

Somerset West and Taunton Council

Corporate Scrutiny – 7 July 2021

Financial Monitoring – Outturn Position 2020/21

This matter is the responsibility of Executive Councillor Ross Henley, Portfolio Holder for Corporate Resources

Report Author: Emily Collacott, Finance Manager and Deputy S151 Officer

1 Executive Summary / Purpose of the Report

- 1.1 This report contains information related to Somerset West and Taunton Council's (SWT) financial performance for the 2020/21 financial year. The outturn figures included are provisional subject to the completion of the external audit of the statutory financial statements. The audit is due to be completed between July and September with the findings due to be reported to the Audit and Governance Committee on 27th September this year.
- 1.2 The COVID pandemic has significantly impacted upon the Council's services, costs and income during the past financial year. The situation has been extremely dynamic throughout the year both in terms of various announcement of additional funding arrangements from Government and the local impact on demand for and delivery of services. Budgets were revised at Quarter 3 taking into account changes agreed by Council including allocations from reserves, plus further changes made under delegated powers such as to reflect more recent COVID grant funding allocations made. Measures were implemented early in the year by leadership to mitigate risk and uncertainty.
- 1.3 By the end of the financial year, COVID has resulted in additional cost pressures and loss of income to the General Fund totalling £7.270m. This has been partly offset by additional government funding of £5.718m but has required £1.552m of Council funds to meet the shortfall.
- 1.4 COVID has also impacted on the expenditure for 'business as usual' services. Management have prioritised significant intervention and support in response to COVID and in some cases activity has been delayed or deferred e.g. due to supply chain limitations. This has contributed to a carry forward of planned spend into 2021/22 of £2.079m. Despite the financial pressures and ongoing delivery of key services the Council has contained spend and reports a net underspend against final General Fund revised budget of £1.245m.
- 1.5 The **revenue outturn position** for the financial year 2020/21 is as follows:
 - 1.5.1 The General Fund (GF) Revenue Outturn position for 2020/21 is a net underspend of £1.250m (5.9% of net budget). This is net of £2.079m of budget carried forward to 2021/22.
 - 1.5.2 The HRA Revenue Outturn position for 2020/21 is a net overspend of £15k (0.1% of

gross income).

1.5.3 The HRA is a ring-fenced, self-financing account used to manage the Council's Housing Landlord function, which is budgeted to break even (net of approved transfers to/from HRA Reserves). As the HRA Net Budget is net £nil with costs wholly offset by income and reserves, performance is reported against gross income for monitoring purposes.

1.6 The **capital outturn position** for 2020/21 is as follows:

1.6.1 The total approved General Fund Capital Programme budget in place in 2020/21, including schemes brought forward from previous years, was £112.5m (Appendix C). This relates to a combination of schemes to be delivered in the year and some that will span over more than one year. £63.3m has been spent during 2020/21. Of the remaining £49.2m, £0.1m is reported as net underspend on projects completed during the year, £7.5m is removed from the budget as it is no longer required, and £41.6m will be carried forward for ongoing schemes.

1.6.2 The actual spend on the HRA Capital Programme during 2020/21 was £9.1m with £231k budget underspend being returned as no longer required (Appendix D). The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development and acquisition of new stock. Capital budget totalling £125.3m is planned to be spent over the MTFP, which includes housing development projects that will be delivered over several years (Appendix E).

2 Recommendations

2.1 The Executive is recommended to:

2.1.1 Note the impact of COVID on the Council's cost and income during 2020/21 financial year.

2.1.2 Note the reported General Fund Revenue Budget underspend of £1.25m in 2020/21 and the General Reserves Balance of £7.915m as at 31 March 2021.

2.1.3 Note the S151 has approved General Fund Revenue Budget carry forwards totalling £1,139,360 as detailed in Appendix A.

2.1.4 Approve an additional General Fund Revenue Budget carry forward of £939,940 for items greater than £150,000 as detailed in Section 7.

2.1.5 Approve a supplementary budget of £806,000 for the 2021/22 General Fund Revenue budget funded from general reserves as detailed in Section 8.

2.1.6 Note the reported Housing Revenue Account Budget overspend of £15k in 2020/21 and the HRA General Reserves Balance of £2.8m as at 31 March 2021.

2.1.7 Note the Capital Outturn position.

2.1.8 Approve the proposed carry forward of £41.6m approved budget to 2021/22 General Fund Capital Programme (as per Appendix C) and the £125.3m HRA Capital Programme for the MTFP period (as per Appendix E).

- 2.1.9 Approve the retrospective inclusion of £3,789,053 Budget in the 2020/21 Capital Programme funded with matching grant income for the Watchet East Quay Development, as SWTC is the accountable body for the Coastal Communities Fund grant allocated to this scheme which commenced in previous years, noting there is no net cost to the Council.
- 2.1.10 Note the Capital Programme schedule identifying the schemes and overview profile providing the basis for future performance monitoring (as per Appendix E).

3 Risk Assessment

- 3.1 The Council has managed significant financial risks during the past financial year, notably due to the significant volatility in costs and income due to COVID, economic recovery, and a range of additional grant funding arrangements from Government that emerged throughout the year.
- 3.2 Whilst a significant focus was placed on COVID, the final outturn position demonstrates that it has been difficult in some areas to accurately forecast the timing of spend, and how much spend has ultimately been supported by additional funding. Forecasting of income and service demand has been susceptible to fluctuation during the year as national and local restrictions have been implemented and eased for various periods during the year, and resources have been diverted to COVID-related priorities. Additionally, budget monitoring accuracy has been exposed to risk as operating budgets were reorganised during the year to reflect the Directorate structure, and work has continued throughout the year to review and update the accuracy and alignment of budgets to service requirements. The overall scale of underspend at year end was greater than forecast at Q3, which reflects this context but also highlights more work is required during 2021/22 to improve the accuracy of forecasts in future.
- 3.3 Financial risks and uncertainties have been included in budget setting and budget monitoring reports presented to Members. Prudent management of spend and the Council's reserves position in the face of this uncertainty has been important in maintaining a robust financial health for the Council. It is clear from the impact of COVID that Council resources would have been in a much worse position without the additional funding provided by Government.

4 Background and Full details of the Report

- 4.1 This report informs Members of SWT's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2020/21 for the Council's General Funds (GF) and Housing Revenue Account (HRA).
- 4.2 Scrutiny and the Executive have received quarterly budget monitoring reports throughout the year which have highlighted variances from budgets and comments from the budget holders, as well as summarising the main risks and uncertainties as explained above. The forecast position has fluctuated during the year.
- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Draft Statement of Accounts, which is due to be approved by the Assistant Director – Finance (S151 Officer) at the end of June, and is now subject to review by the Council's External Auditor. Should the External Auditor identify the need for any changes to the Accounts

these will be reported to the Audit and Governance Committee on 27th September this year.

5 2020/21 Financial Performance

- 5.1 Members will be aware from previous experience that the position can change between ‘in-year’ projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a regular review of all budgets. Budget Holders, with support and advice from their finance business partners, review the position, and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that assumptions and estimates will differ from the eventual outcome, and several risks and uncertainties have been highlighted in previous budget monitoring reports.
- 5.2 During the 2020/21 financial year the COVID pandemic presented a new and additional complexity for budget holders to navigate. An early review of the potential impact of COVID led to Council approving an increase in the budget for the year and a significant reprioritisation of reserves to fund this and other interventions during the year as well to mitigate corporate financial risk.
- 5.3 Another factor that has led to some clarification of costs towards the end of the financial year relates to clearing a backlog of transactions from the Council’s job cost system (Open Contractor) to allocate costs of works such as maintenance of council housing, parks and open spaces, and the Council’s land and property estate. This work took significant time and resource to complete across a range of services and resulted in some cost allocations being applied to budgets at or towards the end of the financial year.
- 5.4 The Council has continued to operate within the framework of their Financial Strategy and the overall financial standing at the end of the financial year is sound. The Reserve balances for the General Fund and the HRA are above their respective recommended minimums, which provides added financial resilience which is prudent given the scale of risk and uncertainty. The Medium Term Financial Plan also incorporates planned use of reserves to support the 2021/22 and 2022/23 budget, and the current reserves balance is sufficient to support this approach.

6 Budget Outturn Summary

- 6.1 The General Fund Revenue Outturn position for 2020/21 is a net underspend of £1.25m (-5.9% of Net Budget). This is net of £2.079m of budget carried forward to meet expenditure now planned to be delivered in 2012/22.

Table 1: General Fund Revenue Outturn Summary

General Fund Outturn 2020/21	Current Budget £000	Outturn £000	Carry Forwards	Variance	
				£000	%
Development & Place	2,067	1,764	291	-13	-0.6%
External Operations & Climate Change	13,297	11,854	1,052	-391	-2.9%
Housing & Communities	3,422	3,104	320	2	0.1%
Internal Operations	10,083	9,303	416	-363	-3.6%

General Fund Outturn 2020/21	Current Budget £000	Outturn £000	Carry Forwards	Variance	
				£000	%
Senior Management Team	857	844	0	-13	-1.5%
Net Cost of Services	29,726	26,869	2,079	-778	-2.6%
COVID General Grants	-5,352	-5,718	0	-366	6.8%
Investment Properties	-947	-1,117	0	-170	17.9%
Interest and Investment Income	-683	-931	0	-248	36.2%
Expected Credit Losses	0	-12	0	-12	-0.0%
Net Transfers (from) / to Earmarked Reserves	-1,995	-3,824	0	-1,829	91.7%
Net Transfers (from) / to S31 Earmarked Reserves	0	14,777	0	14,777	0.0%
Net Transfers to General Reserves	2,143	2,143	0	0	0.0%
Capital and Other Adjustments	-1,620	1,659	0	3,278	-202.4%
Net Budget	21,272	33,846	2,079	14,653	68.9%
Funding	-21,272	-22,397	0	-1,125	5.3%
S31 Funding	0	-14,777	0	-14,777	0.0%
Variance	0	-3,329	2,079	-1,250	-5.9%

Note: Negative figures represent income / underspend
 Variances are calculated after deduction of carry forwards

- 6.2 The Forecast Outturn as at Quarter 3 (December 2020) was a projected £1.466m net underspend within the General Fund Revenue Budget, reflecting known differences reported at that stage and budget holders' plans and assumptions about the costs and income anticipated in the remainder of the year.
- 6.3 The variances reported at the end of the financial year indicate some changes since that time, reflecting more recent information and a degree of caution and/or optimism in previous forecasts. This also includes any carry forward requests agreed by the Section 151 Officer under delegated powers of authority.
- 6.4 A summary of the outturn position, and the differences between the reported variances at Quarter 3 and the year-end Outturn, are summarised per directorate below.
- 6.5 **Development & Place:**
- 6.5.1 The Development and Place directorate has reported net expenditure of £1.764m in 2020/21, which has delivered a range of services and projects including:
- Strategy and policy development
 - Planning services including Local Plan development, planning applications processing and enforcement
 - Economic development
 - Town centre regeneration
 - Heritage projects
 - Commercial investment (investment properties budget is reported 'below the line')

- 6.5.2 The directorate has reported a net underspend of £13k at the end of the financial year, after taking into account £291k of budget carried forward to 2021/22 financial year.
- 6.5.3 The outturn for the year reflects cost pressures in: Strategy and Policy due to a budgeted grant not received, unbudgeted feasibility work on Wellington Station and higher payroll as the result of a salary protection agreement, and Planning Services due to utilising agency staff to perform planning enforcement duties, costs related to a judicial review and provision for planning refunds offset by higher than expected income and staff recharges. This was offset by underspend in: Economic development where the service has been successful in obtaining grant funding towards COVID related costs and recovering staff costs from a variety of agencies (SCC, WSOA, DWP, LEP and Steam Coast Trail) who we perform services for, and savings due to staff vacancies in Major & Special Projects, partly utilised to fund project management costs and consultancy fees on the future possible use for the Debenhams premises.
- 6.5.4 The Quarter 3 to Outturn movement for Development and Place has come about due to the budget monitoring regime improving over the year. Budget holders have been able to identify duplicate budget lines and have clarified staff establishment against budget.

