

Agenda Item	4
Report No	RES/01/21

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 25th February 2021

Report Title: Corporate Revenue Monitoring report to 31st December 2020

Report By: Executive Chief Officer- Resources and Finance

1. Purpose/Executive Summary

- 1.1 This report provides a summary of the actual spend in the first three quarters of financial year 2020/21 together with a forecast year end outturn position. Net spend on services in the first three quarters of financial year 2020/21 totalled £360.9m
- 1.2 As has been previously reported to this Committee and the Highland Council the impact of Covid 19 on the Council's budget has been and is expected to continue to be significant during 2020/21 and beyond. As the financial year has progressed a greater understanding of that impact has emerged and is reflected in this report.
- 1.3 Whilst there is still greater than normal uncertainty, current projections for the year-end outturn position suggest a net year end budget surplus of £3.1m, a significant improvement from the £8.7m forecast overspend reported to this committee in November.
- 1.4 The improved position reflects the positive financial management that has been taking place throughout the Council, the additional funding coming in to the Council and a better understanding of the financial impact of Covid 19. As a result of this improved position there is currently no expectation that the Council will have to use its reserves, contingencies or take advantage of any fiscal flexibilities in the current year.
- 1.5 It is vitally important that Members do not consider this year's financial position in isolation from the medium-term financial outlook. The Council needs to ensure it is properly considering its longer-term sustainability as part of the 2021/22 budget process.

2. Recommendations

2.1 Members are asked to:

- i. Consider the financial position of the General Fund and HRA revenue budgets as at 31st December 2020;

3. Implications

3.1 Resource implications are as noted in this report. Any year end underspend will be added to the Council's reserves. If the situation worsens and an overspend position is reported at year end the Council will need to decide how to meet that overspend by using contingencies, reserves or fiscal flexibilities.

3.2 There remains a significant risk that unforeseen events occur which carry an additional cost burden. Services that are demand-led, such as looked after children or winter maintenance may see significant moves in cost forecast over the year from that currently stated. Other risks relating to Brexit, or unexpected items such as suppliers seeking additional financial support, may also emerge for which no specific contingencies are held. The closer to financial year end that a risk crystallises the lower the expected in-year financial impact. Section 9 of the report provides further information on risks.

3.3 There are no legal, equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

4. Background

4.1 Members have received a number of reports over the course of the current financial year outlining the estimated impact of Covid 19 on the Council's budget. Links to the most recent of these reports are provided in the background papers section of this report. At the previous Corporate Resources Committee on the 11th November a forecast year end overspend of £8.7m was reported.

4.2 This report shows further improvements in the current forecast position with a year-end surplus of £3.087m now forecast. This improved position reflects further reductions in forecast spend across service budgets, as well as the impact of confirmed additional funding receivable from government.

4.3 The format of this report follows that of the usual quarterly monitoring statements and is therefore shown on a service basis. Each reported service position will reflect additional costs and reduced income due to Covid as well as any other non-Covid pressures or underspends. As section 6 below demonstrates, the impact of Covid is more significant in certain services than others. Those services with significant levels of fee and charge income are forecast to suffer a greater impact from Covid.

4.4 Detailed service monitoring statements are being taken to the current round of strategic committee meetings to allow respective committee Members to better understand the service financial positions. Links to the reports currently available are included in the background papers section of this report.

4.5 The Covid 19 context has made financial forecasting significantly more challenging than normal. Given the significant improvement since the quarter 2 position a new appendix has been added to the report, **Appendix 7**, which outlines the key components in the changed forecast position for each service. More comprehensive explanations of service variances and movements can be found in the service quarter 3 monitoring reports to the respective strategic committees. Links to those reports currently available can be found in the background papers section of this report.

5. Overall position 2020/21

5.1 The table below provides a summary of the figures in **Appendix 1** to give an overall forecast position for the 2020/21 year-end outturn. The quarter 2 figures are provided in the rightmost column for comparative purposes.

