

SCRUTINY BUDGET AND PERFORMANCE PANEL

MONDAY, 3RD AUGUST, 2020, 5.30 PM

AGENDA

1 Apologies for Absence

2 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

3 Minutes of the meeting held on Monday, 22 June 2020 of Scrutiny Budget and Performance Panel

(Pages 3 - 6)

To be approved as a correct record.

4 Minutes of the meeting held on Thursday, 2 July 2020 of Scrutiny Budget and Performance Panel

(Pages 7 - 10)

To be approved as a correct record.

5 Budget Outturn 2019-20

(Pages 11 - 36)

Report of the Deputy Director of Finance and Section 151 Officer attached.

Gary Hall
INTERIM CHIEF EXECUTIVE

Electronic agendas sent to Members of the Scrutiny Budget and Performance Panel Councillors David Howarth (Chair), Will Adams, Colin Coulton, Colin Sharples and Karen Walton

The minutes of this meeting will be available on the internet at www.southribble.gov.uk

Forthcoming Meetings

5.00 pm Monday, 14 September 2020 - Paddock Room, Civic Centre, West Paddock, Leyland, PR25 1DH

MINUTES OF SCRUTINY BUDGET AND PERFORMANCE PANEL

MEETING DATE Monday, 22 June 2020

MEMBERS PRESENT: Councillors David Howarth (Chair), Will Adams, Colin Coulton, Colin Sharples and Karen Walton

CABINET MEMBERS: Councillor Paul Foster (Leader of the Council and Leader of the Labour Group)

OFFICERS: Gary Hall (Interim Chief Executive), James Thomson (Deputy Director of Finance), Victoria Willet (Service Lead - Transformation and Partnerships), Howard Anthony (South Ribble Partnership Manager), Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services) and Charlotte Lynch (Democratic and Member Services Officer)

1 Apologies for Absence

None.

2 Declarations of Interest

There were none.

3 Minutes of the Last Meeting

The Chair thanked Councillor Colin Coulton for chairing the last meeting of the Scrutiny Budget and Performance Panel in his absence.

RESOLVED: (Unanimously)

That the minutes of the meeting, held on Monday, 10 February 2020, be signed as a correct record by the Chair.

4 Matters Arising from Previous Scrutiny Budget and Performance Panel Meetings

Members received a report which provided an update on matters arising from previous meetings of the Scrutiny Budget and Performance Panel.

It was acknowledged that the revenue budget summary had been shared with Panel members, as requested, but that the report had not been updated to reflect this.

The report was noted.

5 Year End and Quarter 4 (Jan - Mar 2020) Performance Monitoring Report 2019/20

The Panel considered a report of the Interim Chief Executive which outlined the Council's performance against the delivery of the Corporate Plan projects and objectives during Quarter 4 (Jan-March 2020).

Overall, performance of the projects was good, with 4 of 43 succeeding and 32 on-track.

Given recent issues surrounding the council's Annual Governance Statement, members of the Panel welcomed assurances by the Shared Services Lead for Partnerships and Transformation that the data provided in the performance monitoring report was robust.

Discussion largely focused on the impact of the COVID-19 pandemic on the Council's performance and members were advised that, although a significant financial impact was anticipated in the next year, the pandemic had a minimal impact on performance in Quarter 4. This was largely because the virus had not peaked during the quarter.

Members noted that a member working group on business recovery post-COVID-19 had been established to look at how the Council could provide local businesses with support and access to funding. Members were also informed that the Council was still in the 'containment' phase and that emphasis was on maintaining service delivery whilst adhering to new health and safety measures as advised by government.

It was acknowledged that some of the targets within the Corporate Plan would be reviewed as a result of COVID-19 and as part of a refresh of the Corporate Plan in September 2020, including resource allocation. Further information on this would be provided to the next meeting of the Scrutiny Budget and Performance Panel.

In response to queries around the financial impact on COVID-19 on performance, members were informed that there had been some savings as a result of services being online-only and that the council had received £1 million in central government grants to manage the crisis.

Members noted that the surplus site review was off-track and enquired as to whether this was due to issues with capacity. Whilst it was acknowledged that the team was not fully staffed, an additional staff member had commenced work on the project. The task was identified as a priority by the Leader of the Council and the Interim Chief Executive.

A key line of enquiry focused on the holiday hunger scheme and its 14.7% redemption rate. In response, numerous challenges were acknowledged with regards to the scheme including accessibility, as many families did not shop where the vouchers were redeemable, and demographic diversity across the borough. Members were assured that the council had supplemented the scheme with additional food packages where needed.

In response to queries regarding the MH2K project, which was listed as being off-track, it was recognised that COVID-19 had impacted recruitment to the Youth

Engagement Officer post but that this would begin again soon. The project was ongoing and further detail would be provided when appropriate.

The Panel also requested further information on the cost breakdown for the implementation of Tempo time credits.

Further to discussion, members sought assurances that the appropriate resources were in place to deliver the council's Corporate Plan. In response, the Panel was informed that structures and resourcing had been examined and that more capacity and resilience was anticipated with the development of shared services with Chorley Council.

A residents' survey had recently been undertaken and, in response to member queries on how the findings would be used to improve services, it was explained that the findings would be assessed robustly against baselines which had been devised through comparisons with similar local authorities.

The Panel commended the Council's response to the COVID-19 pandemic and the recovery plans for the future and thanked the Leader and Interim Chief Executive for their attendance.

RESOLVED: (Unanimously)

1. the Scrutiny Budget and Performance Panel looks forward to receiving a copy of the ICT Benefit Realisation Plan once finalised
2. the Scrutiny Budget and Performance Panel acknowledges that some of the targets within the Corporate Plan will need to be reviewed in light of COVID-19 and as part of a refresh of the Corporate Plan in September 2020, including resource allocation
3. further information on the costs of the Tempo time credits project be provided to the Scrutiny Budget and Performance Panel

Chair

Date

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MINUTES OF	SCRUTINY BUDGET AND PERFORMANCE PANEL
MEETING DATE	Thursday, 2 July 2020
MEMBERS PRESENT:	Councillors David Howarth (Chair), Will Adams, Colin Coulton, Colin Sharples and Karen Walton
CABINET MEMBERS:	Councillor Paul Foster (Leader of the Council and Leader of the Labour Group) and Councillor Mick Titherington (Cabinet Member (Health, Leisure and Wellbeing))
OFFICERS:	Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services) and Charlotte Lynch (Democratic and Member Services Officer)
GUESTS:	Councillor Harold Hancock, Councillor Angela Turner, Gary Hall (Interim Chief Executive), James Thomson (Deputy Director of Finance), Jennifer Mullin (Director of Neighbourhoods and Development), Andrew Richardson (Assistant Director of Neighbourhoods), Neil Anderson (Assistant Director of Projects and Development), Greg Clark (Landscape Officer), Councillor Paul Foster (Leader of the Council and Leader of the Labour Group), Councillor Harold Hancock (Mayor) and Councillor Angela Turner

6 Apologies for Absence

None.

