

9 December 2020		ITEM: 11
		Decision: 110538
Cabinet		
Financial Update – Quarter 2 2020/21		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Shane Hebb, Deputy Leader and Cabinet Member for Finance and Transformation		
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance, Corporate Finance		
Accountable Director: Sean Clark, Corporate Director of Finance, Governance & Property		
This report is public		

Executive Summary

This report covers the first six months of the municipal year 2020/21. The government began announcing key headlines within its Spending Review 2020 at the end of November 2020. This report does not take any announcement into consideration.

The Ministry of Housing, Communities and Local Government (MHCLG) will not be announcing finalised settlement positions until at least mid-December 2020.

This means that a forthcoming paper will be presented at the January Cabinet meeting, which reports back on the impacts of the Spending Review 2020.

Medium Term Financial Strategy

In February 2020 the projected position over 4 years was a total £5.595m deficit, with years one to three being in surplus.

This has now deteriorated to a £33.673m deficit over the same period.

This represents a combination of projected reductions in locally raised taxes, increased costs and expected reductions in fees and charges arising from the COVID-19 pandemic. This continues to be assessed and remains subject to significant uncertainty. The MTFs also now reflects an agreed pause to the investment strategy, inclusive of the pause to TRL, which equates to £11.973m of the total movement across the 4 years. Initial actions have reduced the projected

deficit of £19.318m in 2021/22 to circa £5m. These continue to be developed alongside longer term solutions to address the overall deficit in the MTFs.

General Fund Revenue Monitoring Q2 2021/21

The position forecast at the end of September 2020 is a forecast net pressure of £6.746m against the General Fund budget. It is expected that the budgeted surplus of £4.074m will be fully applied to the adjusted net pressure and reduce the overall pressure to £2.672m based on month 6 data. Member priorities which were originally earmarked for spend against this surplus have now either been deferred, or cancelled altogether.

As at 30 September 2020, Thurrock has received funding from Central Government to the value of £10.757m to mitigate costs associated with the COVID-19 pandemic and has been reflected in this report. The report also reflects forecast additional support of £1.2m from MHCLG to offset income losses and forecast furlough income of £0.3m. Returns continue to be submitted to MHCLG highlighting the ongoing financial risks in the current year. Further funding has subsequently been announced to the value of £3.485m which is not yet reflected in the body of this report, for the reasons already explained. This will be considered alongside the reassessment of associated pressures at Quarter 3.

The position presented is still subject to significant uncertainty in response to the Covid-19 pandemic. The impact of this has been identified and separated from the core budget monitoring and on this basis the overall forecast overspend position of £6.746m breaks down to:

Forecast on delivery of core services - £3.847m

Forecast on COVID-19 related pressures net of government funding - £2.899m

There are two significant pressures in core services:

- A projected reduction of investment income linked to the uncertain future of the wholly owned regeneration company TRL, and the ongoing consideration of the investment strategy. This pressure is projected to be £3.913m.
- Projected increased costs in Children's Social Care relating to an increase in high costs placements. This pressure is projected to be £0.895m.

The Covid-19 pressures are split between:

- 1) Increased spend as a result of Covid-19 emergency response; and
- 2) Income losses as a direct result of Covid-19.

There remains ongoing uncertainty on the full impact that Covid-19 will have on existing services and while some financial risk has been projected this could increase significantly in these areas:

- The need to provide further financial stability in the adult social care market;
- Increases in child protection referrals;
- Increases in homelessness applications; and
- Home to School Transport costs.

The wider impact on Council Tax and Business Rates remains under consideration with the potential for further losses linked to the wider economic impacts of the pandemic. Updated legislation is expected on this to enable the spreading of any losses over the next three financial years. Hence the impact on the current year is effectively deferred and is not included in the figures above but is reflected in the recent medium term financial strategy update.

Housing Revenue Account

The Housing Revenue Account is projecting a breakeven position. There has been a limited impact from Covid-19 to date but this continues to be monitored and there remains concern over the stability of rents as the year progresses.

Dedicated Schools Grant

The DSG position is indicating pressures of £1.617m. The position reflects the increased pressure in the high needs block and additional demand for school places in Thurrock. In common with the wider sector a 3 year deficit recovery plan is being developed in consultation with the Education Skills Funding Agency (ESFA).

The Secretary of State for Education announced details of the provisional Dedicated Schools Grant (DSG) allocations for 2021/22. Thurrock's funding formula in 2021/22 will implement the following principles consistent with the decision made by Cabinet in February 2020.

Capital Monitoring

This forecast position at the end of quarter 2 is that expenditure on General Fund schemes will be £93.6m against a planned budget of £114.3m. Schemes in the Housing Revenue Account are projected to meet the budgeted expenditure.

Treasury Management

The treasury management position as at the end of quarter 2 shows the Council's total net – not gross - liability position for borrowings and investments is £286.9m. This is similar to years gone past.

1 Recommendations:

- 1.1 That Cabinet comment on the MTFS and the forecast outturn position for 2020/21; and**
- 1.2 Agree that Thurrock's 2021/22 Schools funding formula be implemented as stated in section 16. This being consistent with Cabinet's decision made in February 2020.**

2 Medium Term Financial Strategy

- 2.1 The current MTFS is included at Appendix 1. The overall financial position over the next 4 years has deteriorated by £27.485m since the budget passed in February 2020. This reduction has arisen from the projected impact of COVID-19 and a pause to the investment strategy – including new investments and the review of housing delivery options.**

2.2 The impact of COVID-19 has resulted in the following key movements:

- Local Funding – the projected movement in the financial funding from Council Tax and Business Rates equates to £3.293m. This includes assumptions on the collection fund deficits and increases in the use of the local council tax scheme from the current year which remain subject to the wider economic impacts of the pandemic.
- Budget surpluses are now not projected across the life of the MTFS as the costs of the pandemic absorb these. This equates to a deterioration in resources of £5.531m, and a loss of additional funding for Member priorities which had, otherwise, been committed.
- Additional ongoing costs and loss of income – additional pressures and further income losses total £3.320m.

2.3 In addition the Council's investment strategy has been paused with a projected impact of £11.973m over the four-year life of the MTFS. This includes both cash investments and capital investments and hence the associated targets have been removed pending further consideration. In addition savings targets for subsequent years have been removed totalling £2m and revisions to wider projections total £3.368m.

2.4 The impact in 2021/22 has been assessed and initial actions identified to reduce the projected financial gap from £19.3m to £5m. Further action is ongoing to address the remaining gap and longer term sustainable solutions are being developed which address the underlying budget deficit in subsequent years.

2.5 There remains uncertainty over the wider economic impacts on the pandemic and, while further financial support has now been made available to local authorities in the current year, this does not address the underlying financial gaps in the MTFS. The sector settlement will be assessed once released to understand if this provides additional support to local authorities.

General Fund Quarter 2 Monitoring

3 Introduction and Background

3.1 In February 2020 Council agreed the 2020/21 budget in line with the balanced MTFS. This was supported by an investment approach and the delivery of savings targets via service reviews. The investment approach has been paused pending agreement of updated scrutiny arrangements while savings targets have been delayed by the urgent response to the Covid-19 pandemic.

3.2 The financial reporting includes the impact of the pandemic which has required a wider range of responses from the Council and continues to be a significant source of uncertainty. This report sets out the latest assessment of the financial impact on 2020/21 and incorporates the associated MHCLG funding announced to date. The longer term economic impacts continue to be

monitored to enable accurate estimates to be made for the 2021/22 council tax and business rate bases. There remains significant risk in this area.

