

Scrutiny Budget and Performance Panel

Monday, 13th September, 2021, 5.00 pm

Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

Supplementary Agenda

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

6 Revenue and Capital Budget Monitoring Report 1

(Pages 3 - 36)

Report of the Director of Finance/Section 151 Officer
attached.

Gary Hall
Chief Executive

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

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Report of	Meeting	Date
Director of Finance and Section 151 Officer (Introduced by Cabinet Member (Finance, Property and Assets))	Cabinet	15 th September 2021

Is this report confidential?	No
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Is this decision key?	Yes
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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2021/22 Corporate Revenue Budget Monitoring Report – position as at 31st July 2021

Purpose of the Report

1. This report sets out the revenue and reserves forecast for the Council as at 31st July 2021.

Recommendations to Cabinet

2. Note the forecast position for revenue and reserves as at 31st July 2021.
3. Note the virements to the revenue budget made during the period, as detailed in **Appendix 2** of the report.

Executive summary

4. There is a forecast break-even position against the budget at 31st July 2021 as detailed in **Appendix 1**.
5. The Council's Medium-Term Financial Strategy reported that working balances were to be maintained at existing levels due to the financial risks facing the Council. The balance at the last reporting period (2020/21 Outturn) was £4.141m. The forecast level of general fund balances as at 31st March 2022 remains at £4.141m.

Reasons for Recommendations

6. To ensure the Council's budgetary targets are achieved.

Agenda Item 6

Alternative Options Considered and Rejected

7. None

Corporate priorities

8. The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

9. The net revenue budget for 2021/22 is £14.480m.

10. **Appendix 2** provides further information about the specific earmarked reserves and provisions available for use throughout 2021/22.

11. The Council's approved revenue budget for 2021/21 included target savings of £190k, comprising £150k in staffing turnover, and £40k from the expansion of shared services.

Section A: Current Forecast Position – Revenue

12. The forecast expenditure based on the position as at 31st July 2021 is £14.480m against the Council's budgets of £14.480m. Details of the forecast revenue outturn position are shown in **Appendix 1** and reserves are outlined in **Appendix 2**. The main variances, by directorate, are detailed below.

Agenda Item 6

Variations from Budget

Directorate	Budget £'000	Forecast £'000	Variance (Under)/Over spend £'000
Commercial & Property	1,708	1,864	156
Communities	1,621	1,459	(162)
Customer & Digital	6,289	6,197	(92)
Governance	1,796	1,787	(9)
Planning & Development	620	588	(32)
Policy	1,882	1,860	(22)
Budgets Not In Directorates	564	929	365
Covid-19	-	(204)	(204)
Total Expenditure	14,480	14,480	0
Funding	Budget £'000	Forecast £'000	Variance £'000
Council Tax	(8,599)	(8,599)	-
Lower Tier Support Grant	(100)	(100)	-
New Homes Bonus	(363)	(363)	-
Reserves	(124)	(124)	-
Retained Business Rates	(3,829)	(3,829)	-
Section 31 Government Grants	(1,465)	(1,465)	-
Total Funding	(14,480)	(14,480)	0

13. Commercial and Property

- The forecast is based on a reduced income of £91k from investment properties, the market and the business and conference centre.
- Additional staffing costs of £47k have been included in the projections, in respect of support required in the facilities and estates teams.
- Leisure Services is forecast to be in line with budget based on performance in the first 4 months of the year.

14. Communities

- There are staffing underspends of £71k due to vacancies.
- Additional grant funding relating to Sports Coaching of £22k, and to Homelessness of £51k, is shown as a surplus because there are not yet definitive plans for spending.
- Details of the forecast position for the Community Hubs are shown in **Appendix 5**.

15. Customer and Digital

- Customer Services and Revenues and Benefits currently has a forecasted underspend of £150k on staffing costs due to vacant posts; a service review is in progress.
- Parks and Neighbourhoods is underspent on staffing by £47k due to vacancies
- This is offset by reduced income from court summonses of £95k and parking income of £93k.
- Garden waste income has a surplus of £87k but trade waste income is down by £21k.

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16. Governance

- There are no significant variances to note at this point in the year.

17. Planning and Development

- There is an underspend on staffing in Planning of £39k due to vacancies. This is offset by additional staffing costs in building control of £7k.

18. Policy

- There is an underspend of £15k in the Events team due to the slight delay in recruiting to the new staffing structure; it had been assumed that this would be fully staffed from 1st April.

19. Budgets Not In Directorates

- Additional pension contributions of £386k will be required due to an understatement in the prepayment to the Lancashire Pension Fund in April 2020. The council prepaid 3 years of contributions, covering 20/21, 21/22 and 22/23. The amount paid was calculated on an assumed value of pensionable pay. Under the terms of the prepayment, the Council is required to pay any significant shortfalls that arise during the 3 year period rather than such shortfalls being accounted for in any revised contribution rate calculated at the next triennial actuarial valuation. The issue has arisen due to an understatement of pension costs during the budget setting process in 2020/21 which then fed through to 2021/22 – this is in relation to the pension prepayment as the employer pension contributions budget and costs have been accounted for based on the prepayment, which was based on estimated costs, rather than the actual costs incurred. This has resulted in an in-year overspend of £264k on pensions.
- The revenue budget includes a savings target of £150k for staffing turnover and £40k for expanding shared services. The full savings of £150k have already been achieved and these have been deducted from directorate staffing budgets; £75k to Communities and £75k to Customer and Digital. The £40k savings target in respect of shared services will be identified following reviews currently in progress.
- Parish precepts are £44k higher than budget due to the fact that their value was not available when the budget was set.
- Net Interest Receivable/Payable is forecast to be £18k overspent for 2021/22.

