

# Cabinet report



1 September 2020

**FORECAST OUTTURN FOR QUARTER 1, 2019/20:  
GENERAL FUND REVENUE, HOUSING REVENUE ACCOUNT, DEDICATED  
SCHOOLS GRANT AND CAPITAL PROGRAMME & COVID-19 FINANCIAL  
UPDATE**

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Exempt / confidential / not for publication	<b>No</b>
Council Plan reference	<b>1 – “A Balanced Budget”</b>
Wards affected	<b>All wards</b>

## Executive Summary

This report sets out the 2020/21 Quarter (QTR) 1 forecast outturn for the General Fund (GFRA); Dedicated Schools Grant (DSG); Housing Revenue Account (HRA) Capital Programme and Tariff Programme; based upon income and expenditure as at 30 June 2020.

We are currently forecasting a General Fund overspend of £0.153m before the impact of COVID-19.

As detailed in Annexes A-N, the main headlines are:

- General Fund Revenue Account (GFRA) – is currently forecasting an overspend of **£0.153m** before the Impact of COVID-19.
- COVID-19 Year to date pressures on service costs and income to 30 June 2020 is £4.934m. The estimated financial gap based on 3 Scenarios (high, medium & Low) range between £0.978m underspend to £26.313m overspend.
- GFRA planned savings of £0.728m have been achieved (17% of the annual savings target). By the 31 March it is forecast that £3.330m savings will be achieved (77%), leaving a shortfall of £0.997m (23%). This has been reflected in the forecast position.
- The Housing Revenue Account (HRA) forecast outturn is £0.308m underspend, which will be offset by an increase in the planned level of Revenue Contribution to Capital (RCCO).
- Dedicated Schools Grant (DSG) budget was set with an estimated surplus carry forward into 2021/22 of £1.937m, the forecast position at 31 March 2021 is a surplus carry forward of £1.671m.
- Public Health budget is forecasting a contribution of £0.063m to the Public Health reserve.
- The Capital Programme has been rebased and approved as a Delegated Decision as at the 28 July 2020. The agreed 2020/21 Capital Programme was £128.228m plus amendments to be approved in Quarter 1 of £2.457m giving a total in year programme of £130.685m. The current forecast is in line with budget. Overall project forecast of £358.288m which is also in line with budget.
- The report includes recommendations to amend the 2020/21 Capital Programme, details of which are included in **Annex N**.
- This report summarises the financial costs associated in dealing with the emergency response to COVID-19, a summary of the financial position at the end of Period 3 and a high level assessment of the financial impact of COVID-19 on the Council in 2020/21. Details are set out **Annex M**.

## 1. Decisions to be made

- 1.1. That the GFRA forecast outturn of £0.153m overspend before the impact of COVID-19 be noted, together with the management actions set out at **Annex A** of this report.
- 1.2. GFRA planned savings of £0.728m have been achieved (17% of the annual savings target). By the 31 March it is forecast that £3.330m savings will be achieved (77%), leaving a shortfall of £0.997m (23%) which is set out in **Annex B** of this report.

- 1.3. That the forecast outturn on the HRA is break even, after an increase in the transfer to reserves be noted, together with the management actions set out at **Annex C** of this report.
- 1.4. That the DSG forecast surplus carry forward of £1.671m be noted, together with the management actions set out at **Annex D** of this report.
- 1.5. That the reserves position as detailed in **Annex E** are noted.
- 1.6. That the revised Capital Programme as approved by Delegated Decision on the 28 July 2020 be noted.
- 1.7. That the additions and amendments to resource allocation and spend approval for the 2020/21 capital programme, as detailed in **Annex N** be approved.
- 1.8. That the forecast outturn spend is in line with the revised Capital Programme as a whole of £358.228m of which £130.685m in 2020/21 detailed in **Annex F** of this report be noted. This includes the additions and amendments detailed in **Annex N**.
- 1.9. That the current position of the 2020/21 tariff programme as detailed in **Annex G**, and approved by Delegated Decision on the 28 July 2020 be noted.
- 1.10. That the debt position of the Council at the end of quarter 1 is detailed in **Annex H** are noted.
- 1.11. That the Treasury Management report as detailed in **Annex I** are noted.
- 1.12. That the virements to the original budget as detailed in **Annex J** are noted.
- 1.13. That the current position on the Collection Fund as detailed in **Annex K** are noted.
- 1.14. That the procurement waiver decisions as detailed in **Annex L** are noted.
- 1.15. That the financial costs incurred to date in dealing with the response to COVID-19 are noted, together with the Period 3 financial summary position and projected impact on current year forecast as detailed in **Annex M**.