- 3.3 Any perceived risks associated with the EU Exit Process continue to be monitored.
- 3.4 The report sets out the latest forecast position for 2020/21 across the main revenue accounts – the General Fund, Housing Revenue Account, Dedicated Schools Grant and Public Health grant.

4 The Overall General Fund position is set out in detail in the table below:

Directorate	Full year budget	Month 6 Forecast	Less Covid-19 income losses	Month 6 Adjusted Directorate forecast	Variance to budget
	£'000	£'000	£'000	£'000	£'000
Adults, Housing and Health	42,950	43,366	(566)	42,800	(150)
Children's Services	40,207	42,038	(936)	41,102	895
Commercial Services	1,027	799	0	799	(228)
Environment & Highways and Counter Fraud	30,664	31,440	(776)	30,664	0
Finance, Governance and Property	17,549	18,374	(700)	17,674	125
Housing General Fund	1,817	1,817	0	1,817	0
HR, OD and Transformation	5,145	4,845	0	4,845	(300)
Place	5,306	6,433	(1,127)	5,306	0
Strategy, Communications & Customer Services	3,175	2,984	(218)	2,766	(409)
Corporate Costs	4,301	4,301	0	4,301	0
Central Financing	(118,089)	(118,089)	0	(118,089)	0
Treasury	(33,024)	(29,111)	0	(29,111)	3,913
Unachievable savings	(1,027)	0	(1,027)	(1,027)	0
Service Total	0	9,196	(5,349)	3,847	3,847
Covid-19 costs	10,757	9,807	5,349	15,156	4,399
Covid-19 funding	(10,757)	(10,757)	0	(10,757)	0
Covid-19 Job Retention Scheme & Income compensation	0	(1,500)	0	(1,500)	(1,500)
Covid-19 impact	0	(2,450)	5,349	2,899	2,899
Month 6 Total	0	6,746	0	6,746	6,746
Use of budget surplus				(4,074)	(4,074)
Grand Total				2,672	2,672

Section 1 – Directorate Outturn position

- 4.1 The following section sets out the directorate outturn position, excluding the impact of Covid-19 (this is detailed separately in section 2 of this report). It should be noted that the council would have otherwise predicted a break-even position across the council, had it not been for the impacts of the COVID-19 pandemic on the council, and the pause of elements of the Investment Strategy.

Analysis by Service Area:

5 Adult Social Care

Service	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Assistive Equipment & Technology	599	599	0
Commissioning & Service Delivery	2,464	2,735	271
Community Development	2,088	1,849	(239)
External Placements	27,343	27,406	63
Fieldwork Services	3,642	3,311	(331)
Provider Services	6,815	6,901	86
Total	42,950	42,800	(150)

- 5.1 The directorate outturn position is currently projecting a forecast underspend of £0.150m.
- 5.2 The department is able to finance the budget pressures, which are not as a result of the COVID-19 pandemic, within the overall service budget allocation. These are costs that occur during the running of front line operations of social care and safeguarding activities.
- 5.3 There remains some pressure within the Commissioning & Service Delivery service. This is currently due to a delay in the planned implementation of service changes due to COVID-19 which impact on the associated planned cost savings. In addition there is forecast overspend on legal costs.
- 5.4 Community development arises from staff savings caused by the delay of the implementation of a planned restructure, and staffing cost forming part of the COVID allocation as they relate to operation shield works
- 5.5 Fieldwork work service is underspent due to a delay in recruitment in the service. This will be addressed in the second half of the year.
- 5.6 Essential premises and maintenance costs continue to be incurred within Collins House until longer term capital projects are undertaken, which form part of the long-term capital programme budget.

- 5.7 There has been demand on the provider bank budget to cover additional staffing costs in the delivery of homecare and residential services.

6 Children's Services

Service	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Central Administration Support and Other	1,478	1,365	(113)
Children and Family Services	30,261	31,739	1,478
Head Start Housing Service	716	664	(52)
Learning & Universal Outcomes	5,197	4,633	(564)
School Transport	2,555	2,701	146
Total	40,207	41,102	895

- 6.1 The overall Children's Services forecast outturn position is £0.895m overspent.

Children and Family Services

- 6.2 Within the overall reported pressure placement costs remain the key area of risk. In respect of support for looked after children and young people subject to child protection plan there is a pressure of £1.795m primarily as a result of large sibling group placements.
- 6.3 The original budget was based on 288 looked after children. Late in 2019/20 placements increased to 297, this has now returned to 288 yet the profile of placement type is impacting the budget as demonstrated in the below table:

Placement Type	Budgeted number of placements	Sep-20 Actual number of placements	Variance	20/21 Revised Budget £'000	Month 6 forecast £'000	Variance £'000
Placed with Parent/Prison	5	6	1	0	0	0
Internal Fostering	134	120	(14)	2,485	2,432	(53)
Supported Accommodation	31	22	(9)	820	635	(185)
External Fostering	94	112	18	3,908	5,178	1,270
External Residential	24	27	3	4,167	4,701	534
Secure Placement	0	1	1	0	229	229
Total	288	288	0	11,380	13,175	1,795

6.4 Underspends in the running of the fostering & adoption and the children with disabilities services are helping to mitigate some of the above pressures, and a focus on enabling more internalised foster carer arrangements through tax exemption is being piloted, to gauge improvements on people outcomes, and less dependency from the authority on Independent Fostering Agencies.

6.5 The number of agency staff has increased by 2 to 29 FTE agency workers engaged as at 30 September.

6.6 The Directorate continue with a number of actions to address the projected deficit. These need to be considered in the context of COVID-19 which has restricted the range of actions available. These include:

- The continued review of all high cost placements with an annual cost of £0.130m; and
- A review of the engagement of the Families Together Team in respect of children who have become looked after in February/March to consider the level of engagement at this time with the families and identify further actions to address as Covid-19 restrictions lift.

Learning and Universal Outcomes

6.7 The service are reporting a projected underspend of £0.564m; through delays in filling vacant posts, the non-recruitment to vacant posts, a reduction in full time equivalents and non-enrolment in the Superannuation scheme.

7 Environment, Highways & Counter Fraud

- 7.1 The overall position for the directorate is forecast to be breakeven after adjustment for the income losses relating to Covid-19.

Row Labels	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Counter Fraud & Enforcement	168	346	178
Emergency Planning and Resilience	430	417	(13)
Environment and Highways	1,332	1,114	(218)
Highways; Fleet and Logistics	9,114	9,038	(76)
Street Scene and Leisure	19,620	19,749	129
Total	30,664	30,664	0

Counter Fraud & Enforcement

- 7.2 The Traded Services income for the Counter Fraud team has been forecast to budget based on external work that has been agreed with MHCLG during 2020/21 to review the financial support that has been awarded to local businesses during the lockdown period. This income is expected to mitigate other budgeted income that is no longer expected from work carried out with other Local Authorities – however it is important to note that there will also be additional costs associated with this activity which has also been reflected in the overall position.
- 7.3 Additional agency staff costs have been included in the forecast for enforcement and this resource will be reviewed in the next quarter.

Environment & Highways

- 7.4 Close control of staffing costs and vacant posts have led to a forecast underspend of £0.218m. There is an assumption in the forecast for a proportion of staff costs to be charged to the capital programme and this will continue to be reviewed alongside the updated capital projects list.

