled matters to be completed much quicker which has resulted in increased capital receipts and associated legal fees.
Resources	Oxygen Project	20	-	20	20	-	The scheme has been delayed due to Covid 19, it is anticipated to start in November 2020 which should generate savings of £40k
Resources	Stepping up approach to transformation	100	-	100	100	-	The funding for the Corporate Programme Management office is being utilised to progress various projects within the Council
Resources	Payroll Transformation	60	-	60	60	-	Work to date includes analysis of current and future functions, automation of functions, Organisation Chart functionality within i trent, roll out of e-payslips.
<b>RESOURCES TOTAL</b>		<b>218</b>	<b>-</b>	<b>218</b>	<b>218</b>	<b>-</b>	
<b>GRAND TOTAL</b>		<b>1,226</b>	<b>(54)</b>	<b>1,172</b>	<b>1,166</b>	<b>6</b>	

#### 4.6 Capital Budget 2020/21

The current forecast position for 2020/21 Capital Budget is £135,430k, with spend to date of £12,678k (9.4%). The table below shows a summary of the budget movements to the end of July 2020:

	2020/21	2021/22	2022/23
	£'000s	£'000s	£'000s
<b>BUDGET AS AT END OF MAY 2020</b>	<b>156,560</b>	<b>50,394</b>	<b>32,653</b>
Capital Budget Changes	2,277	-	-
Rephasing Requests P4	(23,407)	23,407	-
<b>BUDGET AS AT END OF JULY 2020</b>	<b>135,430</b>	<b>73,801</b>	<b>32,653</b>

4.6.1 Details of the changes and rephasing are below, both largely due to changes with external funding and project delivery delays. As part of the financial monitoring and analysis of the ongoing pressures, being placed on the Council following the Covid 19 pandemic a review of the Capital Programme has been undertaken to reduce the future debt repayment burden on the Council as part of the Medium Term Financial Strategy and understand spend in the current year and the impact on the Council's cash flow. The review of 2020/21 and 2021/22 capital budgets has focused on Economy and Neighborhoods' budgets to consider whether schemes could be re-prioritised, and rephased into future years or reduced. The review has categorised projects within these budgets under several categories to assist with prioritisation and understanding to the link to revenue costs over and above repayment and risk.

The intention from the review is to achieve a reduction of £1m of borrowing costs for the 2021/22 and future years' Revenue budgets. The outcome of the review is included in the Revenue & Capital Budget report which is a separate agenda item for 29th September Cabinet meeting. If approved by Members, the financial impact of the review on both Revenue and Capital budgets in 2020/21 will be included in the period 6 Finance Update report which is due to be presented to 1st December 2020 Cabinet. This form of review of the current programme at the end of quarter 1 will form part of the budget monitoring and setting processes going forward.

#### 4.6.2 Capital Budget Changes

Details of the net increase/ (reduction) to capital budgets are shown in the table below:

Service	Narrative	Funding Method	Capital Budget Increases (Reductions) £000's
Neighbourhoods	Additional Local Transport Plan grant received	External Funding	2,295
Children's Services	Correction to Siddal Moor Academy conversion allocation of Disabled Facilities Grant	External Funding	(18)
<b>Total Capital Budget Increases (Reductions)</b>			<b>2,277</b>

The additional Transport grant will be used to support funding of £5,794k which will be fully utilised in this financial year.

- 4.6.3 Capital Re-phasing requests to the end of July 2020 are shown in the table below. These schemes are funded through external grants and therefore the rephasing does not have an impact on prudential borrowing and future repayments.

The following table relates to Children's Service requests to rephase budgets.

