

# **COMMUNITY, PARTNERSHIPS AND WELLBEING OVERVIEW AND SCRUTINY PANEL – 15 June 2021**

## **ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN 2020/21**

### **1. RECOMMENDATIONS**

- 1.1 It is recommended that the Panel:
  - a) Note the Annual Performance Statement for 2020/21, including the impact of Covid-19 on performance;
  - b) Note the provisional outturn of the General Fund revenue and capital budgets for 2020/21;
  - c) Note the provisional outturn of the Housing Revenue Account for 2020/21; and
  - d) Provide feedback or comments back to Cabinet.

### **2. PURPOSE OF THE REPORT**

- 2.1 This report provides an overview of performance and delivery of the corporate plan for 2020/21. It is a backward-looking report that reflects the impact of the Coronavirus pandemic and sets out provisional outturn results for the General Fund and Housing Revenue Account.
- 2.2 The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer by 30 September and will be presented to Audit Committee following external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn now presented is in management format.

### **3. INTRODUCTION**

- 3.1 Community Matters, the Council's Corporate Plan for 2020-2024, sets out the overarching commitments and vision for the Council and focuses on the challenges faced and the plans to address them, including priorities for each Portfolio. It was approved in March 2020, just prior to the first lockdown. The Annual Performance Statement reflects the progress in delivering the corporate plan and the impact of the Coronavirus pandemic.
- 3.2 Understandably some of the priorities of the corporate plan were overshadowed by the more immediate and necessary response to the pandemic and this is reflected in the Annual Performance Statement appended to this report. Performance for each Portfolio has also been presented to overview and scrutiny panels during the year in the form of Portfolio Dashboards, which reflect the progress of specific activities within the corporate plan.
- 3.3 In light of the impact of the pandemic there is a need to revisit the corporate plan to ensure that priorities continue to reflect the needs of the community, to update associated actions and to align responsibilities with the new Cabinet structure that came in to effect in April 2021. This will be reported back to Cabinet later in the year.

- 3.4 The Council's financial planning process further supports the delivery of the corporate objectives and the annual budget, and its performance is an important element of the overall corporate plan.
- 3.5 The provisional outturn report was presented to Cabinet in April 2021. This followed the adoption of the emergency budget in September 2020, and subsequent financial monitoring report in December 2020.
- 3.6 The latest budgets for 2020/21 as reported to the Cabinet resulted in revised General Fund, Capital Programme and Housing Revenue Account budgets as follows:

	<b>Original Budget</b>	<b>Latest Budget April Cabinet</b>	<b>Reported Variations</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>General Fund</b>	19.194	20.211	1.017
<b>Capital Programme</b>	25.694	27.238	1.544
<b>Housing Revenue Account (Income)</b>	(28.199)	(28.077)	0.122
<b>Housing Revenue Account (Expend.)</b>	19.726	19.796	0.070

#### **4. ANNUAL PERFORMANCE STATEMENT**

- 4.1 The pandemic dominated the Council's delivery of services during 2020/21 and this is reflected in the performance overview. Some services were significantly impacted and were unable to be offered, whilst other services saw demand increase or new responsibilities arise, directly linked to supporting individuals and businesses during the crisis.
- 4.2 The Annual Performance Statement (Appendix 1) illustrates the performance for 2020/21, highlighting the Council's Covid-19 response and providing an overview of the performance for each Portfolio, including an assessment of performance for key service areas in terms of the availability of staff, the impact on budget and overall service delivery impact.

#### **5. BUDGET OUTTURN**

- 5.1 The Annual Budget is an important element of the delivery of the Council's financial strategy which supports the delivery of core services and provides value for money to local taxpayers. Financial Monitoring Reports and Medium-Term Financial Plan updates are presented to Cabinet throughout the year, providing up to date information on current performance and the budget outlook over a medium-term period.
- 5.2 The mitigating factors put in place by this Council during the emergency budget process, and subsequent savings identified through financial monitoring, identified savings of around £1.5m. The updated General Fund revenue outturn position confirms a spend of £23.200m. Retained Business Rates income was originally budgeted at £7.287m, with the provisional outturn being £6.437m. When combined, these two variations result in a total adverse variation for the year as against the original budget of £4.856m. Government support of £6.472m has been received during the year; £4.235m through the Sales, Fees and Charges compensation

scheme, and £2.237m in general support funding. The Financial Monitoring reports presented through Cabinet during the year confirm the reasoning for the significant variations and the summarised position is shown within Appendix 2. The overall resultant balancing position allows for a transfer to Capital Programme reserves of £1.515m.

