

REPORT 1

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 29th NOVEMBER 2021

PUBLIC REPORT: Yes

EXEMPT REPORT: No

Report Title	Financial Performance Report: 2021/22 Quarter 2 (April to September).					
KEY DECISION	No					
Report Author	Carolyn Bland, Financial Services Manager					
Purpose of Report	For Cabinet to consider and comment on the 2021/22 Quarter 2 Financial Performance					
Reason for Decision	Good financial governance requires the Cabinet to consider and comment on the forecast financial outturn for 2021/22. Such commentary demonstrates to customers, partners, and stakeholders that the Council is actively considering the financial environment within which the Council is operating.					
Portfolio (holder)	Councillor James Hallam; Finance					
Corporate Priorities	<table border="1"> <tr> <td colspan="2">YOUR COUNCIL: creative, proactive, and efficient</td> </tr> <tr> <td>CO 08</td> <td>Deliver financial sustainability for the future</td> </tr> </table>		YOUR COUNCIL: creative, proactive, and efficient		CO 08	Deliver financial sustainability for the future
YOUR COUNCIL: creative, proactive, and efficient						
CO 08	Deliver financial sustainability for the future					
Financial Implications	The report gives a forecast outturn position for the Council's 2021/22 revenue and capital budgets.					
Risk Management Implications	It is important to monitor the position against budget regularly in order to ensure any issues can be addressed appropriately and in a timely manner.					
Environmental Implications	None					
Legal Implications	The Council is legally required to set and manage a balanced budget.					
Equality Implications	None					
Data Protection Implications	None					
Consultation	Consultation has been undertaken with the Portfolio Holder.					
Background Papers	None					
Appendices	<p>Appendix 1: Summary Revenue Budgets and Capital Programme for 2021/22 Budget and MTFS (2022/23 to 2024/25).</p> <p>Appendix 2: 2021/22 Revenue Forecast Outturn and Variance Analysis by Portfolio & Director Service Categorisation.</p> <p>Appendix 3: Commentary on 2021/22 Budget Variances Greater than £25,000, by Director Service Categorisation.</p> <p>Appendix 4: 2021/22 Capital Forecast Outturn and Variance Analysis.</p> <p>Appendix 5: Disposal of Land at De Verdon Road, Lutterworth</p>					

Recommendation	That Cabinet considers the financial performance report and comments on the Forecast Outturn (31 st March 2022) as detailed within the report and associated appendices.
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1. EXECUTIVE SUMMARY

- 1.1 This report sets out the financial forecast for Quarter 2, based on information at the end of September, for revenue and capital.
- 1.2 Based on the financial position as at 30 September 2021, the forecast outturn as at the 31st March 2022, based on known income and expenditure commitments and working assumptions, the forecast:
- i. Revenue service outturn is forecasting an overspend of £107k; a 0.8% variance to the approved budget.
 - ii. Capital outturn is forecasting an underspend of £81k; a variance of 2% to the approved budget.

2. BACKGROUND

- 2.1 The Council approved the 2021/22 Budget and Medium-Term Financial Strategy (2022/23 to 2024/25) (MTFS); which included the Capital Programme in February 2021. After in-year adjustments for Budget Challenge 2025 (reported to Cabinet in September 2021), the Updated 2021/22 Budget and MTFS is summarised below.
- 2.2 In respect of:
- the **Revenue budget**, the 2021/22 net service expenditure is £12.2m and after capital financing (£857k), the net expenditure for the delivery of services is £13.1m; over the MTFS period, this increases to £13.5m. This is summarised in **Table 1** below.

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Approved Revenue Expenditure: Approved 2021/22 Budget & MTFS (2022/23 to 2024/25) + BC25 and other adjustments				Table 1			
				2021/22	2022/23	2023/24	2024/25
				£000	£000	£000	£000
Original Net Expenditure				13,098	13,023	13,036	13,500
Increase in service expenditure:		Minute No.					
- Leisure: Contractor Costs (2)	26.04.21	245	245	120	327	0	0
- Leisure Contractor Costs (3)	10.11.21	0	0	100	0	0	0
Updated Net Expenditure				13,343	13,243	13,363	13,500
- additional use of Reserves				(245)	(220)	(327)	0
Updated Contributions to/(from) Reserves				497	(3,121)	(3,569)	(2,630)
Budget Requirement				13,840	10,122	9,794	10,870
Total Grants				(7,551)	(3,579)	(2,960)	(3,702)
Council Tax Requirement				6,289	6,543	6,834	7,168
<p>NB. The Leisure Contractor:</p> <ol style="list-style-type: none"> costs for future years are still being negotiated. When the MTFS is updated during 2022/23 budget setting the MTFS will then be updated for the confirmed figures. Council approved additional resources to support its Leisure offer in April 2021. Cabinet approved a change to that support to Leisure (2) in September 2021. However, as this was a net reduction in the amount approved in April, no further reporting to Council is required. 							