Narrative	Rephasing Requested £000s
Early Years Capital Grant :- Due to Covid-19 this will not be spent in this financial year but once childcare providers are running at a near full capacity again this will be reviewed in 2021/2022.	19
New Place Planning:- The Service is in discussions with the Department for Education about wider sufficiency within the Borough and working on placements going forward over the next five years. The building schemes to increase the number of pupil places at Brownhill Learning Community, Harwood Park, Castleton, St John's and secondary schools will be completed in the next financial year.	22,000
Special Provision Capital Fund: - Capital investments in the provision for pupils with Special Educational Needs and disabilities are ongoing this year with work on the Autistic Secondary level at Falinge Park and will continue into 2021/22 with work on Castleton Primary, and Kingsway Park High school.	304
CWD Residential Home: - Only initial feasibility studies will be carried out in this financial year.	1,084
<b>Total Rephasing</b>	<b>23,407</b>

- 4.6.4 In order to protect the Authority financially, it is recommended that insurance is procured to cover the existing building and the contract works during the renovation period of 2 years and 8 months.

Early indications show there is a possibility that the total insurance costs will exceed £500k, but this will not be known for certain until we obtain quotations.

Our insurance brokers have forewarned us that we may have difficulty obtaining any insurer to underwrite the project. Therefore, in order to attract insurers, they are advising that the arrangements are split into phases when approaching the insurance market - in that we arrange insurance for the existing building, for the lifetime of the renovation works, commencing January 2021 and that we then split the insurance for the actual contract works to align with the 2 phases of the project - Phase 1 to commence January 2021 and Phase 2 July 2021. This approach has been recommended as insurers prefer to have knowledge of the identity of the contractors before quoting the risk – and this information will not be known for Phase 2 until 2021.

If an insurer is willing to underwrite Phase 1 it is anticipated that quotations will be received in November, with the project commencing January 2021. This may therefore mean that an urgent decision is required between November and January for permission to award.

Using the same timescales quotations for Phase 2 will therefore not be known until May 2021.

Approval is required to approach the insurance market for quotations for Phase 1 immediately, and for Phase 2 in 2021.

- 4.6.5 Neighbourhoods Service have requested to change the use of the budget allocated for Extended Library Hours (open+) of £150k with the budget allocated for CCTV Upgrade of £172k. The Extended Library Hours scheme will not be delivered at this time but may be revisited in the future. This request will enable the £322k budget to fund a new CCTV monitoring centre within the police station. Members are asked to approve this.

#### 4.6.6 Capital Receipts

Capital receipts are received on the sale of various assets including land, buildings and vehicles. The forecast movements in the Capital Receipts Reserve during 2020/21, and provisionally for 2021/22 to 2022/23 are included in the table below:

Description	2020/21	2021/22	2022/23
	£m	£m	£m
Capital Receipts balance as at 1st April 2020	11.142	-	-
Use of Capital Receipts to fund 2019/20 Capital Programme, including prior year schemes rephased into 2020/21	(7.660)	-	-
Use of Capital Receipts to fund provisional 2021/22 and 2022/23 Capital Programmes, and 2020/21 rephasing into future years	-	(1.039)	(0.044)
Earmarked use of receipts to fund other future commitments	(5.809)	(0.851)	(0.706)
Capital Receipts income	2.327	1.890	0.750
<b>Forecast uncommitted Capital Receipts balance as at 31st March 2021</b>	-	-	-

The forecast uncommitted Capital Receipts Reserve balance as at the end of 2022/23 is nil as all uncommitted receipts are being earmarked towards the cost of the Highways Investment.

#### 4.7 Collection Fund

4.7.1 The forecast Collection Fund outturn position for 2020/21 is a deficit of £30,450k, comprising:

- £24,790k deficit relating to Business Rates, partially offset by Section 31 grant of £20,950k;
- £5,660k deficit relating to Council Tax.

The 2020/21 Collection Fund is forecast to be significantly impacted by the impact of Covid-19 and Government initiatives. This will impact on the Council's General Fund in 2021/22, and there is expected to be a longer term impact on the level of Business Rates and Council Tax income.