7 Declarations of Interest

None.

8 Coach House Lottery Project

The Panel considered a report of the Director of Neighbourhoods and Development which detailed the costs of the restoration of the Coach House building in Hurst Grange Park, Penwortham.

The Interim Chief Executive, the Director of Neighbourhoods and Development, the Assistant Director of Neighbourhoods, the Assistant Director of Projects and Development and the council's Landscape Officer attended the meeting to answer members' enquiries. Councillor Mick Titherington, Cabinet Member for Health, Leisure and Wellbeing, and Councillor Paul Foster, the Leader of the Council, were also in attendance.

The report was to be considered by the Scrutiny Budget and Performance Panel as a result of members' concerns regarding an increase in expenditure on the project

and at the request of the Leader. A grant of £513,100 from the National Lottery Heritage Fund had been awarded for the project and supplemented by £17,000 raised by the Friends of Hurst Grange Park and a proposed contribution of £253,000 from South Ribble Borough Council as part of an overall project cost of £783,625.

Members were keen to ascertain the level of involvement of the Cabinet Member for Health, Leisure and Wellbeing in the project and were informed in response that the Cabinet Member was aware of the project prior to his appointment as portfolio holder and that he had been taken part in a Full Council vote to approve the application for National Lottery funding.

It was acknowledged that the council had not yet accepted the funding offer by the National Lottery and that this would be a decision for Full Council. It was suggested that the council could accept a portion of the offered funding, but this was unlikely due to the significance of the achievements in being offered the funding.

Some concern was expressed that the project had not been included in the council's Corporate Plan and the impact that this would have on monitoring the project. In response, members were advised that the project was incorporated into the wider objectives for parks and that contingencies had been included into the funding bid for monitoring. The Scrutiny process could also be used to monitor the project.

Discussion focused on the lack of transparency around the increase in costs of the project. It was acknowledged that the increased costs had been reported to Full Council in February 2019 and February 2020 and to Cabinet in June and October 2019 but that this was not readily identifiable within the reports.

The Panel also queried the level of stakeholder engagement in the project. Regular progress updates were provided to the supporting officer to relay to members of Penwortham Neighbourhood Forum and a meeting was held on 30 October 2019 to brief Forum members.

It was conceded that this meeting had clashed with a mandatory safeguarding training session for all members and that only one member attended the Forum meeting.

Minimal engagement had taken place with Penwortham Town Council and a need for better consultation was acknowledged.

Consequently, the Interim Chief Executive suggested that further consultation could be undertaken prior to a decision being taken by Full Council. Members of the Panel were receptive to this.

In response to queries regarding the reason for the rising costs of the project, it was explained that the initial figure reported in 2018 had been based on a funding level of 5% of the anticipated building cost. Since then, the council had been permitted to apply for full Heritage funding and, consequently, needed to increase the match funding level to compete with other bids. Additional contingencies and building works were largely responsible for the increase.

Reassurance was provided that these contingencies would limit the total cost of the project.

Members also questioned the evidence base for the project considering the number of similar venues in South Ribble. Whilst a change in stock and availability had changed over time, officers were confident that a need for and interest in the building remained. The impact on Hurst Grange Park and the wider community had also been considered.

Consultants for the project had created an activity plan which considered other provisions in the area but emphasised how the Coach House could complement the park.

Assurances were provided that the income projections were conservative and could be met. Initial discussions regarding tenancy had taken place with local social enterprises.

Concern was expressed that the implication contained in the report that a rejection of the grant by Full Council '*could generate negative publicity for the council*' was unwarranted given the lack of engagement with members. It was agreed that this comment would be revised.

The Panel queried the lessons learnt as a result of the meeting and a lack of transparency and stakeholder engagement was acknowledged. Commitment to improvements in these areas was provided.

The ward members for Broad Oak were also present at the meeting and also asked questions of the Cabinet Member and officers.

Concern was expressed that the tender process for works to the Coach House did not mention commercial category pricing for bidding contractors. This would protect the council's financial liability and needed to be incorporated.

In response to a query about what would happen if the project was refused by Full Council, members were advised that the project scope would be reviewed in this event.

The Chair of the Panel thanked those in attendance and commended the Friends of Hurst Grange Park, Councillor Mick Titherington and Greg Clark for their work.

RESOLVED: (Unanimously)

That

1. the Council reviews its scheme of delegation to Members and Officers to clarify roles and responsibilities for decision-making, including documenting decisions and ensuring they are open and transparent.
2. a review of the process for bidding for and accepting external funding takes place to ensure that approvals are in place and risks are effectively managed.
3. the Project Management Framework is reviewed with a view to strengthening project approvals, monitoring and dealing with any deviations.

4. future reports agreeing the capital programme provide greater details of each project to ensure Members are making informed decisions.
5. members are briefed and engaged in key the projects and activities taking place in their ward and local area.
6. greater links are established between the new My Neighbourhood Forums model and key projects as part of the Council's commitment to putting communities at the heart of everything we do.
7. the Scrutiny Panel urges the Cabinet Member to re-visit the project and scale it down to make it more affordable whilst restoring the existing Coach House structure.
8. any items committing the Council to significant costs or expenditure be approved by Cabinet or Council as appropriate.

Chair

Date

REPORT TO	ON
CABINET	Wednesday, 5 August 2020



TITLE	PORTFOLIO	REPORT OF
Budget Outturn 2019-20	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 at the end of the financial year 2019-20, on 31st March 2020. 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.
3. Cabinet approves the following transfers to reserves from the surplus in 2019/20:
 - a) Transfer £160,000 to the Borough Elections reserve.
 - b) Transfer £173,000 to the Restructure Costs reserve.
 - c) Transfer £270,000 to the 'Other Reserve' in relation to unspent grant income.
 - d) Transfer £166,000 to the 'Other Reserve' in relation to unspent expenditure budgets and surplus income that are needed in 2020/21.
 - e) Transfer the remaining surplus of £631,000 to the Business Rates Retention reserve.
4. Cabinet approves the re-profiled budgets for the capital programme, including underspends to be carried forward, as detailed in Appendix B.

EXECUTIVE SUMMARY

5. The overall revenue outturn for 2019/20 is a net budget surplus of £1,400,000. Of this, £270,000 is surplus ring-fenced income and £166,000 relates to budgets that will be utilised in 2020/21. The net surplus is £964,000. The budget included an expected net contribution to reserves of £461,000, which means the outturn surplus is £502,000 more than the budget. A summary of the variances is shown in Table 1.
6. The forecast at quarter 3 was an overall surplus of £930,000. This comprised an expected net contribution to reserves of £496,000 plus a net surplus of £434,000. The main reason for the increase to £1.4m at outturn is that business rates and section 31 grants are a lot higher than budgeted and forecasted. The main variances are listed below.

