

REVENUE BUDGET MONITORING REPORT Q2 2020/21

SUMMARY:

This report sets out the anticipated financial position for 2020/21, based on monitoring exercise carried out with budget officers during October and November 2020.

RECOMMENDATIONS:

CABINET is recommended to:

- i. note the latest revenue forecasts and financial impact from Covid-19
- ii. approve the establishment of the Local Elections reserve and note the reserve movement proposed to support the General Fund in 2020/21

1 INTRODUCTION

- 1.1 Covid-19 is having a widespread impact on local authority budgets nationally and has been particularly significant for district and borough councils with a significant loss of income from services being a particular pressure.
- 1.2 This report provides members with an update on the likely impact on the Council's finances and incorporates the second monitoring position statement for the financial year 2020/21. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
- 1.3 Detailed budget monitoring was undertaken by budget holders in September and October of 2020. The forecasts for service revenue budgets reflect assumptions made at the time and may not reflect the impact of additional Covid restrictions in place between 05 November 2020 and 02 December 2020.

- 1.4 Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate Head of Service before the meeting.

2 REVENUE BUDGET FORECAST

- 2.1 The original net General Fund Revenue budget for 2020/21 was approved by Council at their meeting in February 2020 of £11.290m.
- 2.2 Changes have been made to the budget to allocate additional revenue items to service budgets, to reflect budget carry forwards from the previous financial year, virements between service cost centres, and supplementary estimates agreed by Cabinet. Therefore, the current budget is now £11.652m. A reconciliation between the original budget and latest budget is shown in the table below.

Table 1: General Fund Revenue Budget reconciliation

| General Fund Revenue Budget | (£'000) |
|---|----------------|
| Original Budget, Council Feb 2020 | 11,290 |
| Add: Additional Reserve Transfers | 347 |
| Add: Carry Forwards from 2019/20 | 547 |
| Funded from Reserves | (547) |
| Add: Supplementary Estimates | 16 |
| Current Budget 30 September 2020 | 11,652 |

- 2.3 An initial forecast of the financial impact of Covid-19 was provided to Cabinet in June 2020 and highlighted a net adverse variation of £0.633m. This was based on an initial review of budgets and indicated that it would be subject to revision as further data emerged. The Q1 budget monitor report to Cabinet in August 2020 highlighted a net adverse variation of £0.789m.
- 2.4 Budget forecasts and assumptions have been reviewed for the Q2 budget monitoring process but are subject to risk and uncertainty given the continuing impact from Covid-19.
- 2.5 The updated forecast for the General Fund is a net adverse variation of £0.678m (5.82% of the Net Revenue budget) which is broadly in-line with the Q1 variation of £0.789m, as shown in Table 2.

2.6 It is worth stressing, however, that whilst the forecast outturn and variation shown in Table 2 does not appear to have materially changed since Q1, the level of Government Funding for Covid-19 expenditure and income pressures has increased significantly from £1.133m reported in Q1 to £2.162m in Q2. The additional funding has helped to mitigate some of the financial pressures on the Council thereby reducing the net variation reported in Q2.

Table 2: General Fund Revenue Budget Forecast (Q2)

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|--|--|--|---|---------------------------------|
| General Fund Revenue Budget | | | | |
| Corporate Services | 5,289 | 5,399 | 5,361 | (38) |
| Customer Experience & Improvement | 19 | (12) | 38 | 50 |
| Major Projects & Property | (4,928) | (4,302) | (3,887) | 415 |
| Operational Services | 7,847 | 8,057 | 9,722 | 1,665 |
| Planning & Economy | 2,548 | 2,738 | 3,252 | 513 |
| ICE Programme | 496 | 862 | 862 | 0 |
| SUBTOTAL | 11,272 | 12,743 | 15,347 | 2,605 |
| Less: Reversal of Accounting entries | (2,519) | (2,519) | (2,519) | 0 |
| Net Service Revenue Expenditure | 8,753 | 10,224 | 12,828 | 2,605 |
| Corporate Income & Expenditure | 3,227 | 2,318 | 2,516 | 198 |
| C19 Risk | 0 | 0 | 500 | 500 |
| Movement in Reserves | 746 | 546 | (494) | (1,040) |
| Savings Plan | (1,436) | (1,436) | (858) | 578 |
| Net General Fund Revenue Budget | 11,290 | 11,652 | 14,492 | 2,841 |
| Funded by: | | | | |
| Council Tax | 6,705 | 6,705 | 6,705 | 0 |
| Business Rates | 3,767 | 3,767 | 3,767 | 0 |
| New Homes Bonus | 1,169 | 1,169 | 1,169 | 0 |
| Covid-19 Emergency Funding | 0 | 0 | 1,478 | 1,478 |
| Covid-19 Income Loss | 0 | 0 | 684 | 684 |
| Other Funding | (3) | (3) | (3) | 0 |
| TOTAL Funding | 11,637 | 11,637 | 13,799 | 2,162 |
| Core (Surplus) or Deficit | (347) | 15 | 693 | 678 |
| Balanced by: | | | | |
| General Fund Balance | | | | 0 |
| Service Improvement Fund | 297 | 0 | 0 | 0 |
| Workforce Reserve | 50 | 0 | 0 | 0 |
| Stability & Resilience Reserve | 0 | (15) | (693) | (678) |
| Core Surplus or Deficit after Transfers | 0 | 0 | 0 | (0) |

Note 1: The Original budget, as approved by Council in February 2020, included Additional Items which have now been included with Service budgets.