4.7.2 Table 1 shows the forecast 2020/21 Collection Fund position, and the allocation between precepting authorities.

**Table 1 – 2020/21 Collection Fund forecast deficit**

	Business Rates		Council Tax		Total
	%	£'000	%	£'000	£'000
<b>Forecast Collection Fund (surplus)/deficit at 31/03/21</b>		<b>24,790</b>		<b>5,660</b>	<b>30,450</b>
<b><u>Preceptors' Share of 2020/21 outturn</u></b>					
Rochdale BC	99	24,542	84.61	4,789	29,331
GMCA Mayoral Police & Crime Commissioner	0	0	10.71	606	606
GMCA Mayoral General (including Fire Services)	1.00	248	4.68	265	513
<b>Total forecast outturn (surplus)/deficit</b>	<b>100</b>	<b>24,790</b>	<b>100</b>	<b>5,660</b>	<b>30,450</b>

The Council's share of the forecast Collection Fund deficit is £29,331k, which will be partially offset by Government Section 31 grant funding of £20,950k.

The following table provides the explanation of variances relating to Business Rates:

Explanation of variance	Variation to budget, £'000
Decreased net Business Rates income principally due to the government decision to give 100% relief to the Retail, Leisure and Hospitality sectors for 2020/21, linked to the Covid19 pandemic; Section 31 grant to offset the discount given is received in the Council's General Fund. Reduced levels of gross income and higher levels of Empty Property discount are also forecast, linked to the impact of the pandemic.	23,824
Increased charge relating to the bad debt provision due to the likely impact of Covid19 on debt collection.	1,732
Actual surplus brought forward from 2019/20 is £766k higher than had been forecast as part of the 2020/21 Budget process.	(766)
<b>2020/21 Deficit</b>	<b>24,790</b>

The following table provides an explanation of variances relating to Council Tax:

Explanation of variance	Variation to budget, £000
Forecast reduced Council Tax income due mainly to delays in the level of new builds as a result of the impact of Covid19.	407
Forecast increased level of Local Council Tax Support discount given due to increased numbers of claimants, partially offset by government Hardship Funding.	2,299
Increased charge relating to the bad debt provision as a result of anticipated impact of Covid 19 on debt collection.	1,340
A deficit of £937k brought forward from 2019/20 instead of the £ (677) k surplus forecast as part of the 2020/21 Budget process. This was mainly due to the decision to increase the level of the Bad Debt provision as a consequence of the likely impact of Covid19.	1,614
<b>2020/21 Forecast Deficit</b>	<b>5,660</b>

The Council's share of any 2020/21 Collection Fund deficit will be brought into the Council's General Fund budget for 2021/22.

There will be a longer term impact on Collection Fund income which is dependent on the recovery of businesses and households. This will impact on the Council's core funding for services. Work is ongoing to assess the longer term impact on the Council's financial position.

#### 4.8 Alternatives considered

- 4.8.1 Not reporting on financial performance puts at risk the achievement of the Council's Medium Term Financial Plan. Effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.



## **Costs and Budget Summary**

### 5. Financial Implications

The main body of the report provides a detailed analysis of the forecast 2020/21 Finance Outturn position.

## **Risk and Policy Implications**

6. There are no significant legal implications arising as a result of this Report but it should be noted that debts, which are recoverable, can be enforced by Court action in accordance with the Court Procedure Rules.

The impact of Covid-19 pressures relating to additional expenditure and lost income is estimated to have a very significant impact on the Council's financial position both in 2020/21 and in the medium term. The Council is completing a review of its reserves to assess whether some of the pressure may be mitigated in the short term. The use of reserves to address pressures as a result of the Covid-19 outbreak is a one off solution which cannot be sustained into future years. The Council has indicated that any reserves deployed would require replenishing to their original value. The Council is continuing to lobby the government to provide further funding to offset the pressures.

Unresolved appeals against the revaluation assessments for 2005, 2010 and 2017 cause uncertainty and financial risk for the Business Rates income retained by the Council. The situation is monitored on a monthly basis to ensure that any changes in the trend for successful appeals are recognised due to the future impact on Business Rates income and the impact for the provision for any backdated elements.

The VOA alters rating assessments if new information comes to light indicating that the valuation is inaccurate. These could relate to a demolition, new property builds or other physical changes to a property. The number of alterations, financial impact and timing of the revaluations are not within the control of the Council. There is an on-going risk that issues decided nationally by the VOA could potentially impact on Rochdale BC's Business Rates income.

