



**Cabinet**

**Tuesday, 8 September 2020**

**Revenue and Capital Budget Monitoring 2020/21 – Financial and Covid Update Quarter 1**

## **Report of the Executive Manager – Finance and Corporate Services**

**Cabinet Portfolio Holder for Finance and Corporate Services, Councillor Gordon Moore**

### **1. Purpose of report**

- 1.1. This report presents the budget position for revenue and capital as at 30 June 2020. Details of this report form part of the Expected Outturn Budget Report to be taken to Council on 24 September 2020 and includes the in-year variances along with variances resulting from Covid-19.
- 1.2. Given the current financial climate, particularly relating to the impact of Covid-19, it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to ensure a balanced budget is maintained.
- 1.3. As previously reported to Cabinet, the effects of Covid-19 will have a negative impact on the Council's finances. The anticipated budget gap caused by the pandemic is partially offset by additional government grants and in-year efficiencies with an overall net in-year position of £0.422m budget gap. This position is likely to change as further variances are identified during the year, further government funding is announced or in the event of a second wave or local lockdown.
- 1.4. The Capital Programme shows a planned underspend of £24.8m largely due to slippage in two major schemes (Bingham Hub and Crematorium) and uncommitted funds in the Asset Investment Strategy.

### **2. Recommendation**

- 2.1 It is RECOMMENDED that Cabinet approve the attached report noting:
  - a) the projected net effect of in-year efficiencies (£0.624m) and Covid-19 pressures (£2.564m) and Covid Government funding (£1.518m) resulting in an expected net revenue position for the year of £0.422m;
  - b) a projected £2.864m net surplus on Business Rates as a result of additional S31 reliefs and that this surplus is to be transferred to the Organisation Stabilisation Reserve to offset the expected Collection Fund deficit in later years;
  - c) the capital underspend of £24.8m as a result of planned programme slippage; and

- d) the projected Special Expenses position with a projected deficit of £0.119m for the year to be financed by a loan from the Council, terms to be consulted on with the West Bridgford CIL and Special Expenses Group.

### 3. Reasons for Recommendation

To demonstrate good governance in terms of scrutinising the Council's on-going financial position and compliance with Council Financial Regulations.

### 4. Supporting Evidence

#### *Revenue Monitoring*

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 June 2020 attached at **Appendix B**. For *this financial year*, the budget gap including Covid related pressures and in-year efficiencies is expected to be at least £0.422m (expected position) and up to a worst case scenario of £1.733 (both scenarios take into account current Government funding of £1.518m). Table 1 below summarises the main variations from revenue efficiencies and Covid related pressures.

**Table 1: Main Items Impacting on Current Revenue Budget**

|  | <b>Pressure/(Saving)<br/>(£m) 2020/21</b> |
|--|---|
| <b>Reductions in income</b>                | <b>£1.253</b>                             |
| <i>Return on Investments</i>               | 0.030                                     |
| <i>Hire of Facilities</i>                  | 0.183                                     |
| <i>Car Parking</i>                         | 0.450                                     |
| <i>Development Control</i>                 | 0.200                                     |
| <i>Land Charges</i>                        | 0.050                                     |
| <i>Commercial Activity</i>                 | 0.225                                     |
| <i>Other Lost Income</i>                   | 0.115                                     |
| <b>Additional Costs</b>                    | <b>£1.489</b>                             |
| <i>Anti-social behaviour/PPE</i>           | 0.042                                     |
| <i>Leisure</i>                             | 1.033                                     |
| <i>Waste Collection/Street Cleansing</i>   | 0.177                                     |
| <i>Homelessness</i>                        | 0.069                                     |
| <i>Increase in Bad Debt Provision</i>      | 0.100                                     |
| <i>Other Costs</i>                         | 0.068                                     |
| <b>Total Covid Related Budget Pressure</b> | <b>2.742</b>                              |
| Covid related savings                      | (0.133)                                   |
| Furlough                                   | (0.045)                                   |
| <b>Net Covid Related Budget Pressure</b>   | <b>2.564</b>                              |
|  |   |
| <b>Projected In year costs/(savings):</b>  |   |

|   | <b>Pressure/(Saving)<br/>(£m) 2020/21</b> |
|---|---|
| Pay award additional 0.75%                        | 0.070                                     |
| <i>Vacancies</i>                                  | (0.256)                                   |
| <i>Rental Income (new property)</i>               | (0.122)                                   |
| <i>Garden Waste Income</i>                        | (0.076)                                   |
| <i>Housing Benefit Subsidy</i>                    | (0.142)                                   |
| <i>Diesel (price reduction)</i>                   | (0.029)                                   |
| Other efficiencies                                | (0.069)                                   |
| <b>Total projected in-year efficiency savings</b> | <b>(0.624)</b>                            |
| <b>Net Revenue Position</b>                       | <b>1.940</b>                              |
| Government funding                                | (1.518)                                   |
| <b>Total Net Projected Budget Gap</b>             | <b>0.422</b>                              |