**Table 2: Development & Place
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
Strategy and Policy: Movement driven by the inclusion of £50k related to the unbudgeted feasibility work for Wellington Station partially offset by the transfer of the Landscape Planning Officer to Planning.	84,151	40,740	124,890
Economic Development: the underspend is mainly due to the impact of unbudgeted staff cost recoveries from SCC, WSOA, DWP, LEP and Steam Coast Trail. The movement relates to COVID related costs previously reported that have now been claimed from the ERDF.	-131,537	-63,920	-195,457
Planning: Higher than anticipated planning income of c£60k and additional officer time recharges of £28k offset by a carry forward request for potential planning guarantee refund requests of £92k.	154,434	5,846	160,280
Major and Special Projects: the underspend is mainly due to vacancies savings which have been offset in part by agency costs on the major projects and unbudgeted consultancy fees.	-76,687	3,204	-73,483
Other Minor Variances	22,107	-50,872	-28,765
Total	52,468	-65,002	-12,535

6.6 External Operations and Climate Change:

6.6.1 The External Operations and Climate Change directorate has reported net expenditure of £11.854m in 2020/21, which has delivered a range of services and projects including:

- Climate change strategy development and Carbon Neutrality and Climate Resilience (CNCR) action plan implementation
- Asset and property management for general fund assets
- Regulatory services such as environmental health and licensing
- Service resilience and emergency planning
- Open spaces and street scene
- Client for major contracts including waste, building control, leisure, street cleansing
- Harbours, coastal protection, and flood management
- Cemeteries and crematorium
- Car parks

6.6.2 The directorate has reported a net underspend of £391k at the end of the financial year, after taking into account £1.052m of budget carried forward to 2021/22 financial year.

6.6.3 The directorate has reported a cost pressures related to grounds maintenance. These in part reflect the backlog of jobs within the Open Contractor system being charged through although this doesn't affect the Council's 'bottom line' as it is in effect an internal recharge of costs to relevant cost centres. However these pressures have been more than offset by: a net underspend on major contracts due to effective contract management e.g. park and ride subsidy, a building control partnership credit, and the street cleaning contract; staff savings in public health and regulatory services and additional COVID funding; a net underspend in bereavement services through a combination of business rates savings and an improved range of services delivering additional income; and managed savings on the parking enforcement contract and reduced car park business rates.

6.6.4 Much of the planned activity for 2020/21 was directly impacted by the COVID-19 pandemic. That is reflected in the level of budget carry forward planned from 2020/21 into 2021/22. It is work we need to do, and it will be added to the planned activity described in the Directorate Plan for 2021/22. For many colleagues this equates to delivering 2 years' worth of activity in 12 months.

6.6.5 The budgets for the Directorate are evolving post Transformation. With each iteration costs are challenged, assumptions unpicked, and efficiencies delivered. This is an iterative process that will continue through 2021/22 into budget setting for 2022/23 and beyond.

6.6.6 The Directorate has several touch points with the Open Contractor (OC) software, which is the Council's job costing system used to allocate costs of job-based works and services to related cost centres. The intent was, and continues to be, very clear – to cease its use and disconnect it from the Directorate's budget lines. Whilst work

continues to achieve that intent, delivering that outcome is proving a challenge. The variances in Directorate budget year end from previously reported positions are in the main related to Open Contractor (OC).

**Table 3: External Operations and Climate Change
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
Major Contracts: the underspend is a combination of maintenance work that has been delayed, one-off reductions in cost associated with COVID-19 and permanent efficiencies driven from the contracts. The movement is forecasting activity in relation to COVID and a carry forward request now approved.	-361,120	150,046	-211,073
Climate Change: a supplementary budget of £500k was approved by Full Council 26/10/20, which provides initial funding to support a wide range of projects in the CNCR plan and other beneficial activities. This is the underspend to be carried forward. The movement relates to a decision made after Q3 to use some of this funding to purchase land at Cotford St Luke and pending Executive approval for a carry forward request of the balance of this fund to be used in 2021/22.	-500,000	490,894	-9,106
Public Health: this is an underspend on staffing costs following a service realignment (which has been reflected in the 21/22 budgets). The movement is additional income received from the Outbreak Management Fund and committed to COVID Recovery activity.	-169,996	-21,186	-191,182
Bereavement Services: this is a combination of more income than budgeted and a reduction in business rates for the Crematorium. The increased income is associated with improving the range of services offered rather than any specific event or pressure.	4,736	-237,644	-232,908
Parking: this mainly relates to maintenance works being delayed due to COVID as well as a one-off reduction in business rates, payment of the Parking Enforcement Partnership offsetting loss of parking income due to COVID. The movement is the approval of a carry forward request.	-125,129	100,858	-24,271
Other: this movement relates to catch up of backlog of historic jobs charged towards the end of the year via Open Contractor and approved carry forward requests.	474,557	-197,489	277,068
Total	-676,951	285,479	-391,472

6.7 Housing & Communities:

6.7.1 The Housing and Communities directorate has reported net expenditure of £3.104m in 2020/21, which has delivered a range of services and projects including:

- Housing options include accommodation and support for homelessness and rough sleepers including the 'everyone in' priority due to COVID
- Housing strategy development
- Housing enabling, including affordable and rural housing
- Community resilience services such as CCTV, public safety and community engagement
- The service also manages council housing and supported housing services through the Housing Revenue Account which is accounted for separately.

6.7.2 The directorate has reported a net overspend of just £2k at the end of the financial year, after taking into account £320k of budget carried forward to 2021/22 financial year.

6.7.3 Members will be aware of the significant impact COVID has had on the more vulnerable members of society. The Council has undertaken extensive activities to support homeless people in the last year, less traditional case work was undertaken as lockdown had the effect of freezing mobility of many people for example by the suspension of landlord evictions. However new work to provide more support to single people and rough sleepers was a key feature of the year, much of which was supported by Government funding. This impact on the work Homelessness team is reflected in our end of year budget position, however this situation is expected substantially reverse in the year to come with cost pressures expected.

6.7.4 Within the directorate's overall outturn position, savings have arisen in community safety costs for the CCTV monitoring service, where a 25% rebate on service costs has been received, helped to mitigate staff cost pressures in homelessness services. A total cost pressure of £138k has been reported in management costs necessary to meet statutory duties. Accommodation and surrounding support costs for homeless and rough sleepers has been mitigated by suppressed demand and significant COVID related funding resulting in an underspend in the General Fund. However, it is recommended to carry forward £320k to support an expected spike in costs in 2021/22, such that the service outturn against budget broadly balances overall.

**Table 4: Housing and Communities
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
Community Resilience: this underspend relates to a one-off one quarter rebate for the CCTV contract.	-46,870	-10,887	-57,757
Homelessness: The overall underspend is a combination of: <ul style="list-style-type: none"> • An overspend of £137.6k on staffing costs related to the current management arrangements to meet 	-256,500	299,265	42,765

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
<p>the service statutory requirements and current improvement plan.</p> <ul style="list-style-type: none"> An underspend of £467k because of suppressed demand due to lockdown, suspension of landlord evictions and alternate provision (such as Beach Hotel in Minehead and Canonsgrove in Taunton) being funded by additional COVID homeless grants. This led to a steep drop in B&B costs, alongside spend to private landlords (for rent in advance, deposits etc), as well other related spend. <p>The movement in Q4 refers to a carry forward request that is pending Executive approval.</p>			
Other Minor Variances	4,000	13,415	17,415
Total	-299,370	301,792	2,422

6.8 Internal Operations:

6.8.1 The Internal Operations directorate has reported net expenditure of £9.303m in 2020/21. This delivers a range of support services and corporate projects, as well as budgets for a range of centrally-held corporate costs. The main services and projects delivered within this directorate include:

- Customer Services including call-handling, front of house, Deane Helpline and Emergency Response Team
- Council Tax and Business Rates administration and income collection services
- Housing benefits and local council tax support administration
- Income control and collection from customers ('Accounts Receivable')
- Payments to suppliers ('Accounts Payable')
- Corporate strategy, corporate performance, and business intelligence
- Operational support and digital mailroom
- Finance and procurement services
- Corporate Services including Communications and Engagement, People Management including HR and Payroll, Corporate Health and Safety, ICT services
- Corporate governance including Committee administration and Elections services
- Internal Change programmes and projects

6.8.2 The directorate has reported a net underspend of just £363k at the end of the financial year, after taking into account £416k of budget carried forward to 2021/22 financial year.

6.8.3 As outlined in the main report COVID has created a disrupted year in service delivery for some areas of the Directorate such as Communications and Engagement. Other areas of the Directorate have fixed points of annual variances such as the Benefits team which are beyond our control. Our change and technology programmes have

delivered savings and efficiencies in year, initial budgets were set for these programmes during a time of disruption and change so future budget profiling for 2021/22 will be better aligned.

- 6.8.4 The outturn for the year reflects cost pressures in: Housing Benefit net costs; additional staff costs needed to support emergency services due to impact of COVID; and a reduction in recharges of support service costs to the HRA. This was offset by underspend in: Communications and Engagement where delivery support for events and marketing has reduced due to COVID restrictions; efficiencies have been delivered in ICT infrastructure, equipment and compliance costs; corporate management costs where legacy credit balances held on balance sheet have been cleared to revenue at year end; and an accrual for a late notification and receipt of New Burdens grant funding after the year end.

**Table 5: Internal Operations
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
Communications & Engagement: Because of COVID and the Government messaging around “staying at home” a significant proportion of the budget that would have been spent on supporting events and marketing was not needed.	-148,995	14,176	-134,819
Internal Change: The outturn includes an approved carry forward request for the original staffing underspend (due to a vacant post and maternity leave) together with lower income from the HRA for shared support staff and for contributions to change projects, the latter of which will be carried forward under the HRA.	-59,800	121,087	61,287
ICT: several workstreams have been successful at finding efficiency savings during the year such as rationalising BT circuits, consolidation of Public Service Network and reducing mobile phone costs.	-137,866	-21,050	-158,916
Benefits: this is a high risk area within the authority. The net difference between the payments going out the door and the money we receive in subsidy is due to many factors. This could include meeting local costs towards War Pensions, Subsidy errors, Rent Officer shortfalls, and contribution to Supported and Temporary housing which are not covered in full by the DWP. These costs are monitored and challenged but many of these shortfalls are out of our control and we are legislatively bound to meet the costs, as are all other administering local authorities.	111,052	64,524	175,576

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
Revenues: the main reason for the underspend is accrued New Burdens funding that was notified and received in May 2021.	-36,148	-189,384	-225,532
Customer Services: Whilst the service has over recovered against its income budget, unfortunately the staffing costs needed to maintain emergency services throughout the COVID pandemic have been significant. The movement relates to income projections changed after the Q3 forecast was completed.	75,772	82,277	158,049
Finance/Corporate Management: The added underspend was due to a higher than anticipated charge to the HRA for support services of £116k, plus adjustments relating to resolving and clearing items of £60k.	-121,226	-176,410	-297,636
Other Minor Variances	9,892	48,931	58,822
Total	-307,318	-55,849	-363,168

6.9 Senior Management Team:

- 6.9.1 This budget line holds the costs of the Chief Executive and four directors, contingency to support strategic priorities in-year, and funding approved to support Stronger Somerset business case development and related costs. The contingency was used primarily to contribute to project resources dealing with phosphates mitigation led within the Development and Place directorate.
- 6.9.2 Net costs totalled £844k and resulted in a small underspend of just £14k at the end of the financial year.

