

Cabinet

8th July 2020

Item
11(ii)

Report of	Assistant Director Corporate & Improvement	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Financial Monitoring Report – End of Year 2019/20		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2019/20.

2. Action required

- 2.1 Cabinet is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2019/20.

3. Reason for Recommended Decision

- 3.1 The report enables Cabinet to review the outturn position.

4. Alternative Options

- 4.1 The Council is obliged to report its outturn position. There are no alternatives.

5. Background

- 5.1 The revenue budget position was last considered by Governance and Audit Committee on 10th March 2020. This was as at Quarter 3, and showed a projected net underspend of £86k against the General Fund, although it recognised that there remained a number of potential changes to the forecast, meaning that it was expected the outturn would be “within the budget”. The Housing Revenue Account was being forecast to be on budget.
- 5.2 The draft accounts for 2019/20 have been published on the Council website and this report has been prepared using these figures, which are still subject to external audit.
- 5.3 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.

6. General Fund – End of Year Position

- 6.1 In total the General Fund outturn shows a net deficit after carry forwards of £0.197m. A number of the factors contributing to this position have been identified and reported during the year. Clearly one significant factor that occurred towards the end of the financial year, that was not reflected at the Quarter 3 forecast, was the outbreak of the Coronavirus pandemic. Some of the key messages behind this deficit figure are that:
 - There have been one-off unforeseen/unbudgeted costs (e.g. redundancy costs) and service-demand cost pressures that have contributed to the outturn position.
 - The main service income lines show £0.489m more income compared to the budget, although the majority of this relates to the Rowan House lease surrender which will be carried forward to support future years budget pressures as agreed in the 20/21 budget.
 - There are a number of one-off technical items which have mitigated the cost pressures in-year, including miscellaneous Government Grants, year-end banking adjustments and a review of the required level of Insurance provision.
 - Loss of income in the last two weeks of the financial year due to the Covid-19 lockdown is estimated to be £0.320m, due to a near-total reduction in Car Parking and the closure of key income generating services including Sport & Leisure and Museums.
- 6.2 The following table summarises the outturn position for each Service, the effect of the requests for carry forward into 2020/21, and a breakdown of the outturn position against the main non-service areas.

	Actual	Budget	Variance	c/f	Net
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(328)	(264)	(64)	-	(64)
Policy & Corporate	7,894	8,416	(522)	1,234	712
Executive Management Team	717	662	55	-	55
Community	1,241	1,818	(577)	484	(93)
Customers	3,767	4,194	(427)	144	(283)
Environment	5,648	5,690	(42)	691	649
Total Services	18,939	20,516	(1,577)	2,553	976
NEPP	(54)	(68)	14	(14)	-
CIMS	1,029	1,029	-	-	-
Benefits	(551)	(464)	(87)		(87)
General Fund / HRA	6,641	6,485	156		156
HRA Contingency (cost shown above)	(2)	83	(85)		(85)
Pensions	779	802	(23)		(23)
MRP	1,504	1,728	(224)	224	-
CLIA	473	636	(163)	163	-
Provision for Bad Debts	(33)	(266)	233		233
Misc & Banking Adjustments	(118)	-	(118)		(118)
Misc Gov't grants	(192)	-	(192)	76	(116)
Insurance Provision	(156)		(156)		(156)
General service related items	33	872	(839)	534	(305)
Business Rates	(2,892)	(3,336)	444	(444)	-
Business Rates Pool	(1,024)	-	(1,024)	1,024	-
Collection Fund	(882)	(604)	(278)		(278)
Total (all)	23,494	27,413	(3,919)	4,116	197

6.3 The above table shows approved carry forward requests and other technical accounting adjustments totalling £4.116m. The key items include:

- £1,236k in respect of specific 19/20 New Strategic Plan Priorities items within services
- £380k New Strategic Plan Priorities 19/20 funding for Feasibility/Scoping works
- £580k in respect of business rates (including £1,024k in respect of the pooling gain).
- £224k gain on MRP due to timing, and £163k gain from net interest earned/paid.
- £87k in respect of funding allocated for Local Development Framework (Core Strategy) and Community Infrastructure Levy (CIL)
- £343k in respect of New Homes Bonus Affordable Housing element.
- £129k in respect of NGW Sports running costs
- £117k for supporting Development of Transport Strategy
- £89k in respect of Northgate implementation, and back-scanning and indexing project.
- £405k linked to the Rowan House lease surrender, which Cabinet agreed to carry forward to support futures years in the 20/21 final budget report.