- the **Capital Programme**, the 2021/22 programme totals £3.4m and is financed by £2.4m of external grants and capital receipts, £311k of direct revenue funding and £723k of unsupported borrowing (minimum revenue provision). Over the MTFS period the capital programme decreases to £1.1m.
- **Reserves**, Council approved a net contribution to reserves of £742k; this was made-up of a contribution to reserves of £2.7m and a draw-down from reserves of £1.9m – the latter being the Councils “budget gap”.

2.3 Reflecting on last year, because of Covid-19, the Council did see significant impacts on service and corporate income streams. Some were entirely predictable, such as car parking income; but others, such as planning income was due to developers submitting plans later than liaison meetings had expected. For 2021/22, Finance have been working closely with services, acting as critical friend to value check their forecast outturns; however, it must be remembered that the forecast outturns are the responsibility of respective services. Further, the Director; Finance, ICT and Assets has advised services that they must provide fair and balanced forecast outturns. The reason for this guidance was to stress that the Council relies on this information to inform future resource planning and the achievement of corporate priorities. Therefore, the onus is on managers to ensure that their estimates are “realistic”, based on prevailing knowledge and known market conditions i.e., not to be overly cautious or optimistic.

3. FINANCIAL PERFORMANCE - Revenue

- 3.1 Providing an accurate forecast outturn based on the financial performance at Quarter 2 can be challenging as many things can occur between the end of September and the end of the financial year; as the impact of the Coronavirus Pandemic over the past year has clearly shown.
- 3.2 It is fair to say that at the time of drafting this report, the impacts of the pandemic are still being felt, directly and indirectly by the Council and of course by both our residents and businesses.

Revenue Headlines

- 3.3 The forecast outturn for the current financial year and the impact over the MTFS is summarised in paragraphs 3.4 to 3.12 below. It should be noted that the following “service” forecast outturns are net of Covid 19 expenditure/lost income that is to be financed from the CV19 Internal Recovery Earmarked Reserve for quarter 1. If there is residual Covid 19 expenditure/lost income, this is considered “business as usual” as it will be financed from the General Fund.
- 3.4 **2021/22**; in respect of the Updated Net Expenditure budget of £13.432m, the forecast outturn is £13.539m, which represents an overspend of the budget by £107k. A “financial” variance analysis based on both Portfolio and Director service categorisation, and an accompanying Reserve analysis is shown at **Appendix 2** and summarised in **Table 2** below. The reasons for variances greater than £25k is shown in **Appendix 3**.

Summary of 2021/22 Revenue Budget Variances, by Director Service Categorisation				Table 2
Service	Updated Budget £000	Forecast Outturn £000	Variance £000	Commentary
Chief Executive	223	220	(3)	
Deputy Chief Executive	1,549	1,538	(11)	Increased income on Harborough Innovation Centre, less other small overspends
Governance	823	1,062	239	Reduced use of Car Parks
Finance & Assets	2,902	3,086	184	Provision for pay increase, corporate vacancy saving, Symington Building Service charge, less savings on ICT, LRBP and other smaller savings
Communities	6,192	5,931	(261)	Savings on Communication, Homelessness, Housing, Waste, Recycling and other smaller savings
Planning	886	845	(41)	Increased income on Development Control and other smaller savings
Net Direct Cost of Services	12,575	12,682	107	
Finance & Assets: Capital Financing (*)	857	857	0	
Net Expenditure	13,432	13,539	107	
NB.				
* Finance & Assets are allocated to this item, but this item (Minimum Revenue Provision) is dependent on other services actioning the capital programme.				