- 4.2 **Appendix A** shows projected net revenue efficiency for the year to date of £0.624m and a pressure of £2.564m relating to Covid-19 totalling £1.940m. The Council has received £1.518m in additional Covid-19 support to bring the net projected budget gap to £0.422m and anticipate a surplus of £2.864m on Business Rates relating to additional S31 grants giving an overall variation of £2.412m. This represents (21%) against the net expenditure budget and we currently anticipate £4m to be transferred to the Organisation Stabilisation Reserve the majority of which are to meet the anticipated future Business Rates reductions caused by Covid-19 referred to in paragraph 4.13.
- 4.3 **Appendix A** includes a Minimum Revenue Provision (MRP) of £1m. This is a provision that the Council is required to make each year to cover the internal borrowing costs for the Arena which will be funded by the New Homes Bonus. The MRP includes an element of Voluntary Repayment Provision (VRP) and Governance Scrutiny Group recommended to Council on 30 July 2020 that the option be made to withhold the VRP element to potentially use to support the budget gap created by Covid-19. However, based on the projections as at the Q1 position the budget gap can be supported by the temporary use of reserves without the need to utilise the VRP in 2020/21.
- 4.4 As documented at **Appendix B**, the financial position to date reflects a number of positive variances totalling £0.658m including additional garden waste income (£0.076m) and housing benefit subsidy (£0.142m). There are several adverse variances totalling £2.66m. The majority of the adverse variances arise from lost rental income (£0.207m) and additional payments to Parkwood (£1.033m). These are detailed in Table 1 above.
- 4.5 **Appendix E** shows the Quarter 1 position on the Special Expenses budget. Budgets within the Special Expenses area have been impacted by Covid-19, particularly on the loss of income from hire of venues and bar sales. These projections are included in the overall £1.940m projected revenue budget gap. The expected budget deficit for the year is £0.119m initially to be funded from Covid Government funding and a repayment mechanism by way of a loan to be agreed with the West Bridgford CIL and Special Expenses Group. The outcome of this and any other budget issues will form part of the 2021/22 MTFS report to

be approved by both Cabinet and Full Council (respectively in February and March 2021).

### *Capital Monitoring*

- 4.6 The updated summary of the Capital Programme monitoring statement and funding position is shown at **Appendix C** as at 30 June 2020. **Appendix D** provides further details about the progress of the schemes, any necessary re-phasing and highlights efficiencies. The projected variance at this stage is £24.8m.
- 4.7 The original Capital Programme of £18.936m has been supplemented by a net brought forward and in-year adjustments of £19.435m giving a revised total of £38.371m. The net expenditure efficiency position of £24.8m is primarily due to the following:
- a) Bingham Leisure Hub £12.756m – spend slipped to 2021/22;
  - b) Crematorium £4.917m – build likely in 2021/22;
  - c) Asset Investment Strategy £3.828m – this is uncommitted and will be recommended to Council to be removed from the Capital Programme; and
  - d) Support for RSLs: RBC have recently agreed to be part of a joint bid led by Framework which will lead to investment of £150k from the provision in the Capital Programme. This will provide five units of Next Steps accommodation to support 'rough sleepers'. The units will be owned and managed by Framework. RBC will retain nomination rights for a minimum period of 30 years.
- 4.8 The Council was due to receive capital receipts of £20m in the year, primarily from the disposal of surplus operational and investment property: Abbey Road Depot, Land at Hollygate Lane and also from an overage agreement in place for Sharphill Wood site. Covid-19 has impacted on the progress of these schemes with receipts projected to be £4.6m in year now. Significant delays or reductions to capital receipts will affect the funding of the capital programme and may lead to either internal or external borrowing earlier than planned dependant on the progress of the capital programme and any slippage. Alternatively projects could be delayed or not proceed with if deemed economically unviable. The current projected overall variance is likely to mean that any borrowing requirement can be met from internal resources with no recourse to borrow externally this financial year.

### *Covid-19 Update*

- 4.9 The position in relation to Covid-19 was reported to Cabinet on 14 July 2020 and covered the estimated budget gap from Covid-19 along with individual updates on specific issues. As this report now includes the projected Covid-19 impact based upon current government guidance in addition to the revenue efficiencies, the paragraphs below provide an update where necessary to the specific Covid-19 issues that have future financial implications.