	Annual Budget £m	Year-end forecast £m	Year-end variance £m Q3	Year-end variance £m Q2
Expenditure				
Service budgets (Appendix 1, Table A- top half)	£526.9m	£542.7m	£15.8m	£26.0m
Other budgets (Appendix 1, Table A- bottom half)	£72.5m	£59.5m	-£13.0m	-£12.0m
Planned contribution to investment funds (Appendix 1, Table C)	£14.1m	£14.1m	£0m	£0m
Total (X)	£613.5m	£616.3m	£2.8m	£14.0m
Income (Table D)				
Government income	£477.5m	£484.6m	£7.1m	£7.7m
Budgeted Council tax income	£130.5m	£129.4 m	-£1.1m	-£2.4m
Planned use of earmarked reserves	£5.5m	£5.5m	£0m	£0m
Total (Y)	£613.5m	£619.4m	£5.9m	£5.3m
Difference between expenditure and income- 'Budget (surplus)/deficit' (=X-Y)	£0	-£3.1m	-£3.1m	£8.7m

5.2 The bottom line of the table above shows that the current forecast for the overall year end position is for a surplus (or net underspend) of £3.1m. The paragraphs below, and subsequent sections of this report, will provide an explanation of the elements making up that deficit.

5.3 As shown in the top row of the table at 5.1, net service expenditure is forecast to be overspent as the impact of Covid 19 requires unplanned expenditure and has led to significantly reduced service income. Net expenditure is now forecast to be £15.8m above the budgeted level. Section 6 of this report provides more details of the forecast service budget variances.

5.4 The second row of the table comprises a number of other budget lines and shows a forecast £13m underspend. This underspend principally reflects confirmed additional funding received from government to address the overall financial impact of Covid (as

opposed to funding provided for specific response activity). This additional income offsets some of the service budget pressures from the line above. More detail on the additional income that has been received from government is provided in section 7 of this report.

- 5.5 The first row in the income section of the table above reflects the funding the Council receives from government. The budget for this row reflects the confirmed level of funding that the Council is due to receive from the Scottish Government. Excess income £7.1m above the budgeted level is forecast on this budget line and reflects additional funding that the Council expects to receive from Government but was not formally confirmed by the end of quarter 3 and included in the grant settlement. This £7.1m comprises:
- £3.1m expected to be received from the income recompense scheme
 - £3m expected to be received for schools return costs (not teaching)
 - £1.0m to be received for the administration of business grants.
- 5.6 Covid 19 is expected to have an adverse impact on one of the Council's corporate income streams, Council Tax income. This adverse impact reflects both expected reductions in overall income collectable as well as a slower than expected rate of growth in the council tax base (the number of rateable properties). A £1.1m shortfall in Council Tax income is forecast. The rate of Council Tax collection for the first three quarters of the year has not been as adversely impacted by Covid 19 as had been forecast in the quarter 2 monitoring. As such, a higher level of overall income, and therefore lower level of overall shortfall against the income target, is now forecast.
- 5.7 Overall, the combined impact of the net service overspend plus excess corporate income gives a forecast budget surplus of £3.1m for the year.

6. Service budget variances

- 6.1 **Appendix 1** provides the usual monitoring statement format with **Table A** providing variance detail by service and other significant budget heads. Details of individual service positions will be reported to the respective strategic committees. Overall the Council is reporting a net overspend of £15.824m against service budgets.
- 6.2 **Appendix 2** provides a summary of forecast variances by service and expenditure and income type. Forecast overspends mainly relate to the impact of Covid 19 on non-staffing expenditure and fee and charge income with considerable mitigation from underspends against staffing budgets and additional grant income. There is an improvement from the quarter 2 position across all expenditure and income types. **Appendix 7** provides some information on the main movements in each service's reported position.
- 6.3 For the Communities and Place service a year end overspend of £1.005m is forecast which is an improvement of £2.267m on that previously reported of £3.272m. This overall variance is almost entirely accounted for by shortfalls in budgeted income due to Covid 19, most particularly in waste management services, but with impacts across all budget areas. The overspend reduction is due to further income recovery for grounds maintenance and ongoing expenditure controls. Some unbudgeted mobilisation and recovery costs are reflected across the service but these are offset by reductions in expenditure across a variety of budget headings and also receipt of a Government Covid grant.
- 6.4 For the Education and Learning service a year end underspend of £1.897m is forecast which is an improvement of £2.617m on that previously reported of an overspend of £0.720m. Many of the unbudgeted costs associated with the schools return are now