Pay Award

3.5 It should be noted that included within the 2021/22 forecast estimate is a corporate increase in respect of employees pay. The Council was notified on in July that the national employers have proposed a pay increase of 1.75% for all staff; an increase of 1.75% represents an additional cost in 2021/22 of £163k. Over the MTFS this increases the pay budget by £669k. Members will recall that as part of the budget they approved the following employee pay indices for 2021/22 and for each year of the MTFS, totalling £658k:

- 2021/22: 0%
- 2021/22: 1%
- 2022/23: 1.5%
- 2023/24: 2%

3.6 As of October 2021, for those staff who are members of

- **Unison**, all respective staff have been consulted by the union and 79% from England, Wales and Northern Ireland voted to reject the offer. It is understood that respective staff and being balloted for industrial action.
- **Unite**, all respective staff have been consulted by the union and 81% voted to reject the offer; of those 85% were supportive of taking industrial action.
- **GMB**, all respective staff have been consulted by the union and 75% voted to reject the offer. The union will now ballot on industrial action.

Leisure Provision: SLM

- 3.7 As noted in **Table 1**, in April 2021 Council approved an additional £245k support to SLM, the Councils Leisure service contract, for 2021/22; therefore, the total 2021/22 budget for leisure is £140k (including an income budget of £150k). Members will recall that for 2021/22 an open-book approach is being followed (i.e., no profit operating model). Against the total budget, the current forecast is showing a saving of £10k.
- 3.8 The final settlements have now been agreed with SLM and the final account is £134k better off than originally anticipated. This is due to credit income accrued over the summer of 2020. This will be transferred to reserves on receipt.

Reserves

- 3.9 Inevitably as the Council progresses through any year its use of reserves will flex depending on:
- the macro and micro economic climate that the Council finds itself, and
 - along with its need to meet its corporate priorities and statutory obligations.
- 3.10 As required by the Reserves Strategy, considering the 2021/22 overspend of the revenue budget, Cabinet is asked to note that through the active management of reserves that the General Fund (Unallocated) Reserve is maintained at 20%, the approved minimum level of reserves.
- 3.11 Further, in respect of the budget gap for 2021/22, members will recall that when the budget was set in February, the Council was forecasting a budget gap of £1.9m (2.2). With the various budget changes noted within this report, the "Updated Budget" gap has increased to £2.2m (**Appendix 2**).

Implications over the MTFS

3.12 As well as reflecting on the current year’s financial performance, services are now asked as part of the budget setting process to also reflect on future years implications for their services so members can consider the potential impact for future decision-making and the achievement of its ambition to deliver financially sustainable services over the medium-term. At this time, as shown in **Table 3** below, that ambition is not achieved within the current MTFS period because, by the end of 2024/25, the Council is still required to draw down from reserves to achieve a balanced budget (i.e. the budget gap by 2024/25, based on “firm” BC25 savings is £1.3m).

Updated Medium-Term Financial Strategy (2021/22 to 2024/25)				Table 3		
Change in Service Spend	BC25 Tranche 2 & 3 "Firm" Savings	2021/22		2022/23	2023/24	2024/25
		Updated Budget	Forecast Outturn	£000	£000	£000
	Net Direct Cost of Services	12,575	12,578	12,111	12,067	12,332
	Capital Financing	857	857	912	969	1,168
	Net Expenditure	13,432	13,435	13,023	13,036	13,500
	2022/23 to 2024/25					
	- BC25 - Tranche 2			(646)	(583)	(554)
	- BC25 - Tranche 3			(520)	(736)	(787)
	Updated Net Expenditure	13,432	13,435	11,857	11,717	12,159
	Contributions to/(from) Reserves					
	- General Reserves	(2,306)	(2,758)	(2,559)	(2,739)	(2,630)
	- Earmarked Reserves	2,677	2,716	824	816	1,341
	Total Reserve Contributions	371	(42)	(1,735)	(1,923)	(1,289)
	Budget Requirement	13,803	13,393	10,122	9,794	10,870
	Total Grants	(7,514)	(7,104)	(3,579)	(2,960)	(3,702)
	Council Tax Requirement	6,289	6,289	6,543	6,834	7,168
NB. Future years MTFS budgets have not been adjusted for the pay award as this award has not yet been agreed.						

