

SCRUTINY BUDGET AND PERFORMANCE PANEL

MONDAY, 14TH SEPTEMBER, 2020, 5.00 PM

ACCESSIBLE VIA MS TEAMS AND YOUTUBE

SUPPLEMENTARY AGENDA

I am now able to enclose, for consideration at the above meeting of the Scrutiny Budget and Performance Panel, the following information:

- | | |
|---|-----------------|
| 6 South Ribble Corporate Strategy | (Pages 35 - 48) |
| Report of the Interim Chief Executive attached. | |
| 7 Budget Monitoring 2020-21 Quarter 1 | (Pages 49 - 80) |
| Report of the Section 151 Officer attached. | |

Gary Hall
INTERIM CHIEF EXECUTIVE

Electronic agendas sent to Members of the Scrutiny Budget and Performance Panel

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REPORT TO	ON
SCRUTINY BUDGET AND PERFORMANCE PANEL	14th September 2020



TITLE	PORTFOLIO	REPORT OF
Corporate Strategy 2020/21 - 22/23	Councillor Paul Foster	Interim Chief Executive

<p>Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)</p> <p>Is this report on the Statutory Cabinet Forward Plan?</p> <p>Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council? This should only be in exceptional circumstances.</p> <p>Is this report confidential? If Yes, insert details of the relevant exclusion paragraph(s). These are listed in the Constitution Part 4, page 25 (Access to Information Procedure Rules)</p>	<p>N</p> <p>No delete as applicable</p> <p>No delete as applicable</p> <p>No delete and insert details as applicable</p>
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PURPOSE OF THE REPORT

1. To present the draft refreshed Corporate Strategy for 2020/21- 22/23 and seek feedback from members on the proposed projects and performance measures.

RECOMMENDATIONS

2. That Scrutiny Budget and Performance Panel consider and provide feedback on the draft projects and measures to inform further development of the final Corporate Strategy to be presented to Council on the 30th September 2020.

REASONS FOR THE DECISION

3. To ensure that the Corporate Strategy reflects the needs of the borough and that Council resources are directed towards key priorities.

EXECUTIVE SUMMARY

4. The Scrutiny Performance and Budget Panel have previously considered the proposed vision, priorities and long-term outcomes for the refreshed Corporate Strategy. This report provides more details on the proposed delivery activity through 14 priority projects that will take place over the next 12-18 months. To measure performance of the Corporate Strategy a draft revised set of performance measures is presented which should provide a simple set of indicators to track progress and show direction of travel.

CONTEXT AND CHALLENGES

5. The Covid-19 crisis will fundamentally change the lives of our residents and the context in which the council operates. The council has responded swiftly and effectively to protect the borough, providing support to individuals, partners and businesses, however the future remains uncertain with new and emerging challenges including:
 - A. **Empowering people and communities** - Building community resilience to manage the longer-term demand on public services, linking closely to reducing health inequalities and ensuring that we can continue to support the most vulnerable will be vital. The council will need to identify opportunities to engage with residents in new and different ways so that they can contribute to the design of services and development of their borough. This will build on the hugely positive response to Covid-19 through the community hub established under the South Ribble Together brand.
 - B. **Building a strong and inclusive economy** - South Ribble has a robust and growing local economy. Looking ahead, the focus should be on developing infrastructure and delivering projects that will shape the future of the borough. The council has committed to develop the cooperative council model which focuses on maximising the role of the local economy, workforce and assets for social good.
 - C. **Public service reform and partnership working** - Prior to the Covid-19 outbreak it was clear that all partners would need to find radically new ways to work together to meet both financial and demand challenges. Delivering sustainable public services through working collaboratively with our partners and communities will be a critical objective as we learn from the approach to responding to Covid-19. This will mean working as part of an integrated system and measuring performance based on progress towards shared priorities and long-term outcomes.
 - D. **Performance and transformation** - Performance of the council this year has been largely positive with the recent residents' survey now providing a benchmark for future activity. The council must look to continually review its operating model to ensure that it can continue to meet the needs of the borough including the further progression of Shared Services with Chorley Council. This year will focus on embedding Phase 1 shared services and looking towards Phase 2 including the development of a shared digital strategy and business case for the further extension of shared functions.
 - E. **Governance** - While not related to the Covid-19 pandemic, an important development is the Annual Governance Statement (AGS). The AGS has highlighted significant failings in the council's governance framework. These have come to light in work undertaken over the last twelve months, but significant work is required to ensure that improvements continue to be made and can be evidenced to our residents and to our external auditors.

VISION, PRIORITIES AND LONG-TERM OUTCOMES

6. The Corporate Plan has been refreshed with the aim of achieving a concise, streamlined strategy as a clear statement of what the council aims to achieve, focusing on delivery and better outcomes for residents. To support this process, a full 'big issues' briefing was prepared based on local intelligence, statistical data and the results of the residents survey. Member working groups and briefing sessions have been conducted to gather views and feedback.
7. The proposed vision is based on the current version as it remains reflective of the aspirations of the administration and the commitments made when elected. The word 'accountable' has been incorporated to reflect recent governance and transparency improvements.

A healthy and happy community, flourishing together in a safer and fairer borough that is led by a council recognised for being innovative, financially sustainable and accountable.

8. Four strategic priorities are identified along with long term outcomes to articulate what the impact should be for the borough if the strategy is successfully delivered. This provides a simplified framework that highlights the main areas of focus such as running an excellent and transparent Council, building resilient communities, supporting positive mental health and wellbeing for all residents, and a fair local economy.
9. A copy of the refreshed Corporate Strategy is attached as Appendix A as a draft mock-up of an easy to read, visual document.

DELIVERING THE STRATEGY

10. Following approval of the new Corporate Strategy, all council work should be aligned to ensure that resources and investment are targeted to key priorities. In particular, 14 key projects are being proposed for delivery over the next 12-18 months that will directly support delivery of the new priorities and long-term outcomes.
11. It should be noted that the projects will be delivered within existing resources where possible, however the scope and scale of some may need to be reconsidered depending on the availability of additional funding. Any proposals for additional budget growth items will be presented to full council as part of the budget setting process.
12. The proposed key projects and an overview of what they will deliver is shown below: (project leads to be agreed)

Deliver the Annual Governance Statement action plan AN EXEMPLARY COUNCIL	<p>The project will be to deliver the Annual Governance Statement action plan to ensure a transparent and accountable organisation, including:</p> <ul style="list-style-type: none">• A review of the council's corporate governance policies;• Delivery of governance and ethical awareness training;• Review of the constitution;• Development of a shared performance management framework and business planning process;• Review and update the council's HR policy framework. <p>Activity should be completed by April 2021.</p>
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<p>Transform the way the council operates</p> <p>AN EXEMPLARY COUNCIL</p>	<p>This project will deliver activity to improve the way the council operates to ensure that it is a fit for purpose, modern organisation able to meet the future challenges facing public services. This will include work to:</p> <ul style="list-style-type: none"> • Implement the approved action plans for the future development of phase 1 shared services • Finalise the phase 2 business case and next steps • Develop training and support for staff to ensure that they are fully engaged and at the heart of change
<p>Deliver year one of the joint digital strategy</p> <p>AN EXEMPLARY COUNCIL</p>	<p>South Ribble Council and Chorley Council have committed to developing a joint digital strategy, having identified that this is likely to support the success of digital and shared services, improving service efficiency and enabling greater resilience. In order to support these ambitions, the main aims of developing a joint digital strategy should be to:</p> <ul style="list-style-type: none"> • Align digital thinking with a view to developing single operating models; • Support a flexible and mobile shared workforce; • Continue to improve the digital experience for staff and customers. <p>Following approval of the strategy in November 2020, this project will deliver the year 1 actions.</p>
<p>Work with partners to design and deliver more sustainable public services</p> <p>AN EXEMPLARY COUNCIL</p>	<p>This project will deliver the in-year actions in the South Ribble Partnership workplan to support the Community Recovery Action Plan which is focussed on:</p> <ul style="list-style-type: none"> • Digital Inclusion; • Supporting the Voluntary Sector with improved infrastructure support; • Taking a One Front Door approach to supporting individuals who are adversely impacted by Covid-19. <p>In addition, the project will develop a joint action plan and closer working with the Chorley Public Service Reform Board to strengthen the collective impact of partnership working within Central Lancashire.</p> <p>Period: September 2020 – March 202</p>
<p>Implement the community wealth building action plan</p> <p>A FAIR LOCAL ECONOMY THAT WORKS FOR EVERYONE</p>	<p>The Community Wealth Building action plan sets out how the council will support the localisation of wealth to achieve better outcomes for the borough through the approach to procurement, use of land, fair employment and new business models.</p> <p>This project will focus on the 1st year of implementation of the wealth building strategy which will include:</p> <ul style="list-style-type: none"> • Adoption of a policy on Social Value that drives employment opportunities and investment in communities through what the council procures • Establishment of a Credit Union accessible to residents of South Ribble by June 2021