showing against the relevant service heading (e.g. transport costs showing against the Infrastructure, Environment and Economy budget, cleaning costs showing against the Housing and Property budget) and reflect significant budget pressures in those areas. Mainly the improvements in the service forecast are not related to core Education and school return activity, instead relating to High Life Highland (HLH) and Early Learning and Childcare (ELC) budgets in the main. It should be noted both are in-year improvements only, with a significant deficit in 2021/22 forecast in relation to HLH. Without the expected in-year (and one-off) benefit from the improvement in the HLH and ELC position, the Service as a whole would be reflecting an overspend, almost exclusively down to the Covid19 impact.

6.5 For the Health and Social Care service a year end overspend of £1.090m is forecast which is an improvement of £0.784m on that previously reported of £1.874m. The overspend reflects additional costs seen in the year to date and anticipated in the remainder of the year in response to Covid, chiefly around looked after children. A number of vacancies across this service mitigate the forecast overspend to some extent. Covid costs in relation to looked after children have not materialised to the extent that was initially expected, hence the improvement in the position. However, the improvement was lessened by increases in costs from recruiting staff thus reducing vacancies in the family teams.

6.6 For the Infrastructure, Environment and Economy service a year end overspend of £8.941m is forecast which is an improvement of £2.906m on that previously reported of £11.847m. The majority of this overspend relates to Covid related income shortfalls in planning fees and building warrant income, car parking income, harbour and ferry income, investment property income and roads consents income. Brexit has also impacted on harbours income.

In addition to this income shortfall a further significant pressure is forecast in relation to school and public transport contracts, a proportion of which relates to the additional costs related to the schools return. Some slight mitigation of these pressure comes from underspends against staff and other expenditure heads.

The improvement in the year end position is due to increased income in respect of car parking and investment properties. The level of cost relating to the schools' return is lower than previously anticipated and has therefore further improved the position.

6.7 For the Performance and Governance service a year end underspend of £0.089m is forecast which is an improvement of £0.153m on that previously reported of an overspend of £0.064m. The improvement is due to increased licencing income and a further underspend on the Members budget.

6.8 For the Property and Housing service a year end overspend of £7.354m is forecast which is an improvement of £1.058m on that previously reported of £8.412m. This overspend reflects water safety costs associated with buildings recommissioning across the Council's estate together with wider property return costs. Significant additional costs are also forecast in relation to schools cleaning. Additionally, the service anticipates income shortfalls, principally in school meals income and in staff recharges to the capital programme.

The improvement in the year end position is due to Covid costs not materialising as anticipated, however this has been offset by a shortfall in income for project delivery as a direct result of Covid restrictions, the suspension of construction contracts and early IT network issues during the periods of homeworking.

- 6.9 For the Resources and Finance service a year end underspend of £0.653m is forecast which is an increase in the underspend of £0.206m from that previously reported of £0.447m. Pressures in relation to lost income, in this case in relation to warrant income and late payment surcharges, and additional ICT costs incurred in relation to the Covid response are more than offset from underspends linked to vacant posts and other contractual underspends. The increased underspend is as a result of various improved income streams.
- 6.10 For the Transformation service an underspend of £0.069m is forecast. The Transformation budget includes the 2020/21 Change Fund which at this stage is anticipated to be fully spent as any uncommitted funds at year end will be added to the Change Fund earmarked balance as happened in 2019/20.
- 6.11 The Welfare budget is showing an overspend of £0.142m on the housing benefit line due to a drop in recovering overpayments directly attributable to Covid. For the Welfare service a year end overspend of £0.301m was previously reported and related to the Food Fund where spend has been in excess of the additional funding received from Government. Additional government funding has now been confirmed and has offset this overspend.
- 6.12 An underspend of £0.184m is showing against the Valuation Joint Board budget heading reflecting the Board's latest reported position. The Loans Charges budget is currently forecast to be balanced at year end- in line with performance in 2019/20.
- 6.13 **Appendix 5** provides details of the unallocated budgets and savings. Of the £13.935m unallocated budget £13.227m is expected to be available to offset service overspends detailed above- consequently this figure shows as an underspend here. The outturn position reported here assumes that the budget intended to support capital investment in roads will not be spent in the current year as the investment is now intended to take place in 2021/22.

