

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 7th MARCH 2022

PUBLIC REPORT: Yes

EXEMPT REPORT: No

Report Title	Financial Performance Report: 2021/22 Quarter 3 (April to December).					
KEY DECISION	No					
Report Author	Carolyn Bland, Financial Services Manager					
Purpose of Report	For Cabinet to consider and comment on the 2021/22 Quarter 3 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>					

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 3, based on information at the end of December, for revenue and capital.
- 1.2 Based on the financial position as at 31 December 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 almost on budget position, with no variance to the approved budget, subject to in service underspends which will be used to meet future costs (subject to approval of carry forwards at Quarter 4).
 - ii. Capital outturn is forecasting an underspend of £163k; a variance of 3% 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. Members will recall that Council approved in April 2021 an additional reserves contribution of £245k to support the Councils Leisure service contract; current Leisure performance without this additional support is showing a net position of £10k overspend thus a revised contribution of £10k will be applied.

Approved Revenue Expenditure: Approved 2021/22 Budget & MTF5 (2022/23 to 2024/25) + BC25 + other adjustments					Table 1	
		2021/22 Original £000	2021/22 Updated £000	2022/23 £000	2023/24 £000	2024/25 £000
Net Expenditure		13,098	13,212	13,023	13,036	13,500
Increase in service expenditure:	Minute No.					
- Leisure: Contractor Costs	26.04.21	0	10	120	327	0
- Leisure Contractor: Costs	10.11.21	0	0	100	0	0
Updated Net Expenditure		13,098	13,222	13,243	13,363	13,500
- additional use of Reserves		0	(10)	(220)	(327)	0
Updated Contributions to/(from) Reserves		742	581	(3,121)	(3,569)	(2,630)
Budget Requirement		13,840	13,803	10,122	9,794	10,870
Total Grants		(7,551)	(7,514)	(3,579)	(2,960)	(3,702)
Council Tax Requirement		6,289	6,289	6,543	6,834	7,168

- 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 MTF5 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 3 can still be challenging as things can occur between December and the end of the financial year.

3.2 It is fair to say that at the time of drafting this report, the impacts of the pandemic and the recent Omicron variant 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 MTF5 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” and will be financed from the General Fund.

3.4 **2021/22**; in respect of the Updated Net Expenditure budget of £13.2m, the forecast outturn is on budget at £13.2m. 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	213	207	(6)	
Deputy Chief Executive	1,574	1,462	(112)	Increased income on Harborough Innovation Centre, lower income on Harborough Grow on Centre and smaller savings under £25k.
Governance	823	935	112	Reduced use of Car Parks less savings on Members allowances and other smaller savings.
Finance & Assets	2,912	3,247	335	Provision for pay increase, corporate vacancy saving, Symington Building Service charge, migration to MS Office 365, Quick Response Team less savings on LRBP, Asset Team and other smaller savings.
Communities	5,957	5,666	(291)	Savings on Housing, Recycling, Communications and other smaller savings.
Planning	886	848	(38)	Savings below £25k.
Net Direct Cost of Services	12,365	12,365	0	
Finance & Assets: Capital Financing (*)	857	857	0	
Net Expenditure	13,222	13,222	0	
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 in July and reaffirmed in October that the national employers have proposed a full and final pay increase of 1.75% for all NJC staff on SCP 2 and above (a 2.75% increase on SCP 1); an increase of 1.75% represents an additional cost in 2021/22 of £164k. Over the MTFS this increases the pay budget by £670k. 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 January 2022, 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. The outcome of the following Unison ballot for industrial action was a “yes” vote of 70.2% but the turnout was only 14.5% and for strike action to be lawful at least 50% of the members entitled to cast a vote must do so, so Unison cannot now proceed with industrial action.
- **Unite**, all respective staff have been consulted by the union and 81% voted to reject the offer; Unite is currently issuing strike ballot paper notices.
- **GMB**, all respective staff have been consulted by the union and 75% voted to reject the offer. The union have not advised of the outcome of their ballot.

Reserves

3.7 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.

