

APPENDIX 2

FINANCIAL PERFORMANCE

Employee Position

The summary position as at 31 July 2021 for the employee budgets is as shown below:

Department	Annual Budget £'000	Budget to 31/07/21 £'000	Actual to 31/07/21 £'000	Variance £'000
Chief Executive's Dept.	3,060	1,015	1,001	(14)
Deputy Chief Executive's Dept.	3,140	1,029	1,000	(29)
Executive Director's Dept.	5,858	1,922	1,711	(211)
General Fund – Total	12,058	3,966	3,712	(254)
Housing Revenue Account	4,051	1,327	1,218	(109)
Total	16,109	5,293	4,930	(362)

The budget position to 31 July 2021 for gross employee costs shows a £362k underspend, which includes savings made with vacancies and the current budget status of the 2021/22 pay award. This underspend is split £254k for the General Fund (GF) and £109k for the Housing Revenue Account (HRA).

The budget figures above exclude the vacancy rate target set for the GF of £300k when the 2021/22 budget was approved.

The budget for 2021/22 includes an allowance for pay inflation based upon the earlier announcement from the Chancellor of the Exchequer of a guaranteed public sector pay award of at least £250 on any earnings below the median wage of £24k. This constituted a net saving of £140k between the initially budgeted 2% pay award and the estimated £250. The final pay award for 2021/22 has not yet been agreed. The impact of an annual pay award of say 1.5% on gross pay for all employees would see an estimated additional cost to the Council of around £113k (£86k GF, £27k HRA) in 2021/22.

A full impact analysis will be undertaken as part of the revised estimate process with budget monitoring activity which will include detailed examination of employee costs to determine extent and duration of any existing budget pressures.

Income Budgets

The position to 31 July 2021 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget £'000	Income to 31/07/21 £'000	Latest Projection £'000	Projected Variance to Budget £'000
Planning Fees	(450)	(170)	(583)	(133)
Pre-Planning and History Fees	(40)	(5)	(14)	26
Industrial Units Rents	(177)	(276)	(198)	(21)
Craft Centre Complex Rents	(34)	(21)	(34)	-
Garden Waste Income	(750)	(848)	(856)	(106)
Sale of Glass	(45)	(15)	(44)	1
Sale of Wheeled Bins	(30)	(15)	(32)	(2)
Recycling Credits - Glass	(120)	(15)	(120)	-
Trade Refuse Income	(468)	(456)	(468)	-
Special Collections Income	(55)	(20)	(60)	(5)
Parking Income (Pay & Display)	(180)	(42)	(125)	55
Off-Street PCN Income	(50)	(61)	(30)	20
Cemeteries	(211)	(86)	(220)	(9)
Miscellaneous Legal Charges	(10)	(16)	(20)	(10)
Land Charges Income	(80)	(34)	(80)	-
Licence Income	(164)	(30)	(112)	52
Interest on Investments	(289)	(126)	(289)	-
Beeston Square Rent	(500)	(285)	(500)	-
General Properties Rents	(58)	(12)	(58)	-
Total	(3,711)	(2,533)	(3,843)	(132)

Notes

The current status is in respect of income billed rather than income collected.

The majority of the current annual projections above are pro-rata based upon activity to 31 July 2021 and/or profiled projections based upon 2020/21 outturn.

- i) The projected income from Planning Fees is consistent with 2020/21 outturn but also includes a large application received in August 2021.
- ii) Tenants at the industrial units are billed for their rent in advance, some the final outturn will be adjusted for accruals and receipts in advance. The previous 2020/21 rent income budget was reduced by the Finance and Resources Committee on 8 October 2020 as a prudent measure in anticipation of tenants having difficulty in paying their rent as a consequence of the pandemic. The Council will benefit from additional income from the two new industrial units at Mushroom Farm. The current position for 2021/22 is being regularly monitored.
- iii) Garden waste income continues to exceed expectations with over 21,000 subscriptions in 2021/22 which compares favourably with the original budget estimate.
- iv) Income from the sale of wheeled bins in 2021/22 has exceeded expectations. This will be offset by additional expenditure on wheeled bin replacements.
- v) Pay and display car parking income has been adversely affected due to the Covid-19 outbreak. The Finance and Resources Committee received reports to reduce the previous 2020/21 budgets in response to the restrictions imposed following the national lockdowns and the impact of increasing store closures and the acceleration towards on-line shopping. Income in 2021/22 will continue to be carefully monitored as the local economy recovers.
- vi) Penalty Charge Notice (PCN) income from off-street car parking is received from Nottinghamshire County Council at the end of each financial year.
- vii) The estimated increase in Cemeteries income is based on current trend.
- viii) Legal Services are allowed to charge when instructed on certain matters with the level of income being dependent on the number of instructions received. In the last year, despite the pandemic, there has been a particular increase in leasehold enquiry instructions (where a previous Right to Buy lease has been subsequently sold) and an increase in Section 106 agreements.
- ix) License fee income received so far in 2021/22 is significantly below the budget. This is a direct and ongoing consequence of the reduced economic activity caused by the Covid-19 pandemic.
- x) Covid-19 has impacted upon the tenants at Beeston Square in different ways. Whilst some managed to continue trading, others were forced to close for a period and some ceased trading completely. The previous year's rent income budget was subsequently reduced by the Finance and Resources Committee on 8 October 2020. The current position for 2021/22 is being regularly monitored.

Capital Programme

Capital Programme expenditure as at 31 July 2021 is summarised as follows:

	Approved Budget 2021/22 £'000	Actual Spend to 31/07/21 £'000	Proportion of Budget Spent
General Fund	7,051	1,923	27%
Housing Revenue Account	14,215	2,475	17%
TOTAL	21,266	4,398	21%

The table includes all capital schemes brought forward from 2020/21, as previously approved, in addition to any other budget changes made up to 31 July 2021. 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 £1,013,250 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 31 July 2021 are:

Scheme	Approved Budget 2021/22 £'000	Actual Spend to 31/07/21 £'000	Comments
General Fund			
Disabled Facilities Grants	1,282	201	A number of grants are committed
Replacement Vehicles and Plant	1,087	212	Orders have been raised for vehicles in the replacement programme
Beeston Square Phase2	3,993	1,480	Scheme nearing conclusion with regular updates provided to the Policy and Performance Committee
Housing Revenue Account			
Modernisation Programme	2,215	628	Work programme is underway
Acquisition of Properties	2,201	516	On track with three properties purchased

Scheme	Approved Budget 2021/22 £'000	Actual Spend to 31/07/21 £'000	Comments
External Decoration and Pre- Paint Repairs	929	237	Work programme is underway
New Build - Oakfield Road	691	229	Construction of the five flats is underway with completion due in December 2021