<p>Establish a business support programme</p> <p>A FAIR LOCAL ECONOMY THAT WORKS FOR EVERYONE</p>	<p>This project will scope and implement a bespoke programme of business support to meet the longer term needs of businesses from across the borough as they recover from the Covid-19 crisis.</p> <p>The scheme will be scoped in consultation with local businesses by February 2021 with implementation to take place for its initial year between April 2021 and March 2022.</p>
<p>Deliver year 1 of the Town Deal</p> <p>A FAIR LOCAL ECONOMY THAT WORKS FOR EVERYONE</p>	<p>This project will develop and submit a bid for £25 million to the Town Deal fund which if successful would deliver a program of improvements to the town centre to strengthen the local economy by creating a more attractive town centre proposition. Improvements would range from public realm enhancements through to the development of a community enterprise hub.</p> <p>This project will manage the bid development including local consultation, submission and any subsequent liaison and negotiation with the funding body.</p> <p>The project would also include any preparatory works such as land acquisition.</p> <p>Operational Period: September 2020 – September 2021</p>
<p>Establish SR Together Hubs</p> <p>THRIVING COMMUNITIES</p>	<p>The 'South Ribble Together' hub provided services and support for those affected by the Covid-19 crisis. This project will extend this approach as a model for engaging neighbourhoods and communities across the borough to ensure that all residents are able to access services and that those most in need are targeted with help and assistance. Over the next 18 months, this project will:</p> <ul style="list-style-type: none"> • Develop and agree with communities in each of the Neighborhood areas a plan of activities which support their needs by April 2021; • Develop and establish a Borough Food Bank network; • Deliver the first year of the One Front door approach led by the South Ribble Together Hub, providing early intervention and help supporting those most impacted by Covid-19 (October 2020 – October 2021).
<p>Deliver a mental health support programme for young people</p> <p>THRIVING COMMUNITIES</p>	<p>Building on the recommendations of MH2K in 2018, this project will be to scope and commission a provider to continue the work with young people in South Ribble to develop an intervention-based campaign or service that is youth led and designed.</p> <p>It will seek to build capacity within the wider health system and address the gaps in provision.</p> <p>Sep 2020 – March 2021 Scope and commission provider</p> <p>April 2021 – March 2022 – Delivery commissioned activities</p>
<p>Establish a youth council</p>	<p>This project will be to work with schools to design initiatives that promote aspects of democracy including:</p> <ul style="list-style-type: none"> • Debate clubs;

<p>THRIVING COMMUNITIES</p>	<ul style="list-style-type: none"> • Mock council meetings; • Competition. <p>Young people will then help to develop the Youth Council Model, submitting their ideas on a how a youth council or engagement forum would work for them and for South Ribble.</p> <p>Period (September 2020 – September 2021)</p>
<p>Bring Worden Hall back into use - phase 1</p> <p>GOOD HOMES, GREEN SPACES, HEALTHY PLACES</p>	<p>The project is to develop the central buildings of Worden park; (excluding the craft units and conservatory), into a community event space and small wedding venue including an enhanced café offer.</p> <p>The buildings will be sympathetically reconfigured to enhance their use whilst protecting the historic fabric. Works will include developing access and parking to meet the needs of the venue together with improvements to landscaping.</p> <p>Over the next 12-18 months the key milestones are to:</p> <ul style="list-style-type: none"> • Obtain Planning Permission by December 2020; • Tender for consultants post cabinet decision March 21 to bring in the expertise needed for delivery; • Principle Contractor tender May (6 wks); • Procurement of principal contractor to deliver physical works; • Contract Award July 21; • Mobilisation – site start August 21.
<p>Deliver a leisure improvement project</p> <p>GOOD HOMES, GREEN SPACES, HEALTHY PLACES</p>	<p>The project is to deliver a program of improvements to the existing leisure facilities to ensure that they are high quality and accessible for residents from across the borough. Activity will include:</p> <ul style="list-style-type: none"> • Building and air/ventilation improvements at Bamber Bridge and Penwortham Leisure Centres’; • Full refurbishment of Bamber Bridge and Penwortham’s Leisure Centre receptions; • Improvements to sports flooring surfaces at Penwortham and Tennis Centre; • A car park extension to South Ribble Tennis Centre. <p>Period: January 2021 – August 2022</p>
<p>Deliver a project to support the green agenda</p> <p>GOOD HOMES, GREEN SPACES, WELL PLACES</p>	<p>The council has committed to becoming carbon neutral and this project will make tangible progress towards this objective over the next 12 months.</p> <p>The detailed scope of this project is to be confirmed by the end of November 2020. Options may include an internal focus on the council’s operations to include becoming ‘paper light’, upgrading light fittings at the Civic Centre and reducing overall energy usage. Alternatively, the project may focus on green travel through enhancing cycling infrastructure, promoting sustainable travel and installing electric vehicle charging points across the borough.</p>

Commence building of affordable homes within the borough

GOOD HOMES, GREEN SPACES, HEALTHY PLACES

This project will bring forward and deliver a number of schemes to address the gap in the current housing market to provide quality affordable homes. This will include a mixture of housing types and be built by the Council and owned.

The following elements will be delivered over the next 12-18 months:

- Development on-site of 15 new affordable homes at McKenzie Arms site;
- Completed conversion of Pearson House, Station Road to deliver 9 affordable flats;
- Develop with partners to bring forward the Council's first Extra Care scheme.

MEASURING PROGRESS

13. All the existing performance measures have been reviewed in light of the revised Corporate Strategy priorities and long-term outcomes. The aim is to define a focused set of measures that are clearly worded and can be reported consistently. Ideally this should be a combination of short term 'tracking' measures that show the direction of travel, and longer-term outcome based measures that demonstrate the success of the Corporate Strategy and project delivery activity. These are the measures that will be reported publicly.
14. Other measures will monitor the benefits delivered by projects (through project management), and a range of indicators will be included in service business plans to monitor the delivery of services at an operational level. The shared Performance Management Framework will set out a straightforward process for how this will work.
15. The table below sets out the proposed measures for consideration:
- 25 measures are proposed in total;
 - 13 of the existing measures are retained, of these 8 are recorded via the resident survey;
 - 12 new measures have been identified, mainly under the Fair Local Economy and Thriving Community priorities to measure wider determinants of wellbeing and reflect new areas of emphasis, such as social value.

An exemplary council				
Indicator	Status	Frequency	Source	Target
Service requests received via self-service channels	Existing	Quarterly	Council services	Set
Overall % of people who are satisfied with South Ribble as a place to Live	Existing	Every 2 years	Resident Survey	Set
% of people satisfied with the leisure and sports facilities in their local area	Existing	Every 2 years	Resident Survey	Set

% of households living in fuel poverty is better than the North West average	New – measure of housing quality	Annual	National	Set
Service satisfaction measure e.g. More than 80% of customers satisfied with the service they receive from the council (measure via mobile survey, star rating or another quick response method)	New – consolidated satisfaction measure to provide more frequent indication	Quarterly	Council services	Baseline
Customer service/Gateway indicators of performance?				

Thriving communities				
Indicator	Status	Frequency	Source	Target
SOAs in worst 10% most deprived nationally – currently 3 in bottom 10% and 2 in bottom 5%	New – measure of social progress	IoMD release	National	Set
% population with NVQ level 3 or above	New – measure of social progress	Annual	National	Baseline
Number of residents benefitting from opportunities created by the communities team	New – measure of community involvement	Quarterly	Council services	Baseline
Number of people who have successfully completed basic digital skills training	New – measure of digital access and inclusion	Quarterly	Council services	Baseline
Volunteering Measure?				
% of people who feel they belong to their local area	Existing	Every 2 years	Resident Survey	Set
% of people who feel involved in the local area and decision making	Existing	Every 2 years	Resident Survey	Set
% of people who think the Council acts on the concerns of local resident	Existing	Every 2 years	Resident Survey	Set

A fair local economy that works for everyone

Indicator	Status	Frequency	Source	Target
Social value measure – to be determined based on social value policy/social value portal	New – measure of council progress in promoting social value	Quarterly	Council services	Baseline
Overall employment rate greater than North West average	New – social progress measure	Quarterly	National	Set
% of 16 – 17 year olds not in education, employment or training (NEET)	New – social progress measure	Quarterly	National	Baseline
Median Workplace earnings in the borough better than North West average	New – social progress/economic activity	Annual	National	Set
% increase in visitor numbers	New – community involvement/economic activity	Annual	Council services	Baseline

Good homes, green spaces, healthy places

Indicator	Status	Frequency	Source	Target
% of people satisfied with the parks and green open spaces in their local area	Existing	Every 2 years	Resident Survey	Set
% of people who feel safe when outside in their local area after dark	Existing	Every 2 years	Resident Survey	Set
% of people who feel safe when outside in their local during the day	Existing	Every 2 years	Resident Survey	Set
No. of meals provided through holiday hunger offer.	Existing	Quarterly	Council services	Set
Number of Affordable Homes delivered	Existing – previous service level indicator	Bi-Annual	Council services	Set

Total number of young people's physical activity courses delivered	Existing	Quarterly	Council services	Set
Green indicator: <ul style="list-style-type: none"> • Reduction of the council's use of plastic • Number of trees planted in the borough • % recycling rate • New wildflower meadows planted/installed/established across the borough 	New – consolidated green measure	Quarterly	Council services	Baseline
Number of people prevented from becoming homeless	Existing	Quarterly	Council services	Set

NEXT STEPS

- 16.** Members are asked to provide feedback on the proposed projects and measures to inform the final Corporate Strategy to be presented to Council on the 30th September.