Note 2: The Original budget, as approved by Council in February 2020, allocated the £347k surplus to Service Improvement Fund and the Workforce Reserve. These budgeted reserve transfers are now included within the Movement in Reserves line.

2.7 The key variations within Services are summarised in the tables below, with further detail shown in Appendix A.

Table 3: Key Service variations and change from Q1

| Significant Budget Variations | Portfolio | Q1 Variation (£'000) | Q2 Variation (£'000) | Change (£'000) |
|---|-----------|----------------------------|----------------------------|-------------------|
| Car Parks ** | OPS | 621 | 821 | 200 |
| On-Street Parking | OPS | 197 | 268 | 71 |
| Leisure | OPS | 0 | 484 | 484 |
| Princes Hall ** | P&E | 287 | 546 | 259 |
| Princes Hall - Culture Recovery Fund | P&E | 0 | (166) | (166) |
| Development Control | P&E | 268 | 115 | (153) |
| Voyager House | MP&P | 0 | (110) | (110) |
| Commercial Property | MP&P | 0 | 250 | 250 |
| Regeneration Due Diligence | MP&P | 0 | 50 | 50 |
| Markets & Car Boot Sales ** | MP&P | 0 | 54 | 54 |
| Legal | CDS | 67 | 80 | 14 |
| Elections | CDS | 0 | (87) | (87) |
| Council Offices/Facilities | CE&I | (38) | (72) | (35) |
| IT | CE&I | 108 | 157 | 49 |
| C19 Expenditure (now reported in services) | | 232 | 0 | (232) |
| Other Service Variations | | 187 | 215 | 28 |
| Subtotal Service Revenue Expenditure | | 1,929 | 2,605 | 676 |
| Less: Reserve transfers | | (283) | (715) | (432) |
| Subtotal Service Revenue Expenditure | | 1,646 | 1,889 | 243 |

** Claims made for eligible losses under the C19 Income Loss scheme

2.8 The main variations on the revenue budget are due to a shortfall in income from Sales, Fees & Charges. Covid-19 has had a significant impact with material variations on both on-street and off-street car parking income, planning fees, and income from events and performances at Princes Hall. Appendix A sets out in detail the income and expenditure variations across each portfolio.

2.9 The section below sets out the narrative from Heads of Service and Service Managers on the significant budget variations.

Car Parks - £821k net income shortfall

Loss in pay & display income in our car parks accounts for around 85% of this shortfall. Throughout 2019/20, weekly income from our car parks was, on average, around £23k. However, with the Lockdown Regulations in force from late March 2020 the car park ticket machines were switched off for the first 16 weeks of 2020/21. Since these regulations were lifted income has, on average, been around 48% of the previous year's levels. Whilst charging has remained in place throughout the period of National Restrictions, weekly income has been around 25% of that expected. The majority of the remaining shortfall is accounted for by the cessation of enforcement during the first lockdown period, during which the issuing of PCNs (Penalty Charge Notices) was stopped.

On-Street Parking - £268k net income shortfall

As with the Council's off-street Car Parks, Covid-19 has had a broadly similar impact on the On-Street Parking service. However, the income levels since the easing of the regulations has, on average, been around 67% of the previous year's levels. Whilst machines have remained switched-on during the second period of lockdown, weekly income has been around 40% of that expected. The cessation of enforcement during the first period of lockdown, during which the issuing of PCN's (penalty charge notices) was stopped, accounts for the remainder of the shortfall.

Leisure - £484k additional expenditure

With the Farnborough Leisure Centre forced to close at the start of the first period of lockdown, negotiations were undertaken with Places Leisure to secure the reopening of the centre when Government guidance allowed. This figure is the predicted additional contract cost and support package agreed to enable to centre to reopen from September until the end of the financial year, (agreed prior to second lockdown).

Princes Hall - £546k net income shortfall

The venue has been closed for the majority of the financial year, except to accommodate Covid support activities (the weekly Food Hub, and monthly Blood Donation sessions). During the 16 weeks between lockdowns, a number of smaller community events and meetings returned. However, until social distancing requirements are ended, the theatre is unable to host any major income generating events. Consequently, this year's professional pantomime (£250k contribution), professional show programme (£105k) and hiring programme (£170k) have all been lost. Loss of income has been mitigated to an extent by a reduction in expenditure, (casual staffing, overtime, show costs, etc). The majority of staff have either been re-deployed to other departments

within the authority or are having the majority of their salaries reclaimed through the furlough scheme.

