

23 March 2021

Report of	Assistant Director Corporate and Improvement	Author	Darren Brown 📞 282891
Title	Financial Monitoring Report – April to December 2020		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report gives the Committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets. The financial position is summarised as follows:-
- The General Fund is showing a net overspend against services of £3,897k as at period 9. This includes less expenditure of £1,585k and less income of £5,482k, compared to profiled budgets.
 - The current forecast outturn position for the General Fund is a net overspend of £9.283m, before Government funding and the use of reserves.
 - The Housing Revenue Account is showing a net underspend of £330k as at period 9, and is forecast to be on budget at the year-end.
- 1.2 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2022/23.

2. Action required

- 2.1 The Committee is asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2020/21, and to note the forecast budget overspend of £9.283m on the General Fund before Government funding and the use of reserves.

3. Reason for scrutiny

- 3.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 3.2 This report also gives the committee the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

4. Background

- 4.1 This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2020, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.
- 4.2 At its meeting on 3rd June 2020, Cabinet considered the impact of Covid 19 (Coronavirus) on the Council's finances, for the 2020/21 budget and the Medium Term Financial Forecast to 2024/25. Updates have been provided subsequently at the Cabinet meeting of 8th July and via all Member briefings delivered during August, and throughout the 2021/22 budget setting cycle. Members therefore are fully aware of the significant impact the pandemic has had on the Council's finances, which are reflected within this report.

Summary Position

- 4.3 The projected outturn for the General Fund is currently a net overspend of £9.283m, before Government funding and the use of reserves. This is primarily a direct result of the Coronavirus pandemic, with a significant proportion being related to lost income as a result of national lockdown measures as shown in paragraph 4.11. The Housing Revenue Account forecast outturn position is currently to be on budget.
- 4.4 The General Fund position is set out in more detail in the following paragraphs and the HRA position explained in paragraphs 4.20 to 4.24. Budgets carried forward from 19/20 are now included in the schedules within this report, and as such will be monitored as part of the overall position.

General Fund – Position to 31 December 2020

Service Budgets

- 4.5 Appendix A shows the current budget variances and forecast outturn variances by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding Benefits, NEPP & JMC) of £3,897k (adverse). This comprises total expenditure being £1,585k lower than expected and total income being £5,482k lower than expected. Appendix B breaks these variances down by subjective group.
- 4.6 There are changes expected to expenditure and income variances between period 9 and the year-end, primarily as a result of the national lockdown restrictions due to Covid and the significant impact on those income levels, as well as a number of factors such as:
- Income either decreasing, or not continuing at the level to date for the remainder of the financial year.
 - The profiling of budgets and the impact of changes in spending and income patterns.
 - Areas where adjustments will take place as part of the closure of accounts (for example where income has been received in the current year but relates to the next financial year).
 - Budgets currently unspent for which a carry forward at year-end may be identified

Income

- 4.7 Income to the Council is below targets in most areas to date, but most notably in Parking, Sport & Leisure and Museums. Clearly this is as a result of the Coronavirus lockdown. However, income levels are above profiled budgets within Planning and Domestic Waste.

Expenditure

- 4.8 There are underspends against profiled budgets in a number of services areas, predominantly within premises, supplies & services, employees and transport costs. This can be as a result of profiling of budgets as well as timing of expenditure.

- 4.9 Benefits payments are not shown in Appendix A & B to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid. Furthermore, NEPP and JMC variances are not included in the Appendix A & B totals, given these areas are ring-fenced and are reported to the relevant joint committee.

Outturn Forecast / Risk Areas

- 4.10 This is the third formal review this year of the 2020/21 budget position, and the current forecast outturn is a net overspend of £9.283m, before Government funding and the use of reserves.