- 4.10 The retail and hospitality sector re-opened in June 2020 however; early indications are that consumer confidence remains a risk. Additional government initiatives such as the 'Eat Out to Help Out' scheme have been launched and aim to increase the number of customers to pubs and restaurants which appears to have been a success. Leisure centres have re-opened but recovery is also slower than expected with only 26% of capacity currently being used. Swimming is due to re-commence from 1 September 2020 but as this is only lane swim and not family or groups. This will continue to have an adverse impact on income receipts.
- 4.11 It has previously been reported that as at 31 March 2020 the value of the Council's Multi Asset investments had dropped in value by £1.238m with an improvement of £0.5m to the end of June 2020. Further information received to the end of July shows that this has improved by a further £0.143m to £0.643m and with an upward trend is on track to return to pre-Covid values. There is still a risk that a second wave could reverse this trend and this will be closely monitored.
- 4.12 It was reported to Cabinet 14 July 2020 that, due to Covid-19, a re-negotiation had taken place to defer the principal repayment of £55k due from the Cricket Club from 2020 to 2036, however the club's financial position is such that the repayment was received on 7 August 2020.
- 4.13 Data to 23 August 2020 shows collection rates for Council Tax has reduced by 1.2% equating to approximately £1.08m of cash not received. Business Rates are currently behind by £0.675m (0.85%), although £0.6m of this relates to a newly rated property which is anticipated to be received. The aforementioned reductions in cash received will create a deficit and a burden on future income streams albeit the County Council will take a significant proportion of the Council Tax deficit. Recent government announcements mean this deficit can now be spread over three years and this should reduce the burden in each year, nonetheless the burden will still be there.
- 4.14 A further deficit will be created in the collection fund as a result of the timing differences of precept payments made to Major Preceptors (which will continue to be made at budgeted Business Rates) and the issuing of additional reliefs (approx. £10.6m) to the retail and hospitality sector which effectively reduce the amount of business rates billed (and therefore incoming cash) in the year. This deficit will be collected in 2021/22 to 2022/23 reducing the income due to the Council. In order to support this shortfall in cashflow, the major preceptors (including the Council) will be reimbursed for its share of the additional reliefs in the *current year*. It is therefore recommended that this reimbursement be appropriated to the Organisation Stabilisation Reserve to match or smooth the reduced Business Rates income in future years.
- 4.15 At the time of writing the Council has paid out £18.025m in BEIS grants equating to 90.7% of approximately 1,700 eligible businesses. Hardship Fund allocations committing in excess of £389k in relation to Council Tax support have also been made, ie circa 2400 payments and 75% of the £515k budget.
- 4.16 The Council commenced the discretionary grant scheme on 1 June 2020 with the criteria reviewed and expanded from 15 July 2020. At the time of writing the Council had received 189 claims, decided on 159 and paid 62 totalling £0.814m

(84% of the total available funds of £0.972m). All payments should be made by 30 September 2020.

#### **4.17 Conclusion**

4.17.1 The financial position resulting from Covid-19 pressures was anticipated to result in a significant budget gap and this is the position that has been reported to Cabinet over the lockdown period. Whilst some savings were expected in relation to income generating activities that had ceased, there have been further additional in-year efficiencies identified. These savings along with the additional government funding means that the overall position for revenue is a more manageable budget gap of £0.422m. As detailed in the Covid Budget Update report on this agenda Covid risks prevail beyond this current financial year and have to be managed.

4.17.2 To meet the current year projected deficit an appropriation from the Organisation Stabilisation Reserve will suffice without the need to use the VRP element of MRP. The Council is in a fortunate position that it has healthy reserves and can fund the budget gap in this way. However we will still aim to replenish reserves in future years to help manage both downside and upside risks.

4.17.3 The position on capital is currently positive and the slippage in Capital Receipts alongside slippage in the programme means that it is not anticipated to externally borrow this financial year. Further opportunities and challenges can arise during the year (such as a second wave or local lockdown) which may impact on the projected year-end position.

4.17.4 There remain external financial pressures from existing issues such as the uncertainty surrounding business rates retention, the fair funding review and comprehensive spending review that have now been delayed for a second year. The impact of BREXIT is still to be determined. Furthermore, there are the Council's own challenges such as meeting its own environmental objectives. Against such a background, it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from changing income streams, maintains progress against its Transformation Strategy and retains a healthy reserves position.

### **5 Risk and Uncertainties**

5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both Councillors and the Council's external auditors.

5.2 Areas such as income can be volatile responding to external pressures such as the general economic climate. This has been clearly evidenced by the impact of Covid and highlighted in Table 1.

5.3 Business rates is subject to specific risk given the volatile nature of the taxbase with a small number of properties accounting for a disproportionate amount of tax revenue, notably in Rushcliffe Ratcliffe-on-Soar power station. Furthermore, changes in central government policy influences business rates received and their timing, for example policy changes on small business rates relief. Again Covid-19 is likely to have a large impact on the Business Rates position and this is highlighted at paragraphs 4.13-4.14.

- 5.4 The Council is committed to improving the environment and reducing its carbon footprint. Addressing such risks will require funding with the Climate Change Reserve now created to facilitate such opportunities.
- 5.5 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use such reserves to support projects where there is 'upside risk' or there is a change in strategic direction.

**6 Implications**

**6.1 Financial Implications**

Financial implications are covered in the body of the report.