Street, Scene & Leisure

- 7.5 Waste services are forecasting risk against their allocated budget as there remains a variable cost per tonne element within the Recycling contract. The quarterly price has increased from £101.27 to £105.04 per tonne for quarter 3. This will need to be closely monitored when new rates are released on a quarterly basis. Month 9 will allow for further detailed analysis to take place. In addition, the Energy from Waste contract had an increase of approximately 500 tonnes per month for quarter 1 and this has continued through quarter 2. Both of these contracts will continue to be closely monitored.

8 Place

Service	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Delivery and Strategy	580	580	0
Economic Development	524	524	0
Lower Thames Crossing & Transport Infrastructure Service	141	141	0
Place Delivery Service	341	341	0
Planning; Transportation and Public Protection	3,719	3,719	0
Total	5,306	5,306	0

8.1 Although a balanced position has been forecast at month 6 it should be noted that this is dependent on a plan to mitigate pressures identified across the directorate to the value of £0.147m being implemented within the required timescales.

Delivery & Strategy

8.2 The Delivery and Strategy service is forecast to overspend by £0.046m due to extending the role of the Assistant Director – Place Delivery to the end of January 2021. Finance have reviewed staffing support to a number of regeneration capital projects to ensure relevant associated costs are not borne by the General Fund. This approach alongside a reduction in non-essential spend should fully mitigate the pressure in this area.

Place Delivery

8.3 The Regeneration team is forecasting to overspend by £0.038m. This is due to the difference in cost between agency staff and the budget for the Regeneration Managers posts. The service have set out a staffing restructure plan which if implemented within the required timescales will mitigate £0.020m of the pressure.

8.4 All further non-staffing budgets will be reviewed to mitigate the remaining pressure in this area.

Planning, Transportation & Public Protection

8.5 There is a forecast overspend position of £0.063m which is largely due to the agency staffing provision within Environment Protection. All project work budgets and non-essential spend will now be scaled back to ensure this pressure is fully mitigated.

Planning Delivery Fund

8.6 The Planning Delivery Fund is money that is being held as part of a partnership arrangement across seven local authorities. The seven local

authorities are Basildon, Brentwood, Castle Point, Essex, Rochford, Southend-on-Sea and Thurrock. The money is due to be spent across these local authority areas.

- 8.7 This funding was carried forward from 2019/20 to be spent in 2020/21.

9 Finance, Governance & Property

Service	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Assets	5,443	5,481	38
Cashiers	65	65	0
Chief Executive	363	428	65
Corporate Finance	2,415	2,484	69
Democratic Services	234	220	(14)
Electoral Services	506	313	(193)
ICT	3,575	3,838	263
Legal Services	1,899	1,855	(44)
Members Services	753	762	9
Revenue and Benefits	2,295	2,227	(68)
Total	17,549	17,674	125

- 9.1 Attention is drawn to 3 specific areas:

Assets

- 9.2 Services and staff managed by Apleona came back under local authority management from 1st April and this has produced a saving of £0.130m. There are some additional staff allowances as part of the TUPE transfer and security staff overtime which means the full £0.157m saving target will not be achieved.
- 9.3 The Asset Management team are forecasting to underspend by £0.092m this is a result of the Assistant Director post being vacant from June. It is assumed no permanent replacement will be appointed this financial year utilisation of the wider management team will continue until the end of the year.
- 9.4 The Corporate Landlord is forecasting to overspend by £0.091m. This is due to the expected loss of income from Thameside, Community Halls and Children's Centres.
- 9.5 A number of buildings have transferred to the Corporate Landlord area with limited budgets in comparison to the expected support from services; examples include Collins House, Meals on Wheels, Oaktree Resource Centre, Avey Hub and Centurion House. Any costs in these buildings will potentially

further increase the pressure on the budget but there may be opportunity to utilise capital funding to offset these pressures.

ICT

- 9.6 Archiving costs related to Oracle R12 have been appropriately capitalised and the use of capital receipts has supported the ongoing transformation of the finance and HR systems, reducing the impact on the revenue position.
- 9.7 There remains a £0.125m traded services income pressure that will need to be revisited as part of the wider income targets linked to services with schools and other authorities.
- 9.8 There has been an increase of £0.106m in the cost of telephone services compared to previous years as agile working arrangements have been implemented.

Electoral & Members Services

- 9.9 This is a non-election year so the under spend is expected and this will offset the over spend in the members budget related to the rebasing of members allowances. This will need to be addressed as part of the budget setting process for 2021/22.

10 Housing General Fund

Service	Current Budget	Adjusted Forecast	Reported month 6 variance
	£'000	£'000	£'000
Homelessness	1,229	1,229	0
Hostel Provision	209	209	0
Private Sector Housing	326	326	0
Travellers Sites	53	53	0
Total	1,817	1,817	0

- 10.1 The Housing General Fund financial outturn is projected to be delivered within the agreed budget level. There remains significant risk in respect of homelessness claims in the second half of the year. The associated forecast costs have been reflected in the COVID-19 cost impact section of this report.

Strategy, Communications & Customer Service	Total	Adjusted forecast	Reported month 5 variance
Subservice			
	£'000	£'000	£'000
Corporate Communications	514	514	0
Customer Services	1,132	838	(294)
Social Care Performance	1,209	1,104	(105)
Strategy Team	320	310	(10)
Total	3,175	2,766	(409)

- 10.2 The overall Strategy, Communications and Customer Services directorate forecast variance at the end of quarter 2 is £0.409m underspend.
- 10.3 Customer Services is forecast to be underspent by £0.294m once the loss of income anticipated for the Registrars service is adjusted for.
- 10.4 The wider underspend is due to vacant posts across a number of the services and the tight management of resources overall. Any decisions regarding the reinstatement of face-to-face services may result in changes to the financial position but the option to redeploy staff will be reviewed.

11 HR, OD & Transformation

Service	Revised budget	Adjusted forecast	Reported month 5 variance
	£'000	£'000	£'000
HR OD Team	4,251	3,942	(309)
Occupational Health & Counselling	132	128	(4)
Corporate Training & Development	180	178	(2)
Information Management	581	596	15
Total	5,144	4,844	(300)

- 11.1 The Directorate continue to manage their staffing levels and forecast an underspend of £0.300m at the end of this financial year. This is based on the projected capitalisation of staff on relevant capital and transformation projects where resource has been identified.

12 Treasury & Financing

- 12.1 The reported position of £3.913m reflects a pause to the investment strategy, including TRL.

12.2 The Council has also taken action to stabilise cash-flow in light of increased demands arising from the response to the pandemic. The Council projects to utilise increased fixed term borrowing in 2020/21 which has a higher associate interest rate than borrowing in the local authority market. During the current financial period, a further proportion of the Councils overall debt was re-financed, increasing the variance by £0.712m for the financial year.

13 Housing Revenue Account

Service	Revised budget	Forecast Outturn	Directorate Outturn Variance	Covid-19 Impact	Adjusted Forecast	Reported Month 6 Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Housing Development	217	217	0	0	217	0
Financing and Recharges	24,440	24,775	336	0	24,775	336
Rent and Income	(50,254)	(49,725)	529	529	(49,725)	529
Repairs and Maintenance	12,021	12,021	0	0	12,021	0
Operations and Management	13,575	12,711	(865)	0	12,711	(865)
Total	0	0	0	529	0	0

13.1 Overall, the HRA is forecasting a balanced position at the end of financial year. Expenditure within this service is more manageable in certain respects as activity levels can be adjusted accordingly, to remain within financial constraints. However, as the full impact of COVID-19 starts to become identified action is likely to be required to contain adverse financial impacts within its allocated level of resources.