- 5.3 The original Capital Programme budget was set at £25.694m. This was increased via financial monitoring to take into account the scheme rephasing's from 2019/20 and updated for new requirements, including £5.25m for investment in economic regeneration and employment projects as well as £1.825m for Emergency Works to the sea wall at Milford. The Capital Programme outturn position confirms a spend for the year of £26.959m. This is a yearend variation in comparison to the revised budget of £279,000, and results in a total variation for the year as against the original budget of +£1.265m.
- 5.4 The updated Housing Revenue Account position confirms income for the year of £28.131m and revenue spend for the year of £19.818m. After a transfer to an earmarked reserve of £72,000, this results in an overall deficit for the year of £88,000, with this sum being transferred from the Acquisition and Development reserve.
- 5.5 The following table summarises the positions as explained above (although all stated positions are still subject to change during the course of External Audit):

	<b>Original Budget</b>	<b>Outturn Position</b>	<b>Total Variation</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>General Fund – Portfolio Budgets</b>	19.194	23.200	4.006
<b>General Fund – Business Rate Retention</b>	(7.287)	(6.437)	0.850
<b>General Fund – Financial Support</b>	0.00	(6.472)	(6.472)
<b>Capital Programme</b>	25.694	26.959	1.265
<b>Housing Revenue Account (Income)</b>	(28.199)	(28.131)	0.068
<b>Housing Revenue Account (Expend.)</b>	19.726	19.818	0.092

## **6. CRIME & DISORDER / EQUALITY & DIVERSITY / ENVIRONMENTAL IMPLICATIONS**

- 6.1 There are none arising directly from this report.

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**Background Papers**

The Corporate Plan 2020-2024  
'Community Matters'  
Cabinet 4 March 2020

April Financial Monitoring Report

## FINANCIAL MONITORING 2020/21

## GENERAL FUND OUTTURN 2020/21

	Feb 20	Sept 20	December 20	April 21	Previously	Outturn 2020/21			
	2020/21 £'000's Original Budget	2020/21 £'000's Emergency Budget	2020/21 £'000's Updated Budget	2020/21 £'000's Updated Budget	Reported Item Split across Portfolio's	2020/21 £'000's New Variations Expend.	2020/21 £'000's New Variations Income	2020/21 £'000's New Variations Rephasings	2020/21 £'000's Outturn Position
<b>PORTFOLIO REQUIREMENTS</b>									
Community Affairs	1,497	1,612	1,612	1,418	-20	-59	37	-5	1,371
Contain Outbreak Management Grant						77	-180		-103
Clinically Extremely Vulnerable Grant						11	-181		-170
COVID Compliance/Enforcement						71	-71		0
COVID Test Centre						54			54
Emergency Assistance/Community Response Grant				75		102	-139		38
Economic Development	-11	-85	-85	-130	28	-14	-13	0	-129
Environment and Regulatory Services	9,177	9,535	9,533	9,629	-107	-5	-79	-33	9,405
Environment - Income Support Scheme		0	0	-98	0		98		0
Finance, Corporate Services and Improvement	3,863	3,708	3,379	3,178	350	842	-955	-10	3,405
Finance - New Burdens Funding		-170	-170	-170		12	-366		-524
Finance - Emergency Assistance Grant		-134	-134	-134			134		0
Housing Services	1,847	2,393	2,496	2,375	-49	-72	-40	-84	2,130
Housing Services - Accomodation Support Funding		-100	-438	-438					-438
Leader and Corporate Affairs	68	168	175	175		-8	0	0	167
Leisure and Wellbeing	1,403	6,361	6,239	6,825	-78	-354	132	-32	6,493
Leisure and Wellbeing - Income Support Scheme		-2,220	-2,220	-3,803			3,803		0
Leisure and Wellbeing - Furlough		-1,100	-1,100	-1,059					-1,059
Planning and Infrastructure	1,361	2,316	2,291	1,956	-124	193	-234	-20	1,771
Planning and Infrastructure - Income Support Scheme		-620	-620	-585	0		585		0
	19,205	21,664	20,958	19,214	0	850	2,531	-184	22,411
Reversal of Depreciation	-1,545	-1,535	-1,535	-1,495	-40	131			-1,404
Contribution (from) / to Earmarked Revenue Reserves	-256	-435	158	864		-379	277	184	946
Contribution to Revenue Reserves	1,250	5	5	1,250					1,250
<b>NET PORTFOLIO REQUIREMENTS</b>	<b>18,654</b>	<b>19,699</b>	<b>19,586</b>	<b>19,833</b>	<b>-40</b>	<b>602</b>	<b>2,808</b>	<b>0</b>	<b>23,203</b>
Minimum Revenue Provision	1,181	1,204	1,204	1,164	40	-110			1,094
RCCO	375	0	0	0					0
Interest Earnings (Net)	-730	-500	-500	-500		19	-330		-811
New Homes Bonus	-286	-286	-286	-286					-286
<b>GENERAL FUND NET BUDGET REQUIREMENTS</b>	<b>19,194</b>	<b>20,117</b>	<b>20,004</b>	<b>20,211</b>	<b>0</b>	<b>511</b>	<b>2,478</b>	<b>0</b>	<b>23,200</b>