Princes Hall (Culture Recovery Fund) - £166k additional income

At the start of August, theatres and other organisations were invited to apply to the Government's new 'Culture Recovery Fund Grants Programme' which offered financial support to cultural organisations that were 'financially stable before Covid-19, but at imminent risk of failure'. The Princes Hall applied in the first round, and the application for £166k was successful. Of this total, £95k provides a contribution to staffing costs, with £15k towards utilities. The remainder will be spent on activities, works and equipment to enable the venue to reopen as soon as possible.

Development Control - £115k net income shortfall

The variation on the Development Control budget is due to a lower-level of planning fee income, in part due to the impact from Covid-19.

Voyager House - £110k net income surplus

At the time the revenue budget was agreed in February 2020, it was unclear when Voyager House would be occupied. As such, no estimate was made of the likely level of rental income for the year. Therefore, the variation reflects the unbudgeted income from the CCG following completion of Voyager House in October 2020.

Commercial Property - £250k net income shortfall

There are 3 material variations forecast across the commercial property portfolio that comprise the £250k income pressure. It is recommended that the income shortfall is funded from the Commercial Property Reserve.

- 168 High Street, Guildford – underachievement of rental income from vacant units and lower rent expectations for the year
- Wellesley House - Adverse variance for rental income underachievement due to first floor vacancy
- Optrex Business Park - Adverse variance for rental income underachievement due to lease renewal delays

Commercial income is collected for quarters in advance on what are known as 'quarter days'. The last quarter day was in June and income has continued to hold-up well with the main pressure being from occupiers looking to spread payments monthly rather than paying the quarter up front.

The next quarter day is December which will be a more challenging period given the impact from the National Restrictions and uncertainty around the impact from Brexit on the wider economy.

Should the financial performance of the Council's commercial property deteriorate, the in-year impact on income will be met from the Commercial Property reserve, with the budget setting process for 2021/22 considering the impact across the medium-term.

Regeneration Due Diligence - £50k additional expenditure

Additional spend on the due diligence for the Union Street scheme to provide assurance on the financing and construction options for the scheme.

Markets and Car Boot Sales - £54k net income shortfall

As a result of Covid-19, there has been a significant impact on the Markets and Car Boot sales income for the year. The forecast reflects the reduced operation of the service during the National Lockdown between April and June 2020, and the wider impact on the recovery of the service of social distancing.

Legal/Land Charges - £80k overspend/income shortfall

The net overspend across Legal Services and Land Charges comprises a number of smaller variations on expenditure and income. There is a projected income shortfall of £40k due to the impact of Covid-19 on property-related transactions and s106 agreement work. Expenditure variations of £40k are detailed in Appendix A.

Elections - £87k underspend

The projected underspend on the Elections budget is due to the postponement of the local elections in May 2020. As these elections will now take place in May 2021, it is recommended that the underspend is transferred to a new earmarked reserve (Local Elections) so that it can be drawn down to support expenditure in 2021/22.

Council Offices/Facilities - £72k underspend

Due to the reduced opening of the Council Offices as a result of Covid-19, there is an underspend on the budget for utilities and other premises-related budgets.

IT Costs (Covid-19 related) - £157k additional expenditure

The Council has incurred significant additional expenditure on IT due to Covid-19. The Council has enabled homeworking with the purchase of additional laptops and devices

- 2.10 Table 4a sets out the variations in Corporate Income and Expenditure. These are related to the Council's Treasury Management functions which are explained in detail in Section 3 of this report.

Table 4a: Corporate Income & Expenditure

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|---|--|--|---|---------------------------------|
| Corporate Income & Expenditure | | | | |
| Minimum Revenue Provision (MRP) | 2,180 | 2,180 | 2,180 | 0 |
| Interest Receivable | (1,600) | (1,600) | (900) | 700 |
| Interest Payable | 1,370 | 1,370 | 868 | (502) |
| Other CI&E | 342 | 342 | 342 | 0 |
| Additional Items/Growth | 935 | 26 | 26 | 0 |
| TOTAL CI&E | 3,227 | 2,318 | 2,516 | 198 |

- 2.11 Table 4b sets out the other non-service variations on the General Fund budget. A key variation included in the Q2 monitoring position is the £0.500m risk allowance, largely due to uncertainty around the impact of National Restrictions and Tier 2 on the forecasts included within this report.
- 2.12 Section 4 of the report outlines the forecast on the Council's Savings Plan, with Section 6 of the report providing members with an overview of the movement in reserves.