	£'000	
Service budgets	9,083	See paras. 4.11 to 4.13 and Appendix D
Technical / Corporate Items	200	
Potential net overspend	9,283	

Service Budgets

- 4.11 The following table sets out the forecast outturn for all service areas, with outturn variances. This shows a net forecast overspend of £9,083k. The largest areas contributing to the net position are;

- Car Parking: Income shortfall of £2,390k.
- Sport & Leisure: Net income shortfall of £3,688k from Leisure World and NGW Sports site.
- Neighbourhood Services: £175k Vacancy factor pressure, £238k overspend on Waste service staff costs, £607k paper collection/recycling pressure, overspend on Recycling kit of £137k, £195k loss of income in trade waste.
- Commercial & Investment Properties: Net income shortfall of £531k.
- CCHL Dividend: Reduced dividend of £302k.
- Museums: Income shortfall of £367k.
- Council Tax Sharing Agreement shortfall of £210k
- HB income recovery shortfall of £200k
- Additional Coronavirus related costs within services.

Service	Forecast outturn		
	Expenditure	Income	Net
	£'000	£'000	£'000
Corporate & Improvement (incl. CDC)	135	289	424
EMT (including additional Coronavirus costs)	210	(31)	179
Community	(156)	641	485
Customer	(245)	26	(219)
Environment	1,162	2,594	3,756
Place & Client	(1,112)	5,570	4,458
Total all services	(6)	9,089	9,083

- 4.12 As the above table shows, the net overspend currently forecast is virtually all due to income losses of £9,089k, the majority of which are as a direct result of the Coronavirus pandemic. As reported to members during the year and including as part of the 2021/22 budget setting process, the main income earning areas this relates to are car parking, sport & leisure, commercial & investment properties and museums, which have been impacted upon by Government lockdown restrictions.

Appendix C

- 4.13 Appendix C shows the original Council budget, the reforecast budget for Coronavirus (as per the June Cabinet report), and forecast outturn as at Quarter 3. The purpose of this table is to bring together the overall revenue budget, given the range of assumptions and plans that are in place to fund the budget gap in 20/21. This therefore shows the impact of Government funding and the required use of reserves.

The reason for the difference between the forecast position in Table 1 and Appendix C, is that the former is measured against the Original Budget agreed by Cabinet in January 2020, and the latter is measured against the reforecast budget considered by Cabinet in June 2020.

The main changes are that we are showing less use of reserves of £4.89m in 20/21 now, primarily because of Government support of £4.9m for Covid costs, funding income losses and the furlough scheme

Corporate / Technical Items

- 4.14 The budget includes a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. There is a £200k potential variance forecast for the year end, due to the overpayment debt collection being adversely affected by the economic impact of Covid-19; the expansion of Universal Credit moving the debt away from clawback and the ageing of the whole HB debt making it harder to recover.
- 4.15 Appendix D sets out details of all forecast variances against service budgets at the year-end totalling £9,083k. To provide some context on the scale of the variances shown in Appendix D, a percentage value has been included within the comments which shows the proportion of the relevant budget that it represents. For example, an underspend due to vacant posts or the vacancy factor would be expressed as a proportion of the total employees budget for that area.

Summary position and action proposed

- 4.16 The forecast outturn shows a potential net overspend of £9.283m before Government funding and the use of reserves. The impact of Coronavirus on the Councils finances is continually being reviewed, and further more detailed work will continue to be undertaken during Quarter 4 to ensure forecast outturn positions are robust, including those income areas where they have been particularly impacted by Coronavirus and the associated lockdown.
- 4.17 The position (net overspend on services) is broadly in-line with the original estimated position at the start of the Coronavirus pandemic. Even at this stage in the financial year there are still a number of assumptions under-pinning the forecast which could easily change, especially as we are currently in the midst of the 3rd national lockdown, and it is unclear when/if these restrictions will be lifted in the current year.
- 4.18 The financial position for 2020/21 was considered as part of the proposals set out in the 2021/22 budget and it was reported that for the purpose of assessing any impact on balances the outturn position assumed the unplanned use of reserves to be £1.000m. Latest forecasts indicate this is still broadly the case.
- 4.19 Assistant Directors and their budget holders have undertaken a thorough review of the financial position for their services, which is reflected in this report. In addition, SMT continues to monitor the budget position on a monthly basis. The final end of year position will be reported for scrutiny purposes and the impact of this on balances will be considered by Cabinet as part of the budget strategy for 2022/23.