**Table 6: Senior Management Team
Main Differences between Quarter 3 and Outturn Variances**

	Q3 £	Movement £	Outturn After Carry Forward s£
Department Notes			
Total	-53,740	40,146	-13,594

6.10 Other Costs, Income and Reserve Transfers:

- 6.10.1 As well as budgets allocated to directorates for the delivery of services, a number of budgets are reported 'below the line' as centrally held/corporate items.
- 6.10.2 For 2020/21 this includes accounting for additional emergency COVID grant funding that has been received to mitigate additional costs and income losses due to national and local restrictions. This area also includes items such as:

- Investment properties income
- Other interest costs and income
- Accounting provisions for Expected Credit Losses (commonly known as bad debt provisions)
- Capital accounting adjustments including debt repayment, revenue financing of capital costs, and transfers to and from capital reserves
- Transfers to and from general and earmarked revenue reserves

6.10.3 In summary, the overall position against budget for these items is a net underspend/income of £471k. COVID funding budgets have been updated during the year, however actual income has exceeded previous Q3 forecast primarily where grant to mitigate income losses increased with the reinstatement of full lockdown restrictions since January 2021. In addition, investment property income exceeded budget estimates. Treasury management has outperformed budget mainly due to higher temporary cash balances, slower spend, and lower borrowing rates. Conversely the provision for debt repayment exceeded budget, and the investment properties surplus has been transferred to earmarked reserves to arrive at the net position.

Table 7: Other Costs, Income and Reserve Transfers ('below the line')
Main Differences between Quarter 3 and Outturn Variances

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
COVID General Grants: Increase in COVID grant income relating to Sales, Fees and Charges compared to the Q3 forecast, when the budgets were adjusted due to an increase in income losses following full lockdown COVID restrictions from January 2021.	-392	-365,353	-365,745
Investment Properties: Over achievement of net income against budget from commercial investment properties acquired during the period (surplus transferred to earmarked reserves – see below).	-167,877	-2,006	-169,883
Interest and Investment Income: Reduction in net interest payments costs and income on in year borrowings. This is because costs of new borrowing have been very low during the period, cash flow has benefitted from significant grant funding received in advance of payments out, and capital expenditure slower than assumed when the budget was set.	-375,890	128,209	-247,681
Expected Credit Losses: This represents a reduction in the provision for Sundry Debtors and housing benefit bad debts / credit losses, despite a more cautious allowance for risk of losses due to COVID / economic pressures on customers.	0	-11,829	-11,829
Transfers from Earmarked Reserves: Transfer of net commercial property investment budget	0	-1,829,275	-1,829,275

	Q3 £	Movement £	Outturn After Carry Forwards £
Department Notes			
surplus of £173k to the Investment Risk Reserve at year end. Movement to reserves for CTax losses funding; £124k previous year pooling gain; £906k for this years pooling gain and £21k for Business Rates. A contribution from Reserves of £3.07m for capital funding			
S31 Transfers to Earmarked Reserves: £11.7m in relation to the Business Rates Holiday and £3.08m for Business Rates Losses (see section 10).	0	14,777,000	14,777,000
Capital and Other Adjustments: This relates to £194k for MRP costs above budget, where the budget was based on historic information but costs have been recalculated for up to date information in respect of total borrowing brought forward on 1 April 2020. The movement relates to funding of capital from earmarked reserves.	362,393	2,916,079	3,278,276
Funding: Additional grant towards council tax discounts and losses received at end of year and pooling gain income.	0	-1,125,276	-1,125,276
S31 Funding: S31 grant received towards Business Rate Holiday of £11.7m and Business Rates Losses of £3.08m (see section10).	0	-14,777,000	-14,777,000
Total	-181,766	-289,450	-471,216

7 COVID Costs and Funding

- 7.1 The COVID pandemic has significantly impacted upon the Council's services, costs and income during the past financial year. By the end of the financial year, COVID has resulted in additional cost pressures and loss of income to the General Fund totalling £7.27m. This has been partly offset by additional government funding of £5.72m but has required £1.55m of Council funds to meet the shortfall. During the year allocations of £1.66m were approved from reserves and therefore the remaining £105k will be returned to General Reserves as part of the overall underspend shown in table 1.

Table 8 – Summary of COVID Costs and Funding

Net Impact of COVID on General Fund Resources:

	£'000
Net impact of additional costs and income losses	7,270
Less: Actual and projected additional grants income from Government	-5,718
Less: Approved in-year allocations from SWTC reserves	-1,657
Amount returned to General Fund Reserves as part of the underspend	105

8 Revenue Budget Carry Forwards

- 8.1 It is usual practice to consider requests for budget carry forwards at the year end,

where a budget holder wishes to retain an underspend for use by the service in the following year. The Council has delegated authority to the S151 Officer to approve individual carry forwards under £150k.

8.2 The situation in 2020/21 was inevitably impacted by COVID with several areas of spend delayed or deferred, and through the carry forwards it is intended to provide the resources to deliver these activities in 2021/22. The proposals for carry forwards totalling £1.277m were provisionally identified within the Financial Monitoring as at Quarter 3 report.

8.3 The final list of proposed carry forwards at the end of the financial year totals £2.079m, reflecting the timing of spend and increased underspend compared to earlier forecasts. These were considered by SMT and the S151 Officer on the 12 May 2021 and they were all agreed. A list of approved carry forwards is included in **Appendix A**.

8.4 Three of the carry forwards that were agreed in principle, totalling £940k, are being recommended to the Executive for approval as they are individually over £150k. These are:

- **Climate Change for £427k:** A budget of £500k and the principle of any under spend to be carried forward was approved at full Council on 26 October 2020.
- **Leisure Maintenance for £193k:** This underspent budget will be used to fulfil the maintenance and contract commitments in leisure centres that were delayed in 2020-21 due to COVID-19.
- **Homelessness for £320k:** COVID has created a 'wave' effect for homelessness demand with a trough in 2020/21 but a potential 'tsunami' expected for 2021/22 once furlough ends due to: courts processing S21 notice evictions, relationship breakdowns (e.g. caused by domestic abuse during lockdowns), and sofa surfers moving on as lockdown ends. Another significant cost will be the need to cover shortfalls in income at Canonsgrove when we begin the decant to new accommodation. Fixed costs will continue, and we have committed to cover shortfalls to the YMCADG so that they break even. Forecasts for these shortfalls are being developed but could be 6 figure sums.

8.5 The S151 Officer has approved carry forwards totalling £1.139m.

9 2021/22 Supplementary Budget Request

9.1 Since the Q3 forecast and the conclusion of 2021/22 budget setting, further spending priorities have been identified, therefore supplementary budgets totalling £806k are requested for 2021/22. The residual underspend in 2020/21 will be transferred to general reserves at 2020/21 year end, and it is proposed to reinvest some of this underspend to support these additional costs. A list of the individual requests are as follows:

- **Phosphates for £200k:** further funding is required for consultancy costs for the programme of works required to deliver the wetland creation. These include: Habitat Regulations Assessment for all new sites acquired, implementation of the design of the 8-stage process devised by Royal Haskoning; Natural England Registration costs for project assessments; legal costs for S106 agreements (may be Unilateral Undertakings); and a septic tank scoping exercise.

- **Health & Safety for £126k:** This will be used to fund a combination of additional temporary staff resources, training, and IT/software costs. We have identified a series of training needs and structure changes including internal control functions that need to be addressed to ensure the safety of our teams and the wider community during our operations. This money also includes costs for upgraded software that allows us to complete risk assessments in the field and track the work we do to keep ourselves safe far more easily. This is the General Fund share of the total costs of £222k.
- **Parks and Open Spaces for £100k:** The Bandstand in Vivary Park is a Grade II listed structure. The budget to refurbish reflects the uncertainty of taking on this refurbishment task.
- **Asset Management for £150k:** Provision is being made to enable Somerset West and Taunton to cover any liability it may have with regard to Stogursey Church wall.
- **Hankridge Pond for £100k:** Ongoing costs associated with the Council's legal liability maintaining a public open space.
- **Revenues for £130k:** Additional temporary service capacity on an 'invest to save' basis to tackle tax income arrears, helping the service recover from the diversion of significant time and resource to administering COVID business grants. The project will also seek to leverage funding and benefits from our enforcement agent contracts. This is in part utilising new burdens funding that was received after the end of 2020/21 financial year and forms part of the underspend transferred to general reserves.

10 Business Rates

- 10.1 The Business Rates Retention (BRR) funding system is both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some 'timing differences' which can skew the funding position across financial years. SWTC's standard share of net rates income is 40%.
- 10.2 SWT, together with Somerset County Council, Mendip, Sedgemoor and South Somerset district councils, operate as a business rates pool, enabling a higher proportion of business rates growth to be retained by the Councils.
- 10.3 The Business Rates Retention outturn for 2020/21 is significantly skewed by the additional business rates reliefs awarded to retail, hospitality, leisure and nursery businesses as one of the measures to support business for COVID impact, in the form of a 'business rates holiday'. This provided £29m of financial support to business, which results in a deficit in the Collection Fund, which is due to be reimbursed to the Fund in 2021/22. The Council is compensated for this loss of income through additional S31 grant from Government, which is accounted for in 2020/21, but will be earmarked to pay for the reimbursement to the Collection Fund in 2021/22.
- 10.4 Business Rates income to the Collection Fund was also significantly reduced in 2020/21 due to a 90% reduction in Rateable Value for Hinkley B nuclear power station, resulting in a £9m refund to ratepayer (40% of which is paid for by SWTC). This increases the deficit reported in the Collection Fund which is to be reimbursed in 2021/22, and this is reflected in the 2021/22 General Fund budget. Fortunately, the tax lost compensation scheme introduced by Government for 2020/21 due to COVID

will offset 75% of SWTC's losses, reducing the burden on the Council's own reserves.

- 10.5 The following table summarises the net position in respect of retained business rates funding for SWT in 2020/21 based on required accounting entries.

Table 9: Business Rates Funding Outturn 2020/21

	Budget £000	Outturn £000	Variance £000
40% Share of Business Rates Income (per original budget)	-23,004	-23,004	0
Tariff to Government (fixed amount)	18,395	18,395	0
Section 31 Grant funding for enhanced Small Business Rates Relief/Flooding Relief/Retail Reliefs	-2,961	-14,184	-11,223
Renewable Energy Rates – 100% retained by SWT	-206	-205	1
50% Levy Payment	1,555	1,060	-495
Tax Income Guarantee Scheme	0	-3,081	-3,081
Sub Total	-6,221	-21,019	-14,798
Previous Year's Collection Fund Surplus	-2,071	-2,071	0
Total Retained Business Rates Funding 2020/21	-8,292	-23,090	-14,798

- 10.6 The Council maintains a Business Rates Volatility Reserve, which enables the council to 'smooth out' accounting timing differences within the BRR system, and provide a prudent contingency to protect the revenue budget from large reductions in business rates income – e.g. through larger than estimated appeal refunds and large variances in S31 grant income – and collection fund deficits.
- 10.7 Separate earmarked reserves have been created at year end to hold the S31 grants received in respect business rates due to COVID. One grant relates to the business rates holiday and this is needed to fund the resulting Collection Fund Deficit repayment in 2021/22, £11.7m has been transferred to an earmarked reserve for this purpose. We also received a grant for tax income guarantee which is required to fund part of the Collection Fund Deficit which will be spread over the years 2021/22-2023/24, £3.08m has been transferred to an earmarked reserve for this.
- 10.8 The Council has received a pooling gain of £906k in 2020/21. This has been transferred to the Business Rates Retention Volatility earmarked reserve. Within the Financial Strategy report it is proposed that this is utilised to support the budget in 2022/23 and additional financial sustainability measures such as capital financing.