Table 4b: Non-Service variations

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|--|--|--|---|---------------------------------|
| General Fund Revenue Budget | | | | |
| Net Service Revenue Expenditure | 8,753 | 10,224 | 12,828 | 2,605 |
| Corporate Income & Expenditure | 3,227 | 2,318 | 2,516 | 198 |
| C19 Risk | 0 | 0 | 500 | 500 |
| Movement in Reserves | 746 | 546 | (494) | (1,040) |
| Savings Plan | (1,436) | (1,436) | (858) | 578 |
| Net General Fund Revenue Budget | 11,290 | 11,652 | 14,492 | 2,841 |

3. TREASURY MANAGEMENT – INVESTMENT INCOME AND BORROWING

- 3.1 As reported to members in the Covid-19 Impact report (FIN2017), Treasury management income likely to be reduced in 2020/21 reflecting the uncertainty in global financial markets. As outlined in the Treasury Management Strategy, the Council invests its surplus balances generating an income return of over £1m per annum. The Strategy sets out that the Council aims to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 3.2 The Council has two broad classes of investments – Money Market Funds (where balances are held for short periods until required) and Pooled Funds.
- 3.3 The Bank of England cut the base rate on 11 March 2020 from 0.75% to 0.25%, and again on 19 March 2020 from 0.25% to 0.10%. Whilst the base rate cut will reduce investment income from Money Market Funds, it is not considered to have a material impact on the Council's investment income.
- 3.4 The Council holds a more significant element of its surplus balances in Pooled Funds. Over the 6 months since the onset of the COVID-19 pandemic, the global economic fallout has been sharp and large. As reported in Q1, market reaction was extreme with the large falls in equities, corporate bond markets and, to some extent, property markets reflecting the lockdown restrictions.
- 3.5 In the Q1 budget monitoring reports, it was advised that against a very uncertain economic outlook, the Council should be prepared for lower income from bond, equity income, multi-asset and property funds. Initial forecasts from the Council's Treasury Management advisors in April 2020 suggested a prudent forecast position was to recognise downward adjustments of:
- Bond funds and property funds: 20% lower income
 - Multi-asset funds: 25% lower
 - Equity income funds: 50% lower
- 3.6 At the time of writing the Q2 budget monitoring report, the performance of the Pooled Funds has improved, and this is reflected in a revised forecast of Treasury Management Income for the year. The table below illustrates the changes in performance across the Pooled Fund portfolio. However, given the uncertainty around the economy and impact from Covid-19 and Brexit, this remains a risk.

Table 5: Treasury Management Investment Performance

| Pooled Fund Performance | 2020/21 Original Budget Return (%) | Q1 Forecast Returns (%) | Q2 Forecast Returns (%) |
|--------------------------------|---|--|--|
| Property | 5.30 | 4.20 | 6.40 |
| Multi-Asset | 4.90 | 3.50 | 4.70 |
| Bonds | 3.30 | 2.40 | 2.70 |
| Equity | 10.63 | 3.80 | 6.80 |
| Average Rate of Return | 5.80 | 3.40 | 4.80 |

- 3.7 The Q2 budget monitoring outturn forecast includes a revised forecast on the Council's Treasury Management income with a shortfall in income of £700k projected.
- 3.8 The fall in income is partially offset by a fall in interest payable on external borrowing that supports the capital programme, which has a forecast slippage of £21.8m to 2021/22. An underspend of £502k on borrowing costs is forecast for the year.
- 3.9 Members will recall that the Council, along with the other funding consortium partners (Barclays, Hampshire County Council, Enterprise M3 LEP) agreed to defer interest payments on loans to provide cashflow support to by Farnborough International Limited (FIL) following the cancellation of the 2020 Airshow.
- 3.10 At the recent funding consortium meeting in October 2020 it was proposed by Barclays to capitalise interest in-line with the Intercreditor Agreement. This states that Barclays, as primary creditor, would be paid all capital sums due (including rolled-up interest) before any of the public sector funding partners are due capital repayments.
- 3.11 Therefore, unless a compromise can be agreed with Barclays, which would appear unlikely, the Council would not receive the deferred interest until 2026 at the earliest. Negotiations with Barclays and the public sector funding partners is ongoing and will need to conclude by early December to avoid putting FIL at risk.

- 3.12 If the position regarding the payback period remains as set out above, the Council will need to reflect the longer payback period in the forecast of reserves and balances over the medium-term period.
- 3.13 It is worth noting that this only covers the interest due in the period up to March 2022. Interest due from March 2022 will be paid as per the funding agreement.

4. SAVINGS PLAN

- 4.1 The outturn forecast has assumed there will be a delay in the achievement of the Savings Plan, with an adverse variation of £0.578m assumed. This is largely due to the impact of Covid-19 on the Council's Commercial Property Investment Strategy.
- 4.2 At the time of writing, the savings plan assumed that further property acquisitions would be made during the financial year. In light of the changes to the PWLB lending terms the Council will need to consider the impact on the Capital Programme and the Savings Plan.