Housing Revenue Account

- 4.20 The Housing Revenue Account (HRA) is a ring-fenced account which is affected by a number of variable factors. At the end of December 2020, the HRA is showing a net underspend of £330k compared to the profiled budget for the same period. This is primarily due to lower expenditure on Premises costs of £604k and Supplies and Services of £73k, higher expenditure of £163k on third party payments and £156k less income than budgeted.

Position to date

- 4.21 Premises related costs are showing an underspend of £604k as at the end of December 2020. Overall, there is a net underspend of £261k on Repairs and Maintenance, which primarily relates to the timing of expenditure on repairs and maintenance of pumping stations, Homeless Persons Units and other delegated areas. There are further underspends of £37k on Council Tax on void properties, and £91k on Grounds Maintenance budgets, £185k on Utility and Water costs and £33k on Cleaning Contract costs which relate to the timing of expenditure.
- 4.22 Supplies & Services costs are underspent by £73k at the end of December. There is a general underspend across most budget headings, which primarily relate to the timing of expenditure, the main area being IT costs of £100k. Third party payments are overspent by £163k, reflecting the funding provided in the CBH management fee to pay for the increased in-year employer pension contributions CBH now have to pay following the schemes actuarial review.
- 4.23 We have received £156k less income at the end of December 2020. This primarily reflects the net impact of rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales, along with the timing of acquisition and additions to our housing stock.

Forecast Outturn

- 4.24 The HRA is currently forecast to be on budget at the year-end. Any underspend or overspend that occurs in the year will be used to fund a greater/lesser proportion of our Housing Capital Programme through a variation to the Revenue Contribution to Capital.

5. Standard References

- 5.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

6. Strategic Plan References

- 6.1. The priorities within the Strategic Plan are reflected in the Medium-Term Financial Forecast, albeit having been reviewed to deal with the impact of the Coronavirus. This makes assumptions regarding government grant/funding and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2020/21 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

7. Financial Implications

- 7.1. As set out above.

8. Environmental and Climate Change Implications

- 8.1. All budget measures will be assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's post-Covid recovery planning.

9. Risk Management Implications

- 9.1. Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2020/21 revenue budget report that was approved by Council in February 2020 took into consideration a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.
- 9.3 Extensive modelling work has been undertaken throughout the year to understand the impacts and variables arising from the crisis. Further government support should be provided in the next financial year and will be sought by lobbying and in discussions with MHCLG but is uncertain.
- 9.4 Leisure and commercial income is very dependent on events beyond the Council's control, on the easing of lock-down, the return of consumer confidence, and impacts due to the severity and duration of the macro-economic downturn and recovery.
- 9.5 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions reflected within the report.
- 9.6 All the above and other significant uncertainties and risks will have to be managed. Further change is likely to budget assumptions and the actions needed to ensure a balanced budget.

Background Papers

None

Period 9 – Current Budget Variances and Forecast Outturn Variances by Service Area

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core		(8)	(114)	(122)	18	210	228
	Total	(8)	(114)	(122)	18	210	228
Executive Management Team							
	EMT	(29)	-	(29)	(38)	-	(38)
	Coronavirus	248	(31)	217	248	(31)	217
	Total	219	(31)	188	210	(31)	179
Community							
	Assistant Director Communities	(1)	-	(1)	-	-	-
	Licensing & Food Safety	(40)	48	8	(43)	97	54
	Community Safety	(6)	-	(6)	(1)	-	(1)
	Environmental Health Services	(5)	16	11	11	12	23
	Building Control	(65)	51	(14)	(84)	95	11
	Community Initiatives	(30)	(1)	(31)	5	-	5
	Private Sector Housing	(27)	(10)	(37)	(35)	25	(10)
	Bereavement Services	(51)	11	(40)	10	10	20
	Cultural Services	(28)	25	(3)	(17)	35	18
	Colchester Museums	(21)	299	278	(2)	367	365
	Subtotal	(274)	439	165	(156)	641	485
	Colchester & Ipswich Museums	(115)	115	-	(55)	108	53
	Total	(389)	554	165	(211)	749	538
Customer							
	Assistant Director Customers	1	-	1	-	-	-
	Accounts & Debt	(15)	-	(15)	19	-	19
	Local Taxation & Business Rates	(3)	96	93	-	55	55
	Benefits & Hub	(48)	(16)	(64)	(73)	(16)	(89)
	Contact & Support Centre	(33)	-	(33)	(59)	-	(59)
	Electoral Services	(117)	(14)	(131)	(86)	(13)	(99)
	Customer Digital & Systems	(28)	7	(21)	(34)	-	(34)
	Land Charges	(20)	-	(20)	(12)	-	(12)
	Subtotal	(263)	73	(190)	(245)	26	(219)
	Benefits - Payments & Subsidy	3,437	(3,364)	73	-	200	200
	Total	3,174	(3,291)	(117)	(245)	226	(19)
Environment							
	Assistant Director Environment	(5)	-	(5)	(4)	-	(4)
	Neighbourhood Services	136	122	258	1,176	204	1,380
	Car Parking	(37)	1,669	1,632	(10)	2,390	2,380