Revenue Budget Main Variances	£'000
Surplus income or underspent expenditure:	
Surplus business rates and Section 31 grants funding	(759)
Overall underspend on staffing costs	(58)
Garden Waste surplus income	(162)
Offset by increased costs or shortfalls in income:	
Investment property rental income deficit due to write-off of March rent	140
Leisure campus abortive costs	230
Planning application fees deficit	114

7. There is also unspent grant income and expenditure budgets that are requested to be carried forward into 2020/21.

Grant income for Brexit, Housing Enforcement, Towns Fund and New Burdens received but to be carried forward	(270)
Sports Development surplus income to be carried forward	(40)
Underspent expenditure budgets for Music Festival, Leisure consultancy and Website development to be carried forward to 20/21	(126)

8. It is recommended that the net surplus of £964,000 for 2019/20 is used to increase 3 reserves – the Borough Elections reserve increased by £160,000, the Restructures Costs reserve increased by £173,000 and the remaining £631,000 to the Business Rates Retention reserve.
9. The total capital spend for 2019/20 is £3,009,000. The forecast at quarter 3 was £4,129,000. Details about individual schemes are included in Appendix B, along with the revised budgets for 2020/21 to 2023/24.
10. The financing of the capital spend in 2019-20 maximised the use of capital receipts and Section 106 funding. This reduced the amount needed from the capital funding reserve.

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 2019/20 budget and Medium Term Financial Strategy (MTFS) 2019/20 to 2022/23 was approved by full Council on 27th February 2019.
13. The net cost of services revenue budget was £14,484,000. An increase of 1.99% in Council Tax was approved, with a budget income figure of £153,000. After applying other sources of funding as well, there was an overall surplus of £716,000 that was budgeted to be transferred back into the capital funding reserve to help fund the sizeable capital programme.

14. The capital programme totalled £41,383,000 over the next 4 financial years, with a total budget of £12,908,000 in 2019/20.
15. The quarter 3 budget monitoring report forecasted an overall surplus of £930,000 in 2019-20.
16. The quarter 3 budget monitoring report forecasted the total capital spending to be £4,129,000.

INFORMATION

Revenue Summary

17. Table 1 summarises by directorate the revenue budget variations. The outturn position is a surplus compared to the budget of £938,000. This is mainly due to the amount of business rates and section 31 grant funding received being a lot higher than expected. Table 2 lists the main variances within particular service areas.

Table 1: Revenue Budget Summary

	Current Budget £'000	Outturn £'000	Outturn Variance £'000	Forecast at Quarter 3 £'000
Chief Executive	943	880	(62)	905
Neighbourhoods & Development	6,482	6,430	(52)	6,432
Planning and Property	526	392	(135)	272
Finance and Assurance	1,370	1,630	259	1,455
Legal, HR & Democratic Services	1,701	1,632	(69)	1,703
Customer and Digital	2,126	2,054	(72)	2,094
Pension Deficit Contributions	414	519	105	521
Net Cost of Services	13,563	13,538	(26)	13,382
Interest payable / (receivable)	(214)	(286)	(72)	(217)
Parish Precepts	397	389	(8)	397
Provision for repayment of debt	835	761	(74)	831
Funding Requirement	14,581	14,401	(180)	14,393
<u>Funding:</u>				
New Homes Bonus – City Deal	(879)	(879)	-	(879)
New Homes Bonus – SRBC	(135)	(135)	-	(135)
Retained Business Rates	(3,950)	(4,169)	(219)	(3,939)
Section 31 grants (mainly business rates)	(1,750)	(2,289)	(540)	(2,041)
Council Tax	(8,329)	(8,329)	-	(8,329)
Total Funding	(15,042)	(15,801)	(759)	(15,322)
(Surplus) / Deficit	(461)	(1,400)	(938)	(930)
Ring-Fenced income	-	270	270	162
Underspends to be used in 20/21	-	166	166	-
Net (Surplus) / Deficit	(461)	(964)	(502)	(768)

Table 2: Revenue Main Variations Within Directorates

Detail	Carry Forward	Over / (Under-) Spend £'000
Chief Executive		
Staffing Costs		19
Brexit preparation grant not yet used	Y	(18)
Music Festival	Y	(48)
Organisational development costs now settled after being in dispute		15
Place Promotion budget - earmarked to be used mainly for website development	Y	(53)
Shared Services Implementation		16
Other minor variances		7
		(62)
Neighbourhoods & Development		
Staffing Costs		(14)
Car mileage		(13)
Car parks utilities costs		(16)
Cleansing team supplies		(19)
Civic Centre surplus rental income		(17)
Corporate Buildings repairs and maintenance		21
Garden Waste surplus income		(162)
Grounds maintenance supplies		(28)
Housing enforcement grant not yet used	Y	(22)
Leisure campus project abortive costs		230 *
Leisure consultancy	Y	(43)
Mechanics and vehicles maintenance surplus income		(42)
My Neighbourhoods unspent funding	Y	(13)
Parks donations and historic costs recovered		(18)
Sports Development surplus income	Y	(39)
Trade Waste income deficit		33
Waste Contract inflation and cost recovery adjustments		83 *
Worden Hall professional fees		19
Other minor variances		7
		(53)
Planning and Property		
Staffing Costs		(169)
Building Control income deficit		15
Central Parks costs (funded by Section 106)		19
City Deal capacity funding for fees incurred		(75)
Homelessness (funded by grant in reserves)		21
Investment Property advisers (funded by Borough Investment Reserve)		17
Investment Property income deficit		140
Local Plans costs		(21)
Moss Side Community Centre repairs and maintenance		15
Planning application fees income deficit		114

Detail	Carry Forward	Over / (Under-) Spend £'000
Planning growth budget not required		(50)
Town Deal Capacity Funding not yet used	Y	(156)
Other minor variances		(5)
		(135)
Finance and Assurance		
Staffing Costs (note 1)		157
Bank Charges		24
Insurance costs		10
Provision for bad debt increased		66
Other minor variances		2
		259
Legal, HR & Democratic Services		
Staffing Costs (note 1)		(80)
Legal fees		21
Other minor variances		(10)
		(69)
Customer and Digital		
Staffing Costs		(76)
ICT contracts and equipment		71
ICT cyber security funding		(15)
Housing Benefits reduced subsidy		50
New Burdens grant	Y	(74)
Personal budgeting' budget not required		(30)
Other minor variances		2
		(72)
Pension Contributions (note 2)		105
Net Cost of Services		(26)

Note 1: Staffing Costs in 'Finance and Assurance' and 'Legal, HR & Democratic Services' show the net position after factoring in income from, and external contractor charges paid to, Chorley Borough Council through shared services arrangements.

Note 2: Pension Contributions are charged on a notional basis against services. The actual costs of £1,527,500 were paid in a lump sum at the start of the year. The variance against the Pension Contributions budget is due to the total amount of notional charges being lower than was budgeted, which in turn is due to underspending on staffing costs.

Staffing Costs

18. The overall net saving in staffing costs is £58,000. This is after allocating the £150,000 turnover target to match actual savings achieved during the year. The main reason for the underspend is posts being vacant, some earlier in the year that have now been filled others that are currently vacant.