6.4 The following table provides an alternative view of the outturn position, and gives a breakdown by major expenditure and income variances.

Draft Outturn Summary:-	£'000	£'000
<i>Cost Pressures:-</i>		
• Electoral Services backdated VAT liability and pension strain costs	122	
• Northern Bid Grant	55	
• Net Neighbourhoods (Recycling credits/Employee & Contractor costs/Materials)	611	
• Net Place Strategy (local plan costs)	156	
• Planning (cost of planning appeals / software licence)	221	
• Governance (net overspend across employee costs, printing & postage / insurance & audit re-tender savings)	67	
• Finance (recruitment and agency costs / finance system upgrade costs)	93	
• ICT (net overspend on maintaining legacy systems, and across IT costs generally)	53	1378
<i>Less income:-</i>		
• Car Parking	63	
• Sport & Leisure <i>net</i> shortfall in income	362	425
<i>Underspends / income gains:-</i>		
• Council Tax Sharing Agreement	(56)	
• Planning income	(109)	
• NEGC 19/20 contribution following Full Council decision	(350)	
• Corporate Asset Mgt (Cleaning contract, Business rates, Utilities, net PPM and R&M works, more income from Flood Works Grant and CBH Management Fee)	(137)	
• Court Fees recovered within Council tax	(104)	
• Net Customer Solutions (mainly DWP / New Burdens income)	(179)	
• Net Customer Experience (Employee and IT costs, less land charges income)	(116)	
• Bereavement (Employees/Grounds Mtce/Materials/Income)	(90)	(1,141)
<i>Corporate / technical items</i>		
• Net Benefits gain	(88)	
• Business Rates prior year adjustment	(278)	
• Provision for Bad Debts increase	233	
• Year-end review of insurance provision	(156)	
• Miscellaneous receipts and year-end banking adjustments	(118)	
• Various service related and misc. technical items	(116)	
• Misc Govt grants	58	(465)
Total	197	197

Service Budget Position

- 6.5 **Appendix A** details final direct expenditure and direct income for each service (excluding Benefits, NEPP & JMC), and **Appendix B** breaks this down by subjective group.
- 6.6 **Appendix C** details all budget variances analysed between expenditure and income, including the agreed carry forwards against each area to provide some context. The majority of the more significant variances have been reported to Scrutiny Panel and Governance & Audit Committee during the year.
- 6.7 The overall position on services shows an overspend compared to the forecast underspend reported at Period 9. The largest changes include less income from Sport and Leisure and Car Parking, more income than forecast from Customer Solutions and Local Taxation and NNDR and Planning. There has been less expenditure within Bereavement services, Customer Experience and Commercial & Investment than forecast, with more net expenditure than forecast on Neighbourhood Services, Electoral Services and Place Strategy.
- 6.8 Appendix B highlights there is a total underspend of £1.118m with more income of £0.459m. Additional income received primarily relates to the Rowan House lease surrender which will be carried forward to support future years budget pressures as agreed in the 20/21 budget.

Technical / corporate items

- 6.9 In addition to Service budgets it is necessary to review the corporate and technical items in the budget. A number of these are one off such as:-
- £224k gain on Minimum Revenue Provision (MRP) due to timing, and £163k gain from net interest earned/paid, as a result of a lower level of new borrowing required for the capital programme and higher average interest rates achieved on investments. These will both be carried forward to support future years.
 - £233k cost from an increase in the provision for bad debts.
 - Income of c£192k from ad hoc Government grant (including £76k towards Covid-19).
 - £118k gain from year-end banking adjustments & misc. receipts.
 - £156k one-off gain from reducing amount held in Insurance provision following a year-end review.
- 6.10 In respect of business rates there is an in-year deficit of £0.4m which mostly reflects anomalies with the accounting for business and timing between years, a £0.2m adjustment relating to 18/19, and provisional pooling figures show we will receive £1.0m from the business rates pool. Therefore a net £0.6m has been transferred to the Business rates reserve. The Medium-Term Financial Forecast assumes that £200k of the pooling gain will be used to support the 21/22 budget.