The future level of collection of Corporate Debt, Business Rates and Council Tax debt is a potential financial risk, particularly with the impact of the Covid-19 pandemic. Collection performance is being monitored on a monthly basis to ensure that debt is recovered as efficiently and effectively as possible, whilst making adjustments to reflect the current circumstances being imposed on businesses and residents, and so that any trends may be highlighted and action taken as necessary, at the appropriate time. Debt collection is likely to be significantly affected by the impact of Covid-19, and the forecast 2020/21 bad debt charges and provisions have been increased to reflect the increased risk of non-collection.

## **Consultation**

7. All services engage with the production of the directorate based financial information within this report. The Leadership Team, the Leader, Cabinet Member for Finance, and Opposition Portfolio holder for Finance have been informed of the forecast 2020/21 financial position of the Council and its implications for future years. The report is due to be presented to the Corporate Overview and Scrutiny Committee on 22nd September 2020.

<b>Background Papers</b>	<b>Place of Inspection</b>
8. For further information about this report or access to any background papers contact Samantha Smith	No1 Riverside Floor 2
<b>For Further Information Contact:</b>	Samantha Smith, <a href="mailto:Samantha.Smith@rochdale.gov.uk">Samantha.Smith@rochdale.gov.uk</a> Tel : 01706 924198

## Appendix A – Revenue Budget ‘Variations to budget’ narrative – July 2020

Service	Narrative	Budget £'000s	Outturn	Variance
Adult Care	Management :- Minor variations	6,901	6,914	(13)
	Neighbourhoods:- Forecast pressure from commissioned places for service users	41,495	42,056	(561)
	Boroughwide Services:- Forecast pressures from commissioned places for service users	3,650	3,962	(312)
	In House Provider Services:- Forecast in-year saving due to staff turnover	875	621	254
	Governance Business Support & Home Improvement Agency:- Forecast in-year saving due to staff turnover	872	805	67
	Commissioning:- Forecast in-year saving from contracts and staff turnover	2,358	2,298	60
	Statutory Functions:- minor variations	825	820	5
	<b>Adult Care Variation to Budget</b>		<b>56,976</b>	<b>57,476</b>
Children's	Child Protection & Care Proceedings: - Translation Fee pressure, similar pressure in 2019/20 as the demand has increased there is insufficient budget.	2,285	2,338	(53)
	Early Help/Early Years: Savings in relation to vacant posts and delays in recruitment, the service are in the final stages of a restructure.	5,012	4,878	134
	School Support: - Overachievement of income on Personnel and Governors Service and underspends on bus passes.	1,378	1,134	244
	Special Educational Needs and Disability (SEND):- Pressure on the High Needs block DSG £0.657m due to the continued rise in Education Health Care Plans. There is also an overspend on disabilities base funding of £0.152m re personal payments again due to a continued rise in demand in this area.	6,338	7,137	(799)
	Youth Service:- Small underspend on activities	(25)	(34)	9
	Contribution from DSG Reserve:- This is an increase to the deficit position - cumulative High Needs Block deficit £3.9m	0	(657)	657