		Position to date			Forecast Outturn		
	Area	Spend	Income	Net	Spend	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
	Subtotal	94	1,791	1,885	1,162	2,594	3,756
	Parking Partnership (NEPP)	233	409	642	203	149	352
	Total	327	2,200	2,527	1,365	2,743	4,108
	Place & Client						
	Assistant Director Place & Client	(1)	-	(1)	1	-	1
	Place Strategy	(7)	(5)	(12)	(38)	-	(38)
	Housing	115	(93)	22	(12)	(17)	(29)
	Planning	64	(173)	(109)	41	(25)	16
	Sustainability & Climate Change	-	(3)	(3)	(2)	-	(2)
	Subtotal	171	(274)	(103)	(10)	(42)	(52)
	<i>Company Related:-</i>						
	Client – Commercial Company	6	(1)	5	9	300	309
	Corporate Asset Management	(196)	(14)	(210)	(18)	-	(18)
	Commercial & Investment	(25)	34	9	50	481	531
	Sport & Leisure	(1,162)	3,513	2,351	(1,143)	4,831	3,688
	Total	(1,206)	3,258	2,052	(1,112)	5,570	4,458
	Corporate & Improvement						
	Assistant Director Corporate & Improvement	(14)	-	(14)	(7)	-	(7)
	Finance	92	-	92	161	-	161
	ICT	(33)	11	(22)	89	-	89
	People and Performance	(76)	39	(37)	(84)	79	(5)
	Governance	(35)	16	(19)	34	-	34
	Communications	(81)	-	(81)	(76)	-	(76)
	Total	(147)	66	(81)	117	79	196
	Total (excl. Benefits, NEPP & JMC)	(1,585)	5,482	3,897	(6)	9,089	9,083
	Total (all)	1,970	2,642	4,612	142	9,546	9,688

Current Budget Variances and Forecast Outturn Variances by Subjective Group

		Position to date			Forecast Outturn		
		Actual	Budget	Variance	Actual	Budget	Variance
	Subjective	£'000	£'000	£'000	£'000	£'000	£'000
	Expenditure						
	Employees	18,031	18,393	(362)	24,083	24,545	(462)
	Premises Related	4,553	5,319	(766)	6,706	6,962	(256)
	Transport Related	1,216	1,423	(207)	2,044	2,050	(6)
	Supplies & Services	5,102	5,547	(445)	8,358	8,214	144
	Third Party Payments	3,682	3,537	145	4,845	4,271	574
	Transfer Payments	269	219	50	293	293	0
	Capital Financing Costs	0	0	0	110	110	0
	Total	32,853	34,438	(1,585)	(1,585)	46,445	(6)
	Income						
	Government Grant	(466)	(452)	(14)	(484)	(463)	(21)
	Other Grants & Reimbursements	(2,288)	(1,978)	(310)	(3,135)	(3,477)	342
	Customer & Client Receipts	(10,558)	(16,358)	5,800	(12,794)	(21,562)	8,768
	Income-Interest	(157)	(163)	6	(205)	(205)	0
	Inter Account Transfers	0	0	0	0	0	0
	Total	(13,469)	(18,951)	5,482	(16,618)	(25,707)	9,089
	Net	19,384	15,487	3,897	29,821	20,738	9,083

Summary showing Original Council budget, revised for Coronavirus and latest forecasts.