20. Covid-19

Additional income of £204k is anticipated, predominantly from the government's Covid-19 Fees and Charges Compensation Scheme to offset losses of income incurred in the first quarter of 2021/22.

21. **Funding** – No variations in funding are forecasted at this stage.

Section B: General Fund Resources and Balances

22. With regard to working balances, and as detailed in **Appendix 3** to the report, the Council holds a £4.1m General Fund balance to manage budget risks not covered by earmarked reserves or provisions. The forecast outturn for 2021/22 shows a projected General Fund closing balance of £4.141m as detailed below.

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Summary of Movement in General Reserves	£m
General Fund Reserves as at 1 st April 2021	(4.141)
Forecast revenue budget (surplus) / deficit	0.000
Forecast General Reserve Closing Balance 2021/22	(4.141)

23. **Appendix 3** provides further information about the specific earmarked reserves and provisions available used throughout 2021/22.

24. Taking account of the adjustments highlighted in **Appendix 3**, the forecasted level of Earmarked reserves held for discretionary use by the Council at 31st March 2022 is £9.711m compared to a balance of £23.007m at 31st March 2021.

Summary of Movement in Earmarked Reserves	£m
Earmarked Reserves as at 1 st April 2021	(23.007)
Use of revenue reserves for capital financing	6.772
Release of S31 grant received in 2020/21 (and held in reserves) in respect of Business Rates reliefs stipulated by the government during – this offsets the resulting deficit brought forward on the Collection Fund	4.890
Forecast use of other earmarked reserves	1.634
Forecast Earmarked Reserves Closing Balance 2021/22	(9.711)

25. Amounts within the forecast use of other earmarked reserves include;

- £306k from the leisure reserve in relation to one-off costs involved in bringing leisure services in-house from 1st April 2021 and transferring to a local authority trading company later in the year.
- £242k from the Section 106 reserve relating to a specific section 106 agreement that requires the receipt to be paid over to City Deal.
- £236k not required from the business rates retention reserve to be moved for additional pension contributions required in relation to 2020/21.
- £177k to fund costs associated with the local plan.
- £150k from the business grants reserve to contribute to the wider programme of support to businesses, using Covid Additional Restrictions Grant funding.
- £113k of funding carried forward to be used for stock condition surveys for the Councils properties.
- The remainder of the movements are various, smaller adjustments related to revenue spending.

Climate change and air quality

26. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

27. None

Agenda Item 6

Risk

28. Please summarise the key risks identified in any risk assessments.

Comments of the Statutory Finance Officer

29. The financial implications are contained within this report.

Comments of the Monitoring Officer

30. None

Background documents

31. There are no background papers to this report.

Appendices

Appendix 1 – Revenue 2021/22 - position as at 31st July 2021

Appendix 2 – Revenue Budget Movements as at 31st July 2021

Appendix 3 – 2021/22 Reserves Programme position as at 31st July 2021

Appendix 4 – Staffing Vacancies as at 31st July 2021

Appendix 5 – Community Hubs position as at 31st July 2021

Report Author:	Email:	Telephone:	Date:
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APPENDIX 1

Revenue 2021/22 - position as at 31st July 2021

Directorate	Department / Section	Original Budget	Budget at 31st July 2021	Forecast Outturn based on position at 31st July 2021	Variance (Under) / Overspend
Commercial & Property	Community Centres	12	12	(9)	(20)
	Departmental Costs	117	117	120	3
	Housing Delivery	(33)	(33)	(25)	8
	Leisure	1,438	1,438	1,442	4
	Projects & Development	216	216	194	(22)
	Property Services	(42)	(42)	141	183
Commercial & Property Total		1,708	1,708	1,864	156
Communities	Community Involvement	625	580	539	(41)
	Departmental Costs	44	82	47	(35)
	Environmental Health	549	549	543	(6)
	Homelessness	350	350	301	(49)
	Housing Support	128	60	28	(32)
Communities Total		1,695	1,621	1,459	(162)
Customer & Digital	Customer Services and Revenue anc	753	678	622	(56)
	Departmental Costs	120	120	113	(7)
	Information Services	1,600	1,638	1,639	0
	Parks and Neighbourhoods	2,469	2,469	2,422	(47)
	Transport	336	336	410	74
	Waste Management	1,047	1,047	991	(56)
Customer & Digital Total		6,325	6,289	6,197	(92)
Governance	Civic Services	-	-	0	0
	Democratic Services	785	785	772	(12)
	Departmental Costs	228	228	212	(16)
	Legal	300	303	306	3
	Shared Assurance Services	481	481	497	16
Governance Total		1,794	1,796	1,787	(9)
Planning & Development	Building Control	(56)	(56)	(49)	7
	City Deal	(129)	(129)	(127)	2
	Departmental Costs	112	44	51	7
	Investment and Skills	408	408	396	(12)
	Licensing	4	4	8	4
	Planning	320	348	309	(40)
Planning & Development Total		659	620	588	(31)
Policy	Communications & Visitor Economy	343	343	317	(26)
	Corporate	193	193	200	6
	Shared Financial Services	673	671	679	8
	Transformation & Partnerships	675	675	665	(11)
Policy Total		1,885	1,882	1,860	(22)

