

APPENDIX 2

FINANCIAL PERFORMANCE

Employee Position

The summary position as at 30 September 2020 as regards to the employee budgets is as shown below:

Directorate	Budget to 30/09/2020 £	Actual to 30/09/2020 £	Variance £
Chief Executive's	1,474,445	1,432,883	(41,562)
Deputy Chief Executive's	1,679,385	1,650,312	(29,073)
Strategic Director's	2,555,542	2,496,107	(59,435)
General Fund - Total	5,709,372	5,579,302	(130,070)
Housing Revenue Account	1,901,915	1,747,191	(154,724)
Total	7,611,287	7,326,493	(284,794)

Any overtime worked in respect of September (paid in October) is not included. The actual figures will include costs related to the Covid-19 outbreak such as additional agency staff required.

The 2020/21 employees budget assumed a pay award of 2.0% effective from 1 April 2020. A pay award of 2.75% was agreed between local authority employer representatives and the trade unions and was paid from September 2020 along with arrears going back to 1 April 2020. The impact of this additional 0.75% is estimated to be £81,750 for the General Fund and £28,500 for the HRA for the 2020/21 financial year. Finance and Resources Committee on 8 October 2020 agreed to increase the General Fund employees budget by £81,750 to meet this additional cost.

The budget figures above exclude the vacancy rate target set for the General Fund when the 2020/21 budget was approved. This presently totals £329,583 for 2020/21. The table above shows that the Council is broadly on track to meet the General Fund vacancy rate target.

The underspending to 30 September 2020 for the HRA will be offset by additional payments to sub-contractors to ensure that the delivery of services to tenants is maintained.

Non-employee Expenditure Budget Variations

The most significant variations on non-employee budgets to 30 September 2020 are:

Budget Heading	Approved Budget 2020/21 £	Actual Spend 30/09/20 £	Projected Outturn 2020/21 £	Projected Variance 2020/21 £	Comments
General Fund					
Liberty Leisure – Management Fee	845,000	949,917	979,400	134,400	The Council are meeting the 20% cost of furloughed staff from April to July 2020. Finance and Resources Committee on 8 October 2020 agreed to increase the budget to £979,400.
Homelessness – Bed and Breakfast	60,000	65,235	90,000	30,000	Additional costs incurred due to Covid-19. Finance and Resources Committee on 8 October 2020 agreed to increase the budget to £90,000.
Housing Revenue Account					
Housing Repairs (Void Property) - Subcontractors	270,000	27,537	270,000	0	Delays due to Covid-19.

Income Budgets

The position to 30 September 2020 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget	Income to 30/9/20	Latest Projection	Projected Variance to Budget
Planning fees	(580,000)	(281,390)	(494,000)	86,000
Pre-Planning & History Fees	(29,000)	(18,226)	(29,000)	-
Industrial units rents	(177,200)	(255,998)	(117,200)	60,000
Craft centre complex rents	(34,110)	(26,862)	(34,110)	-
Garden waste income	(727,000)	(774,955)	(774,955)	(47,955)
Sale of glass	(45,000)	(27,352)	(45,000)	-
Sale of wheeled bins	(29,750)	(22,676)	(29,750)	-
Recycling credits - glass	(112,000)	(28,047)	(140,000)	(28,000)
Trade refuse income	(608,000)	(412,521)	(404,000)	204,000
Special collections income	(55,000)	(35,065)	(35,000)	20,000
Parking P&D income	(258,500)	(32,844)	(95,000)	163,500
Off Street PCN Income	(105,000)	-	(70,000)	35,000
Cemeteries - fees and charges	(205,510)	(94,823)	(205,510)	-
Misc Legal Charges	(15,000)	(6,600)	(15,000)	-
Land charges income	(102,000)	(29,804)	(84,000)	18,000
Licence income	(163,680)	(63,112)	(163,680)	-
Interest on investments	(370,000)	(83,711)	(74,000)	296,000
Beeston Square rent	(700,000)	(487,797)	(468,000)	232,000
General properties rents	(58,000)	(15,696)	(38,000)	20,000
Total	(4,374,750)	(2,697,478)	(3,316,205)	1,058,545

Notes

- i) Whilst income from planning fees was broadly in line with the budget in the early months of 2020/21, this is expected to fall in the rest of the year as a result of the lockdown in the spring. Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £86,000 from £580,000 to £494,000.
- ii) Tenants at the industrial units are billed for their rent in advance. Work will be undertaken with the tenants to assess their ability to pay their rent in view of the Covid-19 pandemic and negotiate alternative arrangements if necessary. As a prudent measure, Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £60,000 from £177,200 to £117,200.

