

Appendix 3 - Quarter 2 budget report

Chief Executive

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	260,900	206,665	54,235	1
Premises	0	0	0	
Transport	0	0	0	
Supplies & Services	8,160	3,860	4,300	
Payments to Third Parties	0	0	0	
COVID-19 Costs	0	0	0	
Income	0	0	0	
TOTAL	269,060	210,525	58,535	

1) The saving on Employee costs is as a result of the Chief Executive taking flexible retirement.

Community Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	1,329,424	1,388,273	(58,849) *	2
Premises	0	1,603	(1,603)	
Transport	900	0	900	
Supplies & Services	151,319	143,768	7,551	
Payments to Third Parties	5,136,738	5,267,239	(130,501)	3
COVID-19 Costs	0	389,127	(389,127)	4
Ringfenced Projects and Funding	0	(180,192)	180,192	5
Income	(2,279,847)	(2,222,652)	(57,195) *	6
TOTAL	4,338,534	4,787,166	(448,632)	

2) Employee costs are showing as overspent which is due to the pressures on the Environmental Health team during the COVID pandemic and the full time use of an interim Environment Health Manager to ensure continuation of services to the end of the financial year.

3) Payments to third parties are overspend due to the continuing issues with the MRF provider. Additional costs have been agreed to be paid through the contract to the end of the year in relation to the quality of our paper recycling. There is also an emerging issue where the contractor is rejecting any loads which contain contaminated material. This has been occurring since the beginning of October and on the basis of rejecting 2 loads per week this could cost the council an additional £100k during the second half of the financial year. Whilst there has been overspends reported on the Ubico contract of nearly £100k, these have been offset by one off gain where by pension contributions have not been required to be paid in the year. The pension saving had not been included in the 2020/21 budget when approved by members.

4) COVID 19 costs show the impact of additional work that is being required as a result of the pandemic, not related to normal service provision. These include the cost of implementing the national policy of placing all homeless people in accommodation, additional costs that Ubico incurred to comply with health and safety rules on social distancing, whilst delivering refuse services and also additional resources are required to deal with back log in work in environmental health, when resources were redeployed during lockdown.

5) Ringfenced projects and funding represents grants that have been received in the year but not yet spent. A large grant was received for homeless prevention initiatives. This is not a recurring budget item and if unspent at year end will be placed in a reserve. Whilst shown as a gain above, it is removed as part of corporate costs and therefore does not impact on the charge to Council Tax payers

6) The fall in income is mostly in relation to Trade Waste and Licencing. Due to the pandemic there was business closures, which meant that they did not need trade waste services or to renew licences. It is hoped that through the Central Government Fees and Charges scheme that we can recover around 70% of the lost income.

* Not included in the figures above is any risk or reward in relation to BREXIT, if the UK was to leave the EU without a trade agreement it would result in a requirement for exporting businesses to apply for licences. Whilst this would be chargeable to businesses, it would also require additional resources to manage the demand. Due to the ongoing negotiations over trade with the EU no financial impact has been calculated

Corporate Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,025,153	1,953,027	72,126	7
Premises	0	0	0	
Transport	0	0	0	
Supplies & Services	557,089	624,169	(67,080)	8
Payments to Third Parties	127,574	84,488	43,086	9
Transfer Payments - Benefits Service	12,449,021	12,449,021	0	
COVID-19 Costs	0	186,492	(186,492)	10
Income	(12,969,223)	(12,875,901)	(93,322)	11
TOTAL	2,189,614	2,421,296	(231,682)	

7) The majority of the savings relates to vacant posts within Revenues & Benefits. The overtime and backfill for this team is currently coded against COVID. This is expected to be £29k by March 2021. The digital team are currently making a saving of £16k, this is expected to be £36k by Year End. This saving will partly fund the Digital Platform, which is showing as an overspend in supplies and services. There is also a £10k saving on training as a result of COVID restrictions. Human Resources think this may change before year end with more teams opting to train online.

8) The IT department have purchased additional equipment this financial year that was not budgeted for. The estimated total overspend in IT equipment is £55k. The largest item being Epaton, who provide the offsite disaster recovery and business continuity component of our backup solution. This work is critical to reduce the cyber risk ransomware poses to the council and to allow the organisation to continue functioning in the event the building is lost e.g. fire, flood etc. There are savings in licenses and a reserve that will be used to offset this.

The expected postage savings of Council tax bills is dependent on the implementation of the E-billing project being in place by January 2021.

9) The COVID situation has resulted in fewer departments having the resources to support an apprentice. Therefore, there is currently only one apprentice being funded from the youth training budget. The saving at March is likely to be at least £22k. Courts summons have stopped since the start of COVID and are unlikely to resume. This will give a budget saving of £12k.

10) The COVID costs that relate to Corporate are £78k on laptops, £68k on staff overtime or agency and £9k on licenses

11) Less has been recovered from Housing Benefit overpayments than expected. COVID has meant more new applications to process and therefore less time to review changes and chase debt. Also, courts have been closed resulting in no Council Tax Summons.