## 2. Why is the decision needed?

- 2.1. To ensure that the Council delivers a balanced budget in 2020/21 in line with the Council Plan.

## **Key Issues**

### *General Fund Revenue Account (GFRA)*

- 2.2. The year to date variation at the end of period 3 showed an overspend of £4.611m of which £4.934m related to COVID-19 pressures on service costs and income to 30 June 2020 leaving a £0.323m underspend, which is non COVID-19 related.
- 2.3. However, whilst the year to date is underspent, there are service pressures of **£1.439m** unrelated to COVID-19 which are forecast to occur in year, offset by salary savings across the Council of **£0.972m**, resulting in a in year projection of £0.153m overspend excluding the impact of COVID-19.
- 2.4. Key GFRA Variances

#### *Level 1 – Very High Impact (>£1.000m)*

None.

#### *Level 2 – High Impact (>£0.500m - £1.000m)*

- A forecast underspend of £0.942m across the Physical Disabilities, Mental Health and Frail Elderly community care packages budgets. Part of this identified underspend will contribute towards the Social Care savings target in 2021/22.
- £0.289m overspend across Homeless Prevention and Access. There is a £0.564m overspend against the Temporary Accommodation budget. This has reduced since initial estimates at the end of 2019/20 (estimated £1.5m budget shortfall based on activity in 2019/20).

#### *Level 3 – Medium Impact (>£0.100m - £0.500m)*

- Children’s Services legal budget is forecasting a £0.210m overspend due to the number of cases and complexity of high cost cases. The service is currently undertaking an independent peer review.
- Home to school transport provider costs overspent in 2019/20, and the higher weekly costs continued into 2020/21. Therefore, this resulted in a base budget pressure of £0.473m in 2020/21. There have been some one-off underspends as a result of COVID-19 (See para 2.18).

- Whitehouse Health Centre has been built by the council and will be occupied by a health practice and other health related services. There has been a delay in agreeing the contract with the CCG and in securing other tenants in the building. As such, there is an in-year pressure of £0.410m.
- There are forecast salary savings of £0.426m in the Environment and Property teams, essentially in the Regulatory Unit and Transport teams due to hard to fill posts and the deletion of a head of service post. Also, there is a forecast saving of £0.311m in the planning teams on the assumption that some posts will be agreed to be filled in the latter part of the year.
- There is forecast to be over-spent on building maintenance and repair costs of £0.200m. There is currently work being undertaken to assess the reactive works required on council owned buildings and to minimise this demand.
- The sale of Saxon Court has been agreed and will be finalised in the autumn of 2021. As a result, 2 long standing tenants have either left or are to leave shortly. Although there are some savings in running costs, the estimated deficit in year is £0.140m.
- The VMWare licence that the council's PC's are operated on is coming to an end in September. Whilst the option to capitalise these costs and charge them to the capital programme are still being considered, the forecast includes costs of £0.138m for 2020/21 in revenue.
- The Customer Services Transformation programme has a savings target of £0.350m this year and there are outline plans for £0.250m to be achieved, therefore leaving a shortfall of £0.100m. However, there is a range of service reviews being undertaken currently which may mean this position improves over the next few months.

#### *Housing Revenue Account (HRA)*

- 2.5. The HRA is reporting a projected underspend which will be offset by an increase contribution to Capital, details of which are found in **Annex C**, Table 1.
- 2.6. All key forecast variances are set out in **Annex C**, Table 2. This includes details of the projected financial impact, action being taken by the responsible Head of Service, timelines and the anticipated outcome.

## 2.7. Key HRA Variances

### *Level 1 – Very High Impact (>£1.000m)*

None.

### *Level 2 – High Impact (>£0.500m - £1.000m)*

- The key issue in the HRA is the impact of COVID-19 on rent income. Though the impact is slow to materialise because of delays in Universal Credit payments, the current forecast is for an increase of £0.800m in provisions for arrears and bad debts.

### *Level 3 – Medium Impact (>£0.100m - £0.500m)*

- Housing Allocations Total - £0.123m - £0.080m relates to salary overspends due to additional post and % split changed from GF to HRA in the Housing Allocations service. £0.047m is contribution to Service Delivery Unit HRA for CBL Project Manager Post, offset by forecast underspends on telephone cost (£0.004m). Overspends will be offset by savings elsewhere within the Housing Service.