Table 6a: Savings Plan Forecast

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|--|--|--|---|---------------------------------|
| Savings Plan | | | | |
| 2019/20 Savings | (81) | (81) | (81) | 0 |
| Reversal of 2019/20 Additional Items | (130) | (130) | (130) | 0 |
| Rental Income from Property | (887) | (887) | (400) | 487 |
| Service Loans to Housing Company | (88) | (88) | 0 | 88 |
| | | | | |
| Workforce/Modernisation Savings | | | | |
| ICE Programme (Workstreams 1-3) | (150) | (150) | | 150 |
| ICE Programme (Workstream 4) | (50) | (50) | | 50 |
| Salaries monitoring | (50) | (50) | (247) | (197) |
| Subtotal | (250) | (250) | (247) | 3 |
| | | | | |
| TOTAL Savings Plan | (1,436) | (1,436) | (858) | 578 |

Note on Savings Plan:

ICE Programme WS3 savings and Salaries Monitoring – to avoid any potential double counting of underspends/salary savings these are currently all shown against the salaries monitoring line.

- 4.3 As the note above highlights, there is an underspend on salary costs of £0.247m. It is likely that elements of this underspend that are due to work undertaken within the ICE Programme. However, for the purposes of this report, all salary-related variations are notionally held within the Salaries monitoring line of the Savings Plan to avoid any potential double-counting.
- 4.4 Table 6b below provides members with a summary of the salary underspends/savings across the broad portfolio headings.

Table 6b: Breakdown of Salary Savings by Portfolio

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|-----------------------------------|--|--|---|--|
| Salaries Monitoring | | | | |
| Corporate Services | 3,945 | 3,983 | 3,906 | (77) |
| Customer Experience & Improvement | 1,935 | 1,935 | 1,836 | (98) |
| Major Projects & Property | 989 | 989 | 926 | (63) |
| Operational Services | 4,235 | 4,235 | 4,012 | (223) |
| Planning & Economy | 1,883 | 1,883 | 1,829 | (54) |
| Adjustments ** | | | 270 | 270 |
| | | | | |
| SUBTOTAL | 12,987 | 13,025 | 12,778 | (247) |

** Adjustments include provision for the cost of the 2020/21 pay award above the budgeted level, project management costs that are revenue in nature that are currently charged against capital schemes.

- 4.5. The Savings Plan will continue to be reviewed in the light of Covid-19 and is likely to result in a rephasing of savings. Any reduction in the level of savings planned for 2020/21 will increase the adverse variance currently forecast.

5. GOVERNMENT FUNDING, COUNCIL TAX AND BUSINESS RATES

- 5.1 The Government has provided £4.6bn of emergency funding in four tranches to Local Government recognising the cost and income pressures facing councils. The first tranche of funding (£1.6bn) was announced on 19 March 2020, with the second tranche (£1.594bn) announced on 18 April 2020, the third tranche (£0.494bn) announced on 02 July 2020, and the fourth tranche was announced in late October 2020

- 5.2 Rushmoor has received £1.434m of funding, with the table below providing further detail on the split of funding across local government.

Table 7: Covid-19 Emergency Funding to local authorities

| Local Authority | First Tranche of Covid-19 Funding | Second Tranche of Covid-19 Funding | Third Tranche of Covid-19 Funding2 | Fourth Tranche of Covid-19 Funding | Total Covid-19 Additional Funding |
|-----------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------|
| TOTAL England | 1,600,000,000 | 1,594,000,000 | 494,000,000 | 919,000,184 | 4,607,000,184 |
| Basingstoke And Deane | 53,754 | 1,744,410 | 257,207 | 313,714 | 2,369,085 |
| East Hampshire | 33,387 | 1,210,873 | 156,356 | 100,000 | 1,500,616 |
| Eastleigh | 45,502 | 1,326,468 | 169,610 | 100,000 | 1,641,580 |
| Fareham | 33,966 | 1,156,628 | 143,768 | 100,000 | 1,434,362 |
| Gosport | 44,116 | 841,471 | 144,232 | 298,016 | 1,327,835 |
| Hampshire | 29,654,341 | 24,313,635 | 7,642,297 | 8,784,329 | 70,394,602 |
| Hampshire Fire | 256,552 | 1,379,361 | 0 | 0 | 1,635,913 |
| Hart | 24,340 | 963,234 | 101,548 | 100,000 | 1,189,122 |
| Havant | 58,961 | 1,262,535 | 236,884 | 621,728 | 2,180,108 |
| New Forest | 70,401 | 1,783,127 | 250,578 | 204,463 | 2,308,569 |
| Rushmoor | 41,933 | 934,902 | 155,773 | 301,590 | 1,434,198 |
| Surrey Heath | 27,622 | 879,135 | 103,693 | 100,000 | 1,110,450 |
| Test Valley | 41,939 | 1,258,912 | 170,004 | 100,000 | 1,570,855 |
| Waverley | 35,270 | 1,246,227 | 145,711 | 100,000 | 1,527,208 |
| Winchester | 39,275 | 1,242,881 | 157,579 | 100,000 | 1,539,735 |

- 5.3 In addition to the Emergency funding, the government will reimburse councils for lost income. Where losses are more than 5% of a Council's planned income from sales, fees and charges, the Government will cover 75% of these losses.
- 5.4 The Government have confirmed that the first payment to Rushmoor under this scheme (for the period April to July) will be £0.456m. Further claims are due to be made in December (for the period August to November) and in April 2021 (for the period December to March).
- 5.5 It is difficult to forecast the total amount Rushmoor may receive under the Income Loss scheme. For the purposes of this report, it has been assumed that income loss compensation will be at 50% of the April-July claim period owing to lower income loss on Car Parks and other one-off income losses claimed for within the first claim period. Therefore, the estimated total income loss compensation is £684k.
- 5.6 Covid-19 has a number of implications for the Council's Council Tax and Business Rate income.