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An exemplary council

A council that:

- Delivers high performing services that represent value for money
- Understands the community and works with partners to make things better
- Is open and transparent in its activities

Good homes, green spaces, well places

A borough with:

- A choice of decent, affordable housing
- Commitment to protecting the local environment
- A choice of quality recreational activities



Thriving communities

Places where:

- Residents have positive mental health
- People get involved and have a sense of belonging
- Communities can access services and support when they need them

A fair local economy that works for everyone

A council that:

- Increases access to training and jobs
 - Grows and supports sustainable businesses
- Invests in improving the borough

Our vision:

A healthy and happy community, flourishing together in a safer and fairer borough that is led by a council recognised for being innovative, financially sustainable and accountable

South Ribble will:

Transform the way the council operates Shared services and specific organisational change projects.

Work with partners to design and deliver more sustainable public services

Deliver the in-year actions in the SR partnership work plan including further development of a joint Chorley and SR strategic partnership.

Deliver year one of the joint digital strategy

Year 1 of the shared digital strategy

Deliver the AGS action plan

In-year actions from the AGS.



South Ribble will:

Implement the community wealth building action plan

Assumes the community wealth building plan is finalised in September and action plan approved. Depending on the scale of the action plan, potentially pick one specific element to be the corporate strategy project.

2. Establish a business support programme

Links to the SR Together Hub business response. This would be a wider programme of targeted business support to mitigate the longer-term impact of the recession.

3. Deliver year 1 of the Town Deal

Scope to be confirmed with Director lead but should demonstrate visible and tangible outcomes.



**SOUTH RIBBLE
TOGETHER**

South Ribble will:

Bring Worden Hall back into use - phase 1

Deliver the first phase to a specific milestone.

Deliver a leisure improvement project

Leisure centre contract and wider projects e.g. project X. Need to ascertain which project/project phase is most appealing and deliverable

Deliver a project to support the green agenda

Select one deliverable project from the green agenda programme: e.g. tree planting, single plastics, air quality etc.

Commence building of affordable homes within the borough

For example, McKenzie Arms.



South Ribble will:

Establish SR Together Hubs

Year 1 implementation of SR Together Community Hubs – design, resourcing and implementation.

Deliver year 1 of the Town Deal

Scope to be confirmed with Director lead but should demonstrate visible and tangible outcomes.

Deliver a mental health support programme

Commission Inspire or another local provider to provide targeted mental health support for young people, enhancing system capacity.



REPORT TO	ON
CABINET	Wednesday, 16 September 2020



TITLE	PORTFOLIO	REPORT OF
Budget Monitoring Quarter 1 2020-21	Cabinet Member (Finance, Property and Assets)	Deputy Director of Finance (Section 151 Officer)

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	Yes
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

PURPOSE OF THE REPORT

1. This report explains the Council's overall financial position for quarter 1 of the financial year 2020-21. Note: Throughout the report most figures are quoted to the nearest £1,000. Some totals may appear incorrect by £1,000 or even £2,000 because individual figures have been rounded, but every total is correctly stated to the nearest £1,000.

PORTFOLIO RECOMMENDATIONS

2. Cabinet notes, reviews and comments on the contents of this report including the forecast £29,000 underspend in 2020/21.
3. Cabinet approves the allocation of the £150,000 staffing savings target and the £37,000 residual shared services savings target against the £499,000 forecast staffing underspend.
4. Cabinet approves the use of general reserves for one-off increases to the revenue budget in relation to the following items:
 - a) Dial-a-ride £20,000
 - b) IDOX Enterprise and Capability Review £26,000
 - c) Extra Care preparatory work £50,000
5. Cabinet approves the re-profiled budgets for the capital programme, which reflects forecasted underspend against the existing budgets, as detailed in Appendix C.

EXECUTIVE SUMMARY

6. The overall forecast for 2020/21 for the revenue budget is a net surplus of £29,000. A summary of the variances by directorate is shown in Table 1, and a detailed list of the main variances within each directorate is shown in Table 2.
7. In addition, it is requested that £67,000 (Table 3) is allocated against the current general fund balance of £4.239m leaving £4.172m remaining. It should be noted that this use of the general fund will be reviewed throughout the financial year and may not be required if further underspends are identified in 2020/21.
8. The forecasts for staffing costs are an overall saving of £499,000. It is recommended to allocate the full £150,000 staffing savings target. Also, it is recommended to allocate an

additional £37,000 from the areas of forecasted underspending to cover the deficit against the shared services savings figure.

9. The report outlines the impact Covid-19 has had on the budget in 2020/21 including the additional grant funding received and the management of the business grant schemes.
10. The total capital spend including commitments in 2020/21 is £2.768m, which is 29% of the total budget of £9,614. Appendix C gives the details for individual schemes and the revised forecasts, both for 2020/21 and the following 3 years.

CORPORATE OUTCOMES

11. The report relates to the following corporate priorities:

Excellence, Investment and Financial Sustainability	✓
Health, Wellbeing and Safety	✓
Place, Homes and Environment	✓

Projects relating to People in the Corporate Plan:

Our People and Communities	✓
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BACKGROUND TO THE REPORT

12. The 2020/21 budget and Medium-Term Financial Strategy (MTFS) 2020/21 to 2023/24 was approved by full Council on 26th February 2020.
13. The net cost of services for the revenue budget was £14.677m. The budget included an overall transfer from reserves of £111,000.
14. The capital programme totalled £57.600m over the next 4 financial years, with a total budget of £10.094m in 2020/22.

INFORMATION

A) Revenue Budget and Forecast Summary

15. Table 1 below summarises by directorate the revenue budgets and forecasts.
16. Following the expansion of shared services, the directorates within the revenue budget has been reorganised to match the new senior management structure.
17. The overall forecast is a surplus of £29k against the funding requirement. Table 2 below lists the main variances within particular service areas for each directorate.

Table 1: Revenue Budget Summary

	Original Budget £'000	Current Budget £'000	Forecast at Quarter 1 £'000	Forecast Variance £'000
Corporate	496	324	304	(20)
Neighbourhoods & Development	7,230	7,230	7,132	(98)
Planning & Property	701	701	973	272
Customer & Digital	2,394	2,394	2,246	(148)
Governance	1,757	1,697	1,653	(44)
Finance	754	717	679	(38)
Communications & Visitor Economy	203	252	252	0
Transformation & Partnerships	512	638	628	(10)
Pensions Deficit Contributions	25	25	25	0
Savings Targets	(305)	(187)	0	187
Forecast Additional CV-19 Expenditure	0	0	2,259	2,259
Net Cost of Services	13,767	13,791	16,151	2,360
Interest payable / (receivable)	649	649	649	0
Parish Precepts	(170)	(170)	(170)	0
Provision for repayment of debt	432	432	432	0
Funding Requirement	14,677	14,702	17,062	2,360
<u>Funding:</u>				
Council Tax	(8,596)	(8,596)	(8,596)	0
New Homes Bonus – City Deal	(525)	(525)	(525)	0
New Homes Bonus – SRBC	(135)	(135)	(135)	0
Retained Business Rates	(3,715)	(3,715)	(3,715)	0
Section 31 grants (mainly business rates)	(1,595)	(1,595)	(1,595)	0
CV-19 Funding	0	0	(2,389)	(2,389)
Total Funding	(14,566)	(14,566)	(16,955)	(2,389)
Net Contribution (To) / From Reserves	111	136	107	(29)

Table 2: Revenue Forecasted Variations Within Directorates

Details	Forecasted Over / (Under-) Spend or Income Deficit / (Surplus) £'000
Corporate	
Staffing Costs	(20)
Neighbourhoods & Development	
Staffing Costs	(125)
Car Parking reduced income	92
Sports Coaching surplus income	(100)
Garden Waste surplus income	(57)
Other income variations - net deficit (see Table 5)	198
Government support	(106)
	(98)
Planning & Property	
Staffing Costs	(77)
Investment Property reduced rental income	316
Other income variations (see Table 5)	33
	272
Customer & Digital	
Staffing Costs	(148)
Governance	
Staffing Costs	(81)
Income Deficit (see Table 5)	93
Government support	(56)
	(44)
Finance	
Staffing Costs	(38)
Communications & Visitor Economy	
No major variances	-
Transformation & Partnerships	
Staffing Costs	(10)
Budgets Not In Directorates	
Pension Contributions (note 2)	-
Savings Target	187
Covid-19 Forecast Expenditure Not Budgeted	2,259
Covid-19 Government Funding	(2,389)
Overall Variance	(29)

Table 2 Note 1: 'Staffing Costs' variances show the net position after including income from, and external contractor charges paid to, Chorley Borough Council through shared services arrangements. Technically staffing costs are only those that are incurred through SRBC payroll and the recharges paid over to Chorley are 'supplies and services'. Similarly, income received from Chorley that relates to shared posts is classed separately as income and would not be deducted against staffing costs. However, to allow an easier interpretation of the figures, all elements have been collated as 'staffing costs'.