19. Table 3 below details the main staffing cost variances within services areas. Appendix A shows the posts that were vacant at 31st March 2020.

Table 3: Staffing Costs Main Variations

Service Area	Over / (Under-) spend £	Reasons and notes
Chief Executive		
Corporate Management	63,200	Interim Chief Executive costs (50%)
	(50,300)	Net saving from the vacant Deputy Chief executive posts, after incurring severance costs.
Neighbourhoods & Development		
Environmental Health	9,600	New Climate Change Officer
Facilities Management	12,100	Redundancy costs. Surplus income was generated from hiring out the business and conference centre, which covered this extra cost.
Neighbourhoods	(41,800)	Net underspend from vacant posts during the year. Two posts were vacant at year-end, both becoming vacant in March.
Sports Development	9,000	Upgrades to some staff. Surplus income was generated, which more than covered this extra cost.
Planning and Property		
Apprentices	(63,900)	The current tranche of apprentices was hired in September. Some posts were vacant at the start of the year because the previous apprentices had been promoted to other roles across the organisation.
Planning	(71,500)	The budget reflected an approved restructure of the service. There was a delay in implementing the new structure, which meant some vacant posts were not filled until part-way through the year.
Homelessness	(14,300)	One vacant post was filled in November.
Estates	(9,100)	One vacant post was filled in July. It has now become vacant again in April.
Finance and Assurance		
Senior Management	(73,400)	Vacant Director and Assistant Director posts (net cost of 50% not incurred).
	12,000	Deputy Director costs (50%)
Assurance	63,600	Interim Head of Assurance not budgeted, net cost to SRBC
Financial Services	158,800	Severance costs for 3 staff (£111,000), and additional staffing (£39,000), miscellaneous non-staffing costs (£8,000)

Service Area	Over / (Under-) spend £	Reasons and notes
Legal, HR & Democratic Services		
Senior Management	(60,600)	Vacant Head of Legal, HR & Democratic Services post. Now deleted as part of shared services restructure
	40,000	Approved virement to fund Shared Service implementation costs
	(80,900)	Vacant Director and Asst Director posts, 50% cost not incurred.
	70,500	Monitoring Officer costs not budgeted
	(90,700)	Vacant Borough Solicitor post. Now deleted as part of shared services restructure.
	30,300	Borough Solicitor settlement costs
HR	11,600	Additional support from Chorley Council
Customer and Digital		
Gateway	(81,400)	Turnover and vacancies. Currently 3 vacant posts
IT	38,600	Pension strain costs of £74,100 offset by underspends from vacancies. Currently 2 vacant posts
Revenues and Benefits	(33,300)	Two post-holders reduced their hours. There is also 1 vacant post.

Non-Staffing Costs

20. The net cost of £83,000 in relation to the waste contract is due mainly to inflation of staffing costs that feed into the contract calculations. The pay adjustments reflect the impact of the NJC pay awards on individual pay points, which for the FCC employees works out higher than the average pay increase previously applied. That increase was offset by recovery of costs in relation to replacement bins. The contract includes an annual provision for the cost of bin replacements and the actual cost of bin replacements has been less than this provision, resulting in an overpayment being recovered from FCC.
21. The leisure campus project abortive costs had been incurred as capital expenditure in anticipation of a new facility being constructed. However, the project has been halted and there is no longer the expectation that a facility will be built on the specified site within the short term at least. (The capital programme includes a budget but it has been re-profiled to 2023/24). Therefore, under accounting regulations, a large proportion of the costs incurred can no longer be capitalised since they cannot be demonstrably linked to the creation of an asset.
22. The total value of costs incurred is £602,409. An assessment of these costs estimates that £229,500 (38%) can no longer be recognised as capital and must be charged as a revenue cost. These costs relate to project management fees, bespoke design costs that would not be transferrable to a new site, and work on a business case for a project that is now profiled to begin towards the latter end of the capital programme. The remaining £372,909 that is still recognised as capital expenditure relates to design and site investigation work that could still be attributed to a new facility or a new Extra Care facility (included in the capital programme) on the same site. Should neither of those projects come to fruition then the remaining capital costs will also need to be charged to revenue as abortive costs.
23. The provision for repayment of debt (in Table 1) includes the 'Minimum Revenue Provision' (MRP) charge relating to cumulative capital expenditure that has not been financed by other

means such as capital receipts, grants or contributions. A review of historical calculations, has resulted in a reduction in MRP in 2019/20 of £74,000.

Business Rates and Section 31 Grants

24. Table 4 below sets out the different elements in respect of Retained Business Rates for the year.
25. The actual local share of business rates would usually match exactly to the budgeted figure, but two factors have created a variance. Firstly, a late change to the amounts included on the Council's NNDR1 return for the year has produced a difference in 2019/20, with this being offset by a corresponding rise in Section 31 grants. Secondly, there has been an overall underlying increase in the amount collectable, compared to the original forecasts. This will be partly reflected in an increased surplus to be distributed in future years, but because there has also been a rise in those entitled to the various reliefs that are compensated for by Section 31 grant, it has also resulted in a further increase in grant entitlement.
26. During 2019/20, the Council was part of a 75% retention Pilot Area and the arrangements for this included a commitment to making contributions to a county-wide strategic fund and a resilience fund. Confirmation has not yet been received on the final treatment of these, but at present it is not expected that any further payments will be made.
27. The final amount in respect of renewable energy has yet to be confirmed.
28. There has been a reduction of £63,000 in the income in respect of the Lancashire Enterprise Zone at Samlesbury, but this is wholly payable to the Lancashire Enterprise Partnership and so there is no impact on the overall net amount for the year.

Table 4: Business Rates Funding

Business Rates Retention Budget	Budget £'000	Outturn £'000	Variance £'000
Expenditure			
Tariff paid to Pool	15,150	15,150	0
Payment re Enterprise Zone (19/20)	174	111	(63)
Payments to Lancs Wide Fund	286	0	(286)
Payment to Resilience Fund	57	0	(57)
Income			
Local share of business rates	(19,220)	(19,095)	125
Share of surplus/deficit	(185)	(185)	0
Designated Area – Enterprise Zone	(174)	(111)	63
Renewable energy rates income	(39)	(39)	0
Sub-Total	(3,951)	(4,169)	(219)
Government S31 Grants	(1,750)	(2,269)	(519)
Total	(5,701)	(6,438)	(737)

Council Tax and Business Rates Collection

29. The collection rates for Council Tax and Business Rates were:

	2018/19 Actual %	2019/20 Actual %
Council Tax	97.42	97.48
Business Rates	98.81	98.50

Income from Fees and Charges

30. 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.)