	<b>Children's Services Variation to Budget</b>	<b>14,988</b>	<b>14,796</b>	<b>192</b>
<b>Finance Control</b>	Interest: - In-year saving due to internally borrowed and use of internal balances.	7,396	7,389	7
	<b>Finance Control Variation to Budget</b>	<b>7,396</b>	<b>7,389</b>	<b>7</b>
<b>Economy</b>	Planning & Building Control: - The ongoing additional annual saving from Building Control fee income growth of £50k will not be achieved and a request for permanent funding is being submitted. There is also a one year only budget pressure request of £50k to partially support the urgent appointment of agency staff to deal with the unprecedented rise in enforcement cases, and to clear a backlog of planning applications.	794	894	(100)
	Properties: - One off budget pressures in relation to Bowlee Sports Centre/St Marys Kick Pitch, Springfield Park Barn and a permanent budget pressure request for CCTV annual maintenance costs at Hopwood Old Hall.	28	63	(35)
	Asset Rationalisation: - The ongoing targeted saving relating to running costs/maintenance as a result of further disposal of assets will not be achieved. In 2019/20 one year only budget pressure funding was provided, and a request for permanent funding is being submitted at period 4.	(53)	(18)	(35)
	<b>Economy Service Variation to Budget</b>	<b>769</b>	<b>939</b>	<b>(170)</b>
<b>Neighbourhoods</b>	Facilities Management:- In year saving due to delay in N1R Utilisation Project	2,699	2,662	37
	Environmental Management: - Pressures relating to the under achievement of income targets and to an increase in the rent of the depot. These are offset by in year savings on equipment and fuel and from delayed filling of vacant posts.	10,886	10,806	80
	ICT Service :- Pressure due to loss of SLA contract with schools, budget pressure funding requested	4,102	4,142	(40)
	Coroners :- There is a in year saving due to delay in scanning project	634	569	65
	Community & Townships:- In year saving due to vacant posts in Library Service and Registrars	4,013	3,938	75

	Strategic Housing: - There is a £350k pressure in respect of housing benefit and homelessness costs which are not fully covered by Government subsidy. Corporate funding has been earmarked to address any shortfall.	2,231	2,581	(350)
	Properties: - Pressure of £64k to manage the statutory service contracts and a shortfall of £22k of income generated from solar sites.	238	324	(86)
	<b>Neighbourhoods Service Variation to Budget</b>	<b>24,803</b>	<b>25,022</b>	<b>(219)</b>
<b>Resources</b>	Finance Services:- In-year savings due to staffing and savings on Audit Fees	1,808	1,742	66
	Other Managed Budgets:- In-year savings due to staffing	4,977	4,739	238
	Revenues and Benefits: - In-year savings due to staffing, offset largely by pressures on Software.	1,278	1,237	41
	Legal Services: - Pressure within the Shared Legal Service with Manchester City Council.	1,825	2,057	(232)
	Human Resources: - In-year pressure due to reduced income and increased maintenance costs for the new iTrent system. A request of £17k for funding of the increased costs due to the move to the Cloud for consultancy has been submitted.	1,748	1,782	(34)
	Internal Audit:- In-year savings due to staffing	623	614	9
	Governance:- In-year savings due to staffing	2,079	2,015	64
	<b>Resources Service Variation to Budget</b>	<b>14,338</b>	<b>14,186</b>	<b>152</b>
	<b>Total Variation to Revenue Budget - July 2020</b>			<b>(538)</b>

## Appendix B – Capital Forecast Spend by Scheme as at July 2020

Service	Scheme	2020/21 budget, £k	2020/21 Forecast Outturn, £k	Variation, £k	2021/22 budget, £k	2022/23 budget, £k	Total budget, £k
Adult Care	Better Care Fund	563	563	-	-	-	563
Adult Care	Disabled Facilities Grant	2,706	2,706	-	2,634	2,634	7,974
<b>Adult Care</b>		<b>3,269</b>	<b>3,269</b>	<b>-</b>	<b>2,634</b>	<b>2,634</b>	<b>8,537</b>
Children's	Aiming High For Disabled Child	42	42	-	-	-	42
Children's	Devolved Formula Capital	1,259	1,259	-	483	483	2,225
Children's	Early Years Capital Grant	19	-	19	-	-	19
Children's	New Place Planning	31,519	9,519	22,000	5,200	5,200	41,919
Children's	Schools Access	2	2	-	-	-	2
Children's	Schools Cap Condition Programme	3,775	3,775	-	1,833	1,833	7,441
Children's	Healthy Pupils Capital Fund	16	16	-	-	-	16
Children's	Special Provision Capital Fund	608	304	304	-	-	608
Children's	CWD Residential Home	1,114	30	1,084	-	-	1,114
<b>Children's</b>		<b>36,632</b>	<b>14,613</b>	<b>23,407</b>	<b>7,516</b>	<b>7,516</b>	<b>51,664</b>
Economy	Definitive ROW Improvement Programme	54	54	-	-	-	54
Economy	River Roch Flood Storage	2,020	2,020	-	1,600	3,727	7,347
Economy	Rochdale Gateways Environmental Programme	46	46	-	-	-	46
Economy	Stakehill Industrial Estate	51	51	-	-	-	51
Economy	Asset Development Fund	2,713	2,713	-	-	-	2,713
Economy	Property Growth Fund	40,582	40,582	-	-	-	40,582
Economy	East Lancashire Railway	402	402	-	-	-	402
Economy	Lower Falinge	4	4	-	-	-	4
Economy	Heywood South/Junction 19	2,764	2,764	-	-	-	2,764
Economy	Railway Strategy Park & Ride	306	306	-	-	-	306
Economy	Northern Gateway Feasibility & Study	545	545	-	-	-	545
Economy	Pennine Holl Lake Feasibility	46	46	-	-	-	46
Economy	Springfield Park Master Plan	50	50	-	-	-	50
Economy	Metrolink Feasibility	79	79	-	-	-	79