4. FINANCIAL PERFORMANCE – Capital

4.1 The Capital Programme for **2021/22** totals £3.4m, of which £2.5m was brought forward from previous years, £0.9m is in respect of new initiatives for 2021/22. The forecast outturn is £5.2m, which represents an underspend of the budget by £81k. A summary variance analysis is shown in **Table 4**, with a detail analysis, with associated commentary, is shown in **Appendix 4**.

Summary of 2021/22 Capital Budget Variance Greater than £25,000				Table 4	
Service	Updated Budget	Forecast Outturn	Variance		Commentary
	£000	£000	£000	%	
Capital Projects Approved in previous years	3,894	3,786	(108)	-3%	Netcall and Symington Rec Ground Pavilion
New Capital Proposals	1,353	1,380	27	2%	
Net Capital Programme	5,247	5,166	(81)	-2%	

Disposal of Land at De Verdon Road, Lutterworth

4.2 The Council completed on the sale of De Verdon Road to Stonewater, a social housing provider, on the 1st October 2021 and received £4,890,461. After the setting off of known costs when the Council was looking to self-develop and the more recent costs of disposal, the net capital receipt is £4,358,289. A detailed analysis is shown in **Appendix 5**.

5. Impact of the Covid-19 Pandemic

Expenditure to be financed by the Council

5.1 Members will recall that when they approved the 2021/22 Budget that the government was awarding the Council several CV19 related grants, which the Council has agreed to use to set-off expected corporate income losses.

5.2 As noted in 3.4, the net service expenditure has been netted down for the CV19 expenditure that is to be financed using the CV19 Internal Recovery Earmarked Reserve for quarter 1. To enable members to see the full impact of current year CV-19 expenditure or lost income, this is shown in **Table 5** along with whether the item is being financed from within service expenditure or the earmarked reserve. In summary the expenditure/income to be financed from the CV19 Internal Recovery Earmarked Reserve totals £166k.

2021/22 - CV19 Related Expenditure and Lost Income				Table 5	
Service	CV19 Expenditure	CV19 Lost Income		Financing	
	Commentary	Commentary	CV19 Internal Recovery Earmarked Reserve		General Fund
			£000	£000	
Chief Executive	0	0		0	0
Deputy Chief Executive	6 Market Hall	42 Market Hall - footfall down with some small mitigation from Government funding		48	0
Governance	0	52 Car Parking - income down for both car parks and permits, partly mitigated by Government funding		52	0
Finance & Assets	0 Corporate	66 Interest and Investment Income down because of the continued reduction in interest rates and dividends		66	0
Communities	0	0		0	0
Planning	0	0		0	0
Total	6	160		166	0

Government Grants Awarded to the Councils Community

5.3 Members will recall that since the start of the pandemic the Council has been acting as agent for the Government and awarding a varied range of grants to

both its business and residential community. From the 1st April 2021 the government still required the Council to deliver a number of grants; a summary analysis is shown below in **Table 6**.

ANALYSIS OF GRANTS SINCE 1ST APRIL 2021		TABLE 6
TYPE OF GRANT	Grants from 1/4/2021 PAYMENTS £	Grants from 1/4/2021 NO OF GRANTS No.
National Lockdown Grant & Closed Lockdown Payment . These grants will be combined and paid as a single payment.	238,512	29
National Lockdown Grant	234,187	89
Local Restrictions Support Grant	51,175	60
Additional Restrictions Grant - discretionary grant	896,657	476
Test and trace self isolation payments	52,500	105
Restart Grant	4,021,375	541
TOTAL	5,494,406	1,300

Summary Revenue Budgets and Capital Programme for 2021/22 Budget and MTF5 (2022/23 to 2024/25)

REVENUE				
Approved 2021/22 Budget & Medium-Term Financial Strategy (2022/23 to 2024/25)				
	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Net Direct Cost of Services	12,241	12,111	12,067	12,332
Capital Financing	857	912	969	1,168
Net Expenditure	13,098	13,023	13,036	13,500
Contributions to/(from) Reserves				
- General Reserves	(1,935)	(2,559)	(2,739)	(2,630)
- Earmarked Reserves	2,677	(342)	(503)	0
	742	(2,901)	(3,242)	(2,630)
Budget Requirement	13,840	10,122	9,794	10,870
Total Grants	(7,551)	(3,579)	(2,960)	(3,702)
Council Tax Requirement	6,289	6,543	6,834	7,168