## *Public Health*

- 2.8. Public Health is forecasting a contribution to reserves of £0.063m (overall there is a net nil variance after use of reserves as the funding is ring-fenced). The in-year underspend is a result of vacancies across Milton Keynes, Bedford Borough Council and Central Bedfordshire Council in a Shared Service operating model and some underspends against contracts (including Substance Misuse and Smoking services) due to activity being lower than anticipated.

## *Dedicated Schools Grant (DSG)*

- 2.9. When the budget was set, it was anticipated that there would be a surplus carry forward of £2.636m from 2019/20, however the actual carry forward was a surplus of £2.096m. The 2020/21 budget was set with a budgeted surplus carry forward of £1.937m, however the forecast carry forward is expected to be £1.671m. The reduced carry forward from 2019/20 is partially offset with an in-year underspend on the schools and high needs blocks. Further information can be found in **Annex D**.

- 2.10. The funding blocks within the DSG are now ring-fenced (with effect from 2018/19) and all key forecast variances are set out in **Annex D** to this report.
- 2.11. The main area of risk remains in high needs where there have been increases in the number of children requiring support at increasing levels of complexity. High needs funding remains a national issue and although we currently have a high needs surplus, this is one off and the future funding increases remain uncertain on the DSG and have not up until now, kept up with demand.

#### *Delivery of Savings*

- 2.12. Savings of £3.696m were approved for implementation in 2020/21 and £0.631m savings carried forward from 2019/20, a total of £3.330m (77%) is currently projected to be delivered in year and £0.997m (23%) will either not be delivered until next year or are now undeliverable. Where the saving cannot be delivered or not the full amount needs to be considered in the 2021/22 budget.
- 2.13. A full schedule of all delayed and non-deliverable budget reductions and income proposals is attached at **Annex B** to this report and sets out the detailed position on each of the individual proposals.

#### COVID-19 Financial Update

- 2.14. The impact of COVID-19 and subsequent lockdown has seen an immediate impact on the Councils financial position with increased costs arising in dealing with the immediate response, sharp fall in income including Council Tax and Business Rates. Whilst the Council has received some financial support from government, it is clear that even at this stage the impact will be significant and the level of support that this impact is expected to continue beyond 2020/21.
- 2.15. At this early stage the financial impact of the pandemic cannot be fully understood. The level of uncertainty over the wider economic and social impacts and behavioural changes are still to be felt.
- 2.16. We have modelled 3 different scenarios to illustrate the scale of the financial impact that the Council could face in 2020/21 and over the medium term.

2.17. For 2020/21 based on the current level of financial support provided by government these scenarios provide an estimated financial position of between £0.978m underspend and £26.313m overspend. However, the Scenarios include assumptions on funding from the Income Support scheme where details have not yet been confirmed.

2.18. Key GFRA COVID-19 impact

*Level 1 – Very High Impact (>£1.000m)*

- The first 3 months have seen a reduction of circa **£2.987m** in parking income due to a lack of both employee permits and pay and display income. It is unlikely that income will return to the same levels of pre-lockdown, even towards the end of the financial year. New working from home practices are likely to be longer term and so impact on the circa £5m income from employee permits. If the trend of increased internet shopping during the lockdown continues, the circa £7m of pay and display income in part generated by visits to the Shopping Centre may not recover to pre-lockdown levels. During lockdown, car parking enforcement was suspended resulting in a saving of £0.330m.
- Adult Social Care has spent in excess of £1.580m in the first quarter as part of the frontline response. The approach included a combination of providing £0.680m in direct financial support to the Care Home market and incurring additional costs of over £0.900m to provide Hospital Discharge support alternative Home Care and Supported Living care to clients during lockdown and PPE support to care providers. Part of the cost has been offset by income of £0.540m from the CCG.

*Level 2 – High Impact (>£0.500m - £1.000m)*

- In Home to School Transport, there has been an in year underspend of £0.800m as a result of school closures due to COVID19. However, there remains uncertainty about the potential impact of the service in light of social distancing requirements, when schools reopening in September.

*Level 3 – Medium Impact (>£0.100m - £0.500m)*

- Planning income is £0.492m behind the expected profile of the budget as at the end of June, it is assumed, due to the suspension of building projects in lockdown along with economic uncertainty.