Table 2 Note 2: Pension Contributions are charged on a notional basis against services. The actual costs of £1.171m were paid in a lump sum at the start of the year.

B) Revenue Budget Requested Changes

18. The following adjustments are requested to be made to the revenue budget:

Table 3: Revenue Budget Requested Changes

Description	Directorate or Service Area	Budget Increase	Reasons and notes
Dial-a-ride	Neighbourhoods & Development	20,000	A delegated decision was approved in June to provide grant support of £20,000 per year to the delivery of Dial-a-Ride service in South Ribble. It is requested to use the general reserve to fund the cost in 2020-21.
IDOX Enterprise and Capability Review	Customer & Digital - IT	26,000	In January 2020 Cabinet approved this capital scheme for £146,000, which has been added to the capital programme. Approval was also given to fund one-off revenue setup costs of £20,000 using the surplus in 2019-20. However, at outturn the cost was expected to be higher but we did not yet have the exact figure. Therefore no carry forward request was made and instead it is now requested to use the general reserve to fund the confirmed cost.
Extra Care preparatory work	Planning & Property	50,000	The capital programme includes a £10m budget for constructing a new Extra Care facility. As per the report on this agenda, it is requested to use the general reserve to create a revenue budget of £50,000 for the initial feasibility study and business case as well as financial and legal advice.
Forecast Underspend Q1		<u>(29,000)</u>	
Net requirement from the General Reserve		<u>67,000</u>	

C) Staffing Costs

19. The original budget includes a shared services savings figure of £233,000. The budgets have now been updated to reflect the new staffing structures.

20. After updating the budgets to reflect the new shared services structures, the overall reduction in the budget is forecast at £196,000, meaning there is a residual deficit balance of £37,000 compared to the budgeted savings figure of £233,000. There are various reasons for the difference but mainly it is due to posts that were assumed to be shared being taken out of the

shared services process and in addition the NI and Pension costs for the newly created shared senior posts are higher than were originally budgeted in September 2019.

21. The overall forecasted saving in staffing costs is £499,000. As is usually the case, the main reason for the underspend is posts being vacant, either currently or during an earlier part of the year. Appendix A shows the posts that were vacant at 31st July 2020.
22. The budget includes a savings target for staffing costs of £150,000 to reflect the fact that there will always be turnover of staff during a year that will cause a certain level of underspending. It is recommended to allocate the target in full by making one-off reductions to the staffing budget in areas where underspending has occurred. It is also recommended to allocate a further £37,000 from areas of underspending on staffing budgets to make up the deficit against the shared services savings budget. This gives a total allocation of £187,000.

Table 4: Staffing Costs Main Variations

Service Area	Over / (Under-) spend £	Reasons and notes
Corporate		
Chief Executive	(20,000)	The post became vacant on 15/07/20. The forecast figure is based on the Interim Chief Executive continuing to the end of the financial year without the post being filled. This will be updated when further decisions are made.
Neighbourhoods & Development		
Street Cleansing	(10,000)	Delay in filling a vacant Team Operative post
Mechanics	16,000	The budget is set based on the actuals SCPs of the post-holders. One member of the team was at the top of the grade whereas the others were nearer the bottom. Subsequently a HR review was carried out and to ensure equality and fairness, all members of the team were brought up to the same SCP.
Community Involvement	(28,000)	Delay in filling 2 vacancies - a Community Involvement Officer and a Youth Council Officer.
Engineers	(37,000)	Delay in filling 2 vacancies - Graphic Designer and an Engineering Assistant
Environmental Health	(31,000)	Delay in filling a vacant Housing Enforcement Officer post, and reduced hours for two posts.
Youth Support	(35,000)	Delay in filling the newly created Youth Support Officer role.
Planning & Property		
Senior Management	(20,000)	Delay in filling the vacant Assistant Director of Housing and Property post
Building Control	19,000	Upgrades to two staff following Job Evaluation reviews
Planning	(56,000)	Both Enforcement posts are vacant but agency cover has been procured. There will still be a net saving of around £35,000. In addition, two staff have reduced their hours.
Leisure	(10,000)	The Partnership Development Manager has reduced her hours
Museum	(10,000)	The Museum Curator post is vacant
Customer & Digital		
Gateway	(52,000)	Delay in filling 3 vacant posts

Service Area	Over / (Under-) spend £	Reasons and notes
IT	(26,000)	Delay in filling 2 vacant posts
Revenues	(70,000)	One post has been vacant since before the start of the year and another became vacant at the end of July. One person is on adoption leave and another is on maternity leave. Options are being considered regarding potential regrading of these posts and/or other minor restructure changes within the team.
Governance		
Democratic Services	(22,000)	One post has been vacant since before the start of the year and another became vacant at the end of July. Both will be recruited to.
Legal Services	(16,000)	A Solicitor post was vacant until 27th July and the new person is on reduced hours compared to a budget for a full time post.
Licensing	(43,000)	Delay in filling the Head of Licensing post
Assurance	-	There are 4 vacancies within the team. Agency cover has been used for some posts. There is a forecasted underspend against those posts but this is offset by the additional costs of £23,100 for the Interim Head of Shared Assurance post, which are not part of the budgeted establishment. Therefore the overall forecast for the team is currently a break-even.
Finance		
Senior Management	(23,000)	Delay in filling the Director of Finance post
Financial Services	(15,000)	Delay in filling a Management Accountant post
Communications & Visitor Economy		
None	-	
Transformation & Partnerships		
HR	(10,000)	There is a vacant HR Advisor post but the saving is partially offset by additional costs for an upgrade of another post.

D) Non-Staffing Costs

23. There are currently no significant forecasted variances relating to non-staffing costs.

E) Impact of Covid-19

24. The impact of Covid-19 on the Council's budgets is varied and includes delays to recruitment and restructuring, reduction in income and additional expenditure. The major impacts on the budget are summarised below. This includes the various grant funding streams received to help the council manage the transition back to business-as-usual.

Income

25. It has been well documented that the country has undergone a significant reduction in economic activity pushing the economy into recession. The impact on local residents and businesses is potentially vast, especially in the service industries. Two areas this may significantly affect the council's finances is the impact on its business rates and council tax collection funds.

Business Rates

26. The original gross (including amounts paid over to the Government and other preceptors) collectable business rates for South Ribble was budgeted at £36.7m for 20/21. As part of the budget on 11 March the Government announced that it would increase the discount on business rates liability for businesses in the retail, hospitality and leisure industry to 100% for 20/21. This has reduced the council's gross collectable to an estimated £25.1m. The council and other preceptors will receive compensatory grant payments, known as S31 grants, in 20/21 for this extended relief.

27. After adjusting for this reduction in collectable business rates the analysis below gives the forecast outturn position for South Ribble's business rates collection fund.

	Cumulative Income				
	Apr	May	Jun	Jul	Forecast Total 20/21
	£m	£m	£m	£m	£m
Forecast	3.858	5.671	7.899	9.893	25.135
Actual	3.132	4.746	6.640	8.782	24.024
Deficit	0.726	0.925	1.259	1.111	1.111

28. Based on current collection rates it is estimated the gross shortfall of business rates income could be £1.111m. South Ribble's share of this deficit would be approximately £444k meaning the council would be £444k short of its budgeted business rates income in 20/21. Although this figure seems large it should be noted:

- The council is not currently pursuing outstanding business rates debt. It is likely there are many businesses that are not currently able to pay but that will be able to meet the liability over the remainder of the year or over a longer agreed period. As such it is expected that the current collection rates will improve therefore reducing the forecast deficit.
- The Government has announced that councils will be able to spread out the loss of business rates and council tax income over the next three years, rather than in one year. A deficit of £444k may therefore only result in a £150k impact for the council per year.
- The council holds a business rates retention reserve of £3.309m to fund one-off shortfalls in the business rates it collects. This includes managing downward revaluations, the risk surrounding this has however now been reduced as the scheduled 2021 national revaluations have been put back to 2023. The reserve is therefore considered more than sufficient to manage the risk surrounding business rates income.

29. The table above demonstrates that the cumulative shortfall in expected business rates actually improved from £1.259m shortfall in June to £1.111m shortfall in July. The outturn has not been adjusted in Table 1 due to the uncertainty regarding the final shortfall in businesses rates

income. It has also not been adjusted because, due to the complexities of the business rates system, the shortfall will be recognised in 2021/22 rather than this financial year.

Council Tax

	Cumulative Income				
	Apr	May	Jun	Jul	Forecast Total 20/21
	£m	£m	£m	£m	£m
Forecast	7.384	13.927	20.499	27.178	70.029
Actual	7.083	13.403	19.869	26.401	69.252
Deficit	0.301	0.524	0.629	0.777	0.777

30. Based on current collection rates it is estimated the gross shortfall of council tax income could be £0.777m in 20/21. South Ribble's share of this deficit would be approximately £93k meaning the council would be £93k short of its budgeted council tax income in.