Directorate	Department / Section	Original Budget	Budget at 31st July 2021	Forecast Outturn based on position at 31st July 2021	Variance (Under) / Overspend
Budgets Not In Directorates	Covid-19	-	-	(204)	(204)
	Debt Repayment	298	298	298	-
	Interest	(118)	(118)	(100)	18
	Parish Precepts	434	434	478	44
	Pensions Costs	(11)	(11)	253	264
	Savings Targets	(190)	(40)		40
Budgets Not In Directorates Total		414	564	725	161
Funding	Council Tax	(8,599)	(8,599)	(8,599)	-
	Lower Tier Support Grant	(100)	(100)	(100)	-
	New Homes Bonus	(363)	(363)	(363)	-
	Reserves	(124)	(124)	(124)	-
	Retained Business Rates	(3,829)	(3,829)	(3,829)	-
	Section 31 Government Grants	(1,465)	(1,465)	(1,465)	-
Funding Total		(14,480)	(14,480)	(14,480)	-
Grand Total		-	-	-	-

APPENDIX 2

Revenue Budget Movements as at 31st July 2021

Directorate	Commercial & Property	Communities	Customer & Digital	Governance	Planning & Development	Policy	Budgets Not In Directorates	Funding	TOTAL
Budget approved by Council 26th Feb 2021	1,708	1,695	6,325	1,794	659	1,885	414	(14,480)	-
Transfers between directorates									
Realignment of shared services budgets		1	38	3	(40)	(3)			-
Allocation of savings targets									
Staffing turnover		(75)	(75)				150		-
Carry forward of grants and other budgets to 2022/23									
									-
Transfers (to) / from Earmarked reserves									
Defibrillators net expenditure		25							25
Defibrillators contribution from New Burdens reserve		(25)							(25)
Transfers (to) / from General Fund reserves									
									-
Other budget adjustments									
									-
Revised Budget as at 31st July 2021	1,708	1,621	6,289	1,796	620	1,882	564	(14,480)	-

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APPENDIX 3

2021/22 Reserves Programme position as at 31st July 2021

Reserves	Balance at 1st April 2021 £'000	Forecasted Movements			Forecasted Balance 31st March 2022 £'000
		Movement Between Reserves £'000	Transfers From Reserves £'000	Transfers To Reserves £'000	
General Fund Balance	(4,141)	-	-	-	(4,141)
Corporate Reserves					
Borough Investment account	(4,404)		3,823		(581)
Brexit Preparation Grant	(36)				(36)
Business rates retention reserve	(3,144)	236			(2,908)
Business rates temporary surplus to be repaid	(5,244)		4,890		(354)
Capital Funding Reserve	(1,851)		1,851		-
City Deal	(1,851)				(1,851)
Climate Emergency	(250)				(250)
Community Wealth Building	(150)				(150)
Covid Commitments Reserve	(654)				(654)
Covid Recovery Fund	(675)				(675)
Income Equalisation Reserve	(150)				(150)
Income Investment Reserve	(250)				(250)
New Burdens Grant	(99)		25		(74)
Pensions Reserve	-	(236)	236		-
Restructure costs	(200)		70		(130)
Section 106 Revenue Reserve	(242)		242		-
Shared Services Implementation	(48)				(48)
Towns Fund	(76)		76		-
Transformation Reserve	(230)		230		-

Reserves	Balance at 1st April 2021 £'000	Forecasted Movements			Forecasted Balance 31st March 2022 £'000
		Movement Between Reserves £'000	Transfers From Reserves £'000	Transfers To Reserves £'000	
Commercial and Property					
Asset Maintenance Reserve	(400)		250		(150)
Extra Care	(50)		50		-
Leisure Reserve	(546)		306		(240)
Leisure Strategy	(15)				(15)
Repairs and Maintenance Fund	(500)		500		-
Stock condition surveys	(113)		113		-
Communities					
Community Hubs Reserve	(109)				(109)
Energy efficiency	(27)		27		-
Homelessness prevention grants	(144)				(144)
Housing Standards Enforcement	(32)				(32)
Mental Health for Young People	(50)				(50)
Sports Development	(297)		22		(275)
Customer and Digital					
Grounds Maintenance	(7)		7		-
IT underspend non-staffing	(88)		88		-
Office supplies underspend	(36)		36		-
Governance					
Borough council elections	(160)				(160)
Internal Audit	(14)		14		-
Planning and Development					
Apprentice factory website	(15)				(15)
Business Grants	(150)		150		-
Business Support	(44)				(44)
Economic Development	(20)				(20)
Housing needs survey	(80)			(20)	(100)