Summary and impact on future years

- 6.11 Outturn variances are discussed with relevant service managers and the overall position is considered by Senior Management Team. One important issue is to consider the extent to which any budget variance is likely to be a recurring issue, and if so, has the 20/21 budget been adjusted to reflect this. Service managers are reviewing all outturn variances and any recurring issues will be addressed as part of the 2021/22 budget strategy.

- 6.12 Measures to respond to Covid-19 during March have clearly had an impact on the outturn position. Cabinet have considered the potential financial impact of the Coronavirus pandemic in recent meetings, and this will be continually reviewed and monitored throughout the new financial year.
- 6.13 The 2020/21 budget was based on the assumption that the 19/20 outturn would be “on-budget”. The final outturn therefore reflects a worse position than assumed, however General Fund balances are currently £269k above our prudent recommended level, therefore funding is available to fund the outturn position.

7. Housing Revenue Account

- 7.1 **Appendix D** sets out the pre-audit revenue outturn for the Housing Revenue Account (HRA).
- 7.2 The outturn position is showing a net deficit of £258k compared to a budgeted deficit of £191k for the year, an adverse variance of £67k. Carry forward requests total £228k. The outturn variance needs to be considered in the context of the forecast outturn position at Period 9, which was predicting the outturn position would be on budget, which was also reflected within the 2020/21 HRA budget setting papers considered by Cabinet at its meeting on 29 January 2020.
- 7.3 The revenue outturn position also needs to be considered alongside the outturn position for the Housing Investment Programme (Capital) shown elsewhere on the agenda. Given there was some slippage of capital expenditure into 2020/21, we have used more actual available revenue resources to fund the 2019/20 Housing Investment Programme (Capital) than originally assumed in the budget, and this has meant we have not had to undertake any additional HRA borrowing in 2019/20. This means we have avoided additional borrowing costs in 2019/20. The outturn position has arisen as a result of variances in several areas, and has been split between service and non-service elements.

Service Areas

- 7.4 We received £285k more income than budgeted. This primarily reflects the net impact of less 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. It also includes the loss of assumed income as a result of the decision to not go ahead with the HEYLO scheme. In addition, the HRA earned more interest on its balances and reserves, similarly to the gain by the General Fund reported in paragraph 6.9.
- 7.5 There was less expenditure than anticipated in a number of areas, the major ones being as follows; There was a net underspend on Premises costs, primarily due to less expenditure on the repairs and maintenance budget, higher utility costs, less expenditure on Council Tax on void properties, along with underspends on other CBH delegated budgets such as grounds maintenance work. There was also less expenditure as a result of the decision to not go ahead with the HEYLO scheme. There was a general underspend across most Supplies and Services budgets, and a higher contribution to our Bad Debts Provision than budgeted, reflecting the amount of write-off's during the year and the level of rent arrears at the year-end. The HRA receives recharges from a number of services and given the outturn within these areas, there is a resultant impact upon the HRA. Carry forward requests of £228k have been approved.

One-Off/Technical Items

- 7.6 As a result of the underspends and additional income in the HRA this financial year, we have been able to use these additional revenue resources to make an additional revenue contribution to fund the 2019/20 Housing Capital Programme. This has meant we have been able to minimise new borrowing, and therefore forego additional interest costs.
- 7.7 The HRA balance at 31st March 2020 is £4,306k. However, £2,706k of this balance is currently committed to future years in order to fund revenue expenditure committed to during 2019/20, together with future contributions to the Housing Investment Programme (Capital). This leaves the uncommitted HRA balance at £1,600k, which is the recommended minimum prudent level of balances. The level of balances at the year-end is in line with the estimate used when the 30-year HRA Business Plan was agreed by Cabinet in January 2020.
- 7.8 The HRA is a “ring-fenced” account which means that any underspend or overspend in a given year must be retained within the HRA. The effect of the 2019/20 outturn position will need to be reflected within the Medium-Term Financial Forecast (MTFF) for the HRA to establish the level of resources for future years. This will be reviewed as part of the forthcoming budget process for 2021/22.