**6.2 Legal Implications**

None

**6.3 Equalities Implications**

None

**6.4 Section 17 of the Crime and Disorder Act 1998 Implications**

None

**6.5 Link to Corporate Priorities**

|                    |   |
|--------------------|---|
| Quality of Life    | The budget resources the Corporate Strategy and, therefore, resources all corporate priorities. |
| Efficient Services |   |
| Sustainable Growth |   |
| The Environment    |   |

**7. Recommendation**

- 7.1 It is RECOMMENDED that Cabinet approve the attached report noting:
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| <b>For more information contact:</b>               | Peter Linfield<br>Executive Manager – Finance and Corporate Services<br>0115 914 8439<br><a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>   |
| <b>Background papers Available for Inspection:</b> | Council 5 March 2020 – 2020-21 Budget and Financial Strategy;   |
| <b>List of appendices (if any):</b>                | <b>Appendix A</b> – Revenue Outturn Position 2019/20 – June 2019<br><b>Appendix B</b> – Revenue Variance Explanations<br><b>Appendix C</b> – Capital Programme 2019/20 – June 2019 Position<br><b>Appendix D</b> – Capital Variance Explanations<br><b>Appendix E</b> – Special Expenses Monitoring |



## Revenue Outturn Position 2020/21 – June 2020

|  | Original Budget<br>£'000 | Revised Budget<br>£'000 | Projected Outturn<br>£'000 | Projected Outturn<br>Variance<br>£'000 |
|--|--------------------------|-------------------------|----------------------------|--|
| Communities                                    | 2,907                    | 2,917                   | 3,356                      | 439                                    |
| Finance & Corporate Services                   | 3,443                    | 3,528                   | 3,467                      | (61)                                   |
| Neighbourhoods                                 | 6,521                    | 6,522                   | 8,122                      | 1,600                                  |
| Transformation                                 | 2                        | 176                     | 138                        | (38)                                   |
| <b>Sub Total</b>                               | <b>12,873</b>            | <b>13,143</b>           | <b>15,083</b>              | <b>1,940</b>                           |
| Capital Accounting Reversals                   | (2,131)                  | (2,131)                 | (2,131)                    | 0                                      |
| Minimum Revenue Provision                      | 1,000                    | 1,000                   | 1,000                      | 0                                      |
| <b>Total Net Service Expenditure</b>           | <b>11,742</b>            | <b>12,012</b>           | <b>13,952</b>              | <b>1,940</b>                           |
| Grant Income (including New Homes Bonus & rsg) | (2,329)                  | (2,329)                 | (3,847)                    | (1,518)                                |
| Business Rates (including SBRR)                | (3,984)                  | (3,984)                 | (6,848)                    | (2,864)                                |
| Council Tax                                    | (6,991)                  | (6,991)                 | (6,991)                    | 0                                      |
| Collection Fund Surplus                        | (444)                    | (444)                   | (444)                      | 0                                      |
| <b>Total Funding</b>                           | <b>(13,748)</b>          | <b>(13,748)</b>         | <b>(18,130)</b>            | <b>(4,382)</b>                         |
|  |                          |                         |                            |  |
| <b>Surplus (-)/Deficit on Revenue Budget</b>   | <b>(2,006)</b>           | <b>(1,736)</b>          | <b>(4,178)</b>             | <b>(2,442)</b>                         |
|  |                          |                         |                            |  |
| Capital Expenditure financed from reserves     | 147                      | 147                     | 147                        | 0                                      |
|  |                          |                         |                            |  |
| <b>Net Transfer to (-)/from Reserves</b>       | <b>(1,859)</b>           | <b>(1,589)</b>          | <b>(4,031)</b>             | <b>(2,442)</b>                         |

**Revenue Variance Explanations (over £15k)**

| <b>ADVERSE VARIANCES in excess of £15,000</b> | <b>Reason</b>   | <b>Projected Outturn<br/>Variance £'000</b> |
|---|---|---|
| <b>Communities</b>                            |   |   |
| COMMUNITY DEVELOPMENT                         | Loss of income from facility hire and additional responsive works costs                           | 152   |
| PLANNING & GROWTH                             | Loss of planning income   | 230   |
| PLANNING POLICY                               | Loss of land charges income   | 72  |
|   |   |   |
| <b>Finance &amp; Corporate Services</b>       |   |   |
| DEMOCRATIC SERVICES                           | Additional equipment for remote/virtual meetings  | 50  |
| FINANCIAL SERVICES                            | Increase in bad debt provision, loss of investment interest and increased bank commission charges | 160   |
|   |   |   |
| <b>Neighbourhoods</b>                         |   |   |
| ENVIRONMENTAL HEALTH                          | Loss of licensing income  | 80  |
| LEISURE CONTRACTS & CAR PARKS                 | Increased payments to Parkwood and loss of car parking income                                     | 1,459                                       |
| STRATEGIC HOUSING                             | Emergency Accommodation and social distancing costs for homeless                                  | 59  |
| WASTE & FLEET MANAGEMENT                      | Additional agency costs and increase to cleansing of Recycling Bays                               | 191   |
|   |   |   |
| <b>Transformation</b>                         |   |   |
| PROPERTY SERVICES                             | Reduced rental income and loss of rental income on planned acquisition                            | 207   |
|   |   |   |
| <b>Total Adverse Variances</b>                |   | <b>2,660</b>                                |