Reserves	Balance at 1st April 2021 £'000	Forecasted Movements			Forecasted Balance 31st March 2022 £'000
		Movement Between Reserves £'000	Transfers From Reserves £'000	Transfers To Reserves £'000	
Local Plans	(267)		177		(91)
Policy					
Communications	(31)				(31)
Credit Union	(149)		66		(83)
Events	(48)		19		(29)
Music Festival	(48)		48		-
Performance Reward Grant	(11)				(11)
Policy and Performance	(2)		2		-
Total Earmarked Reserves	(23,007)	-	13,316	(20)	(9,711)
Total Reserves - General and Earmarked	(27,149)	-	13,316	(20)	(13,852)

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Post Description	Shared Services	Notes
Communities		
Community Involvement Officer		Vacant since June 2021
Assistant Director of Housing & Property		Vacant through 2020/21. The budget is funding a shared Environmental Health Manager post and a new Communities Team Leader post.
Environmental Health Technician		Became vacant in July 2021
Customer and Digital		
Assistant Director of Neighbourhoods		Vacant since May 2021
Neighbourhood Team Operative		Vacant since May 2020
HGV Mechanic		Vacant since January 2021
Governance		
Executive Officer	Y	Became vacant in July 2021
Planning & Development		
Head of Licensing		Vacant throughout 2020/21
Environmental Health Assistant (Apprentice)		Will be recruited to in the next round of apprentices.
Apprentice (3 FTE)		These will be recruited to in the next round of apprentices
Business Development Officer		Vacant since April 2021. Will be recruited to once work on Covid business grants is complete.
Strategic Housing Officer		Vacant since May 2021
Policy		
Museum Curator	Y	Vacant since May 2020 but the budget has been used to fund a temporary resource.

Posts where the post-holder has been seconded to a Covid-specific role

Post Description	Shared Services	Notes
Senior Community Involvement Officer		Some of these posts may be filled temporarily until the post holder returns.
Gateway Officer (3 FTE)	Y	
Neighbourhood Officer (0.5 FTE)		
Neighbourhood Team Operative		
Arborist		

Posts held pending review

Post Description	Shared Services	Notes
Commercial and Property		
Facilities Team Leader		Vacant since March 2021. The budget is funding temporary arrangement in the facilities and estates teams. A review of the services is planned.
Leisure Partnership Development Manager		Vacant since April 2021
Graphic Designer (0.51 FTE)		Vacant throughout 2020/21. The budget is funding temporary arrangements in the facilities and estates teams.
Engineering Technician		As above
Communities		
Sports Development Officer (0.86 FTE)		A review of staffing across Sports Development is currently taking place. There are various temporary arrangements in place using different allocation grant funding.
Project Co-ordinator (Sports Development)		
Wellbeing Development Officer		
Customer and Digital		
Benefits Assessor	Y	A shared services review of the Revenues and Benefits team is ongoing
Visiting Officer	Y	
Revenues Assistant	Y	
Revenues and Benefits Officer	Y	
Clerical Assistant	Y	
Technical Support Analyst	Y	A shared services review of IT is ongoing
Senior Network Support Analyst	Y	
LLPG Officer	Y	
Security Support Officer	Y	

Notes:

FTE stands for Full Time Equivalent and is used for part-time posts to show a comparison against a full-time post.

APPENDIX 5

Community Hubs Position as at 31st July 2021

Community Hub	Brought Forward Balance 21/22	Allocation 21/22	Boost Fund Allocations	Total Funding	Forecast Spend 21/22	Forecast Balance Remaining
Bamber Bridge, Lostock Hall & Walton-le-Dale	(33,098)	(5,500)	(7,250)	(45,848)	12,108	(33,740)
Eastern Parishes	(9,784)	(2,000)	(6,307)	(18,091)	7,337	(10,754)
Leyland & Farington	(25,151)	(9,000)	(5,825)	(39,976)	7,533	(32,443)
Penwortham	(11,729)	(5,000)	(1,920)	(18,649)	4,211	(14,438)
Western Parishes	(4,655)	(3,500)	0	(8,155)	500	(7,655)
Boost Fund	(25,000)	(25,000)	21,302	(28,698)	0	(28,698)
Total	(109,417)	(50,000)	0	(159,417)	31,689	(127,728)

£7,686 was spent on Hoole Parish Hall as part of the Western Parishes hub, but this was funded by a section 106 receipt and so is not included in the figures above

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Report of	Meeting	Date
Director of Finance and Section 151 Officer (Introduced by Cabinet Member (Finance, Property and Assets))	Cabinet	15 th September 2021

Is this report confidential?	No
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Is this decision key?	Yes
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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2021/22 Corporate Capital Programme and Balance Sheet Monitoring Report – position as at 31st July 2021

Purpose of the Report

1. This report outlines the overall financial position of the Council in respect of the capital programme as at 31st July 2021, highlighting key issues and explaining key variances over the first 4 months of the year, and provides an overview of various elements of the Council's Balance Sheet as at 31st July 2021.

