

APPENDIX 2

FINANCIAL PERFORMANCE

Employee Position

The summary position as at 31 July 2020 as regards to the employee budgets is as shown below:

Directorate	Budget to 31/07/2020 £	Actual to 31/07/2020 £	Variance £
Chief Executive's	983,290	964,739	(18,551)
Deputy Chief Executive's	1,120,020	1,073,396	(46,624)
Strategic Director's	1,704,301	1,609,868	(94,433)
General Fund - Total	3,807,611	3,648,003	(159,608)
Housing Revenue Account	1,268,430	1,100,377	(168,053)
Total	5,076,041	4,748,380	(327,661)

Any overtime worked in respect of July (paid in August) 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% has now been agreed between local authority employer representatives and the trade unions. The impact of this additional 0.75% is estimated to be £81,759 for the General Fund and £28,500 for the HRA.

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. Whilst the table above shows that the Council is currently not meeting the General Fund vacancy rate target, this will continue to be carefully managed with a view to achieving the target by the end of the financial year.

The underspending to 31 July 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 31 July 2020 are:

Budget Heading	Approved Budget 2020/21 £	Actual Spend 31/07/20 £	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.
Homelessness - Miscellaneous	117,384	51,478	195,835	78,451	Additional costs incurred due to Covid-19. Will be funded from grants and homelessness reserve.
Homelessness – Bed and Breakfast	60,000	47,541	90,000	30,000	Additional costs incurred due to Covid-19.
Housing Revenue Account					
Estate Management - North	10,000	7,813	32,000	22,000	Garden clearance and other costs. Assumes expenditure continues at same rate.

Income Budgets

The position to 31 July 2020 in respect of the most significant variable income budgets is as follows:

Income	Annual Budget	Income to 31/7/20	Latest Projection 2020/21	Projected Variance to Budget
Planning fees	(580,000)	(181,600)	(580,000)	0
Pre-Planning & History Fees	(29,000)	(10,300)	(30,800)	(1,800)
Industrial units rents	(177,200)	(242,200)	(177,200)	0
Craft centre complex rents	(34,100)	(19,500)	(34,100)	0
Garden waste income	(727,000)	(761,600)	(761,600)	(34,600)
Sale of glass	(45,000)	(17,000)	(55,000)	(10,000)
Sale of wheeled bins	(29,800)	(16,300)	(29,800)	0
Recycling credits - glass	(112,000)	(13,900)	(140,000)	(28,000)
Trade refuse income	(608,000)	(427,100)	(608,000)	0
Special collections income	(55,000)	(22,500)	(55,000)	0
Parking P&D income	(258,500)	(8,800)	(150,000)	108,500
Off Street PCN Income	(105,000)	0	(70,000)	35,000
Cemeteries - fees and charges	(205,500)	(66,600)	(205,500)	0
Misc Legal Charges	(15,000)	(5,200)	(15,000)	0
Land charges income	(102,000)	(12,700)	(38,100)	63,900
Licence income	(163,700)	(31,100)	(163,700)	0
Interest on investments	(370,000)	0	(74,000)	296,000
Interest on investments	0	(30,600)	0	0
Beeston Square rent	(700,000)	(346,300)	(596,800)	103,200
General properties rents	(58,000)	(15,700)	(43,500)	14,500
Total	(4,374,800)	(2,229,000)	(3,828,100)	546,700

Notes

- i) Garden waste income continues to exceed expectations with approximately 21,200 subscriptions in 2020/21 compared to around 20,100 in 2019/20.
- ii) 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.
- iii) 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.
- iv) 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.
- v) 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.
- vi) The Council will be submitting a claim for a loss of income due to COVID-19 through the Government's Income Compensation Scheme. It is expected that this will cover planning and car parking income losses but not commercial income, investment income and leisure income.

Capital Programme

Capital programme expenditure as at 31 July 2020 is summarised as follows:

	Approved Budget 2020/21 £	Actual Spend to 31/07/2020 £	Proportion of Budget Spent %
General Fund	14,773,500	2,597,086	17.6
Housing Revenue Account	11,030,350	1,345,443	12.2
TOTAL	25,803,850	3,942,529	15.3

The table includes all capital schemes brought forward from 2019/20, as previously approved, in addition to any other budget changes made up to 31 July 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 £2,663,500 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 31 July 2020 are:

Scheme	Approved Budget 2020/21 £	Actual Spend to 31/07/20 £	Comments
General Fund			
Replacement Vehicles and Plant	966,600	94,349	Orders have been raised for the items in the 2020/21 programme.
Beeston Square Phase2	10,353,900	2,069,070	Report with further details is on this agenda.
Housing Revenue Account			
Central Heating Replacement	1,392,950	128,366	Slow start due to Covid-19 but now progressing.
Modernisation Programme	2,067,500	242,191	Slow start due to Covid-19 but now progressing.
Acquisition of Properties	2,090,100	661,560	New officer appointed to progress.