31. As with business rates income the council is not currently pursuing outstanding debt and so it is likely that, with the correct support offered by the council, that the collection rates will improve throughout the year. The same rephasing of any deficits also applies to council tax income meaning the potential £93k deficit may be spread over three years. Finally, as with business rates, any shortfall in 2020/21 will be recognised in the 2021/22 accounts and so the outturn has not been updated in this report.

Expenditure

Description	Apr	May	Jun	Jul	Aug	Total Apr to Aug	Commitments	Spend + Commitments
Communications	1,701	916	-	-	-	2,617	375	2,992
Homelessness Support	1,205	5,252	11,460	6,435	11,200	35,552	1,190	36,742
ICT	1,900	-	-	-	-	1,900	3,295	5,195
Staffing	1,411	794	17,580	-	-	19,785	-	19,785
Temp. Borrowing	12,055	-	-	-	-	12,055	-	12,055
Works to Offices	1,432	197	1,329	1,544	272	4,774	623	5,397
Communications	-	-	-	2,134	546	2,680	-	2,680
Food, Supplies & PPE	41,332	1,944	3,499	2,853	-	49,628	81,850	131,478
Total	61,036	9,102	33,867	12,966	12,018	128,990	87,333	216,323

32. The table above outlines the additional expenditure incurred as a result of Covid-19. This includes the additional provision for the Holiday Hunger scheme approved by S35 decision on 7 July 2020.

33. Also on this agenda is a report outlining potential support to Serco Leisure Operating Ltd during Covid-19. A maximum budget of £240k has been requested that would be added to the £216k above. As outlined in the report Councils are lobbying the Government for specific grant funding relating to Council's supporting their local leisure services.

Government Funding

34. The following funding has been provided by the Government to support South Ribble Council during the pandemic.

Funding	CBC	Funding Guidance
1 st Tranche CV-19 Funding	£41,325	None
2 nd Tranche CV-19 Funding	£1,097,210	None
3 rd Tranche CV-19 Funding	£160,799	None
TOTAL	£1,299,334	
New Burdens Funding – Business Grants	£130,000	None
Extending Council Tax Support	£855,000	Yes
Reopening High Streets	£105,438	Yes
TOTAL CV-19 Related Funding	£2,389,772	

CV-19 Grant Funding Support

35. On the 2 July 2020 the Government announced the 3rd tranche of Covid-19 grant support. The Government has also announced that they will support councils for the loss of some income, fees and charges but not commercial income, in 20/21. The council will have to manage the first 5% of shortfall in budgeted income and then the Government will provide 75% of any further loss. Officers will report the loss of income on a monthly basis to Government.
36. The grant support by Government as well as funding for loss of income is welcomed by the council however, there has been no grant guidance documentation published by the Government for the £1.299m funding South Rubble Council has received. It is understood, although not confirmed, that the Government may begin setting limits on how this funding can be spent, for example that it cannot be used to cover the loss of commercial income. It is assumed that this funding is not time-limited and therefore can be carried forward into future years.

Other Funding Support

37. On top of the CV-19 funding the council has also received £130k to cover the costs of administering the business grants scheme. The total cost of administering the scheme will certainly be in excess of this amount such has been the demand on staff time across teams such as business support, revenue and benefits and finance. It is understood that this support relates to the administration of the first tranche of funding. The management of the discretionary grant scheme has been equally onerous and the Government is being lobbied to also provide funding for the administration of this scheme.
38. The council also received £105k 'Reopening High Streets Safely Fund'. This grant is ERDF funding and as such the restrictions as to how this can be spent are extremely prohibitive.

Further guidance continued to narrow the type of expenditure within the scope of this fund and to date only a few hundred pounds has been committed to improve communication to regarding their safe return to the high streets.

39. Table 1 of this report outlines the assumed additional spend against the total Covid-19 funding streams.

	Forecast Variance 20/21 £'000
Forecast Additional CV-19 Expenditure	2,259
CV-19 Funding	(2,389)
Variance	(130)

40. To be prudent at this stage in the financial year, it is assumed all funding from the Government will either meet any additional costs incurred by the council or be carried forward into future years if not committed fully in 20/21.

41. The only deviation is the assumption that the £130k to cover the costs of administering the business grants scheme will meet budgeted staff costs and as such provides a £130k budget underspend to the council.

Business Grants

42. Below is a table outlining the grants paid to businesses as part of the Small Business and Retail, Hospitality and Leisure and discretionary grant programmes.

Type of Grant	Grant Amount	Number of Grants	Total Amount
Discretionary Grants	£5,000	104	£520,000
Small Business & Retail, Hospitality & Leisure	£10,000	1,501	£15,010,000
Retail, Hospitality & Leisure	£25,000	161	£4,025,000
		1,766	£19,555,000

43. The Council received a total funding allocation of £20.888m of which the following was allocated by the Government in May 2020:

- £19,850,000 maximum allocation for Small Business & Retail, Hospitality & Leisure grants
- £992,500 maximum allocation for Discretionary Grants
- £45,500 minimum amount to be returned to Government

44. Officers working across both councils and across different departments have supported businesses in applying for receiving as much grant funding as possible. All schemes have closed as at the end of August with final payments to be made by the end of September. It is expected that all the discretionary allocation will be paid out to businesses and officers continue to work hard to encourage those businesses eligible for the Small Business & Retail, Hospitality & Leisure grant to apply.

F) Income from Fees and Charges

45. Table 5 shows the budgets and forecasts of the main types of income that are generated by services. (Note: this is different to general funding that isn't attributable to particular services such as non-specific government grants, council tax and business rates.)

46. The main forecasted variations are as follows:

- Car Parking – There was zero income in April to June. Around £4,000 was received in both July and August, which is only a third of the monthly budget. It is very difficult to predict what might happen for the rest of the year. The forecast of £53,000 is based on assumed reduced income up to Christmas and then normal levels of income from January.
- Garden Waste Collection Charges – Charges were introduced in 2018-19 at £30 per bin. The budgets set for 2018-19 and 2019-20 turned out to be much too low because the actual volume of customers was much higher than expected. The charges were reduced to £25 per bin for 2020-21 and the budget was reduced to take this into account. The budget was also recalculated using the existing number of customers. Take-up for 2020-21 has increased again compared to last year, resulting in a forecasted surplus of £57,000 (equivalent to 2,280 extra charges of £25).
- Land Charges and Licensing - Income is expected to be below the budgeted levels in 2020/21. The forecast is currently based on a simple forecast using income to date. This shortfall in income may be reduced if applications begin to increase more in the latter half of the financial year
- Investment Property rental – In response to Covid-19, the council decided not to charge rents for March to June 2020. The loss of rent for March was accounted for in 2019-20. The loss of rent for April to June 2020 is the main reason for the forecasted deficit of £316,000.
- Sports Coaching – At the time the budget was set there was uncertainty over some of the potential grant funding so, to be prudent, the budget assumed the funding would not occur. Usually the budget for the whole service is set to break-even but due to the assumption that funding might be reduced, the budget was set as a deficit of £100,000 to be matched by a transfer from reserves of the surplus of sports development income that has built up over the years. However, the funding has since been confirmed and therefore the income will be £100,000 higher than the budget figure.

47. As described above in Section E) Impact of Covid-19, the Government has offered support of up to 75% of shortfall in income from fees and charges in 20/21. The figures in Table 5 include this support after taking into account that the Council must manage the first 5% of budgeted lost income. The total forecast level of Government support is currently £162,000. This will be reported quarterly to the Government with the first payment to the Council intended to be in October.

Table 5: Income from Fees and Charges

Service Area	Income 2019-20 £'000	Current Budget 2020-21 £'000	Actual to 31/07 £'000	Forecast £'000	Forecast (Surplus) / Deficit £'000
Neighbourhoods & Development					
Car Parking charges and fines	(141)	(145)	(5)	(53)	92
Civic Centre Business & Conference Ctr	(26)	(36)	-	-	36
Dog impounding, littering and dog fouling	(4)	(18)	(1)	(3)	15
Environmental Permits	(23)	(19)	(1)	(19)	0
Grounds Maintenance	(156)	(155)	(146)	(150)	5
Licensing - Piercings, Tattoos & Animals	(9)	(7)	(3)	(3)	4
Licensing - Street Traders	(23)	(25)	(15)	(15)	10
Open Spaces (sports pitches, fairs, etc)	(33)	(18)	(22)	(22)	(4)
Pest Control	(46)	(50)	(26)	(35)	15
Property rental - Civic Centre	(67)	(50)	(33)	(35)	15
Property rental - Market	(126)	(142)	(15)	(100)	42
Property rental - Moss Side Depot	(43)	(43)	(31)	(26)	16
Property rental - Worden Craft Centre	(11)	(15)	(12)	(10)	5
Sports Coaching	(279)	(120)	(110)	(220)	(100)
Waste Collection - Garden waste	(809)	(683)	(723)	(740)	(57)
Waste Collection - New bins	(56)	(45)	(50)	(30)	15
Waste Collection - Special collections	(40)	(40)	(16)	(40)	-
Waste Collection - Trade Waste	(445)	(481)	(445)	(445)	36
Vehicle Maintenance for FCC	(120)	(101)	(47)	(112)	(11)
Government Support				(106)	(106)
	(2,455)	(2,190)	(1,701)	(2,163)	27
Planning & Property					
Building Control	(177)	(191)	(56)	(160)	31
Planning application fees	(436)	(505)	(240)	(513)	(8)
Planning pre-application fees	(31)	(40)	(7)	(30)	10
Investment property rental	(950)	(1,105)	(627)	(789)	316
	(1,593)	(1,841)	(930)	(1,492)	349
Governance					
Land Charges	(90)	(80)	(18)	(40)	40
Legal fees recovered	(13)	(15)	(5)	(15)	-
Licensing - Alcohol	(78)	(76)	(17)	(40)	36
Licensing - Gambling	(10)	(12)	(2)	(5)	7
Licensing - Taxis	(84)	(90)	(38)	(80)	10
Government Support				(56)	(56)
	(275)	(273)	(81)	(236)	37
Customer & Digital					
Court summons costs recovered	(219)	(228)	-	(228)	-
Total	(4,543)	(4,532)	(2,712)	(4,119)	413