Recommendations to Cabinet

2. To approve the revised capital programme as attached at **Appendix A** which reflects all amendments to the programme that have been approved in the 4 months to 31st July 2021, as detailed in paragraph 11.
3. To approve the following variation to the programme, which has been included in **Appendix B**.
 - a) £130k increase to the vehicle replacement programme

All other approvals are within existing delegated limits as detailed in paragraph 11.

4. To note the position in the Balance Sheet Monitoring section of the report in respect of cash, investment and loan balances, and debtors as at 31st July 2021.

Reasons for Recommendations

5. To ensure the Council's Capital Programme is monitored effectively.

Alternative Options Considered and Rejected

6. None

Corporate priorities

7. The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background

8. The capital budget for 2021/22 was set at £15.814m in February 2021. It was increased following approval of the outturn to £21.380m.

Section A: Capital Programme

Key Issues

9. The total cost of the Council's capital investment programme for 2021/22 has increased from £21.380m, as approved by Cabinet in the 2020/21 Capital Outturn Report on 16th June 2021, to £22.081m at 31st July 2021; this includes the variations noted in this report. A summary of the total costs of the programme, and the funding of this, is detailed at **Appendix A**.
10. The net variation of £0.701m is detailed by scheme in **Appendix B**. The net variation includes three types of changes; those variations approved since the previous budget report, i.e. the 2020/21 Capital Outturn report, variations requested in this report at point 3, and variations in respect of the reprofiling of budgets within the existing programme.
11. Budget variations approved in the first four months of the year are shown in the table below and resulted in an increase of £0.790m to the capital programme.

Scheme	Increase / (Reduction) 2021/22 £'000	Increase / (Reduction) 2022/23 £'000	Approved by	Date approved
Good homes, green spaces and healthy places				
Green Infrastructure unallocated	(10)	-	EMD	31st July 2021
Bridleway in western Leyland	81	-	EMD	31st July 2021
Worden Park infrastructure and landscaping	(82)	-	Council	21st July 2021
Worden Hall refurbishment	745	-	Council	21st July 2021
Open Spaces – Bent Lane	139	-	Council	21st July 2021
Sports Pitch Hub	(389)	-	Cabinet	16th June 2021
Council Leisure Facilities (other than leisure centres)	275	-	Cabinet	16th June 2021
An exemplary council				
Corporate Buildings	(45)	-	Council	21st July 2021
Civic Centre Building Management System	1	-	EMD	19th May 2021
Civic Centre Hot Water System	3	-	EMD	19th May 2021
Civic Centre LED Lighting	28	-	EMD	19th May 2021
Civic Centre Solar Panels	45	-	EMD	19th May 2021

12. Further variations of £0.130m are requested as detailed in the major variations section of the report, in paragraphs 26 below
13. Slippage and re-profiling of budgets between 2021/22 and 2022/23, during the first four months of the year, totals £0.219m as detailed on the individual schemes in Appendix B.
14. As at 31st July 2021 the capital expenditure across the programme was £1.882m representing 8.5% of the current, revised projected capital spend for the year.
15. A capital receipt of £70k has been received in relation to insurance money for a damaged road sweeper. This will be used to fund the cost of replacing the vehicle. No further capital receipts are forecasted for 2021/22.

Major Variations in the 2021/22 Capital Programme in the 4 months to 31st July 2021

Good Homes, Green Spaces and Healthy Places

16. The 'Bridleway in western Leyland' is a new scheme with £71k funding from external contributions and S106 and £10k from the green infrastructure budget. The project will provide a 2.1km section of new bridleway which will create a new loop around western Leyland connecting with the existing bridleway network.
17. Four projects in Worden Park have been reprofiled to 2022/23; Craft Units - Windows and Security Grills, Farmyard Cottages - Heating, Sewerage pumping station, infrastructure and landscaping. This is to avoid interference with the works to be carried out on the refurbishment of Worden Hall.
18. Approval has been given for an increase in the Worden Hall Refurbishment budget of £745k, which comprised £81.5k transferred from the Worden Park infrastructure and landscaping budget, £45k transferred from the Corporate Buildings budget, £250k funding from the asset maintenance reserve, £118.5k contributions from revenue repairs and maintenance budgets and £250k CIL funding to cover the contingency element of the budget.
19. The Bent Lane Open Space budget has an approved increase of £139k to cover the costs of decontamination works.
20. The Sports Pitch Hub has an approved decrease in the scheme budget of £389k. Approval was given to utilise this reduction to create a budget of £275k for works to leisure facilities, other than the leisure centres, such as pavilions and playing pitches.

A Fair Economy that works for everyone

21. The Leyland Train Station Ticket Office project budget of £60k has been reprofiled to 2022/23. The project will be incorporated into the wider Leyland Town Deal.