- 5.7 The Government has provided funding to support individuals who may struggle to meet council tax payments due to fluctuations in household incomes. Through the Covid-19 Hardship Fund allocation (£0.542m), the Council has provided additional support to recipients of working age local council tax support by way of a credit to their council tax account.
- 5.8 Further applications for council tax support are expected during the year, which will reduce the amount of Council Tax income.
- 5.9 At the time of writing this report, the Council Tax collection rate to the end of October is 93.85%, with the equivalent figure from 2019/20 being 95.54%. This is broadly equivalent to around £0.6m in cash terms. This position is likely to improve during the course of the second half of the year as part of the reduced collection rate is due to council taxpayers re-profiling their payments. However, it can be expected that the level of arrears and bad debt is likely to increase as collection may be more difficult than in previous years.
- 5.10 Any reduced level of Council Tax collection is dealt with through the Collection Fund. If the level of Council Tax collected in the year is lower than budgeted, this gives rise to a deficit on the collection fund and will impact on the following year's budget. Any deficit is shared between Rushmoor and the precepting authorities (Hampshire County Council, Police and Crime Commissioner for Hampshire, and Hampshire Fire and Rescue Authority).
- 5.11 Additional business rates reliefs were announced by the Government in the Budget in March, which were extended in response to Covid-19. The Retail and Hospitality and Leisure reliefs awarded to local businesses total £24.075m, with the Government fully funding the reduction in business rates income through section 31 grant. It has been more difficult to predict the likely impact on business rates income due to the relief changes, with the collection rate to the end of October being 90.25% (95.34% in 2019/20). The level of business rates forecast for 2020/21 already assumed a reduction in the business rates base in part due to the regeneration of Aldershot and Farnborough town centres.
- 5.12 The Government have indicated as part of their support to local authorities that Council Tax and Business Rates deficits could be spread over 3 years instead of one and announced a Tax Loss scheme in the Spending Review.

6. RESERVES AND BALANCES

- 6.1 As highlighted in Table 7, the emergency funding provided by Government does not cover all the income and expenditure pressures forecast. The Council will need to consider an appropriate range of options to ensure any shortfall is managed.
- 6.2 It is worth noting the impact of Covid on balances and reserves. Whilst the transfer from the Stability and Resilience Reserve balances the budget, there are other reserves that are being drawn upon due to Covid-related adverse variations.
- 6.3 When taken together, the total level of reserves deployed against the General Fund is £1.301m, as set out in the table below.

Table 8a: Reserves and Balances deployed against GF

| | 2020/21 Outturn Forecast (£'000) |
|-------------------------------------|---|
| Transfers To (From) Reserves | |
| General Fund Balance | 0 |
| <u>Earmarked Reserves</u> | |
| Stability & Resilience | 693 |
| Commercial Property Reserve | 250 |
| Treasury Reserve | 290 |
| CPE Rolling Fund | 68 |
| Subtotal GF Support | 1,301 |

- 6.4 A significant element of the adverse variation is due to changes in income that are either ring-fenced for use outside of the general fund or have been received in advance for future years' funding and reduction in expenditure due to delays in projects. These amounts are not available for spending on general activities and will be transferred to various reserves as follows:
- £183k reduction in expenditure as there will not be an on-street parking surplus generated in 2020/21 to pay to Hampshire County Council. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve
 - £249k reduction in on-street Pay and Display machine income for 2020/21 from car parking. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve

- £187k reduction in Penalty Charge Notice income for 2020/21. The on-street Parking variance are being offset by a transfer from the CPE Earmarked Reserve

6.5 The table below shows the forecast of transfers to/from key reserves supporting the General Fund revenue budget from Covid-19 and the Q2 budget monitoring position.