13.2 The economic impact of the pandemic is being seen to have a direct adverse financial impact on the HRA. There have been documented reports of significant increases to levels of unemployment within the borough, which will affect both existing tenants and the number of people requiring social housing. This is reflected in the table above to demonstrate a forecast loss related to expected increases in the level of bad debts relating to existing rents.

13.3 In addition, there has been a delay in hand over time of the new build properties at Topps Club and Claudian Way. Therefore the anticipated reduction in the level of rent and service charge has been reflected.

13.4 There are currently a number of vacant posts across the directorate which will mitigate the in-year impact of reduced income levels and the requirement to increase the bad debt provision (as more tenants move across to universal credit).

15. Dedicated Schools Grant

DSG 2020/21	Funding Settlement	Academy Recoupment	Final DSG	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Schools	126,839	(118,496)	8,343	7,510	(833)
Central Services	1,850	0	1,850	1,804	(46)
High Needs	26,021	(5,322)	20,699	23,195	2,496
Early Years	12,699	0	12,699	12,699	0
Total	167,409	(123,818)	43,591	45,208	1,617

15.1 The 2019/20 outturn position along with the latest sector information available has been considered to support the forecast outturn position. Information available regarding school place movements which apply from September 2020 have also been reflected.

Schools Block

15.2 The growth fund allows officers to ensure sufficiency of places within Thurrock schools for all children of school age. Based on current commitments and historic level of spend there is a forecast underspend of £0.833m.

Central Services Block

15.3 A projected underspend of £0.046m through a combination of a delays in recruitment within School Admissions to September 2020 and savings in venue hire, as Schools Forum meetings are to be held virtually in 2020/21.

High Needs Block

15.4 This is the significant area of financial risk and can be broken down into four key areas:

1. The continued increase in the number of pupils with Education Health and Care Plans. Additional costs of £0.696m are forecasted in maintaining pupils within Thurrock schools or other Local Authority mainstream schools and academies.
2. Post 16 – Increased pupil numbers are forecasted with additional cost of £0.400m.
3. Residential and Non-Residential Non-Maintained and Independent placements forecast an overspend of £1.100m.
4. Increase in supplying tuition packages for pupils not in School, costing additional £0.300m.

15.5 A review of the local offer and commissioned places available in Thurrock continues. The need to challenge schools on the use of the Notional SEN budget and the requirement to progress to an EHCP remains.

DSG Reserve

- 15.6 The DSG has a carried forward deficit of £1.978m into 2020/21. The 2020/21 in year position will increase the deficit to £3.595m.
- 15.7 A 3 year deficit recovery plan will be agreed with the ESFA (this has been delayed as a result of Covid-19). While the DSG reserve is not currently forecast to reduce in the current year (given the position on the high needs block outlined above) further actions will be taken to mitigate costs where possible.

16 DSG Allocations 2021/22

- 16.1 In July, the Secretary of State for Education announced details of the provisional Dedicated Schools Grant (DSG) allocations for 2021/22. The tables below show the funding to be received by Thurrock:

	Funding Settlement 2020/21	Provisional Settlement 2021/22	Increase 2021/22
	£m	£m	£m
Schools	127.474	136.550	9.075
Central Services	1.850	1.699	(0.151)
High Needs	25.468	28.074	2.606
Early Years	12.481	12.481	0.000
Total	167.273	178.804	11.531

- 16.2 Thurrock's funding formula in 2021/22 will implement the following principles consistent with the decision made by Cabinet in February 2020:
- National Funding Formula values to be applied;
 - Any unallocated funding will be applied to the Basic Entitlement values;
 - Growth fund provided by ESFA to be retained to support sufficiency of school places.

- Schools Forum have agreed to transfer up to 0.5% from the Schools Block to the High Needs Block to support increase demand for Specialist placements and Education, Health and Care Plans.

These have been discussed and agreed with the Schools Forum in November 2020.

17 Public Health

- 17.1 The Public Health Grant increased by £0.735m in 2020/21 with the full allocation for the year being £11.485m. The increase has been allocated to inflationary increases against existing contracts with external health providers in line with the national Agenda for Change (AFC) and consequently the grant is allocated in full.
- 17.2 The Public Health Grant distribution focuses on key areas of delivery including drug and alcohol, sexual health and Healthy Families. Within these contracts there is no demand exceeding the budget allocation at this stage, each contract is continuously monitored and reviewed by the service in line with GP practices and health care providers as the service continues to operate within the ring fenced grant conditions.
- 17.3 There are no adverse financial implications at present as a result of the COVID-19 pandemic, which is being dealt with as part of the test and trace programme detailed below:

Test and Trace

- 17.4 On 22 May 2020, the UK Government announced its expectation that every top tier local authority would create a Local Outbreak Control Plan by the end of June 2020.

The seven key themes are as follows:

1. Planning for local outbreaks in care homes
 2. Identifying and managing outbreaks in high risk places, locations and communities
 3. Identifying methods for local testing capacity
 4. Contact tracing in complex settings
 5. National and local data integration including local surveillance and monitoring of outbreaks
 6. Supporting vulnerable local people to self-isolate
 7. Establishing governance structures including a local DPH led Health Protection Board and elected member led Engagement Board
- 17.5 Thurrock Council has been awarded a central government grant to the value of £1.052m to develop and implement its plan, including local testing and contact tracing arrangements. The below table shows the initial allocation for this funding:

Allocation	£'000
Government Grant	(1,051)
Staffing	599
Projects	100
Communications	10
Interpreter costs	2
Enhanced testing contract	300
Database costs	20
Training	20

18 Section 2 Corporate Covid-19 impact:

18.1 The overall position is set out in the table below:

Service	Income received	Month 6 Forecast Costs/Losses	Forecast local impact
	£'000	£'000	£'000
Covid-19 Government funding	10,757		
Income loss compensation	1,200		
Furlough Income	300		
Total	12,257	15,156	2,899

18.2 Expenditure and income losses attributable to the impact of the COVID-19 pandemic for each directorate are broken down in the following table:

Directorate	Additional costs	Income loss	Total	Key areas of spend/income pressures
	£'000	£'000	£'000	
Adults, Housing and Health	4,251	566	4,817	External care market support, internal care provision, increased demand, temporary suspension to charging & review process
Children's Services	2,023	936	2,959	Anticipated increase in referrals, delays to legal proceedings, Head Start Housing, school transport

Directorate	Additional costs	Income loss	Total	Key areas of spend/income pressures
	£'000	£'000	£'000	
Corporate costs	568	0	568	Operation Shield, food stock/delivery, staff overtime and temporary mortuary facilities.
Environment and Highways	407	776	1,183	Bus subsidy, PPE, HRWC, HGV hire, enforcement staffing costs. Loss of income for parking & enforcement, commercial waste
Finance, Governance and Property	406	700	1,106	ICT costs for home working, loss of rental income on commercial properties
Housing General Fund	2,150	0	2,150	Increased Homelessness (post landlord eviction amnesty), temporary accommodation
Place	0	1,127	1,127	Planning income, Thameside Theatre closure, licencing, business centre income losses
Strategy, Communications & Customer Services	0	218	218	Restrictions placed on the registrars service, loss of advertising and Film Office income
Unachievable savings	0	1,027	1,027	Delay to savings built into base budget
Total	9,807	5,349	15,156	