11 Debt Write Off

- 11.1 The total amount of debtor write-offs made during 2020/21 amount to £415,737. The table below provides a breakdown of debts written off between the General Fund, Housing Revenue Account and the Collection Fund. Of this there were no individual customers where individual debts greater than £25,000 that were written off.

Table 10: Value of Debts Written Off 2020/21

	£
General Fund:	
Sundry Debts (all E5 debts (includes HRA))	21,763

	£
Housing Benefits	22,253
Housing Revenue Account:	
Sundry Debts	2,991
Social Housing Tenants	99,811
Collection Fund:	
Council Tax	163,963
Business Rates	104,957
Total	415,737

12 General Fund Earmarked Reserves

- 12.1 The Council sets aside funds for specific purposes in earmarked reserves to be used in future years to meet planned spend on services not yet incurred, and specific contingencies for material financial risks.
- 12.2 **Appendix B** provides a summary of the earmarked reserves and their movement during the year. The total balance of General Fund earmarked reserves at the end of the financial year is £33.768m. The balance is skewed this year end with the significant transfer of S31 grant received in 2020/21 for 'business rates holiday' funding losses that will hit the General Fund in 2021/22 and tax income guarantee in 2021/22-2023/24 (see para 10.7 above).

13 General Reserves

- 13.1 The following table summarises the movement on the General Reserves Balance during the year.

Table 11: General Reserve Balance

	£000
Balance Brought Forward 1 April 2020	4,522
Approved Transfers in 2020/21	2,143
Outturn 2020/21 revenue budget underspend	1,250
Balance Carried Forward 31 March 2021	7,915
Requested Supplementary budget for 2021/22 (Section 9 above)	-806
Unitary Council Poll	-86
Future Use of Reserve in 2021/22 for Base Budget	-1,160
Future Use of Reserve in 2022/23 for Base Budget (per updated Strategy)	-1,000
Projected Balance	4,863
Recommended Minimum Balance	2,400
Balance above recommended minimum	2,463

- 13.2 The reserve balance as at 31 March 2021 (subject to audit) is £7.915m. The balance was planned to be increased during 2020/21 in line with the Financial Strategy agreed by the Executive in October 2020, to enhance resilience and provide flexibility to support the MTFP in 2021/22 and 2022/23.
- 13.3 Executive is now requested to approve a range of supplementary budgets totalling £806k in 2021/22, the Leader of the Council has approved £86k to fund Unitary Council Poll in 2021/22 and Full Council approved £1.160m in February 2021 as part of the base budget for 2021/22. A further £1m is currently being estimated as needed

to support the delivery of a balanced budget in 2022/23, per the updated Financial Strategy report elsewhere on this agenda.

- 13.4 This leaves a projected balance of £4.863m which provides £2.463m above the necessary minimum identified prior to Covid. In current circumstances it is prudent to maintain this headroom to allow flexibility in the face of potential unexpected costs / lost income, and to hold funds that are likely to be needed to support transition to and implementation of a unitary structure.

14 Land Charges, Licensing and Taxi Licensing

- 14.1 Under regulations the Council needs to report how its Licensing and Land Charges services perform in the financial year. These services set fees and charges based on estimated reasonable costs and aim to break even each year. However, due to fluctuations in demand and costs the services may report an under- or over-recovery in any one year and the Council therefore transfers any surplus/deficit to a self-financing reserve.
- 14.2 Land Charges: During 2020/21 the Council has over-recovered its costs adjusting the self-financing reserve to a year end credit balance of £10,737. During the next round of fees and charges setting adjustments will be made with the view achieving a break-even position on a three year rolling basis.
- 14.3 Licensing: During 2020/21 the income target was realigned for the Licensing Act 2003 fees. As the fees are centrally set by Central Government any under or over recovery on these fees cannot form part of the self-financing reserve, therefore no amount was transferred to the reserve in 2020/21.
- 14.4 Taxi Licensing: There was an over-recovery of £7.7k during 2020/21 which reduces the self-financing reserve deficit to £40,842 at the end of the year. During the next round of fees and charges setting adjustments will be made with the view to achieving a break-even position on a three year rolling basis.

Table 12: Licensing and Land Charges Self-Financing Reserves

	Balance Brought Forward £	Net Reserve Transfers £	Balance Carried Forward £
Land Charges	11,064	-21,801	-10,737
Licensing	68,811	0	68,811
Taxi-Licensing	48,542	-7,700	40,842

Note: minus (-) = funds in hand

15 Taunton Unparished Area Fund (Special Expenses)

- 15.1 During 2019/20 and previous years the Council set an annual budget for the Unparished Area of Taunton, which was funded through a “Special Expenses” Council Tax charge to households in the area plus funding provided towards the impact of Council Tax Support on the Unparished area tax base. The Council agreed to transfer the management of these funds to the Charter Trustees in 2019/20. The following table summarises the income and expenditure for the Fund in 2020/21.

Table 13: Unparished Area Fund Income and Expenditure

	£	£
Fund balance brought forward 1 April 2020		-69,436
Special Expenses Precept 2020/21		-29,240
<i>Expenditure funded in the year:</i>		
1 Dog Bin Marden Grove/Tyne Park	1,046	
1 Dog Bin Larch Close	1,046	
1 Dog Bin Hawthorn Park	1,046	
1 Dog Bin Chestnut Drive	1,046	
1 Litter Bin Calder Crescent/Ilminster Road	1,046	
2 Benches Severn Drive	2,400	
2 dog bins Dorchester Road	2,092	
Tree Cutting Avill Crescent	524	
St Andrews Church Enhancements	5,000	
Williton Community Shop	1,500	
Stoke Road Allotments CIC	550	
Transition Town Repair Cafe	1,000	
Unlocking Potential Somerset	12,000	
Street Pastors Radios	734	
Taunton Winterfest 2020	5,100	
Taunton Winterfest tranche 2	3,240	
Taunton East Development Trust Fence	1,450	
Total Expenditure		40,875
Fund Balance in hand carried forward 31 March 2021		-57,801

Note: minus (-) = funds in hand

- 15.2 The Fund was generally used to support minor works, worthwhile community activities and individual projects. The balance of funds at the end of the year remain as held by SWTC. For 2020/21, the Charter Trustees has raised its own precept for civic and mayoralty costs, and SWTC has continued to raise special expenses for supporting initiatives and projects in the unparished area. These funds are distinct from the Charter Trustees' precept.

16 General Fund Capital Programme

- 16.1 The total General Fund Capital Programme budget in place for 2020/21, including schemes brought forward from previous years, was £112.5m. This related to a combination of schemes to be delivered in the year and some that will span over more than one year.
- 16.2 The profile of estimated capital spend in 2020/21, projected as at Q3 and as reported at budget setting in February 2021, was £70.7m. The total actual spend for the year amounted to £63.5m was spent during 2020/21, which was £7.2m below Q3 forecast. Most of this difference is due to timing of spend of projects that a still work in progress at 31st March 2021, with £0.1m reported as net underspend on projects completed during the year. An additional £7.5m is reported as 'underspend' against the total programme but reflects capital loan schemes that are no longer required (see 16.4 below) therefore the budget for these is not rolled forward. Overall, £41.4m of existing approved budget is profiled into future years for ongoing schemes. A summary by Directorate of the outturn for the year is included in **Appendix C**. Additionally, an updated summary of the 2021/22 Capital Programme budget including carry forwards

is set out in **Appendix E** for information.

- 16.3 The main areas of capital investment during the year include:
- £44.1m in Commercial Investment Properties acquisitions.
 - £7.3m in the ongoing construction of the Coal Orchard development.
 - £1.9m in the construction of the 2 industrial units at Seaway Way. Both units have been let and the project completed £104k under budget.
 - £1.2m on Firepool regeneration master planning and enabling works.
 - Grants passed to the Onion Collective of £2.3m towards the construction of the development scheme in Watchet. This project is fully funded by MHCLG (Coastal Communities Fund) and other third party grant funding for which SWT is the accountable body.
 - Repairs to Watchet splashpoint coastal defence of £668k, completed £137k under budget; and
 - Blue Anchor coastal defence work of £445k, funded by the Environment Agency, which SWT is responsible for as the Coastal Protection Authority.
- 16.4 The projects which no longer require budget relate to three approved loan facilities made available to third parties in delivering schemes complementary to the Council's priorities and objectives. The potential borrowers have all confirmed they do not now require these loans from the Council:
- A potential £5m loan facility to Great Western Railway as an element in the Taunton Station re-development
 - A loan facility of up to £1.5m to the Onion Collective to fund the Watchet East Quay development
 - The loan facility to the Leisure provider of up to £1m.

17 Housing Revenue Account (HRA)

- 17.1 The HRA is a ring-fenced account used to manage the Council's housing stock of approximately 5,700 properties, with the Council acting as the Landlord. The HRA operates as a 'self-financing' service, with costs of the properties and associated services funded by housing rents and specific fees and charges. The HRA is working within a 30 year business plan, reflecting the long-term nature of the housing assets, and plans to break-even each year.
- 17.2 **Revenue Outturn Position:** The revenue outturn position for the financial year 2020/21 for the HRA is a net overspend of £15k (0.06% of gross income). The end of year position is closer to budget compared to the £247k underspend forecast at Q3. Table 14 below shows a high level summary of the revenue outturn against budget.

Table 14: HRA Revenue Outturn Summary

	Budget	Outturn	Variance	
	£000	£000	£000	%
Gross Income	-26,773	-26,919	-147	0.5%
Service Expenditure	15,027	15,569	543	2.0%
Other Operating Costs and Income	9,925	9,544	-381	-1.4%
Unearmarked Reserve Transfers	0	0	0	0.0%
Capital Financing and Debt Repayment	1,821	1,821	0	0.0%
Total	0	15	15	0.1%

17.3 The department variances to budget are shown in Table 15, with explanations for the variances set out below.

Table 15: Main Outturn Variances

	Budget	Actuals	Variance
	£000	£000	£000
Gross Income:			
Dwelling Rents	-24,225	-24,278	-53
Non-Dwelling Rents	-719	-708	11
Charges for Services / Facilities	-1,457	-1,562	-104
Other Income	-371	-371	0
Sub-Total Gross Income	-26,772	-26,919	-147
Service Expenditure:			
Development & Regeneration	531	406	-125
Community Resilience	189	157	-32
Tenancy Management	1,999	2,378	379
Maintenance	3,813	3,709	-103
Assets	1,499	1,141	-357
Compliance	1,724	2,944	1,220
Performance	5,272	4,834	-438
Sub-Total Service Expenditure	15,027	15,569	543
Central Costs / Movement in Reserves:			
Revenue Contribution to Capital	0	0	0
Interest Payable	2,745	2,442	-302
Interest Receivable	0	-33	-33
Change in Provision for Bad Debt	180	-162	-342
Depreciation	7,000	7,297	296
Voluntary Repayment of Provision	1,821	1,821	0
Sub-Total Central Costs / Movement in Reserves:	11,745	11,365	-380
Net Surplus(-) / Deficit for the Year	0	15	15

Income

- 17.4 **Dwelling Rents:** the budgeted income for 2020/21 is £24.225m, which reflects an assumption of 1.25% void losses and applying a 52-week year. During the year tenants were invoiced £24.278m which exceeds the budget estimate by £53k (0.22%). Thus more income has been recovered than predicted when setting the budget and providing an allowance for voids.
- 17.5 **Charges for Services / Facilities:** The budgeted income for 2020/21 for the Service Charge Income for Dwellings (after discounts have been applied to tenants such as Piper Charge to Sheltered Housing and Extra Care) less an average 1.25% void loss and applying a 52 week year, is £1.283m. Thus £76k more income has been recovered than predicted when setting the budget and providing an allowance for voids.
- 17.6 The Service Charge Income for Leaseholders income for non-scheme holders is invoiced in arrears and therefore the actual income received relates to expenses incurred in the previous financial year. The budget was estimated at £164k. There was an over-recovery of income of £39k compared to budget, reflecting the total of actual costs recharged.