31. The main income variations are as follows:

- Community Sports Coaching – The funding in respect of the bikeability scheme was not budgeted because it was uncertain. Once this extra income was confirmed, additional staffing costs were incurred. The net position was a surplus of £40,000.
- Garden Waste Charges – The charges were introduced in 2018/19. The budget for 2019/20 was increased to reflect more closely the uptake in 2018/19. However, the volume of customers has actually increased in 2019/20.
- Vehicle Maintenance Contract – This is a new income stream as a result of the council securing the maintenance work for the Chorley Council waste contractor vehicles. There are additional costs for staffing, materials and equipment. The net surplus was £42,000.
- Planning fees – Pre-application fees were introduced during 2018/19. The take up has been a lot lower than forecasted. Also, other planning fees are lower than budgeted because some large scale developments have not proceeded as quickly as expected.
- Investment Property rental – In response to Covid-19, the council decided not to charge rents for March to June 2020 and refund customers that had already paid. The loss of income in March accounts for the deficit in 2019/20.

Table 5: Income from Fees and Charges

Service Area	Last Year Actual £'000	Budget £'000	Outturn £'000	(Surplus) / Deficit £'000
Neighbourhoods & Development				
Car Parking charges and fines	(135)	(137)	(141)	(4)
Civic Centre banqueting suite income	(22)	(18)	(26)	(8)
Community Sports Coaching	(235)	(203)	(279)	(76)
Dog impounding, littering and dog fouling	(6)	(18)	(4)	13
Environmental Permits	(24)	(19)	(23)	(4)
Football pitches, fairs, etc	(26)	(15)	(34)	(18)
Grounds Maintenance	(172)	(164)	(156)	8
Licensing - Piercings & Tattoos and Animals	(12)	(7)	(9)	(2)
Licensing - Street Traders	(28)	(25)	(23)	2
Pest Control	(44)	(39)	(46)	(6)
Property rental - Civic Centre	(71)	(50)	(67)	(17)
Property rental - Market	(139)	(142)	(126)	15
Property rental - Moss Side Depot	(13)	(43)	(43)	(0)
Property rental - Worden Craft Centre	(13)	(15)	(11)	4
Waste Collection - Garden waste	(789)	(650)	(809)	(159)
Waste Collection - New bins	(46)	(65)	(56)	9
Waste Collection - Special collections	(41)	(40)	(40)	0
Waste Collection - Trade Waste	(460)	(477)	(445)	33
Vehicle Maintenance for FCC	-	(13)	(120)	(107)
Planning & Property				
Building Control	(221)	(191)	(177)	14
Planning application fees	(454)	(505)	(436)	69
Planning pre-application fees	(21)	(72)	(31)	41
Investment property rental	(1,075)	(1,095)	(950)	145
Legal HR & Democratic Services				
Land Charges	(95)	(100)	(90)	10
Legal fees recovered	(13)	(15)	(13)	2
Licensing - Alcohol	(72)	(76)	(78)	(2)
Licensing - Gambling	(13)	(12)	(10)	2
Licensing - Taxis	(81)	(94)	(84)	11
Customer and Digital				
Court summons costs recovered	(213)	(228)	(219)	9
	(4,530)	(4,528)	(4,544)	(16)

Interest on Cash Investments

32. The interest figures in the summary table (Table 1) include a windfall of £17,000 in relation to a section 106 receipt paid late. Short-term cash investment interest was £387,000, which is £67,000 more than budgeted. Return on investments and comparisons to the previous reporting period are set out below:

Year	Average Balance	Average Rate	Interest Earned
2019/20	£43,018,874	0.901%	£387,391
2018/19	£40,054,734	0.755%	£302,594

33. Interest earned on the Council's investments increased by £85,000 (or 28%) in 2019/20, compared to 2018/19. This is partly attributable to the average balance itself being some 8% higher and partly to an increased average level of interest rates. In 2018/19, the Bank of England Base Rate was 0.50% for a significant portion of the year, before increasing to 0.75% early in August 2018. It remained at this higher level for almost the whole of 2019/20, before the sudden reductions to first 0.25% and then just 0.1% in mid-March, with the onset of fiscal measures related to the coronavirus pandemic. These reductions occurred sufficiently late in the year that they had only a limited impact on the Council's interest earnings.

COVID-19

34. The impact of Covid-19 on the 2019/20 budget has been minimal. The main budget implication has been the need to increase the bad debt provision as described earlier in this report as well as managing the March rent free period for the council's commercial tenants.

35. The pandemic will impact the council, its businesses and residents over the coming months and years. The main areas of budget risk to the council are:

- reductions in council tax and business rates income
- increased cost pressures – additional homelessness support and other additional support to residents, investment in council offices and IT to continue supporting customer facing services
- potential reductions in fees and charges such as parking charges or planning fees
- potential reductions in commercial income

36. The Government has provided the council with over £1.1m to manage these budget risks so the council can continue to provide services to its residents and businesses. South Ribble Council has distributed over £18m of grants to businesses as part of the Government initiative to provide short term support to local businesses.

37. Recently the Government has announced it will support councils for 75% of shortfalls in some of its fees and charges, this however does exclude shortfalls in commercial income. This support is welcomed, and the council is awaiting further guidance on how this programme of support will operate.

38. At this stage it is not clear what the short impact of Covid-19 will be for the council. The council has been prudent when setting aside reserves to manage future uncertainty including £5m of general reserves and £3m for managing short term reductions in business rates income
39. However, the council's reserves are set aside to manage the medium to long term impact of the pandemic including the risk of a sustained recession. As such, through its membership of local authority networks, South Ribble Council continues to lobby the Government to provide the level of support to district councils that it has been provided to support social services and the NHS.

Reserves

40. The total balance on reserves at the beginning of the financial year was £19.519m. Table 6 below shows the movements on the reserves for 2019-20. The details of the purposes of each earmarked reserve and the movements in the balances are as follows:

- Apprenticeships – This reserve was created in 2016/17 to fund the cost of taking on a tranche of new apprentices each year. The costs of the apprentice posts have since been factored into the base budgets and the reserve is no longer needed. It is proposed to move this into the general fund.
- Borough Council Elections – The 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. Table 6 reflects the reserve being topped up fully using the surplus in 2019/20. This will remove the budgeted contribution to the reserve of £40,000 per annum for the next 4 years.
- Borough Investment Account – This reserve was created for the purpose of purchasing investment property to generate more rental income for the revenue budget. No purchases have been made yet. The reserve has been used to fund the contract costs of the council's investment property advisers, LSH. That contract has now expired.
- 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. There are inherent risks regarding the future of the business rates retention scheme itself and the pending revaluation, nationally, of all business rates. Also, it is uncertain what the full effect of Covid-19 will be on collection rates. Therefore it is recommended to increase this reserve further at this time. Table 6 reflects the residual surplus of £631,000 for 2019/20 (as described in the Executive Summary) being transferred in.
- Capital Funding – The 2019/20 approved budget included the transfer of the forecasted surplus in 2018/19 of £716,000 to the capital funding reserve.
- City Deal – This reserve exists as a contingency to fund any unexpected costs that arise in relation to City Deal. The movements reflect what was budgeted - £200,000 transfer to revenue to fund growth items and £340,000 transfer in from an anticipated surplus on the collection fund.
- Climate Change – The approved budget for 2020/21 included the creation of a Climate Change reserve of £250,000. This has been reflected using the surplus in 2019/20.
- Credit Union – As part of the quarter 3 budget monitoring report, 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. The underspend in 2019/20 was £13,000.
- 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 created in 2017/18 to fund costs associated with the senior management restructure. It is recommended to increase the balance to £200,000 for potential cost relating to the expansion of shared services.
- Section 106 Affordable Housing and Other – These reserves have been created for accounting purposes so that Section 106 income is not restricted to being classed as a capital grant. The movements relating to the Section 106 that was brought forward from 2018/19 are detailed in Table 7 in the Capital Programme section below.
- 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. The movement between reserves figure is due to carry forwards from prior years not being required, and therefore released back to the general reserve.