**Revenue Variance Explanations (over £15k)**

| FAVOURABLE VARIANCES in excess of £15,000 |  | Reason  | Projected<br>Outturn<br>Variance<br>£'000 |
|---|--|---|---|
| Communities                               |  |   |   |
| COMMUNITY DEVELOPMENT                     |  | Savings on activity costs and furlough income | -85                                       |
| PLANNING POLICY                           |  | OLA contribution to staff                     | -30                                       |
| Finance                                   |  |   |   |
| REVENUES & BENEFITS                       |  | Increase in HB subsidy                        | -142                                      |
| Neighbourhoods                            |  |   |   |
| WASTE & FLEET MANAGEMENT                  |  | Additional garden waste income                | -176                                      |
|   |  | Staff Vacancies                               | -67                                       |
|   |  | Diesel  | -29                                       |
| Transformation                            |  |   |   |
| BSU                                       |  | Staff Vacancies                               | -40                                       |
| ECONOMIC REGENERATION                     |  | Staff Vacancies                               | -57                                       |
| LEGAL                                     |  | Staff Vacancies                               | -44                                       |
| PROPERTY SERVICES                         |  | Increased rental income                       | -87                                       |
| <b>Total Favourable Variances</b>         |  |   | <b>-659</b>                               |
| <b>Sum of Minor Variances</b>             |  |   | <b>-62</b>                                |
| <b>TOTAL VARIANCE</b>                     |  |   | <b>1,940</b>                              |

## Capital Programme Summary June 2020

## CAPITAL PROGRAMME MONITORING - JUNE 2020

| <b>EXPENDITURE SUMMARY</b>              | <b>Current<br/>Budget<br/>£000</b> | <b>Projected<br/>Actual<br/>£000</b> | <b>Projected<br/>Variance<br/>£000</b> |
|---|------------------------------------|--------------------------------------|--|
| <b>Transformation</b>                   | 22,917                             | 4,277                                | (18,640)                               |
| <b>Neighbourhoods<br/>Communities</b>   | 3,846                              | 1,990                                | (1,856)                                |
|   | 2,471                              | 2,322                                | (149)                                  |
| <b>Finance &amp; Corporate Services</b> | 8,967                              | 5,028                                | (3,939)                                |
| <b>Contingency</b>                      | 170                                | 0                                    | (170)                                  |
|   | <b>38,371</b>                      | <b>13,617</b>                        | <b>(24,754)</b>                        |
| <b>FINANCING ANALYSIS</b>               |                                    |                                      |  |
| <b>Capital Receipts</b>                 | (13,330)                           | (7,998)                              | 5,332                                  |
| <b>Government Grants</b>                | (3,258)                            | (517)                                | 2,741                                  |
| <b>Use of Reserves</b>                  | (651)                              | (607)                                | 44                                     |
| <b>Grants/Contributions</b>             | (610)                              | (610)                                | -                                      |
| <b>Section 106 Monies</b>               | (4,052)                            | (1,234)                              | 2,818                                  |
| <b>Borrowing</b>                        | (16,470)                           | (2,651)                              | 13,819                                 |
|   | <b>(38,371)</b>                    | <b>(13,617)</b>                      | <b>24,754</b>                          |
| <b>NET EXPENDITURE</b>                  | <b>-</b>                           | <b>-</b>                             | <b>-</b>                               |