G) Reserves

48. The total balance on reserves at the beginning of the financial year was £20.814m. Table 6 below shows the expected movements in the reserves for 2020-21. The details of the purposes of each earmarked reserve and the movements in the balances are as follows:

- Borough Council Elections – The original budget includes a £40,000 top up of this reserve every year to build up a fund for local elections that take place every 4 years. In the Outturn 2019-20 it was approved to top up the reserve for a full £160,000 using the surplus in 2019-20 so that no contributions are needed over the next 3 years.
- Borough Investment Account – This reserve was created for the purpose of purchasing investment property to generate more rental income for the revenue budget. In the MTFS 2020-21 to 2023-23, a proportion of the reserve was budgeted to be used for the Worden Hall and Hoole Village Hall capital projects.
- Business Rates Retention – This reserve exists as a contingency to cover any unexpected shortfalls in business rates funding that may occur within a one- or two-year period to allow time for the council's budgets to be realigned. Some of the reserve will be required in 2020/21, and the following year, to cover the expected deficit in business rates funding due to Covid-19.
- Capital Funding – This is the main reserve used for funding the capital programme.
- City Deal – This reserve exists as a contingency to fund any unexpected costs that arise in relation to City Deal.
- Climate Change – The approved budget for 2020/21 included the creation of a Climate Change reserve of £250,000.
- Credit Union – As part of the budget monitoring report for quarter 3 of 2019-20, Cabinet approved the creation of a Credit Union reserve of £150,000 using the surplus in 2019/20.
- Housing Needs Surveys – This reserve is topped up each year so that when housing surveys are needed to be carried out there is funding available.
- Local Plans – The purpose of this reserve is to meet the forecasted expenditure requirements in relation to the Local Development Framework.
- My Neighbourhoods – This is the balance of unspent funding for the My Neighbourhoods forums.
- Performance Reward Grant – This is the balance of unspent PRG funding.
- Repairs and Maintenance – This reserve exists as a contingency to fund unexpected costs for repairs and maintenance of council properties that cannot be covered by existing revenue budgets. The approved capital programme for 2020/21 onwards allocates this reserve to the leisure centres refurbishments scheme, which has a total budget of £2.1m.
- Restructure Costs – This reserve was increased at Outturn 2019-20 to £200,000 as a provision for potential cost relating to the expansion of shared services.
- Transformation Fund – This reserve is being used to fund the IT Digital Strategy costs in the capital programme.
- Other Earmarked Reserves – This reserve comprises three elements: approved carry forwards of underspends that have not yet been allocated, surplus income relating to Sports Development, and miscellaneous ring-fenced grant income specific to certain service areas.

49. Appendix B shows the planned movement in reserves over this year and the next 3 years.

Table 6: Reserves Summary

Reserve Name	Opening Balance £'000	Transfers In £'000	Transfers Out £'000	Capital Financing £'000	Movemnt Between Reserves £'000	Closing Balance £'000
Earmarked Reserves						
Borough Council Elections	(160)	-	-	-	-	(160)
Borough Investment Account	(4,577)	-	-	700	-	(3,877)
Business Rates Retention	(3,309)	-	65	-	-	(3,244)
Capital Funding	(3,514)	-	-	3,494	-	(20)
CIL Admin	(248)	-	-	-	-	(248)
City Deal	(1,851)	-	-	-	-	(1,851)
Climate Change	(250)	-	-	-	-	(250)
Credit Union	(150)	-	-	-	-	(150)
Housing Needs Surveys	(100)	(20)	40	-	-	(80)
Local Plans	(255)	-	99	-	-	(156)
My Neighbourhoods	(67)	-	-	-	-	(67)
Performance Reward Grant	(27)	-	27	-	-	-
Repairs and Maintenance	(500)	-	-	500	-	-
Restructure Costs	(200)	-	100	-	-	(100)
Transformation Fund	(415)	-	-	246	-	(169)
Other Earmarked Reserves:						
Ring-fenced grants	(488)	-	200	-	-	(289)
Sports Development income	(337)	-	220	-	-	(117)
Carried forward underspends	(126)	-	126	-	-	-
	(16,575)	(20)	877	4,940	-	(10,778)
General Reserve	(4,239)	-	-	-	-	(4,239)
Total	(20,814)	(20)	877	4,940	-	(15,017)

H) Capital Programme

Spending

50. Covid-19 has had a massive impact on the timescales for delivering capital schemes, and it is expected that there will be a significant underspend against the original capital programme budget. However, it is very difficult to pinpoint exactly which schemes will be affected and to what extent. Where there are obvious delays against the larger schemes, the forecasts have been adjusted accordingly. However, the forecasts for most of the other schemes have not been amended yet. With lockdown measures having eased, nationally, it should be possible to review the programme in more detail for the quarter 2 monitoring report and provide more accurate forecasts.
51. Appendix C lists all the capital schemes within the programme and the detail regarding budgets, spending and current forecasts.

Financing

52. Table 7 below shows the movements in the balances of capital funding streams.

- Community Infrastructure Levy (CIL) – Funding has been steadily building up over the last 5 years. The balance in Table 7 shows the net funding available to the Council after deducting payments made, or due, to Parish Councils and LCC as part of the arrangements for City Deal. The capital programme does not currently have many assumptions about using the CIL funding and only £125,000 is committed in 2019-20.
- Land Release Fund – The grant was received a couple of years ago in relation to the house-building project. That project has seen been terminated and the money cannot be repurposed, meaning it will have to be returned.
- Section 106 – The majority of the balance of Section 106 funding is allocated to schemes within the capital programme. Several receipts totalling £523,000 have stipulations that they must be used for highways work and have been earmarked to be paid to LCC once the relevant works are completed. The unallocated balance is £359,000. There are three large value affordable housing schemes that will use all the affordable housing funding: Station Road Bamber Bridge, McKenzie Arms Bamber Bridge and an Extra Care facility. The other Section 106 funding is allocated mostly to parks and open spaces schemes within the programme.

Table 7: Capital Financing

Funding Stream	Opening Balance £'000	Receipts £'000	Release to Revenue £'000	Capital Financing £'000	Closing Balance £'000
Grants and Contributions					
City Deal capital funding	-	(50)	-	50	-
Community Infrastructure Levy (CIL)	(2,029)	-	-	125	(1,904)
Disabled Facilities Grant (DFG)	(314)	688	-	1,003	1,376
Land Release Fund	(362)	362	-	-	-
Lottery Funding (Hurst Grange Park)	-	(440)	-	440	-
Section 106 Affordable Housing	(5,044)	-	-	663	(4,381)
Section 106 Other	(2,498)	-	-	1,121	(1,377)
Other grants and contributions	(25)	-	-	-	(25)
	(10,165)	560	-	3,401	(6,203)

COMMENTS OF THE STATUTORY FINANCE OFFICER

53. The contents of the report outline the financial implications for the council.

COMMENTS OF THE MONITORING OFFICER

54. Clearly it is important that a council should report openly and transparently with regard to the monitoring of the budget. Residents need to know how the council is performing. From a legal perspective there are no concerns to report.