Expenditure

- 17.7 **Development & Regeneration:** The underspend relates to a few posts held vacant during the year. The delivery of new development projects has not required this resource as the service has focused on establishing a development pipeline. The development pipeline of 342 units is now established and following procurement and planning this resource in the structure will be required as the council moves into delivery increasingly from 2021/22.
- 17.8 **Community Resilience:** The underspend relates to some unbudgeted income for a One Team post and a general reduction in project expenditure on the One Team budgets due to COVID restricting activities.
- 17.9 **Tenancy Management:** There are several areas within this department that have underspent because of reduced activity due to COVID. This has in part offset the overspend which relates in part to (a) tenancy management staffing levels that have been activity maintained over and above establishment to support the transition to the new directorates operating structure and COVID activity, (b) increased council tax liabilities from properties held vacant for longer due to COVID restrictions and (c) one-off costs to bring additional temporary accommodation units back online to support the COVID accommodation needs.
- 17.10 **Maintenance:** The underspend relates to COVID lockdowns delaying works (e.g. responsive repairs and void repairs).
- 17.11 **Assets:** The underspend relates to COVID lockdowns delaying works (e.g. pre-planned maintenance and SAP EPC & Stock Validation) as well as staffing costs where a post was held vacant during the year.
- 17.12 **Compliance:** The overspend is due to accelerated programmes of compliance activity (e.g. additional electrical testing and required repairs, and asbestos related works) as well as additional staffing costs within the gas team and electrical team.

17.13 **Performance:** The net underspend is a combination of: (a) reduced activity during the year due to COVID restrictions for both Tenant Empowerment and the Tenants Action Group, (b) an overspend due to higher agency costs for a period of time during the transition to new Directorate structure, (c) an underspend for the creation of a new performance team and the time taken to recruit to the positions, (d) an underspend on shared support staff, (e) an underspend on the overtime budget offsetting pressures across the service, and (f) an underspend on insurance premiums where the impact of the renegotiated contract that resulted in savings across the authority that were not reflected in the budgets for 2020/21 due to timings.

Central Costs and Movement in Reserves

17.14 **Interest Payable:** there is an underspend of £335k on interest payable as the HRA has taken out £30m of fixed rate loans during the year thus securing cheaper sources of debt, reducing internal borrowing.

17.15 **Interest Receivable:** a combination of new fixed borrowing and COVID reducing capex during the year this has resulted in investments exceeding capital financing requirements. Therefore £33k of interest receivable was gained during the year.

17.16 **Bad Debt Provision:** There is an underspend of £342k for the change in expected credit losses (bad debt impairment) for the year end. The total outstanding debt for dwelling rents, service charges and garage rents has reduced by £97k year on year (£672k 20/21; £769k 19/20). The reason for the underspend is a significantly reduced expected credit loss as a result of the Rent Recovery Team changing their approach, with more direct support to tenants realising a significant reduction in older debts.

17.17 **Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and must be used to fund the capital programme and/or repay capital debt. Depreciation is calculated at the end of the financial year and is based on each of the major components of each property e.g. kitchen, bathroom, roof, etc. For 2020/21 the dwelling depreciation charge was £6.9m and the other land and buildings depreciation charge was £0.4m; a total of £7.3m against a budget of £7m which has resulted in an overspend of £0.3m compared to the original budget. The budget for next year has already been increased.

18 HRA Earmarked Reserves

18.1 The Council can set aside HRA funds for specific purposes to be used in future years. Table 13 below provides a summary of the HRA earmarked reserves and the movements during the year.

18.2 The balance as at 31 March 2021 committed to support spending in future years is £1.108m. The Social Housing Development Fund will be used to fund social housing development feasibility studies, stock appraisals and other asset management activities to progress the Directorate plan objectives. The remainder of the earmarked reserves have been specifically committed to be spent within the next three financial years.

Table 16: Balance of HRA Earmarked Reserves held at 31 March 2021

Description	Balance B/F £000	Transfer In £000	Transfer Out £000	Balance C/F £000
Employment and Skills Development	102	0	-102	0
Asbestos Surveys	102	0	-102	0
One Teams	37	0	-11	26
Social Housing Development Fund	1,232	0	-382	850
Contribution to Transformation	175	0	0	175
Lettings	0	57	0	57
Total	1,648	57	-597	1,108

19 HRA Unearmarked Reserves

- 19.1 The recommended minimum balance for the HRA General Reserve balance is £1.8m. Remaining at or above these targets provides added financial resilience. Table 17 below summarises the movement on the HRA unearmarked reserves during 2020/21. The balance as at 31 March 2021 (subject to audit) is £2.6m, which is £0.8m above the recommended minimum balance of £1.8m.

Table 17: HRA Unearmarked Reserves Balance

	£000
Balance Brought Forward 1 April 2020	2,701
Approved In-Year Transfers	0
Provision Outturn 2020/21	-15
Balance Carried Forward 31 March 2021	2,686
Recommended Minimum Balance	1,800
Balance above recommended Minimum Operational Target	886

20 HRA Capital Outturn Position

- 20.1 The HRA approved Capital Programme for 2020/21 was £113.7m. This consisted of £15.8m of new schemes approved for 2020/21 plus £15.8m of slippage from prior years. In addition, £82.1m of supplementary budgets were approved by Full Council on the 7th July and 1st December 2020 for social housing development schemes to be delivered over several years and to be funded from RTB capital receipts and borrowing. The HRA Capital Programme relates to schemes which will be completed over the next ten years.
- 20.2 There was also £13.8m new budget approved by Full Council on 19th February 2021.
- 20.3 The Council is supporting the total investment through the use of the Major Repairs Reserve, Capital Receipts, Revenue Funding and Borrowing.
- 20.4 The actual spend on the HRA Capital Programme during 2020/21 was £9.1m. The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development and acquisition of new stock.
- 20.5 A budget return of £230k for Aids and Adaptations and DFGs relates to a number of factors resulting in a recognition that the annual budget can be profiled lower for future years and that the underspend does not need to be carried forward. A budget

return of £500 for The Outer Circle scheme which has completed under budget. The HRA Capital Programme and outturn for the year is included in Appendix D.

21 HRA Right To Buy (RTB) Capital Receipts

- 21.1 The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. During 2020/21 the Council sold 34 homes through the RTB Scheme.
- 21.2 Through a “1-4-1 Agreement” with the Treasury / MHCLG, the Council can retain a small proportion of these RTB receipts and use them to fund new social housing. These receipts can only account for up to 30% spend on new social housing costs, with the remaining 70% coming from other funds such as revenue funding or borrowing. During the year the Government awarded a temporary amendment to the Retention Agreement which meant that, due to COVID, the Council was given until the 31st March 2021 to spend their receipts within the year.
- 21.3 From 1st April 2021 the Government has issued a policy change increasing allowable spend to 40% (from 30%) on new build development and extending the timeframe within which receipt must be spent to five years (from three years).
- 21.4 These receipts must be spent within three years of the capital receipt or returned to Government with interest at 4% over base rate from the date of the original receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts with no returns being made to the Treasury / MHCLG.
- 21.5 During the financial year 2020/21 the total attributable spend on eligible RTB schemes was £4.336m. This was a combination of the Council’s own new build development works plus 7 new build acquisitions at Pyrland Fields in Taunton and 8 buybacks (re-purchase of previously sold properties).

22 Links to Corporate Strategy

- 22.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

23 Corporate Scrutiny Comments / Recommendation(s)

- 23.1 To be updated following Corporate Scrutiny Committee on 7 July.

Democratic Path:

- **Corporate Scrutiny – 7 July 2021**
- **Executive – 21 July 2021**
- **Full Council – No**

Reporting Frequency: Annually

List of Appendices

Appendix A	GF Requested Carry Forwards
Appendix B	GF Earmarked Reserves
Appendix C	GF Capital Outturn 2020/21

Appendix D	HRA Capital Outturn 2020/21
Appendix E	Capital Budget
Appendix F	GF Original v Current Budget Position
Appendix G	Confidential Capital Appendix

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Appendix A: List of Approved Carry Forwards

[* note three require Executive approval]

Request Title	Amount Requested £	Notes
Total Carry Forward	2,079,300	
Development & Place:	290,750	
Land Charges System Update West Somerset	15,000	Service software migration has been delayed due to complexities in converting data.
Phosphates	125,000	The budget virement was approved in March 21 to be spent on the delivery of the wetland creation to cover the costs of a Programme Manager and Project Manager on a fixed term contract.
Planning Guarantee Refunds	91,750	There are several planning guarantees that are due or nearly due to be refunded. The service is working through and discussing extensions with those eligible.
Strategy & Policy	59,000	This budget is required to fund consultancy costs to (a) develop key evidence base for the Local Plan that was delayed due to uncertainty surrounding the Government's consultation on calculating housing requirements for Local Plans and (b) undertake Sustainability Appraisal work that was held back due to the delays on the SWT Local Plan timetable due to staff being diverted to other key Council priorities and COVID.
External Operations & Climate Change:	1,052,390	
Air Source - Market House	14,250	For the installation of energy efficient heating in the Market House that was delayed due to procurement processes and seeking listed building consent.
*Climate Change (CNCR Budget)	427,060	A budget of £500k and the principle of any under spend to be carried forward was approved at FC 26.10.20.
Footpath Maintenance	140,000	There is currently no budget for the repair and maintenance of footpaths in council parks. There is increasing pressure for this work to be undertaken before it becomes a H&S issue. This budget will be used to address this.
Bin-Infrastructure Grant Scheme	40,000	The council has been successful in its application for funding under the Resource Action Fund: "Bin-frastructure Grant Scheme" (Wrap). This budget is required to support this project. It is planned that the grant, 20-21 and 21-22 budget will be used to create a large replacement programme for litter and dog bins which will promote recycling on the go.
Operation Clean Sweep	35,000	To fund the corporate project Operation Clean Sweep.
Seagull Culling Programme	15,000	This will be used to deliver the Seagull Culling Programme, approved by the Executive, during 2021-22. The delivery of this programme during the 2020/21 season was missed due to COVID. The council will now need to reapply for a licence and employ a contractor in 21-22.
Food Hygiene Inspections	50,000	Due to the demands of COVID-19 work and staff vacancies, officers have been unable to meet the required food hygiene inspections. It is therefore proposed to use this salary underspend to employ agency / a contractor to meet the required inspections.