- iii) Garden waste income continues to exceed expectations with approximately 21,500 subscriptions in 2020/21 compared to around 20,100 in 2019/20.
- iv) Income in respect of glass recycling credits received from Nottinghamshire County Council in 2020/21 is assumed to be about £11,700 per month based upon the credits for Jan to May 2020. The total received in 2019/20 was £120,630.
- v) Trade refuse customers are invoiced in advance for this service. However, the Covid-19 pandemic may impact upon the ability of a number of these customers to trade as normal and hence their requirement for this service throughout 2020/21. In anticipation of this, Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £204,000 from £608,000 to £404,000.
- vi) Whilst income from special collections was significant in the early part of 2020/21 with many residents having to spend more time at home, this is not expected to continue in the remainder of the year. Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £20,000 from £55,000 to £35,000.
- vii) Pay and display car parking income in 2020/21 has been adversely affected due to a number of weeks where no charges were made in response to the Covid-19 outbreak. Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £25,000 from £258,500 to £233,500. However, further Covid-19 restrictions including the second national lockdown along with increasing store closures and the acceleration towards on-line shopping mean that the latest expectation is that pay and display car parking income in 2020/21 will be £95,000.
- viii) Penalty charge notice income from offstreet car parking is received from Nottinghamshire County Council at the end of each financial year. Income received in 2019/20 was £70,000.
- ix) Income from land charges has been decreasing in recent years and this trend has continued in 2020/21 with the Covid-19 outbreak undoubtedly having an adverse impact. Finance and resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £18,000 from £102,000 to £84,000.
- x) The 2020/21 budget for interest on investments was based upon the base rate at the time of 0.75%. This was subsequently reduced by the Bank of England's Monetary Policy Committee to 0.10% in response to economic factors, particularly in relation to Covid-19. Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £296,000 from £370,000 to £74,000.

- xi) Covid-19 has impacted upon the tenants at Beeston Square in different ways. Some managed to continue trading whilst others were forced to close for a period. One tenant ceased trading completely. The Council is in discussion with the individual tenants and the forecast outturn for 2020/21 could change significantly as the year progresses. Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £232,000 from £700,000 to £468,000.
- xii) It appears inevitable that Covid-19 will have an adverse impact upon rental income from general properties. As a prudent measure, Finance and Resources Committee agreed on 8 October 2020 to reduce the 2020/21 budget by £20,000 from £58,000 to £38,000.

Capital Programme

Capital programme expenditure as at 30 September 2020 is summarised as follows:

	Approved Budget 2020/21 £	Actual Spend to 30/09/2020 £	Proportion of Budget Spent %
General Fund	15,676,400	3,956,913	25.2
Housing Revenue Account	11,230,350	1,939,285	17.3
TOTAL	26,906,750	5,896,198	21.9

The table includes all capital schemes brought forward from 2019/20, as previously approved, in addition to any other budget changes including those agreed by Finance and Resources Committee on 8 October 2020. No account has been taken of any invoices received but not yet paid or work that has taken place but where no invoices have, as yet, been received.

The General Fund capital programme excludes schemes totalling £3,363,500 for which the approval to proceed will be granted once a source of funding has been identified.

The most significant schemes with regards to spending to 30 September 2020 are:

Scheme	Approved Budget 2020/21 £	Actual Spend to 30/09/20 £	Comments
General Fund			
Replacement Vehicles and Plant	966,600	159,318	Orders have been raised for the items in the 2020/21 programme.
Beeston Square Phase2	10,353,900	3,186,574	Report with further details is on this agenda.
Housing Revenue Account			
Central Heating Replacement	1,392,950	254,460	Slow start due to Covid-19. Some planned works may need to be undertaken in 2021/22.
Modernisation Programme	2,067,500	471,351	Slow start due to Covid-19.
Acquisition of Properties	2,090,100	676,832	Temporary officers appointed to progress.