8. Strategic Plan references

- 8.1 The priorities within the Strategic Plan are reflected in the Budget and Medium-Term Financial Forecast.

9. Financial implications

- 9.1 As set out above.

10. Risk management implications

- 10.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2019/20 revenue budget report that was approved by Council in February 2019 detailed 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.

11. Other Standard References

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

Background Papers

None

Actual Outturn Expenditure and Income by Service Area – Direct Costs only

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
	Corporate & Democratic Core	278	(606)	(328)
	Total	278	(606)	(328)
	Executive Management Team			
	EMT	717	-	717
	Total	717	-	717
	Community Services			
	Assistant Director - Communities	142	-	142
	Licensing & Food Safety	493	(537)	(44)
	Community Safety	241	(16)	225
	Environmental Health Services	551	(88)	463
	Building Control	387	(401)	(14)
	Community Initiatives	1,409	(564)	845
	Private Sector Housing	456	(85)	371
	Bereavement Services	686	(1,497)	(811)
	Cultural Services	563	(84)	479
	Colchester Museums	69	(484)	(415)
	Total	4,997	(3,756)	1,241
	Customer Services			
	Assistant Director - Customer	137	-	137
	Customer Business	987	(466)	521
	Local Taxation & NNDR	480	(774)	(294)
	Customer Solutions	1,230	(237)	993
	Customer Experience	2,150	(288)	1,862
	Electoral Services	875	(327)	548
	Total	5,859	(2,092)	3,767
	Environment Services			
	Assistant Director - Environment	139	-	139
	Neighbourhood Services	11,753	(3,579)	8,174
	Car Parking	1,141	(3,806)	(2,665)
	Total	13,033	(7,385)	5,648

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
Policy and Corporate				
	Assistant Director Policy & Corporate	147	-	147
	Finance	974	(117)	857
	ICT	1,895	(275)	1,620
	People and Performance	748	(166)	582
	Governance	2,904	(248)	2,656
	Place Strategy	1,986	(926)	1,060
	Planning	1,380	(1,325)	55
	Housing	3,124	(1,972)	1,152
	Communications	746	(182)	564
	Garden Communities	2,032	(1,965)	67
	Sub-Total	15,936	(7,176)	8,760
	<i>Company Related:-</i>			
	Client - Commercial Company	1,963	(393)	1,570
	Corporate Asset Management	1,918	(331)	1,587
	Commercial & Investment	369	(3,976)	(3,607)
	Sport & Leisure	4,152	(4,568)	(416)
	Total	24,338	(16,444)	7,894
	Total (all)	49,222	(30,283)	18,939

End of Year – Subjective Analysis

Account Description	Actual £'000	Budget £'000	Variance (fav) / adv £'000
By Subjective Group			
Employees	24,033	24,087	(54)
Premises Related	7,440	7,750	(310)
Transport Related	1,574	1,621	(47)
Supplies & Services	10,694	11,093	(399)
Third Party Payments	5,055	5,494	(439)
Transfer Payments	423	293	130
Capital Financing Costs	5	4	1
Subtotal Expenditure	49,224	50,342	(1,118)
Government Grant	(2,700)	(2,562)	(138)
Other Grants & Reimbursements	(5,852)	(5,611)	(241)
Customer & Client Receipts	(21,493)	(21,470)	(23)
Income-Interest	(240)	(183)	(57)
Subtotal Income	(30,285)	(29,826)	(459)
Total General Fund Services	18,939	20,516	(1,577)