Request Title	Amount Requested £	Notes
*Leisure Maintenance	192,880	This underspent budget will be carried forward and used to fulfil the maintenance and contract commitments in leisure centres that were delayed in 2020-21 due to COVID-19.
Parish & Community Trees	7,000	SWT agreed to provide financial backing as part of the Friends Groups bid to SCC Climate Change Fund. The bid was successful, but the decision delayed by SCC. This has now been confirmed as successful, so funds need to be carried forwards to purchase hedging for the project.
Parking	100,000	This underspent budget will be carried forward to fulfil maintenance commitments which were delayed due to COVID-19.
S106 Lapsed Agreements	31,200	The timing on legacy S106 agreements have lapsed and have been paid back to the developer. The council may still honour these S106 agreements by way of a goodwill gesture.
Housing & Communities:	320,000	
*Homelessness	320,000	COVID has created a 'wave' effect for homelessness demand with a trough in 2020/21 but a 'tsunami' expected for 2021/22 once furlough ends; courts process S21 notice evictions; relationship breakdowns happen (e.g. caused by domestic abuse during lock downs) and sofa surfers move on. Another significant cost will be the need to cover shortfalls in income at Canonsgrove when we begin the decant to new accommodation. Fixed costs will continue, and we have committed to cover shortfalls to the YMCADG so that they break even. Forecasts for these shortfalls are being developed but could be 6 figure sums.
Internal Operations:	416,160	
Council Tax Support (Benefits)	53,740	This team still operates two systems since the creation of the new council. This budget will be used to migrate to one (more efficient and enhanced) operating platform with costs including consultancy costs, system health check and backfilling officer time seconded to the migration project.
Business Intelligence Capacity	32,560	The BI team are inundated with essential data requests, both for business as usual and for significant additional work. Additional funding has been identified for a new post from July. The carry forward request will help fund a three month secondment from April to July to help manage the workload.
Postage	10,000	An external provider was used to manage the organisation's outgoing mail during the COVID pandemic. This solution is more expensive than managing the mail in house. This budget will be used to cover any continued increase in costs in continuing the current arrangements and any implementation of alternative systems.
Goodland Gardens Electrics	30,000	Events have been highlighted as a key part of the bounce back programme to assist with the rejuvenating of town centres and businesses post COVID-19 Pandemic. Goodland Gardens is a popular event space and works are required to improve the electrical infrastructure at this site.

Request Title	Amount Requested £	Notes
Service Improvement & Efficiency - Programme BA Resource	110,000	This budget will be used to fund a senior business analyst resource to work alongside and coach the inhouse business analysts in the delivery of the service improvement and efficiency / Digital Innovation Programmes analysis needs through 21/22. Without the additional resource efficiency projects and projects supporting multiple directorates, such as GIS and Open Contractor, will not be able to proceed at this time.
Income Team Resource	24,180	To help fund temporary resourcing to tackle the backlog of Council Tax and Business Rate arrears cases awaiting enforcement. This situation has been exacerbated by our inability to take enforcement action over the previous 12 months as a result of COVID. We will shortly also have to contend with the implementation of the new Breathing Space legislation, which is likely to be resource intensive.
Microsoft 365 Project	27,760	The Microsoft 365 platform delivery was due to be completed by 31/3/21 but has over run into April/May 2021 due to the impact of COVID. SWT does not have the internal skill sets required for technical system configuration and implementation, so we are reliant upon external help. This carry forward allows us to fund an external contractor to complete the work.
Information Management Project	70,360	A project has been underway for the last 18 months to ensure data compliance and to move the authority's unstructured data to SharePoint on-line. This work has taken much longer than expected due to the impact of COVID-19. This budget will fund the external resources required to complete this project and provide mentoring to the new Information Governance post for their first 6 months in post.
Infrastructure Project	11,420	A project has been underway to replace ageing ICT infrastructure. This has required additional external technical resources to assist the internal team. The project is coming to an end but will continue into the first quarter of 2021/22 and therefore the current project underspend is required to continue funding external infrastructure engineers until completion of the project.
Internal Change Resources	46,140	The underspend is being used to fund a contract Firmstep form builder who is clearing a backlog of Firmstep form requests that has developed whilst resources have been directed to COVID-19 grant work and other priority work. A longer-term plan is being developed to address how Firmstep form building will be resourced and this temporary contract resource is needed until a permanent solution is found.

Appendix B: Summary of Movement in Earmarked Reserves 2020/21

	Balance B/F	Transfers To Reserves	Transfers From Reserves	Balance C/F
	£'000	£'000	£'000	£'000
Business Rates Holiday S31 Grant	0	-11,695	0	-11,695
Business Rates Retention Volatility	-3,303	-3,123	1,052	-5,375
Investment Risk Reserve	-3,500	-173	0	-3,673
Business Rates Losses S31 Grant	0	-3,081	0	-3,081
Budget Volatility & Risk res	0	-2,400	0	-2,400
General Carry Forwards	-61	-2,108	58	-2,112
Garden Town Fund	-814	-405	349	-870
Ec Dev Initiatives (BRR Pool Gain)	-1,268	-500	999	-769
Asset Management - General	0	-687	0	-687
Community Housing Fund (SHLAA) – DCLG monies	-569	0	36	-533
New Homes Bonus	-6,860	-2,853	9,521	-193
Other	-4,212	-1,105	2,862	-2,456
TOTAL	-20,586	-28,132	14,875	-33,844

Note: the net movement in reserves is £13.257. This is different to table 1 net movement in reserves of £105.01m as £2.304m of the transfers to / from Earmarked reserves are undertaken within services.

Appendix C: General Fund Capital Outturn Position 2020/21

General Fund Capital Programme Summary

Directorate / Group of Schemes	Total Budget 2020/21 £	Actual Capital Outturn 2020/21 £	Budget Under (-)/ Overspend on Completed Projects £	Underspend: Budget no longer required £	Total Budget C/F to Future Years (Ongoing Projects) £
Development & Place	88,164,251	54,942,642	-133,466	-5,000,000	28,088,143
External Operations	13,497,374	3,777,903	-232,745	-2,500,000	6,986,727
Internal Operations	2,005,500	490,008	-422		1,515,070
Housing - General Fund	5,207,525	1,102,539	5,437		4,110,423
Hinkley funded projects	1,923,003	1,339,673	273,544		856,875
External Ops - CIL Funded Grants	830,145	830,145			0
S106 funded projects	850,085	850,085			0
Total General Fund Capital Expenditure	112,477,883	63,332,996	-87,651	-7,500,000	41,557,237

General Fund Capital Programme Detail

Directorate/Group of Schemes	Total Budget 2020/21 £	Actual Capital Outturn 2020/21 £	Budget under (-) /over spend on completed projects £	Underspend re schemes where Budget no longer required £	Total budget c/f to future years (ongoing projects) £
Investment Properties	50,000,000	44,069,751			5,930,249
Taunton Bus Station	77,068	27,386			49,682
Coal Orchard Construction	10,057,527	7,334,574			2,722,953
Coal Orchard Devcosts	293,097	14,775			278,322
Major Transport Schemes	580,000	0			580,000
Emp Site Enabling Innova	100,000	0			100,000
Superfast Broadband (Legacy TD)	380,000	0			380,000
Superfast Broadband (Legacy WSC)	170,000	0			170,000
Steam Coast Trail	102,186	0			102,186
Seaward Way	2,056,314	1,859,952	(104,162)		92,200
Firepool Development	475,895	0			475,895
Firepool Master Planning	2,989,245	1,158,140			1,831,104
Great Western Railway Development Loan	5,000,000	0		(5,000,000)	
J25 Improvement Scheme Contribution	1,500,000	0			1,500,000
Flooding Alleviation	6,000,000	0			6,000,000
CIL - Cycle & Pedestrian Improvements	500,000	0			500,000
CIL - Education Provision	4,000,000	0			4,000,000
CIL - Town centre regeneration	500,000	96,108			403,892
Heritage at Risk	428,420	382,883			45,537
Taunton Tech. Park	0	10,463	10,463		
GF C Firepool Land Assembly	0	(379)	(379)		
GF C Parking & Access & Signag	0	(39,386)	(39,386)		
Regeneration Projects	2,954,500	28,377			2,926,123
Total Development & Place	88,164,251	54,942,642	(133,466)	(5,000,000)	28,088,143

Appendix C: General Fund Capital Outturn Position 2020/21
General Fund Capital Programme Detail (continued)

	Total Budget 2020/21	Actual Capital Outturn 2020/21	Budget under (-) /over spend on completed projects	Underspend re schemes where Budget no longer required	Total budget c/f to future years (ongoing projects)
Directorate/Group of Schemes	£	£	£	£	£
General Fund Vehicles Acquisition	152,000	33,584	(118,416)		
Waste Containers	100,000	101,500	1,500		
Grants to Parishes Play	15,000	0			15,000
Replacement Play Equipme	64,000	0			64,000
SWP Waste Vehicle Loan	497,618	0			497,618
SWP Waste Container (Recycle More)	377,177	52,569			324,608
General Fund Plant	23,000	22,882	(119)		
Waiting Room	30,000	42,138	12,138		
Watchet East Quay Development Loan (OC)	1,500,000	0		(1,500,000)	
Watchet East Quay Development CCF Grant (OC)	3,789,053	2,338,966			1,450,087
Cuckoo Meadow Play Area	1,103	0	(1,103)		
Minehead Esplande	15,147	0			15,147
Leisure	1,000,000	0		(1,000,000)	
Watchet Splashpoint Hole	804,096	667,570	(136,526)		
Wellington Air Handling Unit	253,000	960			252,040
East Quay Wall	740,000	0			740,000
Blue Anchor Coast Defence Work	435,000	444,777	9,777		0
Blue Anchor Coast Protection	3,550,000	21,774			3,528,226
Car Parks Capital Improvements	100,000	0			100,000
Land at Cotford St Luke	51,180	51,184	4		0
Total External Operations	13,497,374	3,777,903	(232,745)	(2,500,000)	6,986,727
Internal Operations: Alison North					
Members IT Equipment	4,000	0			4,000
Community Alarms	25,000	24,578	(422)		
IT Server Refresh	20,000	0			20,000
Resources for Change Programme	571,360	332,958			238,402
Finance System	76,770	62,563			14,207
SIP	353,700	42,882			310,818
PC Refresh Project	46,500	27,027			19,473
Microsoft 365 Migration	132,170	0			132,170
Capital loan	776,000	0			776,000
Total Internal Operations	2,005,500	490,008	(422)	0	1,515,070

Appendix C: General Fund Capital Outturn Position 2020/21

General Fund Capital Programme Detail (continued)

	Total Budget 2020/21	Actual Capital Outturn 2020/21	Budget under (-) /over spend on completed projects	Underspend re schemes where Budget no longer required	Total budget c/f to future years (ongoing projects)
Directorate/Group of Schemes	£	£	£	£	£
Grants to Registered Social Landlords	1,445,381	604,253			841,128
Gypsy Site	108,502	0			108,502
Disabled Facilities Grant (DFG)	2,653,642	492,849			2,160,793
Open Assets Implementation	0	5,437	5,437		
North Taunton Equity loans	1,000,000				1,000,000
Total Housing	5,207,525	1,102,539	5,437	0	4,110,423
Hinkley Funded Projects : Dawn Adey					
Westfield Street Café	3,000	0	(3,000)		
South B/W & North Petherton	250,500	0			250,500
Bridgwater Town Centre Sup	54,278	0			54,278
Holford Village hall	76,092	0			76,092
Minehead TC - Changing Rm	18,237	18,237			
Watchet Bowling	150,000	51,995			98,005
Williton Shooting Club	23,000	0			23,000
Cheddar PC	320,000	255,000			65,000
Burnham on Sea & Highbridge Council	300,000	100,000			200,000
Empty Homes & Living over the Shop	90,000	0			90,000
Stogursey Victory Hall	637,896	914,440	276,544		0
Hinkley Total	1,923,003	1,339,673	273,544	0	856,875
External Ops: CIL Grant	830,145	830,145			
Section 106: Various projects	850,085	850,085			
Total General Fund Capital Expenditure	112,477,883	63,332,996	(87,651)	(7,500,000)	41,557,237