APPENDICES

Appendix A – Staffing Vacancies at 31st July 2020

Appendix B – Capital Programme

Appendix C – Reserves Planned Movements

Leadership Team Member's Name: James Thomson

Job Title: Deputy Director of Finance (and Section 151 Officer)

Report Author:	Date:
James McNulty (Senior Management Accountant)	28 th August 2020

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Post	Already Shared	To be considered in relation to shared services	Notes
Corporate			
Chief Executive			The post became vacant on 15/07/20. SRBC has been paying 50% of the costs for the Interim Chief Executive since 1 st June 2020.
Neighbourhoods & Development			
Community Involvement Officer			The post was created with effect from 1 st April 2020 as part of the MTFs.
Youth Council Officer (Community Involvement)			The post was created with effect from 1 st April 2020 as part of the MTFs.
Engineering Technician			Vacant since 14/09/19. The post was created by upgrading an apprentice role but the person in post then left the organisation. The team is able to function without this role and so there are plans to delete it and create an additional Facilities Management role to bolster that service.
Graphic Designer		Y	Vacant since 30/11/19
Environmental Health – Housing Enforcement Officer			The post was created with effect from 1 st April 2020 as part of the MTFs.
Neighbourhoods Team Operative			Vacant since 31/05/20
Planning & Property			
Assistant Director of Housing & Property			Vacant since 22/03/20. The post is being kept vacant pending a restructure of the senior posts within the directorate.
Apprentice (generic role)			There is one budget within the Planning & Property directorate that covers all apprentice roles within the organisation. The post-holders are assigned to various teams across multiple directorates. There is one vacancy, which was also vacant all throughout 2019-20. The post was intended to be used for the Gateway team. It was advertised twice but there were no suitable candidates.
Estates Officer			Vacant since 05/04/20
Housing Options Officer			Vacant since 13/07/20
Museum Curator			Vacant since 31/05/20

Post	Already Shared	To be considered in relation to shared services	Notes
Planning Enforcement Officer 2 FTE			One post has been vacant since 01/08/19, when a new structure was implemented. It was kept vacant to assess whether it is required in the long term. The other post has recently become vacant on 31/05/20. Agency support has been procured for the short-term.
Youth Support Officer			The post was created with effect from 1 st April 2020 as part of the MTFs, to be funded from the surplus income from Sports Development held in reserves.
Customer & Digital			
Gateway Officer			Vacant since 01/12/19
Gateway Receptionist			Vacant since 01/11/19
Gateway Receptionist			Vacant since 02/02/20
IT Cyber Security Trainee			The post was created with effect from 1 st April 2020 as part of the MTFs.
IT Security Support Officer			Vacant since 01/07/19, when a restructure was implemented. The post has been advertised twice but there have not been suitable candidates to appoint.
IT Senior Network Support Analyst			Vacant since 14/02/20. The post holder retired and there was a pension strain cost of £74,100. The post will be kept vacant during 2020/21 to fund that cost.
Revenues & Benefits Officer 2 FTE			One post has been vacant since 29/02/20 and another became vacant on 26/07/20. Options are being considered regarding potential regrading of these posts and/or other minor restructure changes within the team.
Governance			
Democratic Services Officer	Y	Y	Vacant since 20/07/20
Governance & Member Services Team Leader	Y	Y	Vacant since 02/02/20. The post has been replaced by a lower-graded Democratic & Member Services Officer role. A new starter will begin in September. The saving from reducing the grade will be incorporated into the shared services review.
Head of Licensing		Y	Vacant since 23/02/20

Post	Already Shared	To be considered in relation to shared services	Notes
Interim Head of Shared Assurance	Y	Y	This post is <u>not</u> part of the budgeted establishment. The role has been carried out on an interim basis since December 2018 when the previous role was disestablished as part of a senior management restructure. The intention has been to review the structure of the team and create a permanent role but for various reasons this has had to be postponed several times. The post-holder left on 30/06/20.
Principal Auditor	Y	Y	Vacant since 10/05/20
Auditor 1.2 FTE	Y	Y	Both posts were vacant all throughout 2019-20 and were temporarily covered by agency staff at various points. The agency cover finished in May 2020.
Insurance Officer	Y	Y	Vacant since 13/10/19. Another officer has been acting up to this role but their substantive role is not currently back-filled.
Finance			
Director of Finance	Y	N	The post was included in the budget for 2019-20 based on assumptions from the previous senior management restructure that took effect during 2018-19. The post was vacant all throughout 2019-20 and has not yet been filled.
Management Accountant	Y	N	Vacant since 05/06/20
Communications & Visitor Economy			
No vacancies			
Transformation & Partnerships			
HR Advisor	Y	Y	Vacant since 29/02/20
Business Support Officer	Y	Y	Vacant since 31/12/19

Notes:

1. FTE stands for Full Time Equivalent and is used for part-time posts to show a comparison against a full-time post.
2. MTFSS stands for Medium Term Financial Strategy, which is the annual document that outlines the Council's detailed budget for the following financial year and planned budgets for the next few years after that.

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Reserves Planned Movements 2020-2024

Note: All figures are in £'000

Appendix B

Reserve Name	19/20 C/F	2020-21			2021-22			2022-23			2023-24		
		In	Out	C/F	In	Out	C/F	In	Out	C/F	In	Out	C/F
Earmarked Reserves													
Borough Council Elections	(160)	-	-	(160)	-	-	(160)	-	-	(160)	-	160	-
Borough Investment Acct	(4,577)	-	700	(3,877)	-	1,670	(2,207)	-	-	(2,207)	-	-	(2,207)
Business Rates Retention	(3,309)	-	65	(3,244)	-	65	(3,179)	-	65	(3,114)	-	65	(3,049)
Capital Funding	(3,514)	-	3,494	(20)	(250)	-	(270)	(250)	-	(520)	(250)	-	(770)
CIL Admin	(248)	-	-	(248)	-	-	(248)	-	-	(248)	-	-	(248)
City Deal	(1,851)	-	-	(1,851)	-	-	(1,851)	-	-	(1,851)	-	-	(1,851)
Climate Change	(250)	-	-	(250)	-	-	(250)	-	-	(250)	-	-	(250)
Credit Union	(150)	-	-	(150)	-	-	(150)	-	-	(150)	-	-	(150)
Housing Needs Surveys	(100)	(20)	40	(80)	(20)	-	(100)	-	-	(100)	-	-	(100)
Local Plans	(255)	-	99	(156)	-	26	(130)	-	25	(105)	-	44	(62)
My Neighbourhoods	(67)	-	-	(67)	-	-	(67)	-	-	(67)	-	-	(67)
Performance Reward Grant	(27)	-	27	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	(500)	-	500	-	(250)	-	(250)	(250)	-	(500)	(250)	-	(750)
Restructure Costs	(200)	-	100	(100)	-	100	-	-	-	-	-	-	-
Transformation Fund	(415)	-	246	(169)	-	-	(169)	-	-	(169)	-	-	(169)
Other Earmarked Reserves:													
Ring-fenced income	(488)	-	200	(289)	-	44	(245)	-	44	(201)	-	-	(201)
Sports Dev income	(337)	-	220	(117)	-	85	(32)	-	-	(32)	-	-	(32)
Carried fwd underspends	(126)	-	126	-	-	-	-	-	-	-	-	-	-
	(16,575)	(20)	5,817	(10,778)	(520)	1,990	(9,308)	(500)	134	(9,674)	(500)	269	(9,905)
General Reserve	(4,239)	-	-	(4,239)	-	181	(4,058)	-	199	(3,858)	-	224	(3,635)
Total	(20,814)	(20)	5,817	(15,017)	(520)	2,172	(13,365)	(500)	333	(13,532)	(500)	492	(13,540)

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Capital Programme 2020-21 Quarter 1

Note: All figures are in £'000

Appendix C

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Health, Leisure & Wellbeing												
Green Infrastructure												
Green Infrastructure unallocated	-	-	-	-	-	-		-	200	200	200	600
Green Link - Penwortham Holme to Howick	250	-	125	(125)	-	(125)	Project has been held up due to Covid-19. Planning is now underway with LCC. Likely to complete half the work in 20/21, since dependent on partners LCC and the EA and their flooding scheme	125	125	-	-	250
Green Link - Shruggs Wood	119	29	44	(75)	-	(75)	The budget for 20/21 is based on the c/f amount of an original £200k for works planned in conjunction with the leisure facility development on the nearby site. With the latter being postponed, the works needed to Shruggs wood were not as extensive and only a much smaller budget is required.	44	-	-	-	44
Leyland Loop	91	7	91	-	-	-		91	100	-	-	191
Total Green Infrastructure	460	36	260	(200)	-	(200)		260	425	200	200	1,085
Worden Park												
Arboretum landscaping	30	-	30	-	-	-		30	-	-	-	30
Craft Units Windows and Security Grills	40	-	40	-	-	-		40	-	-	-	40
Farmyard Cottages Windows and rendering	50	-	50	-	-	-		50	-	-	-	50
Farmyard Cottages - Heating	50	-	50	-	-	-		50	-	-	-	50