	2020/21 Original Budget	2020/21 - Revised Budget (June Cabinet)	2020/21 – P9 Forecast	2020/21 – P9 Forecast Variance
	£'000	£'000	£'000	£'000
Base Budget	20,206	20,206	20,206	0
One-off items	(270)	(270)	(270)	0
Cost Pressures	5,768	5,768	5,768	0
Cost Pressures - Transformation	-	250	250	0
Cost Pressures - Covid-19 - Economic & Income	-	9,392	0	(9,392)
Cost Pressures - Covid-19 - Service Costs	-	500	0	(500)
Cost Pressures - Covid-19 - Recovery	-	333	250	(83)
NSP excluding NHB - revenue	71	71	71	0
NSP excluding NHB - Capital financing	145	145	145	0
Growth Items	55	55	55	0
Savings	(1,848)	(2,348)	(1,848)	500
Change in use of NHB for one off investment	387	(113)	(113)	0
2020/21 Forecast Outturn (Table 1)			9,283	9,283
Corporate Assumption-Commercial/Investment Income & Economic Provision			0	0
Forecast Base Budget	24,514	33,989	33,797	(192)
<i>Funded By:</i>				
Business Rates Baseline	(4,300)	(4,300)	(4,300)	0
SFA	(4,300)	(4,300)	(4,300)	0
Increase in NNDR / tax base above baseline	(1,870)	(1,870)	(1,870)	0
Business Rates Pooling	(200)	(200)	(200)	0
New Homes Bonus	(3,602)	(3,602)	(3,602)	0
Govt Reimbursement - Covid-19		(3,323)	(3,508)	(185)
Govt Reimbursement-Covid 19-Income Support			(4,506)	(4,506)
Total Gov't grants & business rates	(9,972)	(13,295)	(17,986)	(4,691)
Council Tax	(12,503)	(12,503)	(12,503)	0
Collection Fund Deficit / (Surplus)	55	55	55	0
Business Rates Deficit / (surplus)	485	485	485	0
Contribution to / (Use of Reserves)	(2,579)	(2,039)	(2,039)	0
Use of Reserve/Balances for Covid-19	0	(6,692)	(1,809)	4,883
Total Funding	(24,514)	(33,989)	(33,797)	192
Forecast Overspend / (Underspend)	0	0	0	0