41. Appendix C shows the planned movement in reserves in 2020/21 and the 3 years after.

Table 6: Reserves Summary

Reserve Name	Opening Balance £'000	Transfers In £'000	Transfers Out £'000	Capital Financing £'000	Movement Between Reserves £'000	Closing Balance £'000
Earmarked Reserves						
Apprenticeships	(267)	-	-	-	267	-
Borough Council Elections	(114)	(222)	176	-	-	(160)
Borough Investment Account	(4,594)	-	17	-	-	(4,576)
Business Rates Retention	(2,751)	(631)	73	-	-	(3,309)
Capital Funding	(3,073)	(734)	5	287	-	(3,514)
City Deal	(1,711)	(340)	200	-	-	(1,851)
Climate Change	-	(250)	-	-	-	(250)
Credit Union	-	(150)	-	-	-	(150)
Housing Needs Surveys	(83)	(17)	-	-	-	(100)
Local Plans	(255)	-	-	-	-	(255)
My Neighbourhoods	(54)	(13)	-	-	-	(67)
Performance Reward Grant	(47)	-	20	-	-	(27)
Repairs and Maintenance	(500)	-	-	-	-	(500)
Restructure Costs	(27)	(173)	-	-	-	(200)
Section 106 Affordable Hsg	-	(603)	-	-	-	(603)
Section 106 Other	-	(604)	-	-	-	(604)
Transformation Fund	(500)	-	-	85	-	(415)
Other Earmarked Reserves:						
Ring-fenced grants	(359)	(270)	62	78	-	(489)
Sports Development income	(297)	(40)	-	-	-	(337)
Carried forward underspends	(207)	(126)	147	-	61	(125)
	(14,839)	(4,172)	700	451	328	(17,532)
General Reserve	(4,680)	-	-	-	(328)	(5,008)
Total	(19,519)	(4,172)	700	451	-	(22,541)

Capital Programme

42. Appendix B lists all the capital schemes within the programme and the detail regarding budgets, spending and forecasts.
43. Table 7 below shows the movements in capital funding. As noted in the Reserves section above, from 2019/20 onwards Section 106 receipts are being taken to a revenue reserve to allow greater flexibility in using the funding for revenue costs if needed.
44. 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 of the affordable 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 Funding

Funding Stream	Opening Balance £'000	Received £'000	Release to Revenue £'000	Capital Financing £'000	Closing Balance £'000
Grants and Contributions					
City Deal capital funding	-	-	-	-	-
Community Infrastructure Levy (CIL)	(1,399)	(1,029)	248	150	(2,029)
Disabled Facilities Grant (DFG)	(315)	(691)	-	691	(314)
External Contributions	-	(39)	-	39	-
Housing grants repaid	(33)	-	-	33	-
Land Release Fund	(362)	-	-	-	(362)
RHP Housing	(104)	-	-	-	(104)
Section 106 Affordable Housing	(4,486)	-	-	45	(4,441)
Section 106 Other	(2,368)	(91)	16	656	(1,787)
Other grants and contributions	(46)	(6)	-	27	(25)
	(9,112)	(1,855)	264	1,640	(9,063)
Section 106 Expired	(435)	-	250	78	(107)
Capital Receipts	(827)	(13)	-	839	-
Total	(10,373)	(1,868)	514	2,558	(9,170)

COMMENTS OF THE STATUTORY FINANCE OFFICER

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

COMMENTS OF THE MONITORING OFFICER

46. 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 (included within this document) – Staffing Vacancies at 31st March 2020

Appendix B – Capital Programme 2019-20

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)	24 th July 2020

Appendix A: Staffing Vacancies at 31st March 2020

Post	Notes
Chief Executive	
Deputy Chief Executive (Regeneration and Growth)	These posts have been deleted from 1 st April 2020 to reflect the new shared services arrangements.
Deputy Chief Executive (Resources & Transformation)	
Neighbourhoods and Development	
Graphic Designer	Vacant since 30/11/19. The post is being kept vacant pending the outcome of phase 2 of the expansion of shared services.
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.
HGV Mechanic	Vacant since 11/03/20
Senior Clerical Assistant	Vacant since 06/03/20
Planning and 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.
Planning Compliance & Monitoring Officer	Vacant since 01/08/19, when the new structure was implemented. The post is being kept vacant to assess whether it is required in the long term. Agency support has now been procured.
Estates Officer	Vacant since 05/04/20
Apprentice	Vacant all year. The post was intended to be used for the Gateway team. There were no suitable candidates when it was advertised.
Finance and Assurance	
Shared Director of Finance	Vacant all year
Auditor 1.2 FTE from two posts	The posts were all being filled by agency staff.
Insurance Officer	The post holder was on long term sickness absence and another officer has been acting up. Agency support was used to back-fill the other officer's post.
Legal HR and Democratic Services	
Director of Director of Legal, HR & Democratic Services	This post was vacant all year but has been replaced by the Director of Governance in the new shared services arrangements.
Borough Solicitor	These posts have been deleted from 1 st April 2020 to reflect the new shared services arrangements.
Head of Legal HR & Democratic Services	
Business Support Coordinator	Vacant since 31/12/19. The post is part was transferred to Chorley as part of shared services and is being kept vacant pending phase 2.

Post	Notes
Governance & Member Services Team Leader	Vacant since 02/02/20. The post has been replaced by a lower-graded Democratic & Member Services Officer role. Interviews are arranged for July. The saving from reducing the grade will be incorporated into the shared services review.
Head of Licensing	Vacant since 23/02/20. The post is being kept vacant pending the outcome of phase 2 of the expansion of shared services.
Customer and Digital	
Gateway Officer	Vacant since 01/12/19
Gateway Receptionist	Vacant since 01/11/19
Gateway Receptionist	Vacant since 02/02/20
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	Vacant since 29/02/20. Another post is due to become vacant at the end of July. Options are being considered regarding potential regrading of these posts and/or other minor restructure changes within the team.