## FINANCIAL MONITORING 2020/21

## CAPITAL PROGRAMME OUTTURN 2020/21

	Portfolio	Feb 20 2020/21 Original Budget	Apr 20 2020/21 Updated Budget	Outturn 2020/21		
				2020/21 New Variations Expend.	2020/21 New Variations Rephasing	2020/21 Outturn Budget
Disabled Facilities Grants	HSG (GF)	1,200,000	590,000	-45,000		545,000
Strategic Regional Coastal Monitoring (15-21)	ENV	1,495,000	1,739,000	19,000	-100,000	1,658,000
Hurst Spit	ENV			15,000		15,000
Barton Drainage Test (19-21)	ENV	50,000				
Public Convenience Modernisation Programme	ENV	300,000		8,000		8,000
Public Convenience Additional Enhancements	ENV/LEADERS	75,000				
Lymington Sea Wall	ENV	400,000				
Emergency Works - Milford Sea Wall			1,825,000			1,825,000
Emergency Works - Milford Sea Wall S151 Contingency			300,000	-216,000	-15,000	69,000
Westover Seawall Scheme Appraisal and Development					10,000	10,000
New Depot Site	F,CS&I	3,000,000	170,000		-10,000	160,000
V&P; Replacement Programme	F,CS&I	1,682,000	242,000		-36,000	206,000
Smarter Working; Future Delivery	F,CS&I	500,000	250,000	-255,000		-5,000
Commercial Property Acquisitions	F,CS&I		3,400,000	33,000		3,433,000
Residential Property Acquisitions	F,CS&I		1,850,000	-2,000		1,848,000
Open Space Schemes	P&I	292,000	56,000	47,000	67,000	170,000
Transport Schemes	P&I	265,000	172,000			172,000
Mitigation Schemes	P&I	635,000	144,000		-33,000	111,000
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>		<b>9,894,000</b>	<b>10,738,000</b>	<b>-396,000</b>	<b>-117,000</b>	<b>10,225,000</b>
HRA - Major Repairs	HRA	5,600,000	5,600,000	-15,000		5,585,000
Estate Improvements	HRA	200,000	200,000	-69,000		131,000
Council Dwellings - Strategy Delivery	HRA	9,000,000	10,000,000	376,000		10,376,000
Disabled Facilities Grants	HRA	1,000,000	700,000	-58,000		642,000
<b>TOTAL HRA CAPITAL PROGRAMME</b>		<b>15,800,000</b>	<b>16,500,000</b>	<b>234,000</b>		<b>16,734,000</b>
<b>GRAND TOTAL CAPITAL PROGRAMME</b>		<b>25,694,000</b>	<b>27,238,000</b>	<b>-162,000</b>	<b>-117,000</b>	<b>26,959,000</b>

FINANCIAL MONITORING 2020/21				
HOUSING REVENUE ACCOUNT OUTTURN 2020/21				
	Feb 20	Apr 20	Outturn 2020/21	
	2020/21	2020/21	2020/21	2020/21
	£'000	£'000	£'000	£'000
	Original	Updated	New	Outturn
	Budget	Budget	Variations	Position
<b>INCOME</b>				
Dwelling Rents	-26,354	-26,354	-5	-26,359
Non Dwelling Rents	-786	-724		-724
Charges for Services & Facilities	-660	-660	-1	-661
Contributions towards Expenditure	-64	-64	-69	-133
Interest Receivable	-78	-18		-18
Sales Administration Recharge	-32	-32	14	-18
Shared Amenities Contribution	-225	-225	7	-218
<b>TOTAL INCOME</b>	<b>-28,199</b>	<b>-28,077</b>	<b>-54</b>	<b>-28,131</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance				
Cyclical Maintenance	1,337	1,257	65	1,322
Reactive Maintenance	3,356	3,610	102	3,712
Supervision & Management				
General Management	5,095	4,885	64	4,949
Special Services	1,222	1,222	-54	1,168
Homeless Assistance	64	64	3	67
Rents, Rates, Taxes and Other Charges	54	54	36	90
Provision for Bad Debt	150	150	-42	108
Capital Financing Costs - Settlement Adjustment	8,376	8,376	-15	8,361
MRP	72	72	-31	41
Capital Financing Costs - New Borrowing				
<b>TOTAL EXPENDITURE</b>	<b>19,726</b>	<b>19,690</b>	<b>128</b>	<b>19,818</b>
<b>HRA OPERATING SURPLUS(-)</b>	<b>-8,473</b>	<b>-8,387</b>	<b>74</b>	<b>-8,313</b>
Contribution to Capital - supporting Housing Strategy	8,473	8,473	0	8,473
Contribution to/from(-) Earmarked Reserves			-72	-72
Transfer to Acquisitions/Development reserve	<b>0</b>	<b>86</b>	<b>2</b>	<b>88</b>