- There are costs and income losses in leisure of £0.227m relating to additional payments to contractors and loss of school swimming income due to pool closures.
- Central government had suspended all court hearings for council tax arrears during quarter 1. As such, this has led to a pressure of £0.200m in court cost income.
- There is currently an increase tonnage in residual waste, presumably due to more people being at home during the lockdown. As such, the forecast assumes a pressure of £0.113m for the first 3 months. With the increase in household waste at the MKWRP, there is also an increase in recycled waste. The greater the level of tonnage, the greater the chance that there will be contamination, and this equates to £0.037m at this stage
- It was necessary at the beginning of the COVID-19 outbreak to close Emberton Park as instructed by the government. The park receives income from both day visitors and at the caravan and camping park. The park is now open for visitors and the caravan park has opened again in early July. However, there has still been a reduction in income of £0.106m up to the end of June.
- There are costs of £0.210m, including hire of the premises, highways and security costs that have been incurred in securing the Ice Rink at the beginning of the pandemic as an emergency measure.

2.19. A summary of the costs to date, together with a review of the Councils Period 3 General fund summary are set out at **Annex M**.

#### *Collection Fund*

2.20. The Collection Fund includes all income generated from council tax and business rates that is due in the year, including arrears, from council taxpayers and ratepayers.

2.21. The Current Position of the Collection Fund is reported in **Annex K**.

#### *Reserves*

2.22. The main reasons the Council holds reserves are to:

- Manage known financial risks;

- Hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions;
  - Manage timing differences between the receipt of funding and actual spend;
  - Hold ring-fenced funds such as specific grants, trusts, schools or the HRA.
- 2.23. Reserves can only be used once, so should not be used to fund recurring planned spend, in particular they should not be used to balance the budget; this is one of our key financial principles. Reserves are monitored during the year and reviewed at year end and when setting the budget to determine whether any need to be replenished.
- 2.24. We have completed a review of reserves to identify the level of one-off funding that the Council could potentially use to mitigate the financial impact of COVID-19. The government has already confirmed that Councils will have to shoulder part of the losses to fees and charges income and that certain income losses will not be eligible for any government support. Details of this are still to be confirmed.
- 2.25. The review has identified that there is an uncommitted balance in earmarked reserves of £4.157m and in addition a further £3.5m of uncommitted Social Care Grant. This funding is one-off and should be viewed as a backstop option considering the potential risks for 2021/22. These funds have been moved into a separate 'COVID19' reserve to help support the Councils budget position.
- 2.26. The Council also has a working balance of £22.9m. This is on slightly above the minimum recommended level. In the current situation it may be necessary to temporarily use some of this funding to help manage the future budget challenges. However, in order to ensure that the Council can set a legally robust budget any use of this would need to be accompanied with a clear plan on how this balance would be restored in the future.
- 2.27. **Annex E** shows the balances based on actual spending and contributions made as part of the MTFP and new in year movements approved by the Chief Finance Officer in line with the Council's Constitution.

## 2020/21 Capital Monitoring

2.28. **Table 3** shows a summary of the forecast position for the 2020/21 capital programme compared to budget (resource allocation). The current forecast for quarter 1 is in line with budget.

2.29. **Table 3: Capital Programme – 2020/21 Forecast at 30 June 2020**

Capital Summary  Service	2020/21 Capital Programme Forecast		
	Revised 20/21 Budget	Total 20/21 Forecast	Forecast Variance to Capital Budget
	£m's	£m's	£m's
Adult Social Care	0.648	0.648	0.000
Children's Services	32.872	32.872	0.000
Strategy and Futures	5.513	5.513	0.000
Policy, Insight & Communications	0.063	0.063	0.000
Housing & Regeneration – HRA	56.388	56.388	0.000
Housing & Regeneration – GF	1.124	1.124	0.000
Growth, Economy and Culture	7.080	7.080	0.000
Environment & Property	26.157	26.157	0.000
Resources	0.841	0.841	0.000
<b>Capital Programme Requirements</b>	<b>130.685</b>	<b>130.685</b>	<b>0.000</b>

2.30. Table 4 shows a summary of the multi-year capital programme and how the programme is currently funded as a whole. The current position shows the forecast in line with the budget.