Major Outturn Variances

Note: Underspends and additional income variances are shown in brackets.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Executive Management Team					
EMT	55	-	55		<ul style="list-style-type: none"> There were overspends due to cost of Northern Bid Grant (100%) this will convert to a loan and become repayable to the Council upon a successful ballot, recruitment costs (100%), and employee costs due to the implementation of locally determined pay awards in accordance with the Councils agreed pay strategy (0.6%), these are partially offset by an underspend on consultancy costs (87%).
Community					
Assistant Director Communities	2	-	2		<ul style="list-style-type: none"> Employees overspend absorbed by salary savings. £2k overspend mainly on subscriptions and IT costs (1.6%).
Licensing and Food Safety	(8)	1	(7)		<ul style="list-style-type: none"> £2k underspend on staff travel (21.5%). £18k overspend on Legal and Veterinary fees offset by £15k Research underspend (3.5%). £3k underspend on shellfish testing and water sampling (58%). Small net shortfall in income relating to Food Safety for Re-inspections and Advice services (98%) offset by more Licensing Income (5%).
Community Safety	(259)	-	(259)	247	<ul style="list-style-type: none"> The underspend primarily relates to Spending Priorities funding carry forward of £247k for additional resource to the Police, Rural Toolkit and Com. Safety post funding. Employees un underspend of £8k (7.1%) for previously vacant Community Safety Officer post.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Environmental Health Services	3	8	11		<ul style="list-style-type: none"> £6k overspend mainly on casual staff costs (1.5%) offset by savings under Animal control – dog boarding (45%). £8k shortfall in overall Animal control income (12.7%).
Building Control	(4)	(1)	(5)	6	<ul style="list-style-type: none"> Employees overspend of £5k (1.5%) offset by £2k (16.4%) underspend on staff travel. £6k unspent Software Licence budget which is also a carry forward. Small gain in income of £1k (0.3%)
Community Initiatives	(131)	-	(131)	113	<ul style="list-style-type: none"> Employees underspend of £19k (5%) due to savings on a vacant post that has now been filled by the appointment of an apprentice. Carry forwards of £113k include £5k for PH co-ordinator salary, £6k of Startwell and Windrush base budget and £102k of Priority spending.
Private Sector Housing	(73)	83	10		<ul style="list-style-type: none"> Employees underspend of £86k (15.6%) due to HMO vacant post and savings in Healthy homes. £3k savings on staff travel (55%). This is offset by a £15k (88%) overspend on Legal fees. £83k less income on HMO Licenses, Redress penalty scheme and Legal Notices (50%).
Bereavement Services	(135)	2	(133)	43	<ul style="list-style-type: none"> Employees underspend of £19k (8.5%) due to a vacant post, which has now been filled. £80k underspend on grounds (22%) due to delay in works yet to be carried out. £20k (18%) underspend on Premises running costs such as electricity, water, cleaning. £7k net underspend in Assisted Funerals (26%). This is offset by £9k one off cost for a new music system. Small shortfall in income of £2k (0.1%). Underspend of £43k requested as a carry forward for Cemetery tarmacking and memorial materials.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Cultural Services	(76)	28	(48)	43	<ul style="list-style-type: none"> Underspend on overtime and casual staff costs (3%) plus payments to coach companies (41%) offset by IT Licences overspend (77%). Shortfall in events sale income (3%). There are carry forwards for Spending Priorities funding of £43k for Lighting Scheme, Arts Centre and Cultural Events
Colchester Museums	(18)	2	(16)	32	<ul style="list-style-type: none"> Priority funding carry forward request of £25k for Heritage live and Security at St Botolphs. Strategic plan funds carry forward of £8k for Roman Circus. There is an overspend on staff and business development costs (51%) Small shortfall in income on Admissions.
Colchester and Ipswich Museums (CIMS)	31	(31)	-		<ul style="list-style-type: none"> CIMS is a ring-fenced budget. Overspend is offsetting more income giving a ZERO Net position. Small overspend on salaries due to relocation costs. Overspend relating to the installation of a new CCTV system in Heckworth and some extra Exhibitions costs (1.2%) Large additional water bill of £43k in the Castle, which is currently being investigated, had been rolled over to 2020/21 seeking resolution with the water company. £12k (7.5%) additional retail income and £13k (58%) more income from hire and Events plus small interest income.
Customer					
Assistant Director - Customer	(2)	-	(2)		<ul style="list-style-type: none"> Forecast underspend on employee costs due to a reduction in PA costs (1.7%).
Customer Business	(53)	51	(2)	24	