## Capital Programme 2020/21 – June 2020 Position

| CAPITAL PROGRAMME MONITORING - JUNE 2020    |                            |                           |               |               |                             |                   |  |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|--|
|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |  |
| <b>TRANSFORMATION</b>                       |                            |                           |               |               |                             |                   |  |
| <b>Manvers Business Park Surface/Drain</b>  |                            | <b>58</b>                 |               |               | <b>35</b>                   | (23)              | Contractor appointed; site commencement delayed COVID19. Assuming no further Covid delays - works will be completed on site by early September.  |
| <b>Colliers Business Park Surface/Drain</b> |                            | <b>29</b>                 |               |               | <b>29</b>                   |                   | All works complete- final accounts to be agreed. Works to make foul sewer connection packaged together.  |
| <b>Cotgrave Phase 2</b>                     |                            | <b>2,389</b>              | <b>597</b>    | <b>14</b>     | <b>1,770</b>                | (619)             | Main contractor appointed; site commencement delayed COVID19. Site construction starting end July with projected completion Feb 21. Anchor food retail unit [Heron] 'agreement for lease' completed.   |
| <b>Bingham Leisure Hub</b>                  | <b>10,000</b>              | <b>14,408</b>             | <b>125</b>    | <b>120</b>    | <b>1,652</b>                | (12,756)          | Contract for design fees awarded and surveys undertaken. A demand report commissioned for the planned office build. Further work to be undertaken to secure the SUD provisional award of £1.6m. Detailed cost plans keep projected overall expenditure |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |   |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|---|
|   |                            |                           |               |               |                             |                   | within the £20m budget.<br>Significant slippage anticipated.  |
| <b>Manvers Business Park Roof Refurbishment</b> |                            | <b>200</b>                |               |               |                             | (200)             | Intention to defer scheme to 21/22 - will keep under review based on site conditions.   |
| <b>Manvers Business Park Roller Shutters</b>    |                            | <b>100</b>                |               |               |                             | (100)             | Intention to defer scheme to 21/22 - will keep under review based on site conditions.   |
| <b>Bridgford Park Public Toilets</b>            |                            | <b>25</b>                 |               |               | <b>20</b>                   | (5)               | Site commencement delayed COVID19. Works to commence 7 <sup>th</sup> September with one month programme.  |
| <b>Water Course Improvements</b>                | <b>60</b>                  | <b>60</b>                 |               |               | <b>60</b>                   |                   | RBC working with NCC/VIA to review issues and agree plan for maintaining and improving the watercourse. Urgent maintenance work planned to be carried out late summer/early autumn. |
| <b>The Point CP Security Gate</b>               | <b>20</b>                  | <b>20</b>                 |               |               |                             | (20)              | Intention to defer scheme to 21/22 - will keep under review based on site conditions.   |
| <b>The Point</b>                                |                            | <b>15</b>                 | <b>15</b>     | <b>14</b>     | <b>15</b>                   |                   | Waterproofing works to Car Park complete.   |
| <b>Colliers Way Industrial Units</b>            |                            | <b>17</b>                 |               |               | <b>17</b>                   |                   | Connection of foul to public sewer; site commencement delayed COVID19. See Colliers   |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |  |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|--|
|   |                            |                           |               |               |                             |                   | BP Surfacing/Drainage scheme above as works packaged together.   |
| <b>Abbey Road Redevelopment</b>                 |                            | <b>340</b>                | <b>60</b>     | <b>14</b>     | <b>340</b>                  |                   | Continuance of remedial works to site prior to disposal.   |
| <b>Bingham Market Place Improvements</b>        | <b>75</b>                  | <b>89</b>                 |               |               | <b>89</b>                   |                   | Tree replacement and incidental paving work complete (£22k in 19/20 and £10k in 20/21). Buttercross design/procurement planned for late summer/early autumn.                             |
| <b>The Crematorium</b>                          | <b>4,800</b>               | <b>5,167</b>              |               |               | <b>250</b>                  | <b>(4,917)</b>    | Land acquired 19/20. Cabinet report 14.07.20 for approval to progress to design stage. Projected actual to cover professional fees in advance of construction. Build likely 21/22.       |
|   | <b>14,955</b>              | <b>22,917</b>             | <b>797</b>    | <b>162</b>    | <b>4,277</b>                | <b>(18,640)</b>   |  |
| <b>NEIGHBOURHOODS</b>                           |                            |                           |               |               |                             |                   |  |
| <b>Vehicle Replacement</b>                      | <b>612</b>                 | <b>612</b>                | <b>184</b>    | <b>182</b>    | <b>182</b>                  | <b>(430)</b>      | 32t Refuse Freighter bought; £331k acquisitions slipped to future years; £99k balance is uncommitted.  |
| <b>Support for Registered Housing Providers</b> | <b>216</b>                 | <b>1,612</b>              |               |               | <b>630*</b>                 | <b>(982)</b>      | £480k contribution committed for second phase garage sites to deliver 30 units of affordable housing. Start on site date to be confirmed. £150k for 5 units of Next Steps accommodation. |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |   |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|---|
| <b>Assistive Technology</b>                   | 12                         | 17                        | 4             |               | 17                          |                   | Provision for Home alarm units for the vulnerable.  |
| <b>Discretionary Top Ups</b>                  | 57                         | 57                        | 14            |               | 25                          | (32)              | Grant activity slowed in first quarter due to COVID19 impact. Potential underspend.       |
| <b>Disabled Facilities Grants</b>             | 490                        | 627                       | 129           | 39            | 450                         | (177)             | Grant activity slowed in first quarter due to COVID19 impact. Potential underspend.       |
| <b>Hound Lodge Access Control System</b>      |                            | 25                        |               |               | 25                          |                   |   |
| <b>Hound Lodge Annexe Patio Doors</b>         | 35                         | 35                        |               |               | 20                          | (15)              | Scheme designed; out to tender end July; site works projected for completion by November. |
| <b>Bowls Hall Replacement Furniture</b>       | 15                         | 15                        |               |               | 15                          |                   |   |
| <b>Arena Enhancements</b>                     |                            | 115                       |               |               | 115                         |                   | Residual provision to deal with emerging enhancement, health and safety works.            |
| <b>Car Park Resurfacing</b>                   |                            | 215                       |               |               | 215                         |                   | Design to commence shortly; procurement will follow; site work in 20/21.                  |
| <b>Car Park Improvements - Lighting WB</b>    |                            | 48                        |               |               | 48                          |                   | Scheme designed; procurement commencing Sept with works on site November to January       |
| <b>Car Park Improvements - Lighting Other</b> |                            | 102                       |               |               | 102                         |                   | Scheme designed; procurement commencing Sept with works on site November to January       |
| <b>CLC Changing Village Enhancements</b>      |                            | 12                        |               |               | 12                          |                   | Provision for Fire Doors.   |



