



# Revenue and Capital Budget Monitoring & Forecast Outturn 2020-21

January 2020-21

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By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services,  
Peter Oakford  
Corporate Director of Finance, Zena Cooke  
Corporate Directors

To Cabinet – 15 March 2021

Unrestricted

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# 1 Introduction

**This report provides the budget monitoring position up to 31 January 2020-21 for both Revenue and Capital budgets, and how we are responding to the Covid-19 pandemic.**

1.1 We have improved the clarity of the report. Key information is on the left, detail is on the right, in grey

All figures are in millions, to one decimal place, unless otherwise stated

This report uses the following key abbreviations and colours:

	ASCH	Adult Social Care & Health
	CYPE	Children, Young People & Education
	GET	Growth, Environment & Transport
	S&CS	Strategic & Corporate Services
	FI&U	Financing Items & Unallocated
	SDB	Schools' Delegated Budgets
	U	Unallocated

1.2 The budget amendment included £72.2m of Covid-19 related budgets allocated by directorate but held corporately.

Following the budget amendment, the Covid-19 related budgets of £72.2m have been allocated by Directorate but are held corporately. These corporately held budgets will be allocated at the end of the year when the final costs of Covid are known.

The £72.2m Covid-19 related budgets are funded from the Covid Emergency grant.

The Covid-19 pandemic has impacted on the way we are monitoring the budget this year

The Covid-19 pandemic continues to have a huge impact on the way the Council works. It is important for us to understand and report on the financial effect of Covid-19 and for us to monitor against the emergency funding the government has provided. Alongside a dedicated section on Covid-19 in this report, we are showing two variance figures in all Directorate and Key Service summaries, excluding and including the impact of Covid-19.

1.3 We continue to provide regular returns to the Ministry of Housing Communities and Local Government (MHCLG) setting out the impact of Covid-19 and the application of additional government grants

The MHCLG return differs from this budget monitoring as it includes the gross impact of additional spending related to responding to the pandemic and the economic fallout, delays to planned savings and loss of income. The gross impact includes estimates for potential additional costs arising later in year (which are not included in this monitoring report) and does not net off any in-year underspends, which are reflected in this report.

1.4 The Revenue forecast as at the end of January is an underspend of -£14.0m excluding Covid-19.

All directorates are reporting an underspend. The largest is (-£5.0m) in FI&U, followed by ASCH (-£4.7m), S&CS (-£3.1m), CYPE (-£0.9m) and GET (-£0.3m). The forecast underspend has increased by £2.1m since the last report in November. This is an exceptional year and is not an indication of future spending or saving levels, and although this level of underspend is encouraging, it is important to note the position does not consider the continued impact of the third lockdown.

The Revenue forecast for the Covid-19 related underspend as at the end of January is -£11.8m against the £72.2m of Covid

The revenue forecast for Covid-19 related budgets is an underspend of £11.8m. We are beginning to see the impact of the third lockdown, but we do not yet know the full financial impact of this. We also have £7.5m of additional risks identified as part of our MHCLG government return. It

# 1 Introduction

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related budgets.

The overall underspend is £25.8m.

should be noted that £18.6m has been assumed in 2021-22 to help balance the budget. £17.7m of this is tranche 4 of the Covid-19 Emergency Grant and is not within the figures above because it relates to 2021-22. £20.8m of recurring COVID budget amendment items have also been built into the 2021-22 MTFP.

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1.5 The Capital forecast as at the end of January is an underspend of £201.5m excluding Covid-19. The forecast underspend has increased by £52.1m

The underspend is made up of -£4.3m real and -£197.2m rephasing variance. This represents 38.1% of the capital budget.

The largest real variance is an underspend of -£3.3m in CYPE.

The major rephasing variances are -£96.4m in GET, -£58.1m in S&CS and -£38.9m in CYPE.

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1.6 Schools' Delegated Budgets are reporting a £34.5m overspend

The overspend position of +£34.5m reflects the impact of high demand and high cost per child of High Needs Placements.

## 2 Recommendations

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### Cabinet is asked to:

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| 2.1 Note the forecast Revenue and Capital monitoring position as at January 2021 | The projected Revenue budget out-turn is the position as at the end of January. It is important to note that this position does not take account of the full impact of the third national lockdown. |
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### 3 Revenue & Capital Positions

Revenue Variance -14.0m underspend  
Capital Variance -201.5m underspend

The revenue monitoring position as at the end of January is showing a variance of **-£14m excluding Covid-19**. The Covid-19 forecast as at the end of January is showing a Covid-19 related underspend of **£11.8m** but there will still be further financial challenges as the pandemic continues and we do not know the full impact of the further national lockdowns. The overall underspend is **£25.8m**.

The capital monitoring position is **-£201.5m** of which **-£197.2m** relates to rephasing of projects and **-£4.3m** are real variances.