- 3.8 As required by the Reserves Strategy, 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.
- 3.9 Further, in respect of the budget gap for 2021/22, members will recall that when the budget was set in February 2021, 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 changed to £2.5m. (**Appendix 2**).
- 3.10 It is recommended that a Homelessness Reserve is created within the Projects, Risks and Smoothing Reserve, as the Homelessness grant received from central government is calculated using statistics from the previous year meaning in year funding does not match in year expenditure, allowing any surplus to be carried forward against peaks in future years; the estimated contribution being £102k.

Capital Financing

- 3.11 The implications for capital financing with respect to the new Minimum Revenue Provision (MRP) policy approved by Council in December will be finalised and reflected in Quarter 4.

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	£000	£000
	Net Direct Cost of Services	12,365	12,365	12,111	12,067	12,332
	Capital Financing	857	857	912	969	1,168
	Net Expenditure	13,222	13,222	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	13,222	13,222	11,857	11,717	12,159
	Contributions to/(from) Reserves					
	- General Reserves	(2,096)	(2,021)	(2,559)	(2,739)	(2,630)
	- Earmarked Reserves	2,677	2,408	824	816	1,341
	Total Reserve Contributions	581	387	(1,735)	(1,923)	(1,289)
	Budget Requirement	13,803	13,609	10,122	9,794	10,870
	Total Grants	(7,514)	(7,320)	(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 overspend of the budget by £163k. 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 (either commenced or to start)	3,980	3,815	(165)	-4%	Netcall and Symington Rec Ground Pavilion
New Capital Proposals	1,394	1,396	2	0%	
Net Capital Programme	5,374	5,211	(163)	-3%	

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 £161k.

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		£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	61	Interest and Investment Income down because of the continued reduction in interest rates and dividends	61	0
Communities	0		0		0	0
Planning	0		0		0	0
Total	6		155		161	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 of grants paid this year to 31st January is shown below in **Table 6**.

REPORT 4

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	725
Test and trace self isolation payments	90,000	180
Restart Grant	4,021,375	541
Omicron Hospitality Grant	385,354	113
TOTAL	5,917,260	1,737

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

REPORT 4

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 "Firm Savings" £000	BC25: Tranche 3 "Firm Savings" £000	Approved Budget Increases £000	Virements & Reserve Movements £000	Updated Budget £000	Forecast Actual Quarter 3 £000	CV19 Spend £000	Forecast Outturn £000	Variance £000	
3,289	Finance	2,730	327	(48)	0	10	3,019	2,927	(61)	2,866	(153)	-5%
5,376	Planning, Environment & Waste	5,342	(199)	0	0	(3)	5,140	5,074	0	5,074	(66)	-1.3%
1,159	Wellbeing, Communities & Housing	1,134	0	(48)	10	55	1,151	960	0	960	(191)	-16.6%
399	Strategy (aka Planning & Regeneration)	723	(23)	(5)	0	292	987	988	(48)	940	(47)	-4.8%
3,372	Corporate & Regulatory Services	2,366	(66)	(195)	0	17	2,122	2,460	(52)	2,408	286	13.5%
0	Contingency (including Pay/Services/FCC Inflation)	(54)	0	0	0	0	(54)	117	0	117	171	-316.7%
13,595	Net Direct Cost of Services	12,241	39	(296)	10	371	12,365	12,526	(161)	12,365	0	0.0%
820	Capital Financing	857	0	0	0	0	857	857	0	857	0	0.0%
14,415	Net Expenditure	13,098	39	(296)	10	371	13,222	13,383	(161)	13,222	0	0.0%