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> The variances relate to the MacMillan budget following the early termination of the contract (31/12/2019). Underspends on employee costs and shortfall of income due to less costs to be reimbursed. Unbudgeted income from the Town Centre BID totalling £12k (100%). Carry forward request of £24k MacMillan funding to offset future employee costs in 2020/21.
Local Taxation & Business Rates	(21)	(108)	(129)		<ul style="list-style-type: none"> Underspend on employee costs of £19k due to a delay in recruiting into a fixed term post (4%). The additional income relates court fees recovered within Council Tax £104k. The year-end debt adjustment was lower than expected (45%).
Customer Solutions	(47)	(152)	(199)	20	<ul style="list-style-type: none"> Underspends on employee costs of £46k mainly in the Customer Support area due to vacant posts (5%) and IT software licences £46k (32%) partially offset with an £20k overspend on training costs (214%) following team restructures. Unbudgeted expenditure of £28k on Hub security costs (100%) which is partially reimbursed. The majority of the additional income relates to DWP/New Burdens £128k (182%) within Benefits Processing and partial reimbursement of Hub security costs from ECC and CBH. £21k (100%). Carry forward request of £20k to fund Community Support Employment officer post within Customer Support.
Customer Experience	(318)	102	(216)	100	<ul style="list-style-type: none"> Following a procurement exercise for a replacement of legacy systems, Northgate's Assure product is the preferred supplier. The requirement for licenses was reduced for 19/20 resulting in an underspend of £168k (75.61%). Implementation of Northgate began in March 2020 so carry forward requests have been made for the majority of the unspent IT monies to assist in the delivery of the replacement system.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> Net underspend within the Contact & Support Centre (12.8%) and the Web & Digital Development team (5.75%) is due to Management team secondments and special unpaid leave. Land Charges income was £98k less than the budget (32.78%).
Electoral Services	373	(251)	122		<ul style="list-style-type: none"> The net variance relates to a VAT liability from 2016-2019 (£55k) 100% and staff pension strain costs (100%).
Benefits – Payments & Subsidy	(4,490)	4,402	(88)		<ul style="list-style-type: none"> HB payments and the main DWP subsidies were lower than the 2019/20 budget set for both private sector & housing tenants producing a net overspend for these areas of £188k. The final settlement for the 2018/19 claim was £107k less than accounted for in last year. The LA Error Incentive income claimed is 63k higher than budget. The cost of homelessness was overspent by £207k, but this is offset by £201k funding from CBC Housing (Policy & Corporate Services). DWP administration grant received in year was £72k higher than the budget set. Increased levels of recovery of HB overpayments have resulted in £326k more income collected than assumed in the budget. The overall level of debt is falling because of Universal Credit, and the bad debt provision has been reduced and accounted for within the Technical Services area.
Neighbourhoods					
Assistant Director Neighbourhoods	(3)	-	(3)		<ul style="list-style-type: none"> An employee underspend is due to a reduction in the PA's hours.
Neighbourhood Services	41	(97)	(56)	667	<ul style="list-style-type: none"> Following negotiations with ECC with regards to additional Food Waste credits, Recycling Credits achieved £218k more than budget (15.81%.) This is partially offset by a shortfall in Market & Street Trading (41.88%) and Trade Collections (9.05%)