The majority of approved budget savings have been allocated to service budgets and just a small handful remains unallocated to services. Of these it is forecast that £0.448m will struggle to be delivered in-year although work continues to try to deliver a larger proportion.

7. Additional Government Funding

- 7.1 In a normal year the Council's budget does change over the course of the year, normally to reflect usage of the Council's earmarked reserves or additional government funding being received.
- 7.2 This year in particular a significant number of changes to the budget have already taken effect. This reflects a number of additional government funding streams coming to the Council to help address the impact of, and response to Covid, both within the Council's own budgets and also in providing support to businesses.
- 7.3 As things stand the Council has received, or expects to receive, over £37m of additional funding some of which is to address general cost pressures arising from Covid, while other elements are intended to support the costs associated with specific response activity. Full details of these funding streams will be provided as part of the budget report to the March Council meeting.

7.4 The Council is also administering funding schemes on behalf of the Scottish Government to provide support for business during the pandemic. Available funding of over £137m has been confirmed for businesses in the Highland Council area much of which has already been paid to eligible businesses. The Scottish Government has been clear that any funding not paid out to businesses should be returned to central government funds and will not be available for local allocation.

8. Reserves and Fiscal Flexibilities

8.1 **Appendix 6** shows that non earmarked balances would stand at £26.336m at financial year end if the forecast in-year surplus comes to pass. This position reflects planned increases in this reserve of £7.798m, together with the positive impact of the year end surplus.

8.2 This improved level of general fund reserve both acts as a contingency in a significantly heightened risk environment as well as potentially affording the opportunity for the funding of investment as the Council continues its response to, and recovery from the Covid pandemic. Both factors will require to be considered alongside future years' budget planning and will be covered in the Council's budget meeting on the 4th March.

8.3 As described in the report to Council on the 29th October the Scottish Government intends to make three different funding flexibilities to local authorities to help them manage the impact of Covid on their revenue budgets in 2020/21 and 2021/22. Full detail of the flexibilities is still being determined by the Scottish Government in conjunction with COSLA. Given the surplus position now being reported the Council does not expect it will need or be able to take advantage of these flexibilities in the current financial year.

9. Risks

9.1 Members have previously been presented with information identifying the significant areas of risk that would impact on the Council's outturn position. Those risks were separated into two categories, cost risk and funding risk.

9.2 The items identified as costs risk reflect the potential issues that may arise that would impact on service budgets. Chiefly these risks are Covid-related and may impact on service-specific expenditure or income streams, but other non-Covid risks also exist.

9.3 As the year progresses whilst the likelihood of the risks crystallising may change, either increasing or decreasing, it is more likely that the value of the risks will diminish as the period for the risks to impact has reduced.

9.4 The main cost risks identified related to a second lockdown, further enhanced arrangements for the return to schools, increased costs around adult social care, supplier and contractual challenges, increased recruitment, challenges in savings delivery, winter and Brexit.

9.5 The funding risk identified related to the potential scenario that actual government funding received would not be at the level of that assumed. Whilst the Council is still to receive formal confirmation from Government on a small number of additional funding streams there is a high degree of confidence that all of these funding streams will result in the expected additional funds flowing to the Council.