2020/21 Outturn	Service Analysis - BY DIRECTOR	Original Budget	BC25: Tranche 2 £000	BC25: Tranche 3 £000	Approved Budget Increases £000	Virements & Reserve Movements £000	Updated Budget £000	Forecast Actual Quarter 3 £000	CV19 Spend £000	Forecast Outturn £000	Variance £000	
293	Chief Executive	301	0	0	0	(88)	213	207	0	207	(6)	-3%
1,561	Deputy Chief Executive	1,197	315	(130)	0	192	1,574	1,510	(48)	1,462	(112)	-7.1%
2,011	Governance	975	(66)	(80)	0	(6)	823	987	(52)	935	112	13.6%
2,637	Finance & Assets	2,845	(77)	(48)	0	192	2,912	3,308	(61)	3,247	335	11.5%
6,028	Communities	5,930	0	(38)	10	55	5,957	5,666	0	5,666	(291)	-4.9%
1,065	Planning	993	(133)	0	0	26	886	848	0	848	(38)	-4.3%
13,595	Net Direct Cost of Services	12,241	39	(296)	10	371	12,365	12,526	(161)	12,365	0	0.0%
820	Capital Financing	857	0	0	0	0	857	857	0	857	0	0.0%
14,415	Net Expenditure	13,098	39	(296)	10	371	13,222	13,383	(161)	13,222	0	0.0%

2020/21 Outturn	Reconciliation to Council Tax Requirement	Original Budget	BC25: Tranche 2 £000	BC25: Tranche 3 £000	Approved Budget Increases £000	Virements & Reserve Movements £000	Updated Budget £000	Forecast Actual Quarter 3 £000	CV19 Spend £000	Forecast Outturn £000	Variance £000	
14,415	Net Expenditure	13,098	39	(296)	10	371	13,222	13,383	(161)	13,222	0	0.0%
	Contributions to/(from) Reserves											
(854)	- General Reserves	(1,935)	(39)	296	(10)	(408)	(2,096)	(2,021)	0	(2,021)	75	-3.6%
(137)	- Earmarked Reserves	2,550	0	0	0	0	2,550	2,247	0	2,247	(303)	-11.9%
0	- Earmarked Reserves - CV19	127	0	0	0	0	127	0	161	161	34	26.8%
(991)		742	(39)	296	(10)	(408)	581	226	161	387	(194)	-33.4%
13,424	Budget Requirement	13,840	0	0	0	(37)	13,803	13,609	0	13,609	(194)	-1.4%
(7,356)	Corporate Funding & Grants	(7,551)				37	(7,514)	(7,320)	0	(7,320)	194	-2.6%
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)		(2,096)		(2,021)
Cont from/(to) Budget Surplus Reserve	1,673		1,858		1,751
c/f	2,620		2,644		2,612
Net Expenditure	13,098		13,098	Net Exp less CV19 cont.	13,061
Gen Fund Minimum @ 20%	2,620		2,644		2,612
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)		(1,858)		(1,751)
Cont from/(to) Earmarked Reserves	1,673		2,043		2,532
c/f	0		185		781
CV19 Internal Recovery Reserve					
b/f	947		947		947
Cont from/(to) Services	(220)		(220)	(161)	(161)
Cont from/(to) Corp Funding & Grants	347		347	0	347
Cont from/(to) Earmarked Reserves	0		0		0
c/f	1,074		1,074		1,133
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	(6)	(6)	
Deputy Chief Executive Harborough Innovation Centre Harborough Grow on Centre Cumulative variances less than £25k	(112)	(38) 34 (108)	Income higher than budgeted £19k, staffing cost reduced due to vacancy savings, some premises costs reduced due to Covid restrictions delaying companies able to complete works. Occupancy below set target at 20% (3) not reached until November 21, Occupancy has been affected by Covid restrictions, the slower occupancy growth has also affected income for EV charges, meeting rooms, internet and lower business rates savings due to vacant rooms.
Governance Members Allowances and Expenses Car Parks Cumulative variances less than £25k	112	(43) 240 (85)	Underspends caused by underlying member allowances budget underspends plus greatly reduced travel and expenses claims from members due to increased virtual meetings and training. Shortfall in pay and display income and season ticket income due to the Covid pandemic. Total P&D volume 16% lower April-Dec compared to 2019/20 (last non pandemic year). Assume this reduction continues through into the final quarter.
Finance & Assets IT Services Revenues and Benefits Quick Response Team Corporate Asset Management Corporate Savings Council Tax Support Scheme The Symington Building Cumulative variances less than £25k	335	74 (30) 58 (53) 284 (37) 35 4	Licences and costs to migrate to MS Office 365 offset partly by staffing vacancies. £18k saving on partnership budgets plus £12k expected saving on 20/21 partnership fee. Planned migration of service to FCC has not happened so service costs remain. Vacancies only partly offset by agency costs, and problems recruiting. £120k corporate vacancy saving matched by actual savings in other cost centres plus £164k provision for 1.75% pay rise. Anticipated underspend on scheme and £6k increased admin grant. Reduced service charge income following recalculation of rates.
Communities Communications Trade Refuse Recycling Collections Housing Services Cumulative variances less than £25k	(291)	(39) 27 (70) (87) (122)	Vacant post. Reduced trade waste income, partly due to closure of business during Covid. Reduced green waste processing costs partly offset by increased recycling costs £65k underspend on salaries due to delays in appointing to newly created BC25 posts plus resignations in the year; £35k underspend on a miscellaneous housing budget - note this budget has been given up as a saving in 22/23, less minor overspends.
Planning Cumulative variances less than £25k	(38)	(38)	
Finance & Assets: Capital Financing Cumulative variances less than £25k	0	0	
Net Expenditure	0	0	