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> £219k overspend on Agency Staff for Domestic Waste Collections (7.07%) Clear sacks and Recycling Kit stock levels were monitored against demand all year which resulted in a £63k overspend, purchasing for kit did slow down as a result of the introduction of a Voucher for all Kit. Following a global downturn in the value of recycled paper £139k additional contractor costs were incurred (73.35%). A £92k overspend has been included to represent vehicle hire costs incurred from 2017 to 2019 which are currently being disputed. Underspends mainly relate to the following carry forward requests: Colchester Woodland Planting, Works on the High Street, Spending Priorities including Additional Zone Resources and Signage.
Car Parking	(48)	63	15	24	<ul style="list-style-type: none"> Underspends of £34k against the Middleborough Car Park service charge (50%), £13k on NNDR costs (1.6%), £24k on spending priorities funding for car park cleaning and repairs and maintenance (48%) offset by overspends on equipment costs of £22k (73%). A net shortfall of £63k income across parking with a shortfall on P&D of £155k (4.25%) offset with gains on Season Tickets of £21k (36.5%) and PCN's of £66k (38.5%). The sudden downturn in income reflects the Covid-19 lockdown closing most town centre workplaces. Carry forward request of £24k spending priorities funding for additional car park cleaning and repairs and maintenance.
North Essex Parking Partnership (NEPP)	243	(203)	40		<ul style="list-style-type: none"> NEPP budgets are ring-fenced and operate within budget, with the surplus being transferred to the Decriminalised Parking Reserve at year-end.
Policy & Corporate (incl. CDC)					
Corporate & Democratic Core	(8)	(56)	(64)		<ul style="list-style-type: none"> Underspend on Audit costs (20%) offsetting overspend on Banking Transaction Charges (5%) and parish council grants (2.8%) More income from Council Tax Sharing Agreement (10%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Assistant Director Policy & Corp	(10)	-	(10)		<ul style="list-style-type: none"> Underspend on salaries due to change of Assistant Director (7%) and service training budget (20%) offsetting small overspend across supplies and services (128%).
Finance	93	(14)	79		<ul style="list-style-type: none"> Overspends on employee costs due to recruitment costs and agency costs to cover vacant posts, slightly offset due to vacant posts (6%), unbudgeted costs due to the ABS system upgrade (22%), overspends on asset valuation fees (58%) and subscriptions (119%). Income received from CCHL for extra support (100%).
ICT	105	(52)	53		<ul style="list-style-type: none"> Overspends across supplies and services mainly on management and consultancy costs to maintain legacy systems (110%) and across IT costs (20%) offset partially by underspend on employee costs mainly due to vacant posts (3%) and mobile phone new bundle purchase not needed until 20/21 (75%). More income received from CBH for ICT offsetting extra costs incurred (53.6%) and more income due to back dated street naming income (104%).
People & Performance	(42)	28	(14)	37	<ul style="list-style-type: none"> Underspends on payroll inter authority payment mainly due to it starting from June 19 (17%), staff travel plan (23%) offsetting overspend on management and consultancy due to the implementation of the BCE shared payroll service, following agreement of the business case (55%), central training (27%) and early retirement pension strain (100%). A carry forward has been requested for the unspent Spending Priorities funding for Healthy Organisation. Spend has been committed and items purchased but delivery has been delayed due to lockdown. Less income from staff car parking since changing to Mipermit (32%).
Governance	28	39	67		<ul style="list-style-type: none"> Overspends on corporate postage (58%), across employee costs mainly due to not having had sufficient vacant posts in year to achieve the budget target for vacancies (1%), casual staff due to