18.3 Further detail is set out below in respect of the impact on Adult Social Care, Children's Services and the Housing General Fund:

Adult Social Care

18.4 The following costs have been included in the position to support the financial resilience of providers, facilitate hospital discharges and support internal care provision and are all as a direct consequence of the pandemic:

Covid-19 Direct Response	£000
External Market Support	
10% resilience Payments across ASC providers	2,408
Increase Home Care rates to 5% uplift	305
Ongoing increase in demand for provision (not covered by HDI)	606
Internal Care provision	
Additional equipment - Oak House & Piggs Corner	30
Specialist Dom Care Teams - enhanced payments	165
Telecare - installation, additional equipment & 7 day service	26
PPE	30
Voluntary Sector contracts	86
Staffing costs - residential care/libraries/shielding	595
Total	4,251
Hospital Discharge	
Net expenditure	1,119
Offset Against CCG Income (not yet received)	(1,119)
Total	0

18.5 Adult Social care departments nationally received a further allocation of grant funding – the Infection Control Grant in order address specific issues within the sector. This is ring-fenced for these purposes and reported outside of the position detailed above.

Direct Service intervention to the external market:

- 18.6 Regarding Financial resilience payments, the Council has provided a temporary financial resilience payment of 10%. This was agreed to be paid out for the first 16 weeks of the year and is based on the budgeted level of spend for each provider. This is available to all service providers and is in response to higher levels of dependency, staff sickness rates and absenteeism and overall volatility.
- 18.7 The Service has increased the uplift on domiciliary care providers from £16.25 to £17.06. This has been done to ensure one of the most vulnerable markets, who themselves, care for the boroughs most vulnerable, are able to operate financially during a period of intense spending, and increased pressure.
- 18.8 Although not agreed at this stage, it is possible that further resilience and support packages will be required by Local Authorities throughout the financial year to address the issues being faced by external providers and this has been assumed in the above figures. The emerging situation with regards to residential care is of particular concern; with an increase in the number of voids resulting in higher unit costs for providers in an already fragile market. The current estimates in the forecast assume a continuation of the measures in place for the first sixteen weeks of the year but there remains the potential

for additional financial risk. This has been reflected in the ongoing care costs of £0.606m.

- 18.9 It is for the reason noted about above that Members are reminded that reserves positions are finite and, once used, are no longer available to use on one-off stimuli. This is why a long-term view is necessary on reserve positions.

Internally managed care provision (Provider Services)

- 18.10 Internally managed care provision, namely through Collins House residential home and Thurrock Care at Home domiciliary care has faced significant additional costs during the pandemic. This largely equates to the following:

- Increased level of overtime and usage of provider bank staff to cover staff sickness and absenteeism;
- Increase demand for PPE in order to undertake duties safely; and
- Specialist domiciliary care teams implemented to provide care for clients who have tested positive for Covid-19.

- 18.11 The Covid-19 pandemic is starting to change the way in which Adult Social Care services are delivered. A legacy of the recent events could see a permanent reduction in the demand for residential care services, with a greater emphasis on domiciliary care and people being looked after in their own homes, or cared for at a home of a family member who themselves are now able to work from home on a more permanent basis. This represents a significant ongoing economic and financial risk to this sector of the market. An increased number of voids, and reduction in demand will require a different financial strategy in future years.

- 18.12 There will also be a requirement to undertake a high level of both care and financial assessments when previous legislation is reinstated. This could result in additional costs in order to secure the required level of care resources.

Hospital Discharge process

- 18.13 In response to the Covid-19 Crisis and to ensure timely discharge the NHS and Local Authorities are required to work together to:

- provide free out of hospital care and support to people discharged from hospital;
- provide free care and support to people requiring additional care to avoid hospital admission (in line with national guidance at the time and during the COVID-19 crisis);
- remove barriers to discharge and transfers between health and social care to get people out of hospital and either home or into an alternative care setting quickly;
- work together to maximize the funding available including putting relevant funds into a pooled budget to cover costs of discharge support and removing room for debate at this time; and

- Provide support to the care market through the Covid-19 emergency period

18.14 The Council is working closely with Thurrock CCG in order to deal with people who are being discharged from hospital during the pandemic.

18.15 Further guidance has now been issued in relation to the hospital discharge scheme. In summary, the Council needs to ensure that people discharged from hospital before the 31st August 2020 will need to be assessed in a reasonable timeframe, and if continuing social or health care is needed, this will be a cost directly to the Local Authority or CCG as applicable.

18.16 The current cost of the people where this is applicable is £0.165m per month, and the potential on-going cost included in the table above represents the staged approach the reduction of health care funding over the next four months.

18.17 The directorate continues to work closely with colleagues across the CCG on this complex issue to agree a pragmatic approach

Income adjustments

18.18 There has been a reduction in the forecast level of income that will be achieved in the financial year to the value of £0.566m. This is as a direct result of the Covid-19 situation, and relates to the following areas:

Detail	Income loss
	£000
Temporary suspensions to charging and review processes	165
Closure of Libraries, Hubs, Day Care centres and Cafe	129
Internal residential care facilities operating on a reduced occupancy level	272
Total	566

Children's Services

18.19 The following Covid-19 related costs have been incurred by Children's Services (or are anticipated to cause an increase in costs in the coming months):

Detail	Additional costs
	£000
Education IT equipment and video	12
Head Start Housing	252
Increase in Child Protection referrals/Delayed Care Proceedings/Block placement purchasing	1,258
Schools Transport	501
Total	2,023

Increase in child protection referrals & delayed care proceedings

- 18.20 An allowance has been made for potential increased costs within children's social care and this is a nationally recognised issue. Most referrals are made by schools and health professionals who identify safeguarding concerns; the number of referrals fell significantly during the lockdown period. With children and young people returning to school in September an increase in referrals is anticipated
- 18.21 Cllr Judith Blake, Chair of the LGA's Children and Young People Board, said: 'The impacts of the pandemic will be far reaching for some children, young people and their families. As this becomes clearer, more children and their families are likely to need support and councils expect to see a significant rise in referrals to children's social care and demand for wider children's support services'. Some children and their families will need significant interventions, but others will just need some extra help to get through a difficult period. It will be essential that the right services can be there to support them and help them cope.
- 18.22 The position on all forecast impacts remains under review.

Head Start Housing

- 18.23 Increased Head Start Housing costs have resulted from the increased use of properties required for young adults who were shielding as part of lockdown restrictions.

Home to School Transport

- 18.24 A significant risk is Home to School Transport due to Covid-19 and the continued increase in demand for service and social distancing measures required. Initial projections, based on invoices paid to date and current contract values, show a potential additional costs of £0.501m.

Income adjustments

Detail	Income loss
	£000
Admissions and Welfare	28
Adult college	131
Grangewaters	103
Head Start Housing	9
Income from Catering	246
Music Services	85
Nursery	154
Sunshine Centre	3
Traded Income	177
Total	936

- 18.25 A number of services ceased during the national lockdown and fees for these services have been negatively impacted; Grangewaters, Adult College, Music services.
- 18.26 Both of the day nurseries, Neptune and Little Pirates, are reporting a combined overspend of £0.154m due a reduction in fee income recovery. The provision was limited to only delivering a service to children of key workers during the national lockdown.
- 18.27 The catering income reduction reflects the associated reduction in demand from schools since the start of the pandemic.