CAPITAL PROGRAMME				
Approved 2021/22 Budget & Medium-Term Financial Strategy (2022/23 to 2024/25)				
	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Capital Projects Approved in previous years (either commenced or to start)	2,512	7,057	1,835	1,065
New Capital Proposals				
ICT & Transformation	280	150	100	0
Lifeline	40	0	0	0
Environmental	59	0	0	0
Lutterworth Town Centre Heritage Action Zone	530	0	0	0
Total	3,421	7,207	1,935	1,065
Sources of Finance				
External Funding & Grants	1,571	720	720	720
Capital Receipts	816	3,650	450	50
Service Charges	61	6	6	17
Direct Revenue Financing	250	150	100	0
Unsupported Borrowing (MRP)	723	2,681	659	278
Total	3,421	7,207	1,935	1,065
Net Cost of Capital Programme	0	0	0	0

2021/22 Revenue Forecast Outturn and Variance Analysis by Portfolio & Director Service

Categorisation

Appendix 2

2020/21 Outturn	Service Analysis - BY PORTFOLIO	Original Budget	BC25: Tranche 2	BC25: Tranche 3	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Actual Quarter 2	CV19 Spend	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
3,289	Finance	2,730	327	(48)	0	10	3,019	2,863	(66)	2,797	(222)	-7%
5,376	Planning, Environment & Waste	5,342	(199)	0	0	(3)	5,140	4,973	0	4,973	(167)	-3.2%
1,159	Wellbeing, Communities & Housing	1,134	0	(48)	245	55	1,386	1,256	0	1,256	(130)	-9.4%
399	Strategy (aka Planning & Regeneration)	723	(23)	(5)	0	257	952	963	(48)	915	(37)	-3.9%
3,372	Corporate & Regulatory Services	2,366	(66)	(195)	0	27	2,132	2,677	(52)	2,625	493	23.1%
0	Contingency (including Pay/Services/FCC Inflation)	(54)		0	0	0	(54)	116	0	116	170	-314.8%
13,595	Net Direct Cost of Services	12,241	39	(296)	245	346	12,575	12,848	(166)	12,682	107	0.9%
820	Capital Financing	857	0	0	0	0	857	857	0	857	0	0.0%
14,415	Net Expenditure	13,098	39	(296)	245	346	13,432	13,705	(166)	13,539	107	0.8%

2020/21 Outturn	Service Analysis - BY DIRECTOR	Original Budget	BC25: Tranche 2	BC25: Tranche 3	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Actual Quarter 2	CV19 Spend	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
293	Chief Executive	301	0	0	0	(78)	223	220	0	220	(3)	-1%
1,561	Deputy Chief Executive	1,197	315	(130)	0	167	1,549	1,586	(48)	1,538	(11)	-0.7%
2,011	Governance	975	(66)	(80)	0	(6)	823	1,114	(52)	1,062	239	29.0%
2,637	Finance & Assets	2,845	(77)	(48)	0	182	2,902	3,152	(66)	3,086	184	6.3%
6,028	Communities	5,930	0	(38)	245	55	6,192	5,931	0	5,931	(261)	-4.2%
1,065	Planning	993	(133)	0	0	26	886	845	0	845	(41)	-4.6%
13,595	Net Direct Cost of Services	12,241	39	(296)	245	346	12,575	12,848	(166)	12,682	107	0.9%
820	Capital Financing	857	0	0	0	0	857	857	0	857	0	0.0%
14,415	Net Expenditure	13,098	39	(296)	245	346	13,432	13,705	(166)	13,539	107	0.8%

2020/21 Outturn	Reconciliation to Council Tax Requirement	Original Budget	BC25: Tranche 2	BC25: Tranche 3	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Actual Quarter 2	CV19 Spend	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
14,415	Net Expenditure	13,098	39	(296)	245	346	13,432	13,705	(166)	13,539	107	0.8%
(854)	Contributions to/(from) Reserves											
(137)	- General Reserves	(1,935)	(39)	296	(245)	(383)	(2,306)	(2,633)	0	(2,758)	(452)	19.6%
0	- Earmarked Reserves	2,550	0	0	0	0	2,550	2,642	0	2,550	0	0.0%
(991)	- Earmarked Reserves - CV19	127	0	0	0	0	127	0	166	166	39	30.7%
		742	(39)	296	(245)	(383)	371	9	166	(42)	(413)	-111.3%
13,424	Budget Requirement	13,840	0	0	0	(37)	13,803	13,714	0	13,497	(306)	-2.2%
(7,356)	Corporate Funding & Grants	(7,551)				37	(7,514)	(7,425)	0	(7,208)	306	-4.1%
6,068	Council Tax Requirement	6,289				0	6,289	6,289	0	6,289	0	0.0%