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<p>Hallkeepers at events cover (13%), members printing costs (137%), civic events (18%) and Legal books and periodicals due to changing over to online subscriptions (91%), offsetting underspend due to re-tender of the insurance contract (3%) and Audit Contract (9%)</p> <ul style="list-style-type: none"> £20k income pressure from Rowan House restructure target that will not be received (100%), less income from Legal Fees (22%) and from CBH for postage costs (53%).
Place Strategy	(476)	(1)	(477)	633	<ul style="list-style-type: none"> Underspends mainly relate to the following carry forward requests: Affordable Housing element of New Homes Bonus, Transportation Spending Priorities Funding, Climate Emergency Spending Priorities Funding, Orbital Spending Priorities Funding, CIL and LDF. These are offsetting an overspend relating to Local Plan costs (148%). Small income variance.
Planning	198	(109)	89	23	<ul style="list-style-type: none"> Overspend due to planning appeal costs (100%) and software licences (74%). Carry forwards have been requested relating to the remaining New Homes Bonus Funded Heritage project and Town Wall Spending Priorities Funding. More income received from planning fees (9%).
Housing	210	(178)	32		<ul style="list-style-type: none"> There was a small net overspend on B&B/homelessness initiatives (1%). Less income from temporary accommodation properties.
Communications	(127)	7	(120)	119	<ul style="list-style-type: none"> Carry forwards have been requested relating to the spending priorities posts and marketing budgets. Underspend across marketing budgets (26%) offsetting overspend on licences due to one off previous years spend (64%). Less income than budget from roundabout advertising (50%).
Client – Commercial Company	6	-	6		<ul style="list-style-type: none"> A small overspend due to a one-off contribution towards shared legal costs.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Corporate Asset Management	(126)	(28)	(154)	17	<ul style="list-style-type: none"> Underspends on cleaning contract due to re-tender coming in less than budget (9%), NNDR due to revaluation (50%), Town Hall utilities (41%), street lighting electricity and repairs (60%) and corporate PPM (31%) offsetting overspend on corporate R&M (14%) and unbudgeted works to Council Chamber in Town Hall (100%). Carry forwards have been requested relating to fixed wiring PPM and water fountains spending priorities funding. More grant was received for flood works than spent (17%) and a saving was made on the CBH Management Fee for the Engineering team (34%)
Commercial & Investment	27	(460)	(433)	405	<ul style="list-style-type: none"> Commercial properties ended up £8.5k underspent against budget by year end. The outturn income is in-line with the budget. Within this position there is a £100k shortfall in relation to a Northern Gateway site due to the revised planning consent applied for, and a net £19k surplus on a geared ground rent site as previous years rent reconciliations were finally agreed up to the end of December 2019. These have been offset by a number of smaller gains totalling c£180k from various North Colchester sites; properties in Vineyard/Osborne Street and miscellaneous legal and survey fees charged over the year The outturn also reflects a net overspend of £22k (20%) from other miscellaneous service areas. These include £20k on a delayed European project; extra legal advice on regeneration areas offset by underspends on an old economic initiative budget £9k (36%) and surplus DCMS revenue funding in relation to the digital broadband project. There is a carry forward of £405k which was reflected in the 20/21 Budget report agreed by Cabinet in January, which relates to a leasehold surrender.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Sport and Leisure	(257)	619	362		<ul style="list-style-type: none"> The cost pressures this year included increased superannuation costs and unbudgeted maternity cover, these were however, off-set by several underspends in service which included employee savings of £64k (2.4%) due to in year general vacancies; utility costs, which include final Smith Bellerby estimates, of an overall £85k (15%) - electricity £33k (17.25%); £24k (11.6%) on gas and water a total £17k (11.9%). Savings on Supplies and Services £70k (11.8%) and Third Party payments £23k (35%) due to savings on Highwoods re-charges. It should be noted that Coronavirus issues did not result in any savings during this period. An income shortfall of £619k (11.9%). £230k of this overall shortfall was a direct result of closure of facilities on 19th March due to the covid-19 lockdown. The shortfall is broken down as follows: Lifestyles membership sales of £157.7k (12.7%), Pools £160k (12.5%), Aqua Springs £50k (10.4%), Catering £86.3k (24.6%), Parking £33k, Welcome Zone (Zoggs) Sales £34k, Swimming Lessons £31k, Dryside Activities £21k, Highwoods and Tiptree JUSC £24k, Aerobics £15k, Fitness Centre £14k and Beauty Therapy £2k.

Current Period – March 2020			
End Of Year 2019/20	Actual for Year £'000	Budget for Year £'000	Variance (under) / over £'000
Account Description			
HRA - Direct & Non-Direct			
EXPENDITURE			
Employees	222	179	43
Premises Related	6,566	6,838	(272)
Transport Related	1	0	1
Supplies & Services	1,062	1,097	(35)
Third Party Payments	3,528	3,545	(17)
Transfer Payments	229	188	41
Support Services	3,346	3,444	(98)
Capital Financing Costs	28,418	27,728	690
TOTAL EXPENDITURE	43,372	43,019	353
INCOME			
Other Grants & Reimbursements	(176)	(129)	(47)
Customer & Client Receipts	(29,901)	(29,782)	(119)
Income-Interest	(145)	(31)	(114)
Inter Account Transfers	(12,892)	(12,887)	(5)
TOTAL INCOME	(43,114)	(42,829)	(285)
TOTAL NET - HRA	258	190	68
<i>Technical Items:-</i>			
Carry Forwards		(228)	228
OVERALL - POSITION	258	(38)	296