Capital Programme 2019-20 Outturn

Note: All figures are in £'000

Appendix B

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				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 - Bamber Bridge LC to Tennis Centre	8	7	(1)	-	(1)		-	-	-	-	7
Green Link - Central Parks Network	113	112	(1)	-	(1)		-	-	-	-	112
Green Link - Penwortham to Bamber Bridge	62	40	(22)	-	(22)	All outcomes were delivered under budget.	-	-	-	-	40
Green Link - Penwortham Holme to Howick	-	-	-	-	-		250	-	-	-	250
Green Link - Ribble Links	30	-	(30)	-	(30)	The budget was earmarked for master-planning costs but the design work has been done in-house.	-	-	-	-	-
Green Link - Shruggs Wood	100	49	(51)	(51)	-	The budget was intended for extensive works in conjunction with the new leisure facility scheme. When that was halted, there was a delay in confirming what works would still be done to Shruggs Wood.	119	-	-	-	168
Carwood Road Cross-Borough Link Road	150	150	-	-	-		-	-	-	-	150
Leyland Loop	100	59	(41)	(41)	-	The budget has been re-profiled from £100k in 19/20 and £150k in 20/21	91	100	-	-	250
Total Green Infrastructure	563	417	(146)	(92)	(54)		460	300	200	200	1,577
Worden Park											
Arboretum landscaping	-	-	-	-	-		30	-	-	-	30
Craft Units - Infrastructure upgrade	12	12	0	-	-		-	-	-	-	12

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Craft Units Windows and Security Grills	-	-	-	-	-		40	-	-	-	40
Farmyard Cottages Windows and Bathrooms	25	-	(25)	(25)	-		50	-	-	-	50
Farmyard Cottages - Heating	-	-	-	-	-		50	-	-	-	50
Formal Gardens conservatory heating	36	36	-	-	(0)		-	-	-	-	36
Ice House front façade	-	-	-	-	-		10	-	-	-	10
North Lodge	25	17	(8)	-	(8)		-	-	-	-	17
Overflow Car Park	40	-	(40)	(40)	-		120	-	-	-	120
Replacement conservatory / greenhouse	9	15	6	-	6		-	-	-	-	15
Toilet facilities improvements	29	23	(6)	-	(6)		-	-	-	-	23
Sewerage pumping station and septic tanks	-	-	-	-	-		40	-	-	-	40
Shaw Brook weirs and banking	-	-	-	-	-		40	-	-	-	40
Shaw Wood footpaths	-	-	-	-	-		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 - Repairs and externals	20	13	(7)	-	(7)	The works planned as part of these budgets were postponed, to be incorporated into the main refurbishment scheme. Only minimal emergency works were carried out.	-	-	-	-	13
Worden Hall - Original Hall wall repairs	30	-	(30)	-	(30)		-	-	-	-	-
Worden Hall - Oil Tank	25	7	(18)	-	(18)		-	-	-	-	7
Worden Hall refurbishment	-	-	-	-	-		500	1,670	-	-	2,170
Total Worden Park	251	123	(128)	(65)	(63)		913	1,850	200	232	3,318

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Other Parks and Open Spaces											
Hurst Grange Park	-	-	-	-	-		25	-	-	-	25
Hurst Grange Coach House Phase1	43	38	(5)	-	(5)		-	-	-	-	38
Hurst Grange Coach House Phase2	-	-	-	-	-		440	350	-	-	790
Hurst Grange Park Path	-	-	-	-	-		-	40	-	-	40
Open Spaces 2016/17 to 2019/20	30	30	-	-	-		-	-	-	-	30
Open Spaces - Bent Lane	20	7	(13)	(13)	-		68	-	-	-	75
Open Spaces - Balcarres Green	25	1	(24)	(24)	-		24	-	-	-	25
Playground - Worden Park	150	151	1	1	-	The work is mostly complete and the playground is open for use. Work is still required to the cable-way.	50	-	-	-	200
Playground - Leadale Green	100	142	42	42	-	The work was 81% complete at year-end. It is now complete.	33	-	-	-	175
Playground - Seven Stars	100	2	(98)	(98)	-	The work was delayed due to Covid-19. It is now complete.	173	-	-	-	175
Playground edging Worden and Farington parks	80	73	(7)	-	(7)		-	-	-	-	73
Playgrounds - Haig Avenue, Hurst Grange, Bellis Way, Bent Lane	-	-	-	-	-		300	200	-	-	500
Other Parks - Footpaths (Fossdale Moss, Priory, Valley Road)	-	-	-	-	-		15	30	-	-	45
Tarn Wood, Penwortham	10	-	(10)	(10)	-		30	-	-	-	30
A tree for every resident	27	24	(3)	(3)	-		43	53	40	-	160
Withy Grove Park	-	-	-	-	-		-	60	-	-	60
Total Other Parks & Open Space	585	468	(117)	(105)	(12)		1,200	733	40	-	2,441

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Sports and Leisure											
Leisure Facility	428	198	(230)	-	(230)	Abortive costs of £229,500 have been charged to revenue	-	-	-	19,000	19,198
Leisure Centre refurbishments	-	-	-	-	-		1,000	1,100	-	-	2,100
Lostock Hall Football Facility	26	2	(24)	(24)	-		146	-	-	-	148
Sport Pitch Hub	8	3	(5)	(5)	-		-	3,000	1,305	-	4,308
King George V Playing Fields, Higher Walton	50	-	(50)	-	-	This scheme replaces the Church Road, Bamber Bridge scheme	75	-	-	-	75
Place											
Land Acquisition Croston Road	77	-	(77)	(77)	-		77	-	-	-	77
Affordable Housing at former McKenzie Arms, Bamber Bridge	20	30	10	10	-		100	2,117	-	-	2,247
Affordable Housing at Station Road, Bamber Bridge	15	15	0	0	-	The project was delayed due to the original contractor going into administration. A new contractor has been procured and the scheme is scheduled to be completed in 2020/21.	563	-	-	-	578
Car Park resurfacing, Ryefield Avenue, Penwortham	-	-	-	-	-		-	40	-	-	40
Church Road, Bamber Bridge	-	-	-	-	-	This scheme has been postponed with the King George V Playing Fields scheme being prioritised in its place.	-	40	-	-	40
Disabled Facilities Grants	750	696	(54)	(54)	158	The budget for 20/21 has been increased to match the funding not yet used plus the allocation for 2020/21.	1,003	682	682	682	3,745
Extra Care scheme	-	-	-	-	-		-	5,000	4,000	1,000	10,000
Hoole Village Hall Grant	-	-	-	-	-		200	-	-	-	200
Leyland Train Station Ticket Office	-	-	-	-	-		60	-	-	-	60