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
EMT				
Executive Management Team	(38)	-	(38)	Underspends forecast due to Director change of hours and no pension costs for 9 months offset slightly by pension strain costs (2%) and across supplies and services spend (78%) mainly on management and consultancy costs (100%) and transport (50%).
Corona Virus	248	(31)	217	A code has been set up in the EMT budget to capture Covid costs of pay for those people who have worked additionally on Covid related roles. This was done to capture the information in case we needed to make a claim to MHCLG for such costs. This will result in showing a net overspend in the EMT budget (100%).
Community				
Licensing and Food Safety	(43)	97	54	Employees underspend of £37k (8%) due to vacant posts and savings in training. Further savings on travel £3k (29%) and £4k (10%) on equipment and material. Estimated income shortfall of £97k (18%), mainly in Licensing £83k due to Covid-19 impact on businesses potentially ceasing their trading.
Community Safety	(1)	-	(1)	Small underspend forecast. Managing expenditure carefully.
Environmental Health Services	11	12	23	Employees overspend of £16k (3%) is forecasted due to not having had sufficient vacant posts yet to achieve the full budget target for vacancies, offset by savings in basic and casual staff costs. The target is fully absorbed by staff savings within Safety and Protection service. £5k (62%) savings due to decrease in collecting stray dogs. £12k (24%) less income in Animal / Pest control.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Building Control	(84)	95	11	Employees underspend of £81k (20%) due to vacant posts. £3k (25%) underspend on staff mileage costs. £95k (21%) shortfall in income predicted due to Covid-19.
Community Initiatives	5	-	5	Employees underspend of £15k (3%) due to savings on a vacant post. This is offset by £20k savings target yet to be achieved for overhead recovery.
Private Sector Housing	(35)	25	(10)	Employees underspend of £38k (7%) due to member of staff being on reduced hours, vacant Support Officer post in Healthy homes and mileage claims savings. Small pressure of £5k under IT software and legal fees. Shortfall in income of £15k (75%) from CBH to PSH, SLA not being renewed. Less inspections income from reduced enforcement activity due to Covid-19 restrictions, which is partially offset by gain in HMO licensing.
Bereavement Services	10	10	20	ICT licensing and backdated broadband costs overspend of £16k (175%). £12k (54%) overspend on Assisted funerals referrals that have increased in numbers. Net £13k underspend on Repairs & Maintenance and Grounds maintenance costs (4%). Overall £10k (1%) shortfall in income. Although Cremations are currently exceeding income target other income sources have fallen behind - mainly burials and memorials income. Expecting a small shortfall of income from leasing Cem and Crem offices due to tenants not trading at present.
Cultural Services	(17)	35	18	Underspend mainly on casual staff costs of £5k (3%). £7k (78%) underspend on goods for resale is offset by £15k (83%) shortfall in sales income. Forecasted saving of £9k (25%) on payments to coach companies is offset by £10k (95%) less income in agency fees. £10k less income for advertising and guided tours (70%). £5k additional grant to Arts Centre – match funding for ACE recovery grant.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Colchester Museums	(2)	367	365	Underspend primarily due to casual staff of £9k (50%). No income forecasted for guided tours (100%). £248k (70%) less income on general admissions due to closure of the Castle and the limited capacity due to Covid restrictions. School bookings down by 96k (81%). A significant proportion of our lost net income is able to be reclaimed from the Government under their income loss compensation scheme. This is being recorded corporately.
Colchester and Ipswich Museums (CIMS)	(55)	108	53	CIMS is a ring-fenced budget. There is a forecast underspend of £59k (3%) on salaries due to vacant posts and reduced casual staff costs due to previous closure of the venues. Forecasted overspend on backdated NNDR bill of £21k (30%) and utilities costs £15k. Also forecast increased cleaning cost of £7k (49%) to ensure premises are safe to attend. £45k (55%) underspend on materials for resale is offset by £91k (57%) shortfall in sales income in Retail. Loss of income on Events forecasted at £23k (71%). This is offset by £5k additional grant from BM.
Customer				
Accounts & Debt	19	-	19	Overspends on employee costs £29k (6%), printing costs £3.5k (175%) due to an increase in billing reminders and IT costs £2k (100%). Underspends on training for a combination of areas (£10k) (76%) and central stationery (£5k) (45%) due to Covid 19.
Local Taxation & Business Rates	-	55	55	The reduced income relates to court fees recovered due to the courts being closed since April 2020. (19%)
Benefits & Hub	(73)	(16)	(89)	Underspends on employee costs (£53k) (8%) due to CBC not operating out of the library and the Community Hub and a vacant post in Benefits Processing. Also underspends on print and postage costs (£20k) (18%) due to revenues and benefits customers converting to online. The income variance relates to additional DWP income received in year (13%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Contact Support Centre	(59)	-	(59)	Underspends on employee costs due to staff leaving and posts being held vacant for 2021/22 efficiency savings (6.58%).
Electoral Services	(86)	(13)	(99)	Underspend relates to the employee costs (£80k) (100%) associated with holding an Election (Elections have now been deferred due to Covid 19) and a net underspend within Electoral Registration following process changes due to Covid19. (£6k). The income forecast of £13k (100%) relates to unbudgeted IER grant received in Electoral Registration.
Customer Digital & Systems	(34)	-	(34)	Underspend relates to employee costs £48k (6.19%) this is partly offset by an overspend on system software licences £20k (6.92%).
Land Charges	(12)	-	(12)	A £12k underspend is forecast on software licences (69.36%.)
HB – Payments & Subsidy	-	200	200	£200k (44%) potential variance forecast for the year end, due to the overpayment debt collection being adversely affected by the economic impact of Covid-19; the expansion of UC moving the debt away from clawback and the aging of the whole HB debt making it harder to recover.
Environment				
Assistant Director Environment	(4)	-	(4)	On employee underspends.
Neighbourhood Services	1,176	204	1,380	£175k employee overspends are forecast due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2.7%.) £238k employee overspends are forecast on waste collections (7.39%.) Following market fluctuations net income derived from the sale of paper will reduce and £607k additional contractor costs are forecast to be incurred as a direct result of the negative market position. Recycling kit stock is monitored against demand and a £137k overspend is forecast (62.27%.) A £195k shortfall of income is forecast on Trade Waste Collections to reflect the impact of Covid-19 (31.61%). Income at Highwoods Country Park, Sports Playing Fields, Mersea Island, Market &