2021/22 Reserve Movements		Appendix 2 (continued)				
	Original Budget		Updated Budget		CV19 Spend	Forecast Outturn
	£000		£000		£000	£000
> General Fund (Unallocated) Reserve						
b/f	2,882		2,882			2,882
Cont from/(to) Services	(1,935)		(2,306)			(2,758)
Cont from/(to) Budget Surplus Reserve	1,673		2,110			2,551
c/f	2,620		2,686			2,675
Net Expenditure	13,098		13,098	Net Exp less CV19 cont.		13,373
Gen Fund Minimum @ 20%	2,620		2,686			2,675
Are Reserves maintained at 20% of Net Expenditure	Yes		Yes			Yes
> Earmarked Reserves						
Budget Surplus Reserve						
b/f	0		0			0
Cont from/(to) General Fund	(1,673)		(2,110)			(2,551)
Cont from/(to) Earmarked Reserves	1,673		2,043			2,532
c/f	0		(67)			(19)
CV19 Internal Recovery Reserve						
b/f	947		947			947
Cont from/(to) Services	(220)		(220)	(166)		(166)
Cont from/(to) Corp Funding & Grants	347		347	0		347
Cont from/(to) Earmarked Reserves	0		0			0
c/f	1,074		1,074			1,128
Projects, Risk & Smoothing Reserve						
b/f	316		316			316
Cont from/(to) Corp Funding & Grants	1,005		1,005			1,005
Cont from/(to) Budget Surplus Earmarked Reserve	(402)		(402)			(402)
c/f	919		919			919
Capital & Contract Reserve						
b/f	403		403			403
Cont from/(to) Budget Surplus Earmarked Reserve	0		0			0
c/f	403		403			403
Transformation Reserve						
b/f	2,000		2,000			2,000
Cont from/(to) Budget Surplus Earmarked Reserve	0		0			0
c/f	2,000		2,000			2,000
Community, Economic & Infrastructure Reserve						
b/f	2,411		2,411			2,411
Cont from/(to) Corp Funding & Grants	308		308			308
Cont from/(to) Budget Surplus Earmarked Reserve	(1,271)		(1,271)			(1,271)
c/f	1,448		1,448			1,448
Commercial Investment Reserve						
b/f	1,890		1,890			1,890
Cont from/(to) Services	(88)		(88)			(88)
Cont from/(to) Corp Funding & Grants	1,325		1,325			1,325
Cont from/(to) Budget Surplus Earmarked Reserve	0		(370)			(859)
c/f	3,127		2,757			2,268

Commentary on 2021/22 Budget Variances Greater than £25,000, by Director Service Categorisation		Appendix 3	
Service	Directorate Variance £000	Detailed Service Variance	
		£000	Commentary
Chief Executive Cumulative variances less than £25k	(3)	(3)	
Deputy Chief Executive Harborough Innovation Centre Cumulative variances less than £25k	(11)	(41) 30	Income higher £33k and savings for vacant posts, and premises
Governance Car Parks On Street CPE Cumulative variances less than £25k	239	223 (30) 46	Pay & Display income, season tickets and permits continue to be down for quarter 2 Contribution received to support costs in contract with LCC not included in budget
Finance & Assets IT Services Revenues and Benefits Quick Response Team Corporate Savings The Symington Building Cumulative variances less than £25k	184	(44) (30) 31 223 38 (34)	Vacant posts partially offset by agency staff £18k saving on partnership budgets plus £12k expected saving on 20/21 partnership fee Delay in transferring service to FCC whilst negotiations ongoing £60k corporate vacancy saving matched by actual savings in other cost centres plus provision for 1.75% pay rise Increased Agency costs, business rates and lower than anticipated service charge recovery
Communities Communication Housing Services Residual Waste Collections Recycling Collections Cumulative variances less than £25k	(261)	(30) (48) (49) (64) (70)	Agreed at BC25 review to shift £31k of strategic communications budget into a new post. Recruitment just happening so part-year saving. Other communications spend has now been funded by COVID related grant adding to underspend New posts agreed as part of BC25 delayed in recruitment (now appointed to) plus COVID Contain funding for a housing advisor post £30k saving on contractor charges re 20/21 new builds plus increased income from bulky waste collections Savings on contractor charges
Planning Development Control Cumulative variances less than £25k	(41)	(28) (13)	Total income up £21k, and some small savings
Finance & Assets: Capital Financing Cumulative variances less than £25k	0	0	
Net Expenditure	107	107	