Appendix D: HRA Capital Outturn Position 2020/21

HRA Capital Scheme	Revised Budget for 2020-21	Actual Capital Outturn 2020/21	Budget under (-) /over spend on completed projects	Budget not required	Total budget c/f to future years (ongoing projects)
	£	£	£	£	£
Major Works	8,353,300	2,744,638		-	5,479,178
Fire Safety	2,150,000	596,033		-	1,553,967
Related Assets	100,000	98,872		-	1,128
Exceptional & Extensive	350,000	283,642		-	66,358
Vehicles	347,800	-		-	347,800
IT Programme	855,110	238,996	129,484	-	616,114
Aids & Adaptations & DFGs	629,090	398,824		230,266	-
Social Housing Development	100,988,490	4,784,946		500	96,203,044
Total Investment	113,773,790	9,145,951	129,484	230,766	104,267,589

Appendix E: Information: Capital Programmes Budget 2021/22 to 2025/26

General Fund Capital Programme Summary

	20/21 Carried forward £	Approved Budget 2021/22 £	Approved Budget future years £	Total Budget 21/22 and future years £
Development & Place	28,088,143	65,865,902	46,702,675	140,656,720
External Operations	6,986,727	1,735,360	532,360	9,254,447
Internal Operations	1,515,070	210,000	305,000	2,030,070
Housing - General Fund	4,110,423	896,621	896,621	5,903,665
Hinkley funded projects	856,875	0	0	856,875
External Ops - CIL Funded Grants (TBD)	0	0	0	0
S106 funded projects (TBD)	0	0	0	0
Total General Fund Capital Expenditure Budget	41,557,237	68,707,883	48,436,656	158,701,776

General Fund Capital Programme Detail

	20/21 Carried forward £	Approved Budget 21/22 £	Approved Budget future years £	Total Budget 21/22 and future years £
Development & Place: Dawn Adey				
Investment Properties	5,930,249	50,000,000		55,930,249
Taunton Bus Station	49,682			49,682
Coal Orchard Construction	2,722,953			2,722,953
Coal Orchard Devcosts	278,322			278,322
Major Transport Schemes	580,000			580,000
Emp Site Enabling Innova	100,000			100,000
Superfast Broadband (Legacy TD)	380,000			380,000
Superfast Broadband (Legacy WSC)	170,000			170,000
Steam Coast Trail	102,186			102,186
Seaward Way	92,200			92,200
Firepool Development	475,895			475,895
Firepool Master Planning	1,831,104			1,831,104
J25 Improvement Scheme Contribution	1,500,000			1,500,000
Flooding Alleviation	6,000,000			6,000,000
CIL - Cycle & Pedestrian Improvements	500,000		1,000,000	1,500,000
CIL - Education Provision	4,000,000			4,000,000
CIL - Town centre regeneration	403,892	1,000,000		1,403,892
CIL – Community Development	0		500,000	500,000
Heritage at Risk	45,537			45,537
Regeneration Projects (Confidential App F)	2,926,123	14,590,902	44,902,674	62,419,699
Employment Land Schemes		275,000	300,000	575,000
Total Development & Place	28,088,143	65,865,902	46,702,674	140,656,719

Appendix E: Information: Capital Programmes Budget 2021/22 to 2025/26

General Fund Capital Programme Detail (Continued)

	20/21 Carried forward	Approved Budget 21/22	Approved Budget future years	Total Budget 21/22 and future years
	£	£	£	£
External Operations: Andrew Pritchard				
General Fund Vehicles Acquisition		252,000	152,000	404,000
Waste Containers		100,000	100,000	200,000
Grants to Parishes Play	15,000	15,000	15,000	45,000
Replacement Play Equipment	64,000	64,000	20,000	148,000
SWP Waste Vehicle Loan	497,618			497,618
SWP Waste Container (Recycle More)	324,608			324,608
General Fund Plant		23,000	23,000	46,000
Watchet East Quay Development CCF Grant (OC)	1,450,087			1,450,087
Minehead Esplanade	15,147			15,147
Wellington Air Handling Unit	252,040			252,040
East Quay Wall	740,000			740,000
Rewire and lighting replacement - Orchard Car Park		150,000		150,000
Blue Anchor Coast Protection	3,528,226			3,528,226
Compliance for Assets	0	382,360	222,360	604,720
Car Parks Capital Improvements	100,000	709,000		809,000
New Boiler - Crematorium	0	20,000		20,000
Wellington Park Lodge	0	20,000		20,000
Total External Operations	6,986,727	1,735,360	532,360	9,254,447
Internal Operations: Alison North				
Members IT Equipment	4,000			4,000
Community Alarms		25,000	25,000	50,000
IT Server Refresh	20,000			20,000
Resources for Change Programme	238,402	95,000		333,402
Finance System	14,207			14,207
SIP	310,818			310,818
PC Refresh Project	19,473	90,000	280,000	389,473
Microsoft 365 Migration	132,170			132,170
Capital Loan (Confidential App F)	776,000			776,000
Total Internal Operations	1,515,070	210,000	305,000	2,030,070
Housing: James Barrah				
Grants to Registered Social Landlords	841,128			841,128
Gypsy Site	108,502			108,502
Disabled Facilities Grant (DFG)	2,160,793	400,000	400,000	2,960,793
Energy Efficiency Grants		91,000	91,000	182,000
Home Maintenance		160,000	160,000	320,000
Prevention Grants		245,621	245,621	491,242
North Taunton Equity loans	1,000,000			1,000,000
Total Housing	4,110,423	896,621	896,621	5,903,665

Appendix E: Information: Capital Programmes Budget 2021/22 to 2025/26

General Fund Capital Programme Detail (Continued)

	20/21 Carried forward	Approved Budget 21/22	Approved Budget future years	Total Budget 21/22 and future years
	£	£	£	£
Hinkley Funded Projects : Dawn Adey				
South B/W & North Petherton	250,500			250,500
Bridgwater Town Centre Sup	54,278			54,278
Holford Village Hall	76,092			76,092
Watchet Bowling	98,005			98,005
Williton Shooting Club	23,000			23,000
Cheddar PC	65,000			65,000
Burnham on Sea & Highbridge Council	200,000			200,000
Empty Homes & Living over the Shop	90,000			90,000
Hinkley Total	856,875	0	0	856,875
External Operations: CIL Grant	0	0	0	0
S106 funded projects	0	0	0	0
General Fund Total	41,557,237	68,707,883	48,436,655	158,701,775

Housing Revenue Account Capital Programme

	20/21 Carried Forward	Approved Budget 21/22	Approved Budget Future Years	Total Budget 21/22 and future Years
	£	£	£	£
Housing Revenue Account: James Barrah				
Major Works and Improvements	8,064,545	9,970,000		18,034,545
Social Housing Development Schemes & Major projects (Confidential App F)	96,203,044	3,830,000		100,033,044
HRA Total	104,267,589	13,800,000	-	118,067,589

Note:

This HRA budget reflects the CIT Strategies for the period of the Medium Term Financial Strategy 2021-26 for future years. This enables capital programme delivery to be monitored for progress within and across years.

The approved budget rolled forward includes all Social Housing Development schemes approved for their duration plus one year of major works and improvements.

Appendix F: General Fund Budget Movement for 2020/21 per Cost Centre

Cost Centre	Cost Centre Name	Original Budget £	Approved Changes £	Current Budget £
GENERAL FUND REVENUE ACCOUNT				
Development & Place				
CC000G	Major and Special Projects	481,490	-5,550	475,940
PG009G	Growth Programme	68,400	125,000	193,400
PG011G	Regeneration & Infrastructure	1,190	0	1,190
RG000G	CIC - Staffing Costs	-792,140	740,170	-51,970
SG100G	Hinkley	0	-32,500	-32,500
SE008G	Conservation & Listed Build	68,160	0	68,160
SE033G	Local Land Charges	-92,640	60,000	-32,640
SE036G	Planning Applications	266,590	-26,230	240,360
SE038G	Planning Applications & Advice	-84,820	0	-84,820
SE045G	Sports Develop & Community	50,490	0	50,490
SG005G	Indoor Sports & Recreation	-7,690	0	-7,690
FD000G	Strategy and Policy	412,770	10,140	422,910
RD000G	Strategy - Staffing Costs	-53,490	8,490	-45,000
SD002G	Garden Town	117,830	-28,870	88,960
PG007G	Taunton BID	15,000	0	15,000
SE011G	Culture & The Arts	202,680	0	202,680
SE015G	Economic Development	586,260	-23,345	562,915
		1,240,080	827,305	2,067,385
External Operations & Climate Change				
SG004G	Central Service Overheads	297,940	-242,990	54,950
SG006G	Facilities Management	210,900	1,000	211,900
SE016G	Dog Warden Service	34,670	0	34,670
SE017G	Public Health	664,460	-105,700	558,760
SE021G	Food Safety	14,310	0	14,310
SE032G	Licensing	32,950	12,000	44,950
SE039G	Pollution Control	-7,210	0	-7,210
SE040G	Private Sector Housing	277,290	33,360	310,650
SE043G	Taxi Licensing	-73,610	40,000	-33,610
SE046G	Welfare Funerals	2,000	0	2,000
FF000G	Localities - Operational Costs	217,400	-17,370	200,030
SF001G	Grounds Maintenance	-2,137,870	77,110	-2,060,760
SF004G	Community Parks & Open Spaces	3,313,640	19,000	3,332,640
SF010G	Operation Clean Sweep	40,000	0	40,000
RF000G	Localities - Staffing Costs	495,190	-495,190	0
CC001G	Leisure Partnership	800,800	667,000	1,467,800
CC002G	Building Control Partnership	65,470	0	65,470
CC003G	Street Cleaning Partnership	1,197,110	0	1,197,110
CC005G	Park & Ride Contribution	230,000	0	230,000
CC006G	Parking Partnership	-3,973,400	4,159,000	185,600
CC007G	Waste Partnership	4,308,200	830,000	5,138,200
CC009G	Major Contracts	239,350	0	239,350
SE005G	Community Infrastructure Levy	-57,000	0	-57,000
SF002G	Bereavement Services	-670,770	184,000	-486,770

SG003G	Asset Management	648,740	-98,850	549,890
SG008G	Deane House	545,800	0	545,800
SG009G	Westpark	133,270	0	133,270
SG010G	Roughmoor Depot	-34,520	0	-34,520
SG011G	Brunel Way Depot	35,640	0	35,640
SG012G	West Somerset House	85,620	0	85,620
SG013G	Roughmoor Enterprise Centre	-71,470	88,000	16,530
SG014G	Barnsclose Units	-7,100	10,850	3,750
SF005G	Flood Defence & Land Drainage	380,580	-50,000	330,580
SF006G	Harbours	57,980	16,000	73,980
SF008G	Coast Protection	11,000	0	11,000
SC005G	Emergency Planning	30,880	68,340	99,220
SE035G	Planning Obligations	94,350	0	94,350
SD004G	Climate Change	152,160	517,160	669,320
		7,584,750	5,712,720	13,297,470