2.31. Detailed individual project forecast, including total project positions are detailed in **Annex F**.

**Table 4 – Capital Monitoring**

Capital Summary	Forecast to Year End		
	Total Project Budget	Total Forecast Outturn	Total forecast Variation
Service	£m's	£m's	£m's
Adult Social Care	0.648	0.648	0.000
Children's Services	72.523	72.523	0.000
Strategy and Futures	5.707	5.707	0.000
Policy, Insight & Communications	0.250	0.250	0.000
Housing & Regeneration – HRA	186.194	186.194	0.000
Housing & Regeneration – GF	5.593	5.593	0.000
Growth, Economy and Culture	11.106	11.106	0.000
Environment & Property	73.654	73.654	0.000
Resources	2.613	2.613	0.000
<b>Capital Programme Requirements</b>	<b>358.288</b>	<b>358.288</b>	<b>0.000</b>
<b>Capital Financing</b>			
Capital Receipts	(14.256)	(14.256)	0.000
Major Repairs Reserve	(68.723)	(68.723)	0.000
Government Grants	(13.215)	(13.215)	0.000
Prudential Borrowing	(15.451)	(15.451)	0.000
Developer Contribution	(31.749)	(31.749)	0.000
Third Party Contributions	(4.832)	(4.832)	0.000
Parking Income	(0.050)	(0.050)	0.000
Revenue Contributions	(106.138)	(106.138)	0.000
Single Capital Pot	(91.539)	(91.539)	0.000
New Homes Bonus	(12.334)	(12.334)	0.000
<b>Total Capital Financing</b>	<b>(358.288)</b>	<b>(358.288)</b>	<b>0.000</b>
<b>Net Surplus / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

*Revisions to the Capital Programme*

2.32. There are a number of schemes that were not included in the original 2020/21 capital programme but have now completed the officer review process. Cabinet approval for resource allocation and spend approval is now sought to include new capital projects (summarised in **Annex N**) in the 2020/21 capital programme.

2.33. **Table 5** summarises the changes on the capital programme.

**Table 5 – Summary of the changes to the 2020/21 Capital Programme**

	Resource Allocation 20/21	Spend Approval 20/21	Total Resource Allocation	Total Spend Approval
	£m	£m	£m	£m
2020/21 Capital Programme as agreed 28 July 2020 Delegated Decision	<b>128.227</b>	<b>128.227</b>	<b>355.667</b>	<b>177.482</b>
New projects agreed by DD 12 Feb 2020	0.300	0.300	0.300	0.300
New Projects	1.860	1.860	1.860	1.860
Amendments to Existing Project	0.297	0.297	0.461	0.461
<b>Total</b>	<b>130.685</b>	<b>130.685</b>	<b>358.288</b>	<b>180.103</b>

2.34. The new schemes submitted for inclusion in the 2020/21 capital programme are:

- **Housing Infrastructure Fund £0.300m** - A DD was approved on the 28 July to accept £94.6m of grant funding for Highways and Social Infrastructure to support Housing Delivery East of the M1. The grant will fund new highway infrastructure, together with a new primary school and community health hub. Approval is sought to add £0.300m, financed by Government grant, to the capital programme to fund the resources required to progress the highway schemes that will be delivered by MKC. The full cost of the programme, together with the delivery programme of the school and health hub, will be added to the draft 21/22 capital programme once more detailed costs have been established.
- **Emergency Active Travel Fund £0.160m** - In response to the ongoing need for social distancing to reduce the spread of Covid-19, and Government advice against using public transport, the Emergency Active Travel Fund was announced on 9 May 2020 with the requirement that funding was spent by the end of August. This funding was to support Local Authorities to rapidly deliver measures to create safe walking and cycling environments. £0.160m has been spent on cycle parking in various locations including Station Square and Stony Stratford together with footpath works in Stony Stratford High Street to support social distancing outside of shops.

- **Whitehouse meeting place £1.4m 20/21** - £1.4m of tariff funding is sought to deliver a community meeting place adjacent to Whitehouse Secondary School. The meeting place will deliver a multi-purpose space that can accommodate a range of sport, leisure, recreation and entertainment facilities.
- **New Waste Collection Scheme £0.300m** - The Environmental Services Programme is reviewing its future service provision, which includes waste collection. A recommendation was agreed by Delegated Decision on the 12<sup>th</sup> February 2020, to explore pilot schemes for waste collection to replace the use of plastic sacks. This included the use of wheeled bins and other waste management solutions that could address the different challenges faced by different estates. The resource allocation and spend approval in the 2020/21 capital programme of £0.300m for the purchase and delivery of waste collection receptacles (wheeled bins and boxes) was approved.