Thriving Communities

22. No variations to note in the period.

An Exemplary Council

23. £150k of the IT capital budget has been allocated to the Network switching and wireless infrastructure project. The project will upgrade and unify the network to include access points for improved Wi-Fi coverage. This project is being done in conjunction with Chorley Council with a total budget of £300k shared equally. The other IT projects already included in the programme, and the use of the remaining unallocated budget, are under review. A joint digital strategy for South Ribble and Chorley Councils will realign these budgets accordingly.
24. As noted above, £45k was transferred from the Corporate Buildings to the Worden Hall budget.
25. The budgets for four projects relating to decarbonisation works in the Civic Centre have been either adjusted or created following approval in an Executive Member Decision. The total budget for the projects is £145k which is all grant funded.

26. The forecast for the Vehicle Replacement Programme has increased by £130k due to two additional replacement vehicles being required; a sweeper which was damaged in a traffic accident and a waste collection vehicle that was damaged by a fire. Insurance proceeds of £70k, which will be treated as a capital receipt, has been received. It is requested to increase the Vehicle Replacement budget by £130k to reflect the increased costs and fund this with the £70k capital receipt and £60k with potential borrowing if required.

Section B: Balance Sheet

Overview

27. Strong balance sheet management assists in the effective use and control over the Council's asset and liabilities. Key assets comprise of the Council's tangible fixed assets, debtors, investments and bank balances. Key liabilities include long and short-term borrowing, creditors and reserves.

Non-current Assets

28. Tangible non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. One fifth of all assets are re-valued every year, and annual reviews are undertaken to establish whether any impairment or other adjustments need to be applied. New assets and enhancements to existing assets are managed through the Capital Programme as reported in Appendices A and B.

Borrowing and Investments

29. Long-term borrowing requirements flow from the capital programme. Regular dialogue and meetings take place between the Director of Finance, her staff and the Council's independent Treasury Consultants, Link Treasury Services, and options for optimising treasury management activities are actively reviewed.

30. Both short and long-term borrowing interest rates were at low levels at the end of the period, having remained stable over the course of the first few months of the year. Interest rates on investments have remained negligible throughout the period. It is projected that debt interest payable will be nil compared to a budget of £83k as a result of expected borrowing not being required due to the timing of schemes within the capital programme, and due to positive cash balances. Interest receivable on cash and investments is forecasted to be £100k compared to a budget of £200k due to interest rates being lower than those estimated at budget setting.

	Original Budget 2021/22 £'000	Forecast as at 31st July 2021/22 £'000
Interest and Investment Income	(200)	(100)
Debt Interest Payable	83	0
Minimum Revenue Provision (MRP)	298	298
TOTAL	181	198

31. The current borrowing and investment position is as follows;

	As at 31 th July 2021	As at 31 th July 2020
Short term borrowing	Nil	Nil
Long term borrowing	Nil	Nil
Cash Balance	17.533	16.700m
Total Borrowing	Nil	Nil
Investments made by the Council	£30m	£32m

Debtors

32. The council has a corporate debt policy, as well as other specific policies for the management of debt in the key areas of council tax, business rates, and housing benefit overpayments. The table below summarises the collection performance of the various debts, and the total outstanding debt in the respective areas at 31st July 2021. The figures for the same point in time in the last financial year are not available and so for the purposes of comparison, the corresponding level of debt at 31st March 2021 is shown.

	Position as at 31 st July 2021 £'000	Position as at 31 st March 2021 £'000
Council Tax		
Expected Council Tax 21/22	73,798	69,675
Current year balance outstanding	43,151	2,149
Previous years balance outstanding	4,930	3,266
Total Council Tax balance outstanding	48,082	5,415
Collection Rates	38.05%	96.80%
Business Rates		
Expected Business Rates 21/22	31,374	24,821
Current year balance outstanding	19,692	1,285
Previous year balance outstanding	1,830	744
Total Business Rates balance outstanding	21,522	2,030
Collection Rates	35.93%	95.02%
Housing Benefit		
Overpayment balances outstanding	918	976
Sundry Debtors		
Balance outstanding	1,360	604

33. Business Rates collection can fluctuate month on month but collection is currently broadly in line with expectations. Expected Business Rates for 2021/22 are much higher compared to those for last year due to the Covid reliefs that were applied in 2020/21 which are no longer applicable in 2021/22.
34. For debts relating to Housing Benefit and Sundry Debtors, in line with accounting standards and practice, the Council holds a provision for bad debt.
35. In respect of the figures above, the Council's share represents 11.7% of Council tax Income and 17.8% of Business Rates Income.

Climate change and air quality

36. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

37. None

Risk

38. Any risks are addressed in the body of the report.

Comments of the Statutory Finance Officer

39. The financial implications are contained within this report.

Comments of the Monitoring Officer

40. There are no concerns with this report from a Monitoring Officer perspective.

Background documents

41. The information contained within the report is in line with the Capital Strategy and the Three Year Budget Forecast within the Medium Term Financial Strategy 2021-24, as approved by Council in February 2021.