2021/22 Capital Forecast Outturn and Variance Analysis												Appendix 4	
Capital Projects	Original Budget	BC25: Tranche 2	Approved Budget Increases	Virements & Reserve Movements	Slippage to 2022/23	Updated Budget	Actual to Quarter 2	CV19 Spend	Revised Actual Quarter 2	Forecast Outturn	Variance		Commentary
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Capital Projects Approved in previous years (either commenced or to start)													
CCTV	20	0	55	0	0	75	89	0	89	77	2	3%	Orders starting to be placed
Harborough Innovation Centre	20	0	0	0	0	20	0	0	0	20	0	0%	PPM being assessed
Market Hall	138	0	58	0	0	196	82	0	82	196	0	0%	Smoke vent works commencing
Housing & Homelessness Schemes	400	0	150	0	(140)	410	285	0	285	410	0	0%	Roman Way site purchased
Lightbulb (Disabled Facilities Grants) & Other Social Services	418	0	0	(17)	0	401	401	0	401	401	0	0%	Plan will fully deliver by year end.
Leisure, Open Spaces & Play	740	0	508	0	(632)	616	113	0	113	574	(42)	-7%	Symmington Rec Pavilion works underway
Corporate Buildings	331	0	35	0	(309)	57	57	0	57	57	0	0%	Ventilation works progressing
Car Parks & Similar Facilities	0	0	522	0	(517)	5	1	0	1	5	0	0%	Coach Park scheme on hold
Capital Works-S.106	250	0	1,435	0	0	1,685	247	0	247	1,685	0	0%	First round of allocations underway
ICT & Transformation	195	0	234	0	0	429	157	0	157	361	(68)	-16%	Netcall implementation ongoing
	2,512	0	2,997	(17)	(1,598)	3,894	1,432	0	1,432	3,786	(108)	-3%	
New Capital Proposals													
ICT & Transformation	280	0	(36)	0	0	244	294	0	294	269	25	10%	Scoping work ongoing
Lifeline	40	0	0	0	0	40	6	0	6	40	0	0%	Scheme on track
Environmental	59	0	0	0	0	59	0	0	0	61	2	3%	Finalising agreement and contractor ready to start onsite.
Lutterworth Town Centre Heritage Action Zone	530	0	0	0	0	530	2	0	2	530	0	0%	Purchase of car park underway
Housing & Homelessness Schemes	0	0	480	0	0	480	0	0	0	480	0	0%	Plowman's Yard being designed
	909	0	444	0	0	1,353	302	0	302	1,380	27	2%	
Total	3,421	0	3,441	(17)	(1,598)	5,247	1,734	0	1,734	5,166	(81)	-2%	
Sources of Finance													
External Funding & Grants	1,571	0	1,990	(17)	(140)	3,404	918	0	918	3,404	0	0%	
Capital Receipts	816	0	636	0	(705)	747	121	0	121	707	(40)	-5%	
Service Charges	61	0	0	0	(55)	6	0	0	0	0	(6)	-100%	
Direct Revenue Financing	250	0	0	0	0	250	298	0	298	275	25	10%	
Unsupported Borrowing (MRP)	723	0	815	0	(698)	840	397	0	397	780	(60)	-7%	
Total	3,421	0	3,441	(17)	(1,598)	5,247	1,734	0	1,734	5,166	(81)	-2%	

Disposal of Land at De Verdon Road, Lutterworth	Appendix 5
	£
Sale Proceeds:	(4,890,461)
Planning Application	25,895
Design & Planning Works	450,939
Legal & Admin Costs	19,829
Sale & Marketing	35,509
	532,172
Net Capital Receipt	(4,358,289)