9.6 There is also an upside risk that further additional Government funding for local authorities may become available in the remainder of the year. Any additional funding may however be linked to the provision of additional services (so no net impact on the bottom-line financial position) or be forthcoming because of a worsening in the wider Covid context which may see cost risk factors crystallising. No financial value has yet been attributed to such a scenario.

10. Housing Revenue Account

10.1 As shown in **Appendix 3** the Housing Revenue Account (HRA) is forecast to deliver an underspend of £1.563m, principally due to underspends on staffing costs. Any year end underspend will be added to the HRA reserve. Further details on the HRA position will be reported to the Housing and Property Committee in due course.

Designation: Executive Chief Officer- Resources and Finance

Date: 11th February 2021

Author: Edward Foster, Head of Corporate Finance; and Mike Mitchell, Services Finance Manager

Background Papers:

https://www.highland.gov.uk/download/meetings/id/77561/item_16_revenue_budget_update_report

https://www.highland.gov.uk/download/meetings/id/77344/item_3_corporate_revenue_monitoring_report_to_30_september_2020

https://www.highland.gov.uk/download/meetings/id/77727/6_revenue_budget_monitoring_q3

https://www.highland.gov.uk/download/meetings/id/77748/item_9_revenue_budget_monitoring_3rd_quarter_2021

https://www.highland.gov.uk/download/meetings/id/77702/item_4_development_and_infrastructure_service_revenue_budget_monitoring

https://www.highland.gov.uk/download/meetings/id/77807/10_communities_and_places_revenue_monitoring_report_to_31st_december_2020

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Revenue Expenditure Monitoring Report -General Fund Summary
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1 April to 31 December 2020

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
Table A: By Service				
Communities & People/Place	29,355	33,527	34,532	1,005
Education & Learning	132,553	211,886	209,989	(1,897)
Health, Wellbeing & Social Care	85,930	148,066	149,156	1,090
Infrastructure & Environment and Economy	22,716	29,376	38,317	8,941
Performance & Governance	3,733	4,477	4,388	(89)
Property & Housing	51,441	65,294	72,648	7,354
Resources & Finance	21,320	23,813	23,160	(653)
Transformation	1,457	2,887	2,818	(69)
Welfare Services	9,480	7,561	7,703	142
Service Total	357,985	526,887	542,711	15,824
Valuation Joint Board	2,238	2,984	2,800	(184)
Non Domestic Rates reliefs	653	671	671	0
Loan Charges	0	55,795	55,795	0
Unallocated Budget	0	13,935	658	(13,277)
Unallocated Corporate Savings	0	(893)	(445)	448
Total General Fund Budget	360,876	599,379	602,190	2,811

Table B: By Subjective				
Staff Costs	263,618	368,970	354,496	(14,474)
Other Costs	325,738	534,022	535,909	1,887
Gross Expenditure	589,356	902,992	890,405	(12,587)
Grants	(156,481)	(169,070)	(174,451)	(5,381)
Other Income	(71,999)	(134,543)	(113,764)	20,779
Total Income	(228,480)	(303,613)	(288,215)	15,398
Total Revenue Expenditure	360,876	599,379	602,190	2,811

Table C: Appropriations to Reserves				
Contribution to earmarked balances	0	3,427	3,427	0
Contribution to non-earmarked balances	0	7,798	7,798	0
Affordable housing contribution from 2nd homes council tax	0	2,900	2,900	0
Contribution to Other reserves	0	0	0	0
Total Contributions to Balances	0	14,125	14,125	0

Table D: Financed By				
Aggregate External Finance as notified	240,627	473,998	473,998	0
Additional resources	0	3,506	10,566	7,060
Council Tax	120,249	130,535	129,373	(1,162)
Use of earmarked balances	0	5,465	5,465	0
Use of non earmarked balances	0	0	(3,087)	(3,087)
Use of other reserves	0	0	0	0
Total General Fund Budget	360,876	613,504	616,315	2,811

Revenue Expenditure Monitoring Report -General Fund Summary
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1 April to 31 December 2020

Staff Costs Variance £000	Other Costs Variance £000	Grants Variance £000	Other Income Variance £000	Total Variance £000
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Table A: By Service