Democratic Services

	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	273,305	231,105	42,200	12
Premises	0	0	0	
Transport	11,500	4,056	7,444	
Supplies & Services	456,419	439,238	17,181	13
Payments to Third Parties	37,600	32,898	4,702	
COVID-19 Costs	0	1,991	(1,991)	
Income	(2,000)	(13,285)	11,285	14
TOTAL	776,824	696,003	80,821	

12) Savings identified from the vacant post held in establishment which is used to offset additional work that the team has to deliver during elections. In the current financial year there have been no elections that have had to be managed, the Police and Crime Commissioner election has been delayed for 12 months to May 2021. This saving may reduce during the second half of the year as the team are covering a member of staff on maternity leave and so may be claiming overtime.

13) Supplies and services are underspent due to having no civic functions during the year

14) Income is above budget due to a one off grant income on electoral registration

Deputy Chief Executive

	Full Year Budget	Projected Outturn	Savings / (Deficit)	
	£	£	£	
Employees	124,939	92,175	32,764	15
Premises	0	0	0	
Transport	200	100	100	
Supplies & Services	2,400	1,200	1,200	
Payments to Third Parties	20,000	20,000	0	
COVID-19 Costs	0	0	0	
Income	0	0	0	
TOTAL	147,539	113,475	34,064	

14) The saving on employee costs is as a result of the Deputy Chief Executive leaving to take up new employment. The role is not going to be filled in the short term, pending a review by the Chief Executive of the senior management team.

Development Services

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,079,092	1,980,952	98,140	16
Premises	45,356	44,289	1,067	
Transport	0	826	(826)	
Supplies & Services	219,705	165,509	54,196	17
Payments to Third Parties	276,045	269,534	6,511	
COVID-19 Costs	0	56,381	(56,381)	18
Projects Funded Externally	0	1,130,958	(1,130,958)	19
Income	(1,572,605)	(1,296,472)	(276,133)	20
TOTAL	1,047,593	2,351,977	(1,304,384)	

16) There are significant salary savings within Development resulting from vacant posts. Recruitment is still ongoing for these posts. Although, some agency staff have been employed, this has been minimised in order to prioritise the filling of vacant posts. Agency staff is expensive and could jeopardise to ability to employ permanent staff later in the financial year. The projected year end savings is currently £98k. However, there is an expected deficit expected within the PPA income budget, this includes agency staff. Therefore, these salary savings will offset the overall income budget deficit.

17) Savings made on goods for resale at the tourist information centres and growth hub expenditure. Both have been closed due to COVID. The year end saving is expected to be £54k.

18) The Council have committed to match the Gloucestershire County Council £50k contribution toward COVID Community Grants.

19) This expenditure relates to the Ashchurch Bridge Project and Garden Towns. There is external funding for these projects. This shown in corporate codes funding.

20) There is a budget deficit across all income streams within Development. Planning income is expected to be under budget by £276k, including planning fees, PPAs, land charges and street name & numbering. The Planning Manager is currently reviewing the applications likely to be submitted during the year which will give us a better indication of total income. The second largest income shortfall is at the TIC's. The reduction of income has however resulted in a small saving on supplies and services. For example, no stock purchased.

Finance and Asset Management

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	2,584,888	2,550,119	34,769	21
Premises	569,065	541,075	27,990	22
Transport	55,870	5,806	50,064	23
Supplies & Services	501,036	507,431	(6,395)	
Payments to Third Parties	298,933	317,340	(18,407)	24
Precept	6,500	6,500	0	
COVID-19 Costs	0	909,063	(909,063)	25
Income	(1,387,516)	(894,897)	(492,619)	26
TOTAL	2,628,776	3,942,437	(1,313,661)	

21) There are currently 2 vacant posts within the Property services team which is the main element of the savings of £25k being recorded for Finance and Asset Management

22) The saving on utility bills for the Council offices as a result of the majority of staff working from home, electricity being the major part with approx £20k expected to be saved by the end of this financial year.

23) The saving in the transport costs is a result of halving our fleet of cars due to home working arrangements and the majority of meetings and events happening online. We currently have 3 fleet cars.

24) There is an adverse variance in payments to 3rd parties. This is mostly in relation to our car parks and the fact that we are now paying the Ringo charge instead of the app users bearing the cost. It costs us £0.08 every time someone makes a payment for parking using the Ringo app.

25) £474k is the estimated cost of supporting the operators of the leisure centre as a result of the change of law during the pandemic. £430k is the balance of funding that has been set aside, but not yet allocated, for recovery

26) Predicted annual loss of £248k of revenues from car parking, as charging was suspended during the lockdown period. The expected revenue of £160k from the Leisure Centre will also be lost this year due to COVID related closures and restrictions. In support of 2 businesses in the leisure sector that were also closed during lockdown, we have reduced rents due by £24k

One Legal

	Full Year Budget £	Projected Outturn £	Savings / (Deficit) £	
Employees	1,951,713	1,584,697	367,016	27
Premises	0	0	0	
Transport	18,160	8,330	9,830	
Supplies & Services	95,686	85,728	9,958	
Payments to Third Parties	10,460	12,500	(2,040)	
COVID-19 Costs	0	0	0	
Income	(1,757,648)	(1,348,524)	(409,124)	27
TOTAL	318,371	342,731	(24,360)	

27) COVID-19 has impacted on the amount of third party work that One Legal has been able to do in Q1 & Q2 of the financial year. Clients have been focused on the response to the pandemic, rather than projects requiring legal support. For this reason, Legal have not expanded establishment as planned, and as result the savings in salaries can be used to offset the shortfall in income.