Housing General Fund

Detail	Additional costs
	£000
Homeless Incentive Payments	59
Increased Homelessness (post landlord eviction amnesty)	1,274
Rooms at Thurrock Hotel	818
Total	2,151

Homelessness

- 18.28 Whilst the first two periods of the financial year has seen some stability in the number of people presenting themselves as homeless, this trend is unlikely to continue throughout the remainder of the financial year.

- 18.29 One of the major routes into homelessness is as a result of landlords imposing eviction measures. These measures were on hold until the 20 September 2020. The concern is that once these actions can commence there will be an increase the number of households presenting as homeless in a similar period of time. In addition as the wider economic impacts of the pandemic are felt this may further increase pressure on the service and hence there is a forecast pressure in this area which continues to be monitored.
- 18.30 From the outset of the pandemic there were 32 people identified as rough sleepers who were housed in short term emergency accommodation since the onset of the pandemic. The average cost of this is in the region of £70 per day, per person, for this level of short term temporary accommodation. The full year effect of this is reflected in the level of anticipated spend in the corporate forecast at £0.818m, but the service are reviewing this cohort of people to find alternative, longer term housing solutions. There is a varying degree of need, vulnerability and suitable accommodation provision across the demographic, ranging from the ability to place people in HMO's through to supported accommodation placements.

CAPITAL MONITORING – 2020/21 Quarter 2

19 General Fund Schemes

- 19.1 The current position for General Fund schemes for 2020/21 is summarised below:

Capital Programme – Projected Outturn as at Month 6

	Latest Agreed Budget	Projected Outturn to 31/03/2021	Variance against budget
	£'000's	£'000's	£'000's
Expenditure:			
Children's Service ¹	11,475	11,071	(404)
Adult, Housing & Health	4,906	3,853	(1,053)
Environment and Highways	21,425	17,646	(3,779)
Place	51,481	40,917	(10,564)
Finance and IT	15,173	11,529	(3,644)
HR, OD & Transformation	9,542	8,317	(1,225)
Customer Services	302	283	(19)
Commercial Services	18	18	0
Total Expenditure	114,322	93,634	(20,688)
Resources:			
Prudential Borrowing	(56,416)	(40,456)	15,960
Capital Receipts	(51)	0	51
Reserves	(71)	(71)	0
Government Grants	(21,116)	(20,384)	732
Other Grants	(31,955)	(29,058)	2,897
Developers Contributions (S106)	(4,713)	(3,665)	1,048
Total Resources	(114,322)	(93,634)	20,688
Forecast Overspend in Resources	0	0	0

19.2 This illustrates a projected outturn at the end of the financial year of £93.634m, which is £20.688m less than the latest agreed budget for the year. This forecast variance is further analysed below.

¹ The schools capital budget is designed around academic years and officers are confident that this will be defrayed in full within the current academic year

Analysis of forecast variance

	Re-profiling of expenditure at Month 6	Capital schemes requiring additional funding	Completed Projects	Forecast variance against budget at Month 6
Expenditure:	£'000	£'000	£'000	£'000
Children's Service	(400)	0	(4)	(404)
Adult, Housing & Health	(1,049)	0	(4)	(1,053)
Environment & Highways	(2,811)	0	(968)	(3,779)
Place	(10,564)	0	0	(10,564)
Finance and IT	(3,586)	0	(58)	(3,644)
HR, OD & Transformation	(1,225)	0	0	(1,225)
Customer Services	(19)	0	0	(19)
Commercial Services	0	0	0	0
Total	(19,654)	(0)	(1,034)	(20,688)

- 19.3 This shows that the forecast underspend is principally due to slippage/budget re-profiling on current schemes (£19.654m). Consequently the funding remains allocated to specific current schemes.
- 19.4 There are no schemes exceeding their capital budgets projected to the end of the current year. However work continues to assess the final forecast position on the A13 widening works project as a whole and as reported to the Standards and Audit Committee and the Planning, Transport and Regeneration Committee, the last project forecast was expected to be within the range of £114m to £120m. This remains under assessment as the project continues and further project and financial risks continue to be managed.
- 19.5 Following a review of the capital programme by Officers and Members a number of projects have currently been put on hold, pending further reviews. These projects (£13.057m) are reflected in the slippage/budget re-profiling above.
- 19.6 A list of schemes where the variance is greater than £1m is shown in Appendix 3.
- 19.7 A number of capital schemes are also expected to complete construction in future years with expenditure totalling £38.574m. Budgets for these schemes have been profiled accordingly.
- 19.8 In addition, the following schemes and allocations have Council approval but are dependent on scheme development and/or third parties:

Capital Programme – Schemes under development

19.9 These schemes are at a feasibility stage or at an earlier stage of development have total projected budgets of £100.1m and are excluded from the reported position. These include school improvement works, the A13 East Facing slip road, Grays South development and the 21st Century Care Home.

20 Housing Revenue Account Schemes

20.1 The current position for Housing Revenue Account schemes for 2020/21 is summarised in Table 4.

Table 4: HRA Capital Programme – Projected Outturn

	Latest Agreed Budget	Projected Outturn to 31/03/2021
	£'000's	£'000's
Expenditure:		
Transforming Homes	23,041	23,041
Housing Development	6,651	6,651
Total Expenditure	29,692	29,692
Resources:		
Prudential Borrowing	(8,865)	(8,865)
Capital Receipts	(9,543)	(9,543)
Reserves	(744)	(744)
Government & Other Grants	0	0
Major Repairs Reserve	(10,540)	(10,540)
Total Resources	(29,692)	(29,692)
Forecast Overspend in Resources	0	0

20.2 The budget for Transforming Homes in 2020/21 is £23.041m and the forecast spend remains as budget but slippage is anticipated on some budget lines which will be confirmed by the quarter 3. Spend as at 30 September 2020 was £3.291m.

20.3 The revised budgets for 2020/21 for HRA New Build Schemes are set out below. The current forecast is £6.651m against a budget of £6.651m. These projects will utilise receipts held under Right to Buy sharing agreement between the Council and the MHCLG.

Table 5: HRA New Build Schemes

	Revised Budget	Spend YTD	Forecast	Variance from Revised Budget	
	£000	£000	£000	£000	%
Calcutta Rd	5,590	856	5,590	(0)	(0%)
Claudian Way	672	180	672	(0)	(0%)
Tops Club	377	312	377	(0)	(0%)
Prince of Wales	12	12	12	(0)	(0%)
Total	6,651	1,360	6,651	(0)	(0%)

21 Treasury Management – 2020/21 Quarter 2 Update

- 21.1 This section is prepared in accordance with the requirements of the CIPFA Prudential Code and presents details of treasury management activity for the 6 months to 30 September 2020.

Borrowing

- 21.2 The Council's borrowing position as at 30 September 2020 is summarised in the table below:-

Source of Loan	£m
Long Term Market Loans	29.0
Long Term Market Loans re Investments	90.0
Long Term PWLB	235.9
Temporary Market Loans Re Investments	823.2
Other Temporary Market Loans	139.8
Total Debt	1,317.9
Total Investments	(1,031.0)
Total Net Indebtedness	286.9

- 21.3 The net indebtedness (borrowing less repayable investments) of the council is £286.9m, made up of £160.9m of PWLB long term debt relating to the HRA and £126.0m of long and short term debt relating to historic capital funding.