Communities & Place	(4,078)	148	(819)	5,754	1,005
Education & Learning	(4,239)	2,434	(256)	164	(1,897)
Health & Social Care	(1,219)	2,319	(8)	(2)	1,090
Infrastructure & Environment	(3,106)	1,478	(718)	11,287	8,941
Performance & Governance	(36)	(230)	13	164	(89)
Property & Housing	(694)	3,624	236	4,188	7,354
Resources & Finance	(1,061)	1,217	(53)	(756)	(653)
Transformation & Economy	(41)	(8)	0	(20)	(69)
Welfare Services	0	3,918	(3,776)	0	142
Valuation Joint Board	0	(184)	0	0	(184)
Non Domestic Rates reliefs	0	0	0	0	0
Loan Charges	0	0	0	0	0
Unallocated Budget	0	(13,277)	0	0	(13,277)
Unallocated Corporate Savings	0	448	0	0	448
Total General Fund Budget	(14,474)	1,887	(5,381)	20,779	2,811

Revenue Expenditure Monitoring Report - Housing Revenue Account Summary
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1 April to 31 December 2020

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
Staff Costs	7,828	12,431	10,781	(1,650)
Other Costs	9,390	22,994	22,853	(141)
Loan charges and interest	0	20,997	21,014	17
Gross Expenditure	17,218	56,422	54,648	(1,774)
House Rents	(39,416)	(52,998)	(52,729)	269
Other rents	(2,285)	(2,987)	(3,022)	(35)
Other income	5	(375)	(398)	(23)
Interest on Revenue Balances		(62)	(62)	0
Gross Income	(41,696)	(56,422)	(56,211)	211
Total HRA	(24,478)	0	(1,563)	(1,563)

Revenue Expenditure Monitoring Report - General Fund Budget
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1 April to 31 December 2020

	£m	£m
Budget as Agreed by Highland Council on 5 March		625.834
Less : Contributions to Reserves included in Agreed Budget		
Contribution to non-earmarked balances	(4.909)	
Contribution to earmarked balances (Elections Fund, Highland Deal for Sustainable Future, Rural Transport Projects, Play Parks)	(1.685)	
Affordable housing contribution from 2nd homes council tax	<u>(2.900)</u>	(9.494)
Less : Ring-fenced Grants (Gaelic, Criminal Justice, Attainment Funding, Early Years)		(30.718)
Grant Funding Redeterminations		
Criminal Justice Social Work (ring-fenced grant)	(0.017)	
Covid19 - Additional Funding Support	7.356	
Covid19 - Hardship Fund	2.373	
Covid19 - Food Fund	1.199	
Covid19 - Scottish Welfare Fund Increase	0.738	
Covid19 - Death Registration Service	0.026	
Early Years (ring-fenced grant)	0.044	
Covid19 - Consequentials	<u>2.326</u>	
	14.045	
Less : Redeterminations of Ring-fenced Grants	<u>(0.027)</u>	14.018
Use of Non-earmarked Balances		
		<u>0.000</u>
Use of Earmarked Balances		
BRIS	1.095	
1+2 Languages	0.002	
Counselling in Schools	0.754	
Additional Support for Learning	0.667	
Brexit Co-ordination	0.010	
Salix	0.013	
Developer Contributions	<u>0.034</u>	2.575
Use of Other Reserves		
		<u>0.000</u>
Contribution to Earmarked Balances		
Crown Estate	(1.742)	
		<u>(1.742)</u>
Contribution to Other Reserves		
		<u>0.000</u>
Presentational Adjustments		
Offset BRIS income budget against 2019/20 earmarked BRIS	(1.095)	
		<u>(1.095)</u>
Total General Fund Budget at 31 December 2020		<u><u>599.378</u></u>

Revenue Expenditure Monitoring Report - General Fund Budget
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1 April to 31 December 2020