## CAPITAL PROGRAMME MONITORING - JUNE 2020

|  | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |  |
|--|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|--|
| <b>CLC Pool Lining</b>                     |                            | <b>25</b>                 |               |               | <b>25</b>                   |                   | Works completed and final accounts agreed  |
| <b>BLC Improvements</b>                    |                            | <b>109</b>                |               |               | <b>109</b>                  |                   | Residual provision to deal with emerging health and safety enhancement works prior to construction of new leisure centre.                    |
| <b>KLC Refurb Pitched/Flat Roof Areas</b>  | <b>220</b>                 | <b>220</b>                |               |               |                             | (220)             | Intention to defer scheme to 21/22 - will keep under review based on site conditions.  |
|  | <b>1,657</b>               | <b>3,846</b>              | <b>331</b>    | <b>221</b>    | <b>1,990</b>                | <b>(1,856)</b>    |  |
| <b>COMMUNITIES</b>                         |                            |                           |               |               |                             |                   |  |
| <b>Gresham Pitches</b>                     | <b>1,000</b>               | <b>1,260</b>              |               |               | <b>1,260</b>                |                   | Scheme to be commissioned fully funded by grant from Football Foundation - up to £500k and balance from Section 106 Developer Contributions. |
| <b>Gamston Community Centre Toilets</b>    | <b>45</b>                  | <b>45</b>                 |               |               |                             | (45)              | Intention to defer scheme to 21/22 - will keep under review based on site conditions.  |
| <b>Lutterell Hall Kitchens and Toilets</b> | <b>50</b>                  | <b>50</b>                 |               |               | <b>50</b>                   |                   | Scheme paused temporarily whilst operation and operator are reviewed.  |
| <b>Gresham Upgrade 3G Pitch Lighting</b>   | <b>35</b>                  | <b>35</b>                 |               |               | <b>35</b>                   |                   | tenders returned and being analysed, Expect to make award in next few weeks; works will hopefully be completed by end October                |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |  |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|--|
| <b>RCP Front Footpath Improvements</b>      | 15                         | 15                        |               |               | 15                          |                   | Scheme to be considered in line with 20/21 Visitor Centre upgrade.   |
| <b>RCP Visitor Centre</b>                   | 250                        | 250                       |               |               | 250                         |                   | To be considered in line with other works planned at the Country Park.   |
| <b>VE 75th Commemoration</b>                | 20                         | 20                        |               |               | 20                          |                   |  |
| <b>RCP Toilets and Educational Building</b> |                            | 45                        |               |               | 45                          |                   | Scheme to be considered in line with 20/21 Visitor Centre upgrade. Mini refurb on 'log cabin' public toilets planned in this calendar year to maintain standard [projected cost £10k] balance retained for more substantial upgrade to facilities. |
| <b>Capital Grant Funding</b>                |                            | 59                        |               |               | 59                          |                   | 2 grants awarded £20k, 2 pending applications £30k, 1 application currently being assessed to come from balance available £9k.   |
| <b>RCP Vehicle Access Controls</b>          |                            | 15                        |               |               | 15                          |                   | Scheme to be considered in line with 20/21 Visitor Centre upgrade. Mini refurb on 'log cabin' public toilets planned in this calendar year to maintain standard [projected cost £10k] balance retained for more substantial upgrade to facilities. |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|  | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |   |
|--|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|---|
| <b>Play Areas - Special Expense</b>            | <b>50</b>                  | <b>69</b>                 |               |               | <b>69</b>                   |                   | £81k allocated to Boundary Road Cycle Track. Design options for the balance of this provision.  |
| <b>Boundary Rd Cycle Track Special Expense</b> |                            | <b>81</b>                 |               |               | <b>81</b>                   |                   | £81k allocated from the provision for Play Areas. Scheme scoped and works to be commenced.  |
| <b>RCP Skatepark</b>                           | <b>220</b>                 | <b>218</b>                |               |               | <b>218</b>                  |                   | Tender documents to be issued Aug 20. Works to commence Q4, potential for slippage.   |
| <b>West Park Fencing and Drainage</b>          |                            | <b>9</b>                  |               |               | <b>25</b>                   | 16                | Contractor appointed; site commencement delayed COVID19. Additional fencing works being included, actual spend will be £25k, virement from MBP scheme required. |
| <b>West Park Car Park Lighting</b>             |                            | <b>25</b>                 |               |               | <b>25</b>                   |                   | Scheme designed; procurement commencing Sept with works on site November to January   |
| <b>West Park Public Toilet Upgrade</b>         |                            | <b>20</b>                 |               |               | <b>20</b>                   |                   | Procurement delayed, now planned for Sept; works on site Dec/Jan.   |
| <b>West Park Julien Cahn Pavilion</b>          |                            | <b>40</b>                 |               |               |                             | (40)              | Intention to defer scheme to 21/22 - will keep under review based on site conditions.   |
| <b>Skateboard Parks</b>                        |                            | <b>190</b>                |               |               | <b>110</b>                  | (80)              | £110k committed to RCP Skatepark. Balance of £80k unallocated.  |