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				Street Trading, Castle Park, Depot and Voids have all been affected by Covid-19 and are forecast to be less than the budget.
Car Parking	(10)	2,390	2,380	Expenditure variances relate to underspends on NNDR £6k (1%), banking transaction charges £7k (28%) due to less income being processed and an overspend on security costs of £2k (29%). Due to the impact of Covid 19, all parking income is forecasting to be less than the budget. Pay and Display is currently forecast to be £2,320k under (62%), Season Tickets £32k under (65%) and PCN income £38k under (21%). All income streams are reviewed monthly and the forecast updated accordingly.
North Essex Parking Partnership (NEPP)	203	149	352	NEPP will be 'on budget' after any shortfall variance caused by the emergency is drawn in a planned way from the £1.6m Reserve.
Place & Client (incl. CDC)				
Assistant Director Place & Client	1	-	1	Small overspend forecast.
Place Strategy	(38)	-	(38)	Forecast underspend on employee costs due to vacant posts (6%), small under across transport costs (89%) and supplies and services (35%). £20k of the £29.5k Covid spend for business support to Colbea has been matched with budget, £9.5k is being forecast as a corporate overspend (100%).
Housing	(12)	(17)	(29)	Forecast underspend due to vacant post (5%) and a small underspend on transport costs (67%). £17k more income than budget for rents from council dwellings (50%).
Planning	41	(25)	16	Forecast overspend due to appeal costs (100%) offset slightly by underspend across employee costs due to vacant posts (2%). Planning fees income is forecast to be £25k more than budget (2%).
Sustainability & Climate Change	(2)	-	(2)	Small underspend forecast (0.8%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Client - Commercial Company	9	300	309	At the shareholder committee, G&A were presented with information that led to a recommendation to accept a c.£300k reduction to the forecast dividend for 2020/21 in June - that was accepted at Cabinet on 9 July. The forecast of £226k reflects a loss of 90% of the events income, the impact of which has been offset by some savings on furlough, and some delays to capital projects for which CATL receive project management fees at milestones. Assumptions include a gradual return with no events until the end of 2020 and no major events until 2021.
Corporate Asset Management	(18)	-	(18)	The small underspend (£8k) relates to the work on a Rowan House feasibility study which has now completed. The electricity charges for street lighting are forecast to be £10k lower than budget, which is in line with previous years' outturns. The position to date reflects various over and underspends of many contractual payments which have and will continue to be paid, regardless of the lockdowns. This area will be monitored closely as many buildings and services remain closed.
Commercial & Investment	50	481	531	Commercial properties have some unbudgeted cost pressures including the one-off cost for the demolition of the United Way cottages £50k which was delayed from 2019/20. Income is forecast to be £481k (15.4%) less than the budget primarily due to the impact of the Coronavirus lockdown and includes a £154k reduction from the Culver Centre following announcements of rent reductions which are indicative of the retail market, and £145k from the Community Stadium. The outturn variance may worsen as the full effects of the Coronavirus pandemic are known.
Sport and Leisure	(1,143)	4,831	3,688	Expenditure savings have been forecast on utility costs of £71k (32.3%) electricity and £80k (34.6%) on gas - these figures include £31.7k (48%) energy savings at the CNG site. Employee savings on casual staff have been forecast at £160k (35%), and salaried staff have been forecast at £475k (26.3%) –