- 21.4 The Council continues to fund the £84.0m ex-PWLB debt on a temporary basis. Interest rates fell to 0.10% in March 2020 due to the Pandemic and

forecasts predict that the rate will remain at this level for the time being. There is still a discussion held in which direction interest rates will go, with negative interest rates not ruled out, mainly due to possible concerns surrounding Brexit.

- 21.5 This forecast would suggest that further interest savings should still be accrued for future years compared with the costs of borrowing longer term debt. However predictions for the bank base rate are open to change depending on government responses to market events and developments and continue to be closely monitored by officers with appropriate action taken as necessary. The bank base rate, whilst indicating a direction of travel, does not directly impact on the council's borrowing that is largely through other public sector bodies.
- 21.6 The council's PWLB debt portfolio currently consists of two elements, one of £160.9m of loans taken out with regards to the HRA settlement undertaken on 28 March 2012 and the other of £75m at 1.89% on a two year EIP repayment plan taken out in March 2020 to assist with funding with the Pandemic.
- 21.7 Officers repeatedly assess the council's LOBO loans for any early repayment opportunities but the premia involved of approximately £29m and the high refinancing costs again make it unfavourable to currently undertake any rescheduling. Officers will continue to monitor the council's debt portfolio for any rescheduling opportunities.
- 21.8 The council has also borrowed funds to facilitate the building works carried out by Thurrock Regeneration Ltd at the St Chads site in Tilbury. Officers are continuing to investigate opportunities to raise long term funds to finance these works but, as short term rates are currently low and predicted to remain there for the foreseeable future, the council will continue to borrow on a short term basis until such time as the long term funds become attractive in comparison. All interest costs are met by Thurrock Regeneration Ltd with the council benefiting from an interest rate premium.

Investments

- 21.9 The corresponding figures for investments are set out in the table below:-

Source of Investment	Balance at 30/9/20 £m
Overnight Cash Investments	20.0
Short Term Cash Investments (2 to 365 days)	1.0
Repayable Capital Investments	906.0
Fund Manager Investments- Repayable on demand	104.0
Total Investments	1,031.0

- 21.10 A proportion of the internally managed investments are held for very short time periods in order to meet day to day cash requirements.
- 21.11 The Council maintains its investment in the CCLA Property Fund and, has also increased its capital/non-capital investments in line with pre-agreed commitments only.
- 21.12 New investment target income for 2020/21 has been put on hold while further work is undertaken in strengthening democratic oversight and an assessment of the future situation is undertaken, in regards to a post COVID world.
- 21.13 Internally held balances currently stand at £21m and will remain around that level at the financial year-end. These investments are mainly held with Banks and Building Societies on a fixed term basis ranging from overnight to 3 months in duration.
- 21.14 All investments made have been with organisations included on the "List of Acceptable Counterparties and Credit Limits" within the 2020/21 Annual Treasury Management Strategy and the total sums invested with individual institutions have been contained within the limits specified therein.

22 Reasons for Recommendation

- 22.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2020/21 along with actions to mitigate these pressures and deliver a breakeven position.

23 Consultation (including Overview and Scrutiny, if applicable)

- 23.1 This report is based on consultation with the services, Directors' Board and portfolio holders.

24 Impact on corporate policies, priorities, performance and community impact

- 24.1 The implementation of previous savings proposals has already reduced service delivery levels and the council's ability to meet statutory requirements, impacting on the community and staff. There is a risk that some agreed savings and mitigation may result in increased demand for more costly interventions if needs escalate particularly in social care. The potential impact on the council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.

25 Implications

25.1 Financial

Implications verified by:

Jonathan Wilson
Assistant Director Corporate
Finance

The financial implications are set out in the body of this report. Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports continue to come to Cabinet and be considered by the Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

25.2 **Legal**

Implications verified by: **Ian Hunt**
**Assistant Director Law and Governance
and Monitoring Officer**

There are no specific legal implications set out in the report. There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

25.3 **Diversity and Equality**

Implications verified by: **Natalie Smith**
**Strategic Lead - Community
Development and Equalities**

The Equality Act 2010 places a public duty on authorities to consider the impact of proposals on people with protected characteristics so that positive or negative impacts can be understood and enhanced or mitigated as appropriate. Services will be required to consider the impact on any proposals to reduce service levels through a community equality impact assessment which should seek to involve those directly affected.

25.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other implications arising directly from this update report.

26. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright)

There are various working papers retained within the finance and service sections.

27 Appendices to the report

Appendix 1: Medium Term Financial Strategy

Appendix 2: Summary of 2020/21 Capital Programme

Appendix 3: General Fund Schemes

Report Author

Sean Clark

Corporate Director of Finance, Governance and Property

Appendix 1 MTFS as at 30 September 2020

Narrative	2021/22	2022/23	2023/24	2024/25
	£000's	£000's	£000's	£000's
1. Local Funding				
Council Tax Base / Charge	(1,740)	(1,500)	(1,500)	(1,500)
Adjustment for Increase in LCTS	1,541	(250)	(250)	(250)
Council Tax - Collection Fund Deficit b/f	1,403	0	0	(1,403)
	1,204	(1,750)	(1,750)	(3,153)
Business Rates Precept	(500)	(665)	(665)	(665)
Business Rates - collection fund deficit	275	0	0	(275)
	(225)	(665)	(665)	(940)
2. Total Government Resources				
Revenue Support Grant	6,806	0	0	0
Transfer to funding formula under 75% retention	(6,806)	0	0	0
New Homes Bonus	527	491	289	0
HB Admin	283	0	0	0
	810	491	289	0
Net Additional (Reduction) in resources	1,789	(1,924)	(2,126)	(4,093)
3. Inflation and other increases				
	5,714	4,515	4,665	4,762
4. Treasury				
Existing Treasury Inflation Costs	5,223	2,500	2,065	0
MRP	308	32		
2020/21 ongoing borrowing rate change	650			
Treasury and Capital Financing	6,181	2,532	2,065	0
6. Corporate Growth				
Adults	2,500	1,000	1,000	1,000
Children's	1,814	1,314	1,314	1,314
	4,314	2,314	2,314	2,314
8. Commercial - Reduction in Fees and charges @ 20%	1,320	0	0	500
C/f Position	0	0	0	0
Working Total	19,318	7,437	6,918	3,483

Appendix 2 – Summary of 2020/21 Capital Programme

Table 5 – Summary of the 2020/21 General Fund Capital Programme	Approved Budget			Projected Outturn			CY Spend	% Spend against
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	(Sep-20)	CY Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Childrens Service	11,475	0	0	11,071	400	0	5,285	47.74
Adults; Housing and Health								
Provider Services	524	0	0	500	20	0	409	81.80
Better Care	1,351	0	0	1,351	0	0	100	7.00
Community Development	2,640	280	0	1,610	1,309	0	240	15.00
Housing General Fund	391	100	35	391	100	35	16	4.00
	4,906	380	35	3,852	1,429	35	765	19.86
Environment, Highways & Counter Fraud								
Highways Infrastructure	1,051	0	0	1,051	0	0	-297	-28.26
Highways Maintenance	11,916	2,898	2,250	10,015	3,630	2,450	2,550	25.00
Resident Services	2,147	0	0	269	1,878	0	189	70.00
Environment	6,061	1,030	0	6,061	1,030	0	545	9.00
Counter Fraud & Investigation	250	0	0	250	0	0	8	3.00
	21,425	3,928	2,250	17,646	6,538	2,450	2,995	16.97
Place								
Place Delivery - Highways Major Projects	30,615	7,214	0	30,615	30,000	8,032	16,252	53.09
Place Delivery - Regeneration	15,585	10,333	5,084	6,845	18,311	5,846	1,537	22.45
Planning and Transportation	5,280	2,014	0	3,457	3,836	0	249	7.20
	51,480	19,561	5,084	40,917	52,147	13,878	18,038	44.08
Finance, Governance and Property								
Information Technology	8,331	585	80	8,331	585	80	1,180	14.16
Corporate Assets	6,842	3,768	0	3,198	4,630	2,724	386	12.07
	15,173	4,353	80	11,529	5,215	2,804	1,566	13.58
HR, OD and Transformation	9,542	2,903	0	8,317	4,128	0	825	9.92
Customer Services	302	0	0	283	19	0	104	36.75
Commercial Services	18	0	0	18	0	0	0	0.00
Total Expenditure - General	114,321	31,125	7,449	93,633	69,876	19,167	29,578	31.59