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Ice House front façade	10	-	10	-	-	-		10	-	-	-	10
North Lodge	-	4	4	4	-	4	The project lead mistakenly thought that all expenditure had been incurred in 19/20 and so the remaining budget of £13k was shown as a saving in the outturn report. However, additional work of £4k had been requested without adjusting the existing purchase order and this has now been paid.	4	-	-	-	4
Overflow Car Park	120	-	120	-	-	-	Tender docs prepared and about to be tendered now contractors can visit site. Works should be able to begin Sept 2020, after summer holidays.	120	-	-	-	120
Sewerage pumping station and septic tanks	40	-	20	(20)	-	(20)	The Worden sewage pumping station are a cosmetic project so could wait but 2 septic tanks at Worden non-compliant and will be replaced asap.	20	20	-	-	40
Shaw Brook weirs and banking	40	-	-	(40)	-	(40)	The project has been put on hold. Both elements need various permissions and dry weather.	-	40	-	-	40
Shaw Wood footpaths	33	-	-	(33)	-	(33)	Same as above	-	33	-	-	33
Walled garden pot house - replace the building frame and base walls	-	-	-	-	-	-		-	100	-	-	100
Worden Park fountain	-	-	-	-	-	-		-	80	-	-	80
Worden Park paths	-	-	-	-	-	-		-	-	200	232	432
Worden Hall refurbishment	500	102	120	(380)	-	(380)	Work is underway to take project through to planning stage. Will be not on site until next financial year.	120	2,050	-	-	2,170
Total Worden Park	913	106	444	(469)	-	(469)		444	2,323	200	232	3,199

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24	
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24		
Other Parks and Open Spaces													
Hurst Grange Park drainage	25	-	25	-	-	-		25	-	-	-	25	
Hurst Grange Coach House Phase 2	440	-	300	(140)	-	(140)	A tender has been issued. A report to Oct Cabinet will request approval to appoint and proceed. Work is scheduled to begin in Nov and continue to June.	300	490	-	-	790	
Hurst Grange Park Paths	-	-	-	-	-	-		-	40	-	-	40	
Open Spaces - Bent Lane	68	4	68	-	-	-		68	-	-	-	68	
Open Spaces - Balcarres Green	24	23	24	-	-	-		24	-	-	-	24	
Playground - Worden Park	50	50	50	-	-	-		50	-	-	-	50	
Playground - Leadale Green	33	35	33	-	-	-		33	-	-	-	33	
Playground - Seven Stars	173	175	173	-	-	-		173	-	-	-	173	
Playground edging Worden and Farington parks	-	-	-	-	-	-		-	-	-	-	-	
Playgrounds - Haig Avenue, Hurst Grange, Bellis Way, Bent Lane	300	-	-	(300)	200	(500)	The current budget was profiled as £300k in 20/21 and £200k in 21/22. It will be split between the 4 playgrounds and re-profiled as shown in the rows below.	-	-	-	-	-	
Playground - Haig Avenue	-	-	175	175	-	175		175	-	-	-	175	
Playground - Hurst Grange	-	-	225	225	-	225		225	-	-	-	225	
Playground - Bellis Way	-	-	20	20	-	20		20	-	-	-	20	
Playground - Bent Lane	-	-	-	-	(80)	80	There is contaminated land on the site that must be dealt with before work can proceed. Unlikely that works will be able to commence this financial year.	-	80	-	-	80	

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Other Parks - Footpaths (Fossdale Moss, Priory, Valley Road)	15	-	15	-	-	-		15	30	-	-	45
Tarn Wood, Penwortham	30	-	30	-	-	-		30	-	-	-	30
A tree for every resident	43	2	43	-	-	-		43	53	40	-	136
Withy Grove Park	-	-	-	-	-	-		-	60	-	-	60
Total Other Parks & Opn Space	1,200	289	1,180	(20)	120	(140)		1,180	753	40	-	1,973
Sports and Leisure												
Leisure Facility	12	12	12	-	-	-		12	-	-	18,988	19,000
Leisure Centre refurbishments	1,000	-	500	(500)	-	(500)	Background work now done and priorities agreed as part of Facilities strategy. Due to impact of Covid-19, work will get pushed back later in the year.	500	1,600	-	-	2,100
Lostock Hall Football Facility	146	-	146	-	-	-		146	-	-	-	146
Sport Pitch Hub	65	70	70	5	-	5	Background work been done with FA and Football foundation to agree project and funding on the chosen Bamber Bridge site. Should be on site in 21/22. Options are being explored to access grant from Football Foundation. This would be a bonus as the scheme is budgeted to use existing resources.	70	3,000	1,235	-	4,305
King George V Playing Fields, Higher Walton	75	-	75	-	-	-		75	-	-	-	75

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24	
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24		
Place													
Land Acquisition Croston Road	77	-	77	-	-	-		77	-	-	-	77	
Affordable Housing at former McKenzie Arms, Bamber Bridge	100	22	100	-	-	-	Planning application submitted to August Planning Committee. Procurement options are being will be reported to Cabinet, for a decision on which route to take.	100	2,117	-	-	2,217	
Affordable Housing at Station Road, Bamber Bridge	563	499	563	-	-	-		563	-	-	-	563	
Car Park resurfacing, Ryefield Avenue, Penwortham	-	-	-	-	-	-		-	40	-	-	40	
Church Road, Bamber Bridge	-	-	-	-	-	-	There scheme relates to a specific S106 receipt that must be used at the Church Road site. The Council does not own the land so progress is likely to be slow.	-	40	-	-	40	
Disabled Facilities Grants	1,003	203	1,003	-	-	-		1,003	682	682	682	3,049	
Extra Care scheme	-	-	-	-	-	-	A report is going to Cabinet to agree the site and strategy for progressing the scheme. The intention is to plan the project by engaging support through a procurement framework.	-	5,000	4,000	1,000	10,000	
Hoole Village Hall Grant	200	-	200	-	-	-	The original funding plan for this scheme was a £150k loan and £50k grant using Section 106 receipts. However, on closer investigation of the potential receipts and the specific plans for the hall, there are no receipts that are eligible.	200	-	-	-	200	

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Leyland Train Station Ticket Office	60	-	15	(45)	-	(45)	Initial plans include a new staircase, bike secure storage and improvements to the entrance. Only the staircase is expected to be completed in 20/21.	15	45	-	-	60
Masterplanning & Regen - Leyland	-	-	-	-	-	-		-	2,000	-	-	2,000
Masterplanning & Regen - Penwortham	50	-	50	-	-	-		50	-	2,000	-	2,050
New Longton Regeneration	75	-	-	(75)	-	(75)	There are no designs for this scheme. There have been discussions with stakeholders about potential ideas but the project is very much still in the early planning phase.	-	75	-	-	75
Empty Homes grants	39	-	39	-	-	-		39	-	-	-	39
Private Sector home improvement grants	75	4	75	-	-	-		75	75	75	75	300
St Mary's, Penwortham - Churchyard wall repairs	140	-	-	(140)	-	(140)	Progress on this scheme has been very slow because the decision making processes within the church organisations are very slow moving. Work cannot progress until the restrictions due to Covid-19 are lifted. We are also still awaiting burial records from the church.	-	140	-	-	140

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Excellence & Financial Sustainability												
IT Programme												
IT Unallocated Funding	106	-	62	(44)	-	(44)		62	200	200	200	662
Capita Software Upgrade (c/f)	5	5	5	-	-	-		5	-	-	-	5
Civic Centre conference centre hearing loop	50	-	35	(15)	-	(15)		35	-	-	-	35
HFX Upgrade (c/f)	4	4	4	-	-	-		4	-	-	-	4
Idox (c/f)	147	147	147	-	-	-		147	-	-	-	147
Single Sign On and Calendar Integration	33	22	33	-	-	-		33	-	-	-	33
Members tablet refresh	50	52	52	2	-	2		52	-	-	-	52
Mobile phone upgrade	12	9	12	-	-	-		12	-	-	-	12
Front to Back Office Automation	-	-	17	17	-	17		17	-	-	-	17
Help Desk System	-	-	5	5	-	5		5	-	-	-	5
Tablet refresh (agile working)	-	-	35	35	-	35		35	-	-	-	35
Total IT Programme	405	238	405	(0)	-	-		405	200	200	200	1,005
Other non-ICT projects												
Corporate Buildings Unallocated	100	-	100	-	-	-	This budget is earmarked for two things. Firstly, at least one investment property requires a new roof. Secondly, stock condition surveys, which should be completed by December, are likely to identify immediate works required to certain buildings.	100	100	100	100	400
Corporate Buildings - Civic Centre	75	-	75	-	-	-		75	50	-	-	125
Civic Centre emergency lighting	7	9	7	-	-	-		7	-	-	-	7

Scheme Name	Current Budget 20/21	Spend + Orders	Forecast	Forecast Variance	Variance split		Notes	Revised Budgets				Total 2020-24
					Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Civic Centre LED Lighting	45	-	45	-	-	-		45	-	-	-	45
Civic Centre New Entrance	150	-	150	-	-	-	The scheme has been postponed due to the impact of Covid-19 both currently and in not knowing what services and the building environment might look like afterwards.	150	-	-	-	150
Civic Centre Solar Panels	31	31	31	-	-	-		31	-	-	-	31
Civic Centre 3rd Floor	50	-	50	-	-	-		50	-	-	-	50
Polling Booths	22	-	22	-	-	-		22	-	-	-	22
Vehicles and Plant replacement programme	2,477	1,249	2,497	21	-	21		2,497	950	400	100	3,947
Miscellaneous Costs	-	1	-	-	-	-		-	-	-	-	-
Grand Total	9,614	2,768	8,190	(1,423)	120	(1,543)		8,190	19,615	9,132	21,577	58,515