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				<p>any furlough savings are being shown corporately. Savings on Supplies and Services total £208k (31.4%).</p> <p>Further savings due to additional lockdown savings on energy and savings on casual staffing as this group will not be paid through furlough, are yet to be included in outturns. Additionally, the later opening date of the CNG site will also result in some savings which are yet to be finalised.</p> <p>Income forecasts have been adjusted to show year to date income as final year and income forecast as we are not expecting to re-open facilities again within this financial year. An overall income shortfall of £4.831m (86.7%) is therefore forecast. This includes a forecast shortfall on Lifestyles £1,061k (87%) Pools £1,023.8k (85%), Swimming Lessons £498k (82%), Zoggs' sales £115k (90%), Aqua Springs £497k (99%), Fitness £122k (96%), Dryside £181k (81%) Catering £297k (98%), and £55k (55%) from the Car Park. CNG income is currently showing at 96.7% down, however, a further £19k to be removed meaning 100% down.</p>
Corporate & Improvement (incl. CDC)				
Corporate & Democratic Core	18	210	228	Overspend forecast on banking transactions (14%). Less income forecast from Council Tax Sharing Agreement (38%).
Assistant Director Corporate and Improvement	(7)	-	(7)	Forecast underspend on service training budget (43%), offsetting over due to purchase of chairs no longer funded through spending priorities (100%).
Finance	161	-	161	Overspends forecast on employee costs due to agency costs to cover vacant posts and recruitment costs (11%). £66k unbudgeted costs due to the ABS system upgrade (100%) and an overspend forecast on asset valuation fees (56%) offset slightly by a few small underspends.
ICT	89	-	89	Overspend forecast across ICT spend (2%) and unbudgeted £47.5k Covid costs (100%). Overspends on employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (2%). Slightly offset by underspend on transport costs (62%).

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
People & Performance	(84)	79	(5)	Underspends forecast across employees due to vacant posts (9%), shared payroll service (38%), purchase of staff transport tickets (50%) and other small underspends. Offsetting unbudgeted spend for workplace space planner (100%). Less income forecast from staff car parking due to home working (91%).
Governance	34	-	34	Overspend of £36k forecast across Governance due to unbudgeted Covid costs mainly in Health and Safety (100%). Over across employee costs due to not having had sufficient vacant posts yet this year to achieve the budget target for vacancies (0.7%). Small one-off saving in Audit (0.5%) and a few small underspends.
Communications	(76)	-	(76)	Forecast underspends across core marketing spend due to income generating services being closed due to lockdown (42%) and employee costs mainly due to secondment and temporary changes in the team (3%). £5k unbudgeted Covid costs (100%).

December 2020	Current Period - December 2020			Forecast Year-End Position		
	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under) / over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under) / over £'000
Account Description						
HRA - Direct & Non-Direct						
EXPENDITURE						
Employees	144	181	37	192	240	48
Premises Related	5,397	4,4793	(604)	7,192	7,192	-
Transport Related	-	1	1			
Supplies & Services	709	636	(73)	1,836	1,836	-
Third Party Payments	3,063	3,226	163	3,679	3,852	173
Transfer Payments	148	138	(10)	198	198	-
Support Services	2,334	2,334	-	3,970	3,970	-
Capital Financing Costs	-	-	-	14,040	13,616	(424)
TOTAL EXPENDITURE	11,795	3,571	(486)	31,107	30,904	(203)
INCOME						
Other Grants & Reimbursements	(104)	(104)	-	(139)	(139)	-
Customer & Client Receipts	(22,793)	(22,637)	156	(29,885)	(29,682)	203
Income-Interest	(1)	(1)	-	(131)	(131)	-
Inter Account Transfers	(43)	(43)	-	(90)	(90)	-
TOTAL INCOME	(22,941)	(22,785)	156	(30,245)	(30,042)	203
TOTAL NET - HRA	(11,146)	(11,476)	(330)	862	862	-