Table 6 – Summary of the 2020/21 General Fund Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outturn			CY Spend (Sep-20)	% Spend against CY Forecast
		2020/21	2021/22	2022/23	2020/21	2021/22	2022/23		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	<i>Not yet started</i>	18	0	0	18	0	0	0	
	<i>Work commenced</i>	9,271	0	0	9,270	0	0	5,117	
	<i>Scheme completed</i>	18	0	0	15	0	0	14	
	<i>Demand led</i>	2,168	0	0	1,768	400	0	154	
Total: Childrens Service		11,475	0	0	11,071	400	0	5,285	47.74
	<i>Not yet started</i>	69	0	0	69	0	0	0	
	<i>Work commenced</i>	559	0	0	559	0	0	4	
	<i>Scheme completed</i>	108	0	0	103	0	0	103	
	<i>On hold</i>	1,920	0	0	872	1,049	0	474	
	<i>Demand led</i>	1,716	380	35	1,716	380	35	24	
	<i>Feasibility Stage</i>	533	0	0	533	0	0	160	
Total: Adults; Housing and Health		4,905	380	35	3,852	1,429	35	765	19.86
	<i>Not yet started</i>	21	0	0	21	0	0	0	
	<i>Out to tender</i>	2,930	0	0	2,930	0	0	-7	
	<i>Work commenced</i>	11,334	2,758	2,050	11,334	2,757	2,050	2,302	
	<i>Scheme completed</i>	485	0	0	476	0	0	9	
	<i>Completed retention o/s</i>	19	0	0	19	0	0	0	
	<i>On hold</i>	5,125	970	200	1,450	3,485	400	429	
	<i>Demand led</i>	1,511	200	0	1,416	296	0	261	
Total: Environment, Highways & Counter Fraud		21,425	3,928	2,250	17,646	6,538	2,450	2,994	16.97
	<i>Not yet started</i>	73	190	0	23	240	0	0	
	<i>Design stage</i>	4,733	1,823	0	2,511	4,046	0	467	
	<i>Contract formation</i>	131	0	0	131	0	0	0	
	<i>Work commenced</i>	33,708	11,391	5,084	33,420	34,462	13,116	16,732	
	<i>Scheme completed</i>	129	0	0	129	0	0	100	
	<i>Completed retention o/s</i>	161	0	0	161	0	0	10	
	<i>On hold</i>	7,520	6,158	0	1,600	11,315	762	624	
	<i>Demand led</i>	4,210	0	0	2,126	2,084	0	89	
	<i>Feasibility Stage</i>	815	0	0	815	0	0	15	
Total: Place		51,480	19,562	5,084	40,916	52,147	13,878	18,037	44.08

Table 6 – Summary of the 2020/21 General Fund Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outturn			CY Spend (Sep-20)	% Spend against CY Forecast
		2020/21	2021/22	2022/23	2020/21	2021/22	2022/23		
	<i>Not yet started</i>	1,913	465	50	1,890	488	50	0	
	<i>Design stage</i>	230	0	0	30	200	0	0	
	<i>Out to tender</i>	37	0	0	37	0	0	0	
	<i>Work commenced</i>	7,848	120	30	7,848	120	30	1,437	
	<i>Scheme completed</i>	184	1,000	0	136	1,000	0	23	
	<i>Completed retention o/s</i>	125	0	0	125	0	0	17	
	<i>On hold</i>	3,888	2,724	0	534	3,354	2,724	0	
	<i>Demand led</i>	938	44	0	929	53	0	88	
	<i>Scheme Removed</i>	10	0	0	0	0	0	0	
Total: Finance, Governance and Property		15,173	4,353	80	11,529	5,215	2,804	1,565	13.57
	<i>Work commenced</i>	8,875	2,903	0	8,081	3,698	0	859	
	<i>Scheme completed</i>	15	0	0	0	0	0	0	
	<i>Demand led</i>	630	0	0	236	430	0	-34	
	<i>Scheme Removed</i>	22	0	0	0	0	0	0	
Total: HR, OD and Transformation		9,542	2,903	0	8,317	4,128	0	825	9.92
	<i>Work commenced</i>	277	0	0	278	0	0	99	
	<i>On hold</i>	25	0	0	5	19	0	5	
Total: Customer Services		302	0	0	283	19	0	104	36.75
	<i>Work commenced</i>	18	0	0	18	0	0	0	
Total: Commercial Services		18	0	0	18	0	0	0	0.00
Total Expenditure - General Fund		114,320	31,126	7,449	93,632	69,876	19,167	29,575	31.59

Table 7 – Summary of the 2020/21 Housing Revenue Account Capital Programme	Approved Budget			Projected Outturn			CY Spend (Sep-20)	% Spend against CY Forecast
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23		
Adults, Health and Housing	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Provider Services	6,651	2,014	155	6,651	2,014	155	1,361	
Better Care	23,041	0	0	23,041	0	0	3,291	
Total Expenditure - HRA	29,692	2,014	155	29,692	2,014	155	4,652	15.67

Table 8 – Summary of the 2020/21 Housing Revenue Account Capital Programme, by scheme status	Project Status	Approved Budget			Projected Outturn			CY Spend (Sep-20)	% Spend against CY Forecast
		2020/21	2021/22	2022/23	2020/21	2021/22	2022/23		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	<i>Design stage</i>	12	0	0	12	0	0	12	
	<i>Work commenced</i>	29,303	1,890	155	29,303	1,890	155	4,328	
	<i>Completed retention o/s</i>	377	124	0	377	124	0	312	
Total Adults, Health and Housing - HRA		29,692	2,014	155	29,692	2,014	155	4,652	15.67

GENERAL FUND SCHEMES

Appendix 3

Table 9 - Scheme Reprofileing	Reprofileing £000's	Reason
Riverside Business Centre (R0730)	(4,276)	On hold pending further discussions.
Thameside Theatre Refurbishment	(2,650)	Thameside works currently on hold, pending future Cabinet decision.
Purfleet Land Assembly Development Agreement (R0501)	(1,989)	Land assembly is demand led. Re-profileing to match anticipated spend.
Tilbury Integrated Medical Centre (R0913)	(1,218)	This relates to the reprofileing of the budget specific to the design phase of the project only.
The Reception (National College Building CCI) (R0750)	(1,194)	On hold pending further discussions.
Leisure Centre Works (L0410)	(1,081)	Spend on hold pending a wider asset review.
Community Hubs (T3100)	(1,029)	Spend on hold pending a wider asset review.