Housing & Communities

CC008G	Housing Partnership	145,080	50,000	195,080
HS003G	GF Corporate Property Team	335,410	151,470	486,880
HS023G	GF Housing Strategy Team	0	108,560	108,560
HS014G	GF Housing Enabling Team	0	138,780	138,780
SE022G	Housing Enabling	169,980	0	169,980
HS021G	GF Community Resilience	0	270,650	270,650
SC008G	Shopmobility	43,770	-10,000	33,770
SE007G	Community Safety	230,140	0	230,140
SF003G	Community Grants	248,870	10,000	258,870
SF020G	GF Community Chest Fund	0	250,000	250,000
HS015G	GF Homelessness Team	716,900	16,830	733,730
SE026G	Homelessness	546,880	-50,000	496,880
SE023G	Housing Options	48,400	0	48,400
SE027G	Rough Sleepers Initiative	161,580	-161,580	0
SE028G	Homefinder	10	-10	0
		2,647,020	774,700	3,421,720

Internal Operations

CC004G	SHAPE Legal Partnership	372,900	0	372,900
FB000G	Comms and Engage Oper Costs	191,580	-4,500	187,080
FC000G	Governance	420,530	0	420,530
FC001G	Strategy	294,050	-268,935	25,115
FE000G	People - HR	1,033,520	29,380	1,062,900
FH000G	Fin Tech & Change Operational	376,530	-376,530	0
PH001G	Transformation Program -Closed	-220,330	220,330	0
PH003G	Information Management	0	231,669	231,669
PH006G	SIP	0	186,900	186,900
PH007G	MS/0365	0	133,641	133,641
RB000G	Comms and Eng Staff costs	25,950	-25,950	0
RC000G	Performance & Governance Staff	131,200	-131,200	0
RE000G	Customer - Staffing Costs	502,370	-512,370	-10,000
RH000G	Internal Change	455,540	-189,430	266,110
SC001G	Register of Elections	20,060	0	20,060
SC002G	Conducting Elections	12,460	0	12,460
SC003G	Learning & Develop	303,740	0	303,740
SC004G	Members	476,750	3,000	479,750
SC006G	Internal Audit	118,960	0	118,960
SC007G	Non-Distributed Costs	463,880	1,400,080	1,863,960

SC009G	Corporate Management	104,520	-1,623,440	-1,518,920
SC012G	External Audit Fees	0	62,560	62,560
SE006G	Deane Helpline	821,550	-1,060,850	-239,300
SE009G	Council Tax Collection (rev)	96,140	376,250	472,390
SE010G	Council Tax Support (Benefits)	121,180	21,870	143,050
SE012G	Customer Contact Centre	-105,520	1,117,460	1,011,940
SE018G	Business Intelligence	217,350	54,480	271,830
SE019G	Digital Mailroom	58,650	0	58,650
SE020G	Operational Support	372,630	297,320	669,950
SE029G	Income Control and Sundry Debt	367,390	-27,160	340,230
SE030G	Visitor Centres	-22,840	40,000	17,160
SE041G	Rent Allowances	-113,320	0	-113,320
SE042G	Rent Rebates	-176,700	0	-176,700
SE048G	Universal Credit	-40,720	0	-40,720
SG007G	Health and Safety at Work	76,870	43,000	119,870
SH004G	Insurance	94,420	-35,000	59,420
SH001G	ICT Staff/Operations	1,087,460	-196,430	891,030
SH002G	ICT Communications	350,050	13,500	363,550
SH003G	ICT Systems	551,020	0	551,020
SH006G	ICT Infrastructure	0	290,690	290,690
SH012G	Finance	855,460	2,345	857,805
SH014G	Comms and Engagement	244,580	70,000	314,580
		9,939,860	142,680	10,082,540

Senior Management Team

RA000G	Strategic Board - Staffing Cst	74,370	-74,370	0
SM000G	Senior Management Team	-509,320	1,043,320	534,000
UN000G	Unitary	0	228,880	228,880
UN001G	Unitary - Phase 4	0	94,350	94,350
		-434,950	1,292,180	857,230

Other Operating Costs & Income

LL001G	Other Operating Expenditure	2,475,670	-29,240	2,446,430
LL002G	Financing/Invest Inc & Exp	-2,008,210	1,324,895	-683,315
LL003G	Tax & Non-Spec Grant Income	-23,497,710	-250,000	-23,747,710
LL007G	COVID General Grants	0	-5,352,000	-5,352,000
LL009G	Comm. Inv. Property	0	-440,000	-440,000
LL010G	Legacy Comm. Inv. Property	0	-507,100	-507,100
SC014G	Special Expenses	0	29,240	29,240
		-23,030,250	-5,224,205	-28,254,455

Transfer to/From Reserves

MM000G	GF MIRS	2,053,490	-3,525,380	-1,471,890
		2,053,490	-3,525,380	-1,471,890

GF Balance

0 0 0

Appendix F: Housing Revenue Account Budget Movement for 2020/21 per Cost Centre

Cost Centre	Cost Centre Name	Original Budget £	Virement £	Current Budget £
Housing Revenue Account (HRA)				
<u>Income</u>				
SF018H	HRA General Needs Income	-20,151,940	0	-20,151,940
SF038H	HRA Extra Care Income	-350,020	0	-350,020
SF039H	HRA Former Tenants Debts	0	0	0
SF045H	HRA Supp / Shelt Hsg Income	-3,570,920	0	-3,570,920
SF086H	HRA Temporary Acc Income	-152,060	0	-152,060
SF063H	HRA Garages Rent Income	-550,000	0	-550,000
SF064H	HRA Commercial / Shop Rent Inc	-144,500	0	-144,500
SF065H	HRA Land Income	-24,960	0	-24,960
SF028H	HRA Service Charges Income	-1,282,830	0	-1,282,830
SF078H	HRA Lease'h ChrgeforSrv Income	-163,700	0	-163,700
SF089H	HRA Meeting Halls Income	-10,700	0	-10,700
SF019H	HRA Right to Buy Income	-41,600	0	-41,600
SF029H	HRA PV Income	-110,000	0	-110,000
SF057H	HRA GF Cont to Grds Maint	-198,000	0	-198,000
SF027H	HRA Voids Rechargeable Income	-10,700	0	-10,700
SF079H	HRA Rechargeable Repairs Income	-10,700	0	-10,700
SF085H	HRA Other Income	0	0	0
		-26,772,630	0	-26,772,630
<u>Development & Regeneration</u>				
HS013H	HRA Hsg Dev & Reg Team	611,070	-79,770	531,300
		611,070	-79,770	531,300
<u>Housing Performance</u>				
HS001H	HRA Housing Mgt Team	4,237,340	-4,001,700	235,640
HS020H	HRA Housing Performance Team	306,570	0	306,570
SF016H	HRA Policy & Management	600,850	3,728,090	4,328,940
SF025H	HRA Tenants Forum	44,300	0	44,300
SF033H	HRA Tenants Empowerment	39,800	0	39,800
SF030H	HRA Insurance	87,550	0	87,550
SF040H	HRA Cont to CDC	0	229,000	229,000
		5,316,410	-44,610	5,271,800
<u>Community Resilience</u>				
HS022H	HRA Community Resilience	98,990	56,070	155,060

SF052H	HRA One Team Halcon	11,400	0	11,400
SF053H	HRA One Team North Taunton	11,400	0	11,400
SF054H	HRA One Team Wellington	56,070	-44,670	11,400
		189,260	0	189,260

Tenancy Management

HS016H	HRA Supported Housing Team	251,680	64,520	316,200
SF009H	HRA Meeting Halls Exp	92,400	0	92,400
SF022H	HRA Supp / Shelt Hsg Exp	357,400	-29,600	327,800
SF075H	HRA Extra Care Exp	61,000	22,300	83,300
SF024H	HRA Temporary Acc Exp	74,000	0	74,000
SF095H	HRA Tenancy Sustainment Sh Hsg	0	7,600	7,600
HS017H	HRA Lettings Team	144,080	0	144,080
SF008H	HRA Lettings	31,100	0	31,100
HS018H	HRA Tenancy Mgt Team	693,590	-244,720	448,870
SF002H	HRA Anti Social Behaviour	16,200	0	16,200
SF080H	HRA Transfer Removal Grants	37,900	0	37,900
SF081H	HRA Rentals on Property Exp	18,030	0	18,030
SF092H	HRA Tenancy Mgt	30,600	0	30,600
SF094H	HRA Tenancy Sustainmt Gen Need	30,600	-7,600	23,000
SF001H	HRA 12 Moorland Close	19,600	0	19,600
HS019H	HRA Rent Recovery Team	73,330	234,520	307,850
SF091H	HRA Arrears Mgt	20,500	0	20,500
		1,952,010	47,020	1,999,030

Repairs & Maintenance

HS005H	HRA Repair & Maint Mgt Team	416,710	45,370	462,080
HS006H	HRA Repair & Maint Trade Team	1,139,150	31,990	1,171,140
HS002H	HRA Voids Team	127,980	0	127,980
HS004H	HRA Stores Team	59,410	0	59,410
SF026H	HRA Voids - Major	626,200	-10,700	615,500
SF059H	HRA Void Redecoration	10,000	0	10,000
SF068H	HRA Voids - Rechargeable Works	0	10,700	10,700
SF006H	HRA Housing Repairs	547,000	0	547,000
SF043H	HRA Underground Drainage	10,000	0	10,000
SF077H	HRA Responsive Sewage	10,000	0	10,000
SF017H	HRA Rechargeable Works	10,700	0	10,700
SF005H	HRA Grounds Maintenance	778,000	0	778,000
		3,735,150	77,360	3,812,510

Assets

HS011H	HRA Housing Asset Team	285,800	97,730	383,530
HS012H	HRA Capital Investment Team	253,780	0	253,780
SE002H	HRA Housing Partnership	35,600	0	35,600
SF007H	HRA Langham Gardens	21,880	0	21,880
SF012H	HRA Northfield Gardens	33,730	0	33,730
SF031H	HRA Communal R&Maint	128,200	0	128,200
SF034H	HRA Communal Utilities	40,900	0	40,900
SF035H	HRA Leaseholder Mgt & Forum	1,500	0	1,500
SF004H	HRA Garage Maintenance	16,800	0	16,800

SF020H	HRA Commercial / Shops Exp	5,700	0	5,700
SF090H	HRA Pre Planned Maintenance	500,000	0	500,000
SF037H	HRA Sustainable Energy	27,000	0	27,000
SF056H	HRA SAP EPC & Stock Validatio	50,000	0	50,000
		1,400,890	97,730	1,498,620

Compliance

HS007H	HRA Gas Team	345,120	0	345,120
HS008H	HRA Electrical Team	437,510	0	437,510
HS009H	HRA Asbestos Team	178,000	0	178,000
HS010H	HRA Landlord Compliance Team	369,930	-97,730	272,200
SF058H	HRA Heating	202,000	0	202,000
SF042H	HRA Electrical	197,000	0	197,000
SF055H	HRA Air Source Heat Pump Servi	42,000	0	42,000
SF003H	HRA Asbestos	50,000	0	50,000
		1,821,560	-97,730	1,723,830

HRA Other Operating Costs & Income

LL002H	Financing/Invest Inc & Exp	2,744,700	0	2,744,700
LL008H	HRA Inc/Dec Provsn for Bad/Dbt	180,000	0	180,000
SF049H	HRA Dep OLB	489,820	0	489,820
SF083H	HRA Dep Dwellings	6,510,760	0	6,510,760
		9,925,280	0	9,925,280

HRA Transfers To/From Reserves

MM001H	HRA Movement in Reserves (MIRS)	1,821,000	0	1,821,000
		1,821,000	0	1,821,000

HRA Balance

0 0 0