Directorate Revenue variances excluding the impact of Covid-19

Directorate	Revenue Budget £m	Variance excl. Covid-19 £m	Last Reported Position (Nov) £m	Movement (+/-) £m
Adult Social Care & Health	402.5	<b>-4.7</b>	-4.4	-0.2
Children, Young People & Education	281.7	<b>-0.9</b>	-0.7	-0.2
Growth, Environment & Transport	173.8	<b>-0.3</b>	-0.2	-0.1
Strategic & Corporate Services	90.2	<b>-3.1</b>	-2.4	-0.7
Financing Items & Unallocated	79.6	<b>-5.0</b>	-4.1	-0.9
	1,027.7	<b>-14.0</b>	-11.8	-2.1
Schools' Delegated Budgets	0.0	<b>+34.8</b>	+34.5	+0.3
	1,027.7	<b>+20.8</b>	+22.7	-1.7

Covid-19 budgets held corporately allocated by Directorate as per the Budget Amendment

The table below shows the forecast position against the Covid-19 budgets as at January 2021. It shows an underspend of **£11.8m** against the corporately held **£72.2m Covid-19 related budget**. More detail can be found in Section 4.

Directorate	Covid-19 Allocation £m	Covid-19 Forecast £m	Covid-19 Variance £m
Adult Social Care & Health	33.7	21.8	-12.0
Children, Young People & Education	7.7	-1.1	-8.9
Growth, Environment & Transport	9.9	9.0	-0.9
Strategic & Corporate Services	7.2	11.6	+4.3*
Financing Items	6.7	19.3	+12.6**
Unallocated	7.0	0.0	-7.0
	72.2	60.5	-11.8

### 3 Revenue & Capital Positions

Revenue Variance -14.0m underspend  
Capital Variance -201.5m underspend

\*The Strategic & Corporate Services variance includes a drawdown from the Public Health Reserve of £0.1m to cover their additional costs. \*\*Financing Items includes the £16m Helping Hands scheme

#### Capital position

Directorate	Capital Budget £m	Variance excl. Covid-19 £m	Real Variance £m	Rephasing Variance £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health	4.2	<b>-3.8</b>	0.0	-3.8	0.0	-3.8
Children, Young People & Education	154.3	<b>-42.2</b>	-3.3	-38.9	1.7	-37.2
Growth, Environment & Transport	298.0	<b>-98.2</b>	-1.8	-96.4	0.1	-96.3
Strategic & Corporate Services	71.5	<b>-57.3</b>	0.8	-58.1	0.6	-57.5
	528.0	<b>-201.5</b>	-4.3	-197.2	2.4	-194.8

## 4 Covid-19

As part of the Budget Amendment, we have held £72.2m budget corporately for Covid-19 response and recovery. Taking account of Covid-19 related revenue costs, additional Covid-19 related risks and compensating forecasted underspends and capital costs, the Covid-19 related projected underspend is currently £11.8m. This does not take account of the impact of the latest restrictions.

### Covid-19 Forecasts (20-21)

	ASCH £m	CYPE £m	GET £m	S&CS £m	FI £m	U £m	Total £m
Covid-19 allocation held corporately	33.7	7.7	9.9	7.2	6.7	7.0	<b>72.2</b>
Drawdown from Public Health Reserve*				0.1			
Revenue Forecasts							
Actual spend	6.9	4.7	7.8	13.5	16.0	0.0	<b>48.9</b>
Underspends	-16.5	-14.0	-12.7	-3.3			<b>-46.5</b>
Loss of income	4.0	2.6	9.6	1.1	1.9		<b>19.3</b>
Unrealised savings	3.3	1.3	0.1		1.4		<b>6.0</b>
One off payments to the market	23.7	0.6	0.2				<b>24.5</b>
Payments for undelivered variable fee services	0.3	3.7	3.9	0.3			<b>8.3</b>
Total Revenue forecast	21.7	-1.1	9.0	11.6	19.3	0.0	<b>60.5</b>
<b>Covid-19 Related Underspend compared with Covid-19 related Budgets held corporately</b>	<b>-12.0</b>	<b>-8.9</b>	<b>-0.9</b>	<b>+4.3</b>	<b>+12.6</b>	<b>-7.0</b>	<b>-11.8</b>
Reconciliation to MHCLG Return							
Removal of underspends and additional income not included	16.5	14.0	12.7	3.3			<b>46.5</b>
Removal of capital forecasts not included		-1.7	-0.1	-0.6			<b>-2.4</b>
Additional risks identified							<b>7.5</b>
Total per MHCLG Return	38.2	11.1	21.6	14.4	19.3	0.0	<b>112.1</b>
<b>Variance against MHCLG Return compared with Covid-19 Budgets held corporately</b>							<b>+39.9</b>
Capital Forecasts							
Actual spend to be covered by Revenue Contribution	0.0	1.7	0.1	0.6	0.0		<b>2.4</b>

\*Public Health are forecasting a net spend of £0.1m in response to Covid-19 which will currently be funded by a drawdown from the Public Health reserve