## CAPITAL PROGRAMME MONITORING - JUNE 2020

|   | Original<br>Budget<br>£000 | Current<br>Budget<br>£000 | Budget<br>YTD | Actual<br>YTD | Projected<br>Actual<br>£000 | Variance<br>£'000 |  |
|---|----------------------------|---------------------------|---------------|---------------|-----------------------------|-------------------|--|
| <b>Warm Homes on Prescription</b>       | 54                         | 25                        | 6             |               | 25                          |                   | Grant activity slowed in first quarter due to COVID19 impact.  |
|   | 1,739                      | 2,471                     | 6             |               | 2,322                       | (149)             |  |
| <b>FINANCE &amp; CORPORATE SERVICES</b> |                            |                           |               |               |                             |                   |  |
| <b>Information Systems Strategy</b>     | 335                        | 435                       | 45            | 14            | 324                         | (111)             | Acquisitions under the strategy continue to support business development. Some schemes identified for deferral to 21/22.               |
| <b>Streetwise Loan 20/21</b>            | 150                        | 150                       |               |               | 150                         |                   | Awaiting request to draw this loan down.   |
| <b>Asset Investment Strategy</b>        |                            | 8,382                     |               |               | 4,554                       | (3,828)           | £4.554m committed to the acquisition of 2 Business Units. To report to Governance Group when complete. Balance of £3.828m unallocated. |
|   | 485                        | 8,967                     | 45            | 14            | 5,028                       | (3,939)           |  |
| <b>CONTINGENCY</b>                      |                            |                           |               |               |                             |                   |  |
| <b>Contingency</b>                      | 100                        | 170                       |               |               |                             | (170)             | £95k brought forward of which £25k to undertake work to CLC Pool Lining during COVID19 closure. Balance not yet committed.             |
|   | 100                        | 170                       |               |               |                             | (170)             |  |
| <b>TOTAL</b>                            | <b>18,936</b>              | <b>38,371</b>             | <b>1,179</b>  | <b>397</b>    | <b>13,617</b>               | <b>(24,754)</b>   |  |

## Budget Monitoring for Special Expense Areas - Quarter 1

|                                       | 2020/21<br>Original | 2020/21<br>Revised | Actual<br>to Q1 | 2020/21<br>Projections | Reasons for variance  |
|---------------------------------------|---------------------|--------------------|-----------------|------------------------|---|
|                                       | £                   | £                  | £               | £                      |   |
| <b>West Bridgford</b>                 |                     |                    |                 |                        |   |
| <b>Parks &amp; Playing Fields</b>     | 404,100             | 404,900            | 121,660         | 464,800                | Loss of income from sports hire and additional security on Bridgford Park |
| <b>West Bridgford Town Centre</b>     | 55,900              | 55,900             | 10,509          | 55,900                 |   |
| <b>Community Halls</b>                | 68,700              | 69,700             | 59,201          | 159,200                | Loss of income from facility hire as a result of Covid-19                 |
| <b>Seats &amp; Litter Bins</b>        | 300                 | 300                | 0               | 300                    |   |
| <b>Contingency</b>                    | 14,700              | 14,700             | 0               | 14,700                 |   |
| <b>Annuity Charges</b>                | 76,800              | 76,800             | 0               | 76,800                 |   |
| <b>RCCO</b>                           | 50,000              | 50,000             | 0               | 50,000                 |   |
| <b>Sinking Fund (The Hook)</b>        | 20,000              | 20,000             | 0               | 20,000                 |   |
| <b>Total</b>                          | <b>690,500</b>      | <b>692,300</b>     | <b>191,370</b>  | <b>841,700</b>         |   |
| <b>Keyworth</b>                       |                     |                    |                 |                        |   |
| <b>Cemetery</b>                       | 8,800               | 8,800              | 1,825           | 8,800                  |   |
| <b>Annuity Charge</b>                 | 1,300               | 1,300              | 0               | 1,300                  |   |
| <b>Total</b>                          | <b>10,100</b>       | <b>10,100</b>      | <b>1,825</b>    | <b>10,100</b>          |   |
| <b>Ruddington</b>                     |                     |                    |                 |                        |   |
| <b>Cemetery &amp; Annuity Charges</b> | 11,300              | 11,300             | 1,955           | 11,300                 |   |
| <b>Total</b>                          | <b>11,300</b>       | <b>11,300</b>      | <b>1,955</b>    | <b>11,300</b>          |   |
| <b>Discretionary Business Grant</b>   | 0                   | 0                  | 0               | (30,000)               |   |
| <b>TOTAL SPECIAL EXPENSES</b>         | <b>711,900</b>      | <b>713,700</b>     | <b>195,150</b>  | <b>833,100</b>         | Budget deficit of £119,400 to be met from Gov't funding                   |