Table A : Unallocated Budget

	£m
Roads investment	1.293
Energy	0.309
Rates	0.230
Demographics (increasing school rolls)	0.175
Fuel	0.153
Budget to offset potential shortfall in service income	0.096
Revenue consequences of capital - flooding	0.050
Grant Funding - Access to Sanitary Products - Public Bodies	0.109
Grant Funding - Covid19 - Additional Funding Support	7.356
Grant Funding - Covid19 - Hardship Fund	1.837
Grant Funding - Covid19 - Consequentials	2.326
Roundings	0.001
Unallocated Budget at 31 December 2020	<u><u>13.935</u></u>

Table B : Unallocated Corporate Savings

	£m	Category
Procurement	(0.687)	
Property Asset Management	(0.111)	
Full costs recovery on events and festivals	(0.050)	
HR/recruitment/workforce planning	(0.025)	
ICT corporatisation	(0.020)	
Unallocated Corporate Savings at 31 December 2020	<u><u>(0.893)</u></u>	

Revenue Expenditure Monitoring Report - General Fund Budget
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1 April to 31 December 2020

General Fund Balance

	Earmarked balances £m	Non- earmarked balances £m	Total £m
General Fund Balance at 1 April 2020 (unaudited)	20.255	15.451	35.706
(Use of)/contribution to balances included in budget as agreed by Highland Council on 5 March 2020	1.685	4.909	6.594
Removal of earmarking (DSM)	(2.889)	2.889	0.000
Use of balances per Appendix 4	(2.575)	0.000	(2.575)
Contribution to balances per Appendix 4	1.742	0.000	1.742
Movement in balance per Appendix 1	(2.037)	7.798	5.761
Net service overspend per Appendix 1	0.000	(2.811)	(2.811)
Appropriations to other reserves	0.000	0.000	0.000
Additional resources	0.000	7.060	7.060
Council tax shortfall	0.000	(1.162)	(1.162)
General Fund Balance at 31 December 2020	18.218	26.336	44.554

Service	Variance Q2	Variance Q3	Movement Q2 to Q3	Key components of movement
Communities & Place	3,272	1,005	-2,267	Waste & recycling contracts £0.229m; street cleaning income £0.135m; grounds maintenance income from HLH and HRA £1.168m; reduction in ground maintenance costs £0.106m; environmental health income £0.096m; service centre and service point improvements £0.179m; receipt of Covid specific grant £0.661m; reduced for a further shortfall on waste income £0.287m.
Education & Learning	720	-1,897	-2,617	HLH improvement £1.5m (no additional subsidy in 20/21 now expected); increase in ELC underspend due to the delay in roll-out of 1140 hours due to COVID £1.254m; reduced to take account of second lock-down implications on learning and teaching budgets £0.186m.
Health, Wellbeing & Social Care	1,874	1,090	-784	Reduction in overspend on Looked After Children and Fostering & Adoption £1.691m; SDS improvement £0.3m; offset by increased Covid costs, now quantified £0.548m; increased costs due to recruitment £0.433m; management costs allocated from E&L £0.197m. Income improvement Car Parks £0.557m; Planning £0.084m; Investment Properties £0.104m; reduction in transport costs re Covid £1.735m; improved roads position re the additional £1m for roads maintenance £0.532m; offset by increased lighting maintenance activity diverted from LED capital works £0.125m.
Infrastructure, Environment & Economy	11,847	8,941	-2,906	Improved income in Licensing £0.102m; Members underspend £0.053m.
Performance & Governance	64	-89	-153	Reduction in Covid back to school costs £1.428m; reduction in CCFM Covid costs £0.287m; increase in underspends on other property budgets £0.097m; offset by an increase in the shortfall in the design team's productivity £0.753m.
Property & Housing	8,412	7,354	-1,058	Improved warrant income £0.067m; improved other income streams £0.067m; business support savings £0.060m.
Resources & Finance	-447	-653	-206	
Transformation	-66	-69	-3	
Welfare Services	301	142	-159	Advice services expected now to balance £0.301m; offset by an overspend on Housing Benefit of £0.142m.
	25,977	15,824	-10,153	