Appendices

Appendix A – 2021/22 Capital Programme

Appendix B – 2021/22 Capital Programme Scheme Variations

Report Author:	Email:	Telephone:	Date:
Neil Halton (Principal Management Accountant), James McNulty (Senior Management Accountant)	neil.halton@southribble.gov.uk, james.mculty@southribble.gov.uk	01772 625625	20/08/21

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Capital Programme 2021/22 - Position as at 31st July 2021

APPENDIX A

	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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COSTS

Good homes, green spaces and healthy places	10,338	11,424	(159)	759	12,024
A fair economy that works for everyone	2,200	6,207	(60)	-	6,147
Thriving communities	350	369	-	-	369
An exemplary council	2,926	3,380	-	161	3,541
Total Forecast Expenditure	15,814	21,380	(219)	920	22,081

RESOURCES

Decarbonisation Grant	-	145			145
Disabled Facilities Grants	1,027	1,267			1,267
Lottery Funding	213	324			324
One Public Estate - Land Release Funding	-	83			83
Sport England	-	-		816	816
Town Deal	-	750			750
Government Grants	1,240	2,568	-	816	3,385
Asset Maintenance	-	-		250	250
Borough Investment Fund	1,450	3,823			3,823
Capital Funding Reserve	1,321	1,850			1,850
Carry Forward from prior years	-	-		119	119
Repairs and Maintenance Reserve	500	500			500
Transformation Reserve	146	230			230
Reserves	3,417	6,403	-	369	6,772
Capital Receipts	-	-		70	70
CIL	150	250		250	500
External Contributions	30	82		50	132
Revenue Contributions	-	-		119	119
Section 106 - Affordable	1,700	1,851			1,851
Section 106 - Other	355	644	(76)	21	590
Unsupported Borrowing	8,922	9,582	(144)	(775)	8,663
Total Forecast Resources	15,814	21,380	(219)	920	22,081

Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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36,170	36,217	159	-	36,376
2,000	2,000	60	-	2,060
750	750	-	-	750
1,444	1,444	-	-	1,444
40,364	40,411	219	-	40,630

-	-	-		-
1,364	1,364	-		1,364
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
1,364	1,364	-	-	1,364
-	-	-		-
600	581	-		581
-	-	-		-
-	-	-		-
-	-	-		-
600	581	-	-	581
-	-	-		-
-	-	-		-
3,075	3,075	-		3,075
-	-	-		-
2,453	2,496	-		2,496
73	81	76		156
32,798	32,815	144		32,958
40,364	40,411	219	-	40,630

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2021/22 Capital Programme - Scheme Variations as 31st July 2021

APPENDIX B

Scheme Name	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Good homes, green spaces and healthy places

Green Infrastructure

Green Infrastructure unallocated	189	165		(10)	155
Green Link - Penwortham Holme to Howick	150	250			250
Leyland Loop	100	131			131
Bridleway in western Leyland	-	-		81	81
Green Infrastructure Total	439	546	-	71	616

400	400	-		400
-	-	-		-
-	-	-		-
-	-	-		-
400	400	-	-	400

Worden Park

Arboretum landscaping	-	30			30
Craft Units Windows and Security Grills	-	40	(40)		-
Farmyard Cottages Windows and rendering	-	50			50
Farmyard Cottages - Heating	-	50	(50)		-
Ice House front façade	-	10			10
Sewerage pumping station and sceptic tanks	20	40	(20)		20
Shaw Brook weirs and banking	-	-			-
Shaw Wood footpaths	-	-			-
Walled garden pot house - replace the building frame and base walls	50	50			50
Worden Park fountain	80	80			80
Worden Park infrastructure and landscaping	120	120	(39)	(82)	-
Worden Hall refurbishment	1,450	1,450		745	2,195
Worden Park Total	1,720	1,920	(149)	664	2,435

-	-	-		-
-	-	40		40
-	-	-		-
-	-	50		50
-	-	-		-
-	-	20		20
40	40	-		40
33	33	-		33
50	50	-		50
-	-	-		-
312	312	39		351
600	598	-		598
1,035	1,033	149	-	1,181

Scheme Name	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Other Parks and Open Spaces

Hurst Grange Park drainage	25	25			25
Hurst Grange Park Paths	40	40			40
Hurst Grange Coach House Phase 2	433	543			543
Open Spaces - Bent Lane	-	61		139	200
Open Spaces - Mounsey Road	50	50	(25)		25
Other Parks - Footpaths (Fossdale Moss, Priory, Valley Road)	45	45			45
Playground - Haig Avenue	175	175			175
Playground - Hurst Grange	35	-			-
Playground - Bellis Way	10	22			22
Playground - Bent Lane	175	175			175
Playground - The Holme, Bamber Bridge	175	175			175
Playground - Moss Side Village Green	125	125			125
Playground - Birch Avenue, Penwortham	75	75			75
Playground - Margaret Road, Penwortham	-	-			-
A tree for every resident	53	56	(16)		40
Withy Grove Park	-	-			-
Other Parks and Open Spaces Total	1,416	1,567	(41)	139	1,665

-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	25		25
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
50	50	-		50
50	50	-		50
-	-	-		-
100	100	-		100
48	56	16		71
60	60	-		60
308	316	41	-	356

Scheme Name	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Sports and Leisure