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
Masterplanning & Regen - Leyland	18	18	(0)	-	(0)		-	2,000	-	-	2,018
Masterplanning & Regen - Penwortham	-	-	-	-	-		50	-	2,000	-	2,050
New Longton Regeneration	-	-	-	-	-		75	-	-	-	75
Empty Homes grants	-	-	-	-	39	This line was omitted from the capital programme in error and has been reinstated.	39	-	-	-	39
Private Sector home improvement grants	8	9	1	-	1		75	75	75	75	309
St Mary's, Penwortham - Churchyard wall repairs	20	-	(20)	(20)	-		140	-	-	-	140
Compulsory Purchase	19	36	17	-	17	A report will be taken to Cabinet to explain the options available for the property. Further costs would be required to refurbish the property to a fit state for either sale or rental.	-	-	-	-	36
Bowling Green Acquisition	12	12	-	-	-		-	-	-	-	12
Excellence & Financial Sustainability											
IT Programme											
IT Unallocated Funding	-	-	-	-	-		200	200	200	200	800
Capita Software Upgrade	27	23	(5)	(5)	-		5	-	-	-	27
Civic Centre audio visual equipment	80	80	-	-	-		-	-	-	-	80
Civic Centre conference centre hearing loop	-	-	-	-	-		50	-	-	-	50
HFX Upgrade	8	4	(4)	(4)	-		4	-	-	-	8
HR Selima Upgrade	10	10	-	-	-		-	-	-	-	10
Icon Upgrade	20	12	(8)	-	(8)		-	-	-	-	12
Idox	107	-	(107)	(107)	-	The timing of the procurement was a little later than expected as at Q3 because of the work required to coordinate with Chorley BC as a shared arrangement.	147	-	-	-	147

Scheme Name	Q3 Forecast	Outturn	Variance Over / (Under)	Variance split		Notes	Revised Budgets				Total 2019-24
				Re-profile	Extra Cost / (Saving)		20/21	21/22	22/23	23/24	
InPhase upgrade	33	32	(1)	-	(1)		-	-	-	-	32
Moss Side Depot Networking	3	3	-	-	-		-	-	-	-	3
Telephony and Switchboard	78	78	0	-	-		-	-	-	-	78
Total IT Programme	366	242	(124)	(115)	(9)		405	200	200	200	1,247
Other non-ICT projects											
Corporate Buildings - unallocated	171	-	(171)	-	(171)	The budget had been allocated to: 3rd Floor refurbishment £50k, LED lighting £45k, Solar Panels £60k, Emergency Lighting £14k	100	100	100	100	400
Corporate Buildings - Civic Centre	-	-	-	-	-		75	50	-	-	125
Corporate Buildings - Depot	52	48	(4)	-	(4)		-	-	-	-	48
Civic Centre Electric Vehicles Charging Points	17	17	-	-	(0)		-	-	-	-	17
Civic Centre Emergency Lighting	-	7	7	7	14		7	-	-	-	14
Civic Centre LED Lighting	-	-	-	-	45		45	-	-	-	45
Civic Centre New Entrance	-	-	-	-	-		150	-	-	-	150
Civic Centre Solar Panels	-	30	30	30	60		31	-	-	-	60
Civic Centre 3rd Floor Refurb	-	-	-	-	50		50	-	-	-	50
Civic Centre Toilets	70	66	(4)	-	(4)		-	-	-	-	66
Polling Booths	-	-	-	-	-		22	-	-	-	22
Vehicles and Plant replacement programme	604	566	(38)	(38)	-		2,477	950	400	100	4,493
Miscellaneous retention costs	-	6	6	-	6	Retention costs are accrued against individual schemes. When the actual costs are incurred there are often minor variances.	-	-	-	-	6
Grand Total	4,129	3,009	(1,120)	(550)	(156)		9,537	18,237	9,202	21,589	61,573

Reserves Planned Movements 2020-2024

Note: All figures are in £'000

Appendix C

Reserve Name	19/20 C/F	2020-21			Future Years			Notes
		In	Out	C/F	In	Out	Balance	
Earmarked Reserves								
Borough Council Elections	(160)	-	-	(160)	-	160	-	Topped up to fund the next election
Borough Investment Account	(4,576)	-	700	(3,876)	-	1,670	(2,206)	Funding the Worden Hall and Hoole Village Hall capital schemes, as per the MTFS.
Business Rates Retention	(3,309)	-	65	(3,244)	-	195	(3,049)	Annual budgeted £50k contribution towards Revenues Team costs and £15k for fees relating to Rateable Value reviews.
Capital Funding	(3,514)	-	3,514	-	(750)	-	(750)	Fully used in 20/21 then topped up by £250k each year after
CIL Admin	(248)	-	-	(248)	-	-	(248)	
City Deal	(1,851)	-	-	(1,851)	-	-	(1,851)	
Climate Change	(250)	-	-	(250)	-	-	(250)	Plans are being developed to use this reserve.
Credit Union	(150)	-	-	(150)	-	-	(150)	Plans are being developed to use this reserve.
Housing Needs Surveys	(100)	(20)	40	(80)	(20)	-	(100)	Budgeted use of £40k in 20/21. Top up by £20k each year.
Local Plans	(255)	-	99	(157)	-	95	(62)	Budgeted use for local plan costs
My Neighbourhoods	(67)	-	-	(67)	-	-	(67)	
Performance Reward Grant	(27)	-	27	-	-	-	-	To be used for partnership work.
Repairs and Maintenance	(500)	-	500	-	(750)	-	(750)	Used in 20/21 towards the Leisure Refurbishments capital scheme then topped up by £250k each year after
Restructure Costs	(200)	-	100	(100)	-	100	-	Increased to £200k at outturn and expected to be used for costs associated with the next phase of shared services.

Reserve Name	19/20 C/F	2020-21			Future Years			Notes
		In	Out	C/F	In	Out	Balance	
Section 106 Affordable Housing	(603)	-	36	(567)	-	539	(28)	Funding towards the Station Road, McKenzie Arms and Extra Care capital schemes. There is also a balance of £4.4m that has been treated as a capital grant that will be used towards these schemes as well.
Section 106 Other	(604)	-	150	(454)	-	150	(304)	This balance and the £1.8m treated as capital grant will be used to fund large elements of the green links and open spaces schemes in the capital programme. Some receipts, totalling £523k, must be spent on highways works so we are dependent on LCC completing various projects before the money can be paid over.
Transformation Fund	(415)	-	415	-	-	-	-	Contributing towards the IT schemes in the capital programme
Other Earmarked Reserves:							-	
Ring-fenced income	(488)	-	200	(289)	-	88	(201)	Towns Fund £155k, Homelessness £93k, Energy Efficiency £31k
Sports Development income	(337)	-	220	(117)	-	85	(32)	£100k budgeted to be used for salary costs due to the uncertainty of bikeability income. £205k to be used for Youth Support project.
Carried forward underspends	(126)	-	126	-	-	-	-	Underspends from 19/20 to be used in 20/21
	(17,780)	(20)	6,191	(11,609)	(1,520)	3,081	(10,048)	
General Reserve	(5,008)	-	-	(5,008)	-	604	(4,404)	Budgeted use of the general reserve to balance the budget in future years.
Total	(22,789)	(20)	6,191	(16,618)	(1,520)	3,686	(14,452)	