Table 8b: Reserves and Balances

| | 2020/21 Original Budget (£'000) | 2020/21 Latest Budget (£'000) | 2020/21 Outturn Forecast (£'000) | 2020/21 Variation (£'000) |
|--|--|--|---|---------------------------------|
| Transfers To (From) Reserves | | | | |
| General Fund Balance | 0 | 0 | 0 | 0 |
| <u>Earmarked Reserves</u> | | | | |
| Stability & Resilience | | | | |
| Service Improvement Fund | 0 | 296 | 0 | (296) |
| Commercial Property Reserve | 50 | 50 | (250) | (300) |
| Regeneration Reserve | (170) | (170) | (170) | 0 |
| ICE Reserve | (212) | (458) | (297) | 161 |
| Climate Emergency Reserve | 250 | 250 | 228 | (23) |
| Deprivation Reserve | 100 | 100 | 100 | 0 |
| Pension Reserve | 669 | 669 | 669 | 0 |
| Regeneration Due Diligence Reserve | 0 | 0 | (150) | (150) |
| Workforce Reserve | 0 | 50 | 0 | (50) |
| Treasury Reserve | 0 | 0 | (290) | (290) |
| CPE Rolling Fund | 169 | 169 | (68) | (237) |
| Budget Carry Forwards | 0 | (301) | (301) | 0 |
| Elections Reserve | 0 | 0 | 87 | 87 |
| SANG/s106 | 0 | 0 | 0 | 0 |
| Other Earmarked Reserves/Prior yr grants | (109) | (109) | (51) | 59 |
| TOTAL Transfers | 746 | 546 | (494) | (1,040) |

6.6 In addition, the following changes to reserves are proposed

- £87k underspend on Elections transferred to a new earmarked reserve (Local Elections)
- Regeneration Reserve is amended to provide funding for Business Cases and bids in relation to the £4bn "Levelling Up Fund" announced by the Government in the Spending Review or to access other funding (e.g., LEP funding, Grant funding).

7. RISKS AND UNCERTAINTIES

- 7.1 There is a degree of uncertainty in the outturn forecasts provided by budget holders particularly due to the impact of Covid-19. There are a number of risks and uncertainties in the outturn forecasts, which are set out below.
- 7.2 As highlighted in this report, the forecasts are based on assumptions which will be subject to change and revision over the coming months. For clarity, the key assumptions are listed below:
- Lockdown/Restrictions remained largely in place until the end of July with slight easing thereafter. Impact from National Restrictions in November/December and move into Tier 2 from 03 December will not have been included in forecasts.
 - Commercial Property – any shortfall in 2020/21 funded from Commercial Reserve. Any longer-term impact dealt with through budget setting process
 - Council Tax & Business Rates collection shortfalls contained within the collection fund but will need to be incorporated into the 2021/22 budget
 - Cost of additional council tax support cases managed within the remaining balance of Hardship allocation (around £0.200m)
 - Recovery of income for the remainder of the year are in line with budget (with exception of Car Parking income and Planning fees where the forecast is for a slower recovery)
- 7.3 The over-riding risk is that Rushmoor (as a Borough and/or as a Council) does not recover from the impact of Covid-19. This would lead to a weakening of the local economy longer-term impact on the financial sustainability of the Council reduce the ability for the Council to meet the needs of residents and businesses, and to fulfil the Council's statutory obligations.
- 7.4 A Recovery Plan has been agreed with a number of objectives around supporting the local economy and housing market in achieving restoration and growth, improving capacity in the voluntary sector, and restoring public services. These objectives are consistent with those of the Local Resilience Forum (LRF) but recognises the local nature of recovery within the Borough. The plan has a number of workstreams and are led by a senior officer.

8. LEGAL IMPLICATIONS

- 8.1 No additional legal implications arise from this report.

9. FINANCE AND RESOURCE IMPLICATIONS

- 9.1 The finance and resource implications from the Q2 budget monitoring exercise and impact of Covid-19 are set out within this report
- 9.2 Any additional financial implications will be addressed through normal Council procedures and processes. The Budget reports to Cabinet in February 2021 will set out any further resource implications.
- 9.3 The Council will also need to carefully consider the financial impact of spending decisions and ensure that any unnecessary expenditure is avoided where possible.

10. CONCLUSIONS

- 10.1 There will always be variances reported in-year against budgets due to the Council adapting its priorities to manage inevitable changes in demand pressures and having a flexible approach to changing circumstances.
- 10.2 The forecast variation of £0.678m can be funded from reserves in the short term. It is important that the Council considers an appropriate range of options to ensure any shortfall is managed. Any utilisation of reserves in 2020/21 will need to be addressed in the 2021/22 Budget and across the MTFS period to ensure balances and reserves remain adequate.
- 10.3 Over the MTFS period, declines in Council Tax and Business Rates income may put additional pressure on the Council's financial position. The achievement of the Savings Plan is integral to the MTFS forecast and will need to be reviewed in terms of savings profile and whether the savings can be delivered in the current economic climate. It is likely that further savings will be required over the MTFS period in order to balance the budget.