King George V Playing Fields, Higher Walton	-	19			19
King George V Playing Fields, Higher Walton Additional works	-	-			-
Leisure Facility	-	-			-
Leisure Centre refurbishments	500	500	30		530
Lostock Hall Football Facility (St Gerard's)	-	145			145
Sport Pitch Hub	3,200	3,189		(389)	2,800
Council Leisure Facilities other than Leisure Centres	-	-		275	275
Sports and Leisure Total	3,700	3,853	30	(114)	3,769

Housing

Affordable Housing - former McKenzie Arms, Bamber Bridge	1,700	1,700			1,700
Affordable Housing - Pearson House, Station Road, Bamber Bridge	-	164			164
Disabled Facilities Grants	1,027	1,267			1,267
Extra Care scheme	200	200			200
Empty Homes grants	39	39			39
Next Steps Accom - Purchase 2 houses	-	70			70
Private Sector home improvement grants	98	98			98
Sumpter Horse Site	-	-			-
Housing Total	3,064	3,538	-	-	3,538

Good homes, green spaces and healthy place	10,338	11,424	(159)	759	24,048
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Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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-	-	-		-
25	25	-	-	25
18,988	18,988	-		18,988
1,600	1,600	(30)		1,570
-	-	-		-
-	-	-		-
-	-	-		-
20,613	20,613	(30)	-	20,583

453	496	-		496
-	-	-		-
1,364	1,364	-		1,364
9,800	9,800	-		9,800
-	-	-		-
-	-	-		-
196	196	-		196
2,000	2,000	-		2,000
13,813	13,856	-	-	13,856

36,170	36,217	159	-	72,753
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Scheme Name	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
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A fair economy that works for everyone

Car Park resurfacing, Ryefield Avenue, Penwortham	40	40			40
Church Road, Bamber Bridge	40	40			40
Leyland Train Station Ticket Office	45	60	(60)		-
Acquisitions Quinn St	-	1,123			1,123
Masterplanning & Regen - Leyland	2,000	2,000			2,000
Masterplanning & Regen - Penwortham	-	50			50
New Longton Regeneration	75	75			75
Parking Meters replacements	-	45			45
Town Deal RIBA Stage 3	-	2,774			2,774
Town Deal A Town Centre Transformation	-	-			-
Town Deal B Market Regeneration	-	-			-
Town Deal C The Base2	-	-			-
A fair economy that works for everyone	2,200	6,207	(60)	-	6,147

-	-	-	-	-
-	-	-	-	-
-	-	60	-	60
-	-	-	-	-
-	-	-	-	-
2,000	2,000	-	-	2,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,000	2,000	60	-	2,060

Thriving communities

Leisure Local	250	250			250
Kingsfold Community Centre Improvements	-	-			-
Neighbourhood Improvements	-	-			-
St Mary's, Penwortham - Churchyard wall repairs	100	119			119
Thriving communities	350	369	-	-	369

250	250	-	-	250
150	150	-	-	150
350	350	-	-	350
-	-	-	-	-
750	750	-	-	750

An exemplary council

Information Technology Programme

IT Unallocated Funding	262	262		(150)	112
Civic Centre conference centre hearing loop	35	35			35
Capita Software Upgrade (c/f)	-	2			2

400	400	-	-	400
-	-	-	-	-
-	-	-	-	-

Scheme Name	Capital Programme 2021/22 Approved at Finance Council Feb 2021 £'000	Capital Programme 2021/22 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budget (to)/from future years £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
Idox (c/f)	-	37			37
Single Sign On and Calendar Integration	-	24			24
Help Desk System	5	5			5
Front to Back Office Automation	-	17			17
Tablet refresh (agile working)	35	35			35
Mobile phone upgrade	-	3			3
Network switching and wireless infrastructure	-	-		150	150
IT Programme Total	337	420	-	-	420

Capital Programme 2022/23 and Future Years Approved by Finance Council Feb 2021 £'000	Capital Programme 2022/23 Approved by Cabinet Jun 2021 £'000	Slippage and reprofiling of budgets (to)/from 2021/22 £'000	Variations £'000	Revised Capital Programme as at 31st July 2021 £'000
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
400	400	-	-	400

Other non-ICT projects

Air Quality Monitors	-	24			24
Corporate Buildings	150	115		(45)	70
Corporate Buildings - Civic Centre	50	50			50
Civic Centre Building Management System	-	24		1	25
Civic Centre Hot Water System	-	-		3	3
Civic Centre LED Lighting	-	45		28	73
Civic Centre Solar Panels	-	-		45	45
Civic Centre 3rd Floor	50	50			50
Civic Centre New Entrance	150	150			150
Fire Safety - Civic, Depot, Kingsfold	-	135			135
Fire Doors at Kingsfold	-	16			16
Vehicles and Plant replacement programme	2,189	2,351		130	2,481

-	-	-		-
400	400	-		400
100	100	-		100
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
-	-	-		-
544	544	-		544

An exemplary council	2,926	3,380	-	161	3,541
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1,444	1,444	-	-	1,444
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Total	15,814	21,380	(219)	920	22,081
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40,364	40,411	219	-	40,630
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