2.35. Approval is sought for the following amendments to resource allocation and spend approval:

- **Bradwell Abbey £0.361m** - The procurement of works to Bradwell Abbey has now been completed. This tender will address the whole of the works to the Farmhouse and Workshop (MIC) bringing the building back into use for educational purposes with an enhanced visitor experience. Additionally, it also addresses the main drainage issues on the site which are causing continued damage to the structure of the buildings, and the main structural issues on the adjoining Stone Barn and Bake House. Funding currently held in a ring-fenced reserve for these works is requested to be brought into the capital programme rather than being treated as a revenue cost. The revised spend profile increases resource allocation and spend approval in 2020/21 by £0.197m and by £0.164m in 21/22.

- **Fairfields Primary School Extension - £0.100m-** The new build for Watling Academy has been delayed and consequently alternative accommodation will be provided on the top floor of Fairfields Primary School. As there are no PE provision/changing facilities at this site, we have been working in partnership with Denbigh Alliance to introduce a suitable solution and have reached an agreement of where the PE provision for the academic year will be delivered. A contribution of £100k, funded by basic need allocation, is sought to deliver additional changing rooms at Denbigh School to accommodate the additional 60 pupils per day that will require changing facilities.

2.36. Spend approval requests for projects within the 2020/21 capital programme, are summarised in **Annex N**.

#### 2020/21 Tariff Monitoring

2.37. **Table 6** shows a summary of the forecast outturn for the Tariff programme compared to budget for 2020/21. The forecast position is currently in line with budget.

2.38. Detailed individual project forecast, including total project positions are detailed in **Annex G**.

**Table 6 - Tariff Monitoring**

Tariff Summary	2020/21 Outturn Position		
	2020/21 Approved Budget	Expenditure	Variance
Service	£m's	£m's	£m's
Roads and Highways	1.330	1.330	0.000
Public Transport	0.598	0.598	0.000
Schools	8.095	8.095	0.000
Leisure and Culture	8.408	8.408	0.000
Social Care and Health	5.000	5.000	0.000
Other Services	2.327	2.327	0.000
Costs of Running	0.135	0.135	0.000
Works in Kind	12.310	12.310	0.000
<b>Capital Programme Requirements</b>	<b>38.203</b>	<b>38.203</b>	<b>0.000</b>
<b>Tariff Financing</b>			
Tariff Receipts	-38.203	-38.203	0.000
<b>Total Tariff Financing</b>	<b>-38.203</b>	<b>-38.203</b>	<b>0.000</b>
<b>Net Surplus / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

*Debt Collection and Performance*

2.39. **Annex H** details the Council’s overall debt position and collection performance in quarter.

*Treasury*

2.40. **Annex I** reports the current treasury management forecast.

*Virements*

2.41. Financial procedure rules require virements between services to be reported and agreed, **Annex J** details the virements processed in the quarter.

*Procurement Waivers*

2.42. Financial procedure rules require all variations to the ordering system to be approved by the Director of Finance and Resources. A summary of the procurement waivers are in **Annex L**.

**2 Implications of the decision**

a) Financial implications

Capital implications are fully considered throughout the report. Revenue implications as a result of capital schemes are built into the Council’s debt financing and other revenue budgets as appropriate through the Medium Term Planning process. Where significant risks are known they are highlighted in this report.

Any overspend on the General Fund position will impact on the General Fund working balance. If amounts go below the minimum working balance actions will need to be taken to increase the minimum level of reserves and may result in the need for changes to spending plans for future years.

The Finance team are working with Directors to ensure that appropriate plans are put in place and implemented to address non-delivery of budgets from 2019/20 to ensure these do not reoccur in 2020/21. We will be reporting on these at future Cabinet meetings.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management



## b) Legal implications

Legal implications may arise in relation to specific capital schemes or revenue projects. In particular a capital scheme or revenue project may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals. There are no significant legal implications arising as a result of this report.

## c) Other implications

- Policy: The recommendations of this report are consistent with the Council's Medium Term Financial Plan.
- Carbon and Energy Management: All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. All new buildings included within the report for inclusion in the capital programme will be built to achieve EPC rating A.

## List of Annexes

Annex A	–	GFRA Variances
Annex B	–	Savings Tracker
Annex C	–	HRA Variances
Annex D	–	DSG Variances
Annex E	–	Reserves Position
Annex F	–	Capital Outturn
Annex G	–	Tariff Monitoring
Annex H	–	Debt Position
Annex I	–	Treasury
Annex J	–	Virements
Annex K	–	Collection Fund
Annex L	–	Procurement Waivers
Annex M	-	COVID-19 Financial Summary
Annex M	-	Capital Programme Additions