BACKGROUND DOCUMENTS:

None

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APPENDIX A

GENERAL FUND REVENUE ACCOUNT 2020/21 KEY VARIATIONS FROM CURRENT APPROVED BUDGET

| Corporate and Democratic Services Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £ |
|---|-------------------------------|--|------------------|
| Corporate Manager Legal Services | Land Charges | Adverse variance relating to Hampshire County Council search fees due to increase in fee amount and number of searches | 18,000 |
| | Legal Support | Adverse variance due to additional cost for books and publications. Discrepancies between initial estimates and invoices received from the supplier are being investigated | 9,000 |
| | | Adverse variance on training expenses due to Trainee Solicitor Law School fees (offset by a favourable variance in a previous year) | 9,000 |
| Democracy, Strategy and Partnerships | Community Leisure | Covid-19 Emergency Assistance expenditure (offset by grant funding) | 80,800 |
| | | Expenditure on climate change (funded by a drawdown from the Climate Change Earmarked Reserve) | 22,500 |
| | | Spend on cycle track feasibility (approved additional item from a previous year) | 15,000 |
| | | Support of North Town Post Office (to be funded by a drawdown from the Covid-19 grant received in March 2020 and held in earmarked reserves) | 6,300 |
| | Management Costs | Reduction in supplies and services costs | (5,100) |
| | Local Elections | Reduction in cost on elections Covid-19 related | (87,000) |
| | Grants to Other Organisations | Expenditure on the Ward grants (funded by a drawdown from the Ward Grants earmarked reserve) | 0 |
| | | Reduction in spend on Community Environment Fund Grants (offset by reduced income) | (16,000) |
| | Grants to Major Organisations | Reduction in the notional cost associated with the granting of free parking permits to various voluntary organisations and charities. This is offset by a corresponding reduction in notional income of these permits in the Car Parks cost centre | (42,500) |
| Executive Directors | Management Expenses | Reduction in spend across various employee costs and supplies and services due mainly as a result of Covid-19 and not working in the office. Main areas of savings are conferences and seminars (£3k), travel and subsistence (£2k), training (£750) and catering (£1.15k) | (8,900) |
| Financial Services | Treasury Management and B | Increase in spend on brokers fees due to the day to day management of the Council's debt portfolio | 20,000 |
| | Rent Allowances | Increase in software costs due to government changes (funded by grant income) | 6,000 |
| | | Increase in Rent Allowances, original budget assumed more cases migrating to UC (netted off by additional housing benefit subsidy) | 2,558,000 |
| | | Increase in expenditure due to government Test and Trace:- Programme costs £36.5k and Discretionary £22.1k (netted down by government grant of £36.5k & 22.1k) | 58,670 |
| All other expenditure variances within portfolio | | | (12,320) |
| Total Expenditure Variances in Corporate and Democratic Services Portfolio | | | 2,631,450 |

| Corporate and Democratic Services Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £ |
|--|-------------------------------|---|-------------|
| Corporate Manager Legal Services | Legal Support | Adverse variance for Property, Licenses and Leases income due to Covid19 related reduction in market activity in the sector | 10,000 |
| | | Adverse variance for S106 income due to Covid19 related decreases in pieces for work | 25,000 |
| | | Adverse variance for Civil and Criminal income due to Covid19 related reduction/temporary cessation of court cases | 5,000 |
| Democracy, Strategy and Partnerships | Electoral Registration | Increase in government grant | (5,000) |
| | Community Leisure | Covid-19 Emergency Assistance Grant (offset by expenditure) | (80,800) |
| | Grants to Other Organisations | Anticipated reduction in the Community Environment Fund income (offset by reduced expenditure) | 16,000 |
| Financial Services | Council Tax Collection | Reduction in court costs income, no action taken as courts not open during lockdown | 27,000 |
| | Rent Allowances | Grant income received in respect of increase in software costs due to government changes | (6,000) |
| | | Additional housing benefit subsidy due to increase in Rent Allowances, original budget assumed more cases migrating to UC | (2,540,000) |
| | | Government grant of £36.5k & £22.1k due to government Test and Trace Programme costs | (58,670) |
| | | Net grant income received to administer Test and Trace scheme | (17,000) |
| | | Increase in admin grant received reflecting higher cases still receiving Housing Benefit | (29,000) |
| Net income - Verify Pensions and Earnings grant (VEP) received | (17,000) | | |
| All other income variances within portfolio | | | 800 |
| Total Income Variances in Corporate and Democratic Services | | | (2,669,670) |
| Total Net Variances in Corporate and Democratic Services Portfolio | | | (38,220) |

| Customer Experience and Improvement Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £ |
|---|------------------------|--|--|
| Customer Experience | Customer Services Unit | Reduction in postage usage (dependant on resumption of services using postage) Reduction in contract security (currently being reviewed) | (20,000) (6,100) |
| ICT, Facilities and Project Services | Technical Services | Increase in spend on network voice and data maintenance. The Council had previously signed up to a three year contract which offered a discount. However with the new telephone solution underway, it would be more cost effective to only do a one year contract and make savings in future years | 7,600 |
| | | Increase in spend on general hardware due to additional equipment required in relation to Covid-19 and purchase of equipment to accompany new laptops | 5,000 |
| | | Increase in spend on internet due to purchase of second line coupled with increase in MB to Princes Hall | 5,000 |
| | | Consultancy budget no longer required as part of ICE programme | (15,000) |