Service	Scheme	2020/21 budget, £k	2020/21 Forecast Outturn, £k	Variation, £k
Economy	Birch Fountain & Horse Trough-Middleton	22	22	-
Economy	East Lancashire Railway - Castleton Mast	500	500	-
Economy	Hopwood Old Hall - Feasibility	50	50	-
Economy	SmithyBridge Railway Station	400	400	-
Economy	Middleton Town Centre Phase 3	106	106	-
Economy	P2 TCMP - Conservation area improvements	-	-	-
Economy	Town Centre East Feasibility	472	472	-
Economy	Town Hall Adaptation and Restoration	4,286	4,286	-
Economy	Rochdale Market	205	205	-
Economy	Town Hall Square PH2	64	64	-
Economy	Drake Street Phase 2	470	470	-
Economy	Town Centre Schemes 2016/17	589	589	-
Economy	Rochdale Town Centre 3 Year Strategy	1,522	1,522	-
Economy	Hopwood Hall Refurbishment	48	48	-
Economy	Middleton Masterplan	16	16	-
Economy	Heywood Masterplan	6	6	-
Economy	Town Centre Residential Strategy	1,467	1,467	-
Economy	Town Centre Purchases	-	-	-
Economy	Rochdale Riverside Phase 2	2,279	2,279	-
Economy	Town Centre Capital Programme	-	-	-
Economy	Milkstone Road Master Plan	747	747	-
Economy	Hey/Midd/Litt Town Centre Masterplans	160	160	-
<b>Economy</b>		<b>63,071</b>	<b>63,071</b>	<b>-</b>
Neighbourhoods	ICT Infrastructure Refresh Programme	567	567	-
Neighbourhoods	ICT Data Centre	162	162	-
Neighbourhoods	ICT Programmes (Staff)	526	526	-

2021/22 budget, £k	2022/23 budget, £k	Total budget, £k
-	-	22
1,000	-	1,500
-	-	50
-	-	400
-	-	106
-	-	-
-	-	472
-	4,331	8,617
-	-	205
3,500	3,500	7,064
150	100	720
50	-	639
-	-	1,522
-	-	48
-	-	16
-	-	6
1,000	-	2,467
-	-	-
-	-	2,279
-	-	-
2,250	-	2,997
-	-	160
<b>9,550</b>	<b>11,658</b>	<b>84,279</b>
444	444	1,455
-	-	162
500	500	1,526