2021/22 Capital Forecast Outturn and Variance Analysis											Appendix 4
Capital Projects	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Slippage to 2022/23	Updated Budget	Actual to Quarter 3	Revised Actual Quarter 3	Forecast Outturn	Variance		Commentary
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Capital Projects Approved in previous years (either commenced or to start)											
CCTV	20	65	0	0	85	22	22	85	0	0%	Works underway
Harborough Innovation Centre	20	12	0	0	32	19	19	32	0	0%	PPM being assessed
Market Hall	138	58	0	0	196	101	101	196	0	0%	Smoke vent works commencing
Housing & Homelessness Schemes	400	150	0	(140)	410	333	333	410	0	0%	Roman Way site purchased
Lightbulb (Disabled Facilities Grants) & Other Social Services	418	0	(17)	0	401	201	201	401	0	0%	Plan will fully deliver by year end.
Leisure, Open Spaces & Play	740	508	0	(632)	616	121	121	539	(77)	-13%	Symmington Rec Pavilion works
Corporate Buildings	331	35	0	(273)	93	93	93	93	0	0%	Ventilation works progressing
Car Parks & Similar Facilities	0	522	0	(517)	5	1	1	5	0	0%	Coach Park scheme on hold
Capital Works-S.106	250	1,463	0	0	1,713	287	287	1,713	0	0%	First round of allocations underway
ICT & Transformation	195	234	0	0	429	233	233	341	(88)	-21%	Netcall implementation ongoing
	2,512	3,047	(17)	(1,562)	3,980	1,411	1,411	3,815	(165)	-4%	
New Capital Proposals											
ICT & Transformation	280	5	0	0	285	159	159	285	0	0%	Scoping work ongoing
Lifeline	40	0	0	0	40	10	10	40	0	0%	Scheme on track
Environmental	59	0	0	0	59	47	47	61	2	3%	Finalising agreement and contractor ready to start onsite.
Lutterworth Town Centre Heritage Action Zone	530	0	0	0	530	2	2	530	0	0%	Purchase of car park underway
Housing & Homelessness Schemes	0	480	0	0	480	0	0	480	0	0%	Plowman's Yard being designed
	909	485	0	0	1,394	218	218	1,396	2	0%	
Total	3,421	3,532	(17)	(1,562)	5,374	1,629	1,629	5,211	(163)	-3%	
Sources of Finance											
External Funding & Grants	1,571	2,018	(17)	(140)	3,432	813	813	3,404	(28)	-1%	
Capital Receipts	816	636	0	(705)	747	121	121	707	(40)	-5%	
Service Charges	61	0	0	(55)	6	0	0	0	(6)	-100%	
Direct Revenue Financing	250	0	50	0	300	298	298	275	(25)	-8%	
Unsupported Borrowing (MRP)	723	864	0	(698)	889	397	397	825	(64)	-7%	
Total	3,421	3,518	33	(1,598)	5,374	1,629	1,629	5,211	(163)	-3%	