Service	Scheme	2020/21 budget, £k	2020/21 Forecast Outturn, £k	Variation, £k
Neighbourhoods	Townships Capital Programme	489	489	-
Neighbourhoods	Housing Standards Fund	564	564	-
Neighbourhoods	Kirkholt Investment	73	73	-
Neighbourhoods	New Cemetery Sites	714	714	-
Neighbourhoods	Replacement Parks/Street Machinery	130	130	-
Neighbourhoods	Rights Of Way	88	88	-
Neighbourhoods	Rochdale Cemetery Lodge Repair	176	176	-
Neighbourhoods	Section 106 - Environmental Management	1,178	1,178	-
Neighbourhoods	Townships Capital - Environmental Management	114	114	-
Neighbourhoods	Upgrade Play Equipment	160	160	-
Neighbourhoods	Vehicle Replacement Programme	2,776	2,776	-
Neighbourhoods	Waste Bin Replacement Programme	60	60	-
Neighbourhoods	Waste Services Investment	521	521	-
Neighbourhoods	Asset Management Group	2,780	2,780	-
Neighbourhoods	Local Transport Plan	2,544	2,544	-
Neighbourhoods	Townships Capital - Highways	465	465	-
Neighbourhoods	Burglary Reduction Scheme	100	100	-
Neighbourhoods	Energy Efficiency Schemes	84	84	-
Neighbourhoods	Coroners Service accommodation	521	521	-
Neighbourhoods	Additional Highways Funding	219	219	-
Neighbourhoods	J19 Feasibility	13,481	13,481	-
Neighbourhoods	Developer Contributions	75	75	-
Neighbourhoods	Property Transfers From Townships	42	42	-
Neighbourhoods	GM Full Fibre Programme	926	926	-
Neighbourhoods	Service Desk System Replacement	60	60	-
Neighbourhoods	Compulsory Purchase Order Programme	2,639	2,639	-

2021/22 budget, £k	2022/23 budget, £k	Total budget, £k
400	400	1,289
800	800	2,164
-	-	73
-	-	714
120	120	370
80	80	248
-	-	176
-	-	1,178
-	-	114
75	75	310
655	1,839	5,270
60	360	1,080
-	-	521
1,750	1,750	6,280
1,967	1,967	6,478
-	-	465
100	100	300
-	-	84
-	-	521
-	-	219
13,050	-	26,531
-	-	75
-	-	42
-	-	926
50	50	160
1,000	1,000	4,639



Service	Scheme	2020/21 budget, £k	2020/21 Forecast Outturn, £k	Variation, £k
Neighbourhoods	Travellers Authorised Stopping Site	110	110	-
Neighbourhoods	Replacement F&E - Libraries	220	220	-
Neighbourhoods	Climate Emergency	1,000	1,000	-
Neighbourhoods	Car Parking Machines	26	26	-
Neighbourhoods	Cashless System School Catering	6	6	-
Neighbourhoods	Dippy Exhibition Equipment	3	3	-
Neighbourhoods	N1R Revolving Doors	-	-	-
Neighbourhoods	Allotments 2017-18 Manifesto Funding	108	108	-
Neighbourhoods	Accelerated Housing	2,955	2,955	-
Neighbourhoods	Affordable Housing	2,752	2,752	-
Neighbourhoods	Customer Transformation Programme	1,225	1,225	-
Neighbourhoods	CCTV Upgrade	172	172	-
Neighbourhoods	GM Air Quality Monitoring Station	52	52	-
Neighbourhoods	Town Centre Signage	62	62	-
Neighbourhoods	Highway Investment Programme	5,545	5,545	-
Neighbourhoods	Bowlee Free School	1,384	1,384	-
<b>Neighbourhoods</b>		<b>48,154</b>	<b>48,154</b>	<b>-</b>
Public Health	Link4Life Capital Project	608	608	-
<b>Public Health</b>		<b>608</b>	<b>608</b>	<b>-</b>
Resources	New HR & Payroll System	151	151	-
Resources	Manchester Airport	3,730	3,730	-
Resources	Investment Fund	1,500	1,500	-
<b>Resources</b>		<b>5,381</b>	<b>5,381</b>	<b>-</b>
<b>Total Capital Forecast Position at July 2020</b>		<b>158,837</b>	<b>135,430</b>	<b>23,407</b>

2021/22 budget, £k	2022/23 budget, £k	Total budget, £k
-	-	110
-	-	220
1,000	1,000	3,000
-	-	26
-	-	6
-	-	3
120	-	120
65	-	173
1,000	-	3,955
-	-	2,752
150	-	1,375
-	-	172
-	-	52
-	-	62
3,000	-	8,545
-	-	1,384
<b>26,686</b>	<b>10,485</b>	<b>85,325</b>
4,008	360	4,976
<b>4,008</b>	<b>360</b>	<b>4,976</b>
-	-	151
-	-	3,730
-	-	1,500
-	-	<b>5,381</b>
<b>50,394</b>	<b>32,653</b>	<b>241,884</b>

## **Appendix C – Collection Fund**

### **Business Rates**

The 2020/21 forecast outturn position relating to Business Rates is a deficit of £24,790k.

<b>Description</b>	<b>Budget £'000</b>	<b>2020/21 Forecast Outturn £'000</b>	<b>(Surplus)/ Deficit £'000</b>	<b>(Surplus)/Deficit movement from previous update £'000</b>
Gross income	(87,190)	(86,624)	566	(21)
Net Small Business Rate relief	7,682	8,000	318	100
Mandatory Charitable relief	4,354	4,354	0	0
Discretionary relief	1,983	22,423	20,440	0
Empties & Part Occupied relief	3,614	6,114	2,500	(500)
<b>Net Income</b>	<b>(69,557)</b>	<b>(45,733)</b>	<b>23,824</b>	<b>(421)</b>
Less:				
Charge re bad debt provision	800	2,532	1,732	345
Allowance for cost of collection	308	308	0	0
Provision for rateable value revaluations	3,932	3,932	0	0
Renewable energy schemes	582	582	0	0
<b>Net yield</b>	<b>(63,935)</b>	<b>(38,379)</b>	<b>25,556</b>	<b>(76)</b>
2020/21 payments to preceptors/billing authority	63,935	63,935	0	0
<b>In year (surplus)/deficit</b>	<b>0</b>	<b>25,556</b>	<b>25,556</b>	<b>(76)</b>
(Surplus)/deficit brought forward from 2019/20	(1,103)	(1,869)	(766)	0
Payments to preceptors/billing authority re 2019/20 surplus per the 2020/21 Budget process	1,103	1,103	0	0
<b>Forecast (Surplus)/Deficit as at 31/03/2021</b>	<b>0</b>	<b>24,790</b>	<b>24,790</b>	<b>(76)</b>

### **Council Tax**

#### **Net Income Raised**

The 2020/21 forecast position relating to Council Tax is a deficit of £5,660k.

#### **2020/21 Forecast Council Tax Income**

Description	Budget	2020/21 Outturn	(Surplus)/ Deficit	(Surplus)/ Deficit movement from previous report
	£'000	£'000	£'000	£'000
<b>INCOME</b>				
Income from Council Tax	(144,213)	(143,600)	613	(26)
Income from premium on Empty Properties	(453)	(550)	(97)	-
Council Tax discounts	14,598	14,397	(201)	-
Local Council Tax Support Scheme (LCTSS)	19,251	21,550	2,299	-
Prior year adjustments	208	300	92	92
<b>Total income</b>	<b>(110,609)</b>	<b>(107,903)</b>	<b>2,706</b>	<b>66</b>
<b>EXPENDITURE</b>				
Charge re bad debt provision	2,212	3,552	1,340	10
<b>Total expenditure</b>	<b>2,212</b>	<b>3,552</b>	<b>1,340</b>	<b>10</b>
<b>Net income to be raised for precept/ billing authority after LCTSS awarded</b>	<b>(108,397)</b>	<b>(104,351)</b>	<b>4,046</b>	<b>76</b>
2020/21 payments to Preceptors/billing authority	108,397	108,397	-	-
<b>In year (surplus)/deficit</b>	<b>-</b>	<b>4,046</b>	<b>4,046</b>	<b>76</b>
(Surplus)/deficit brought forward from 2018/19	(677)	937	1,614	-
Payments to preceptors re 2018/19 surplus as per the 2019/20 Budget process	677	677	-	-
<b>Forecast (Surplus)/Deficit as at 31/03/2021</b>	<b>-</b>	<b>5,660</b>	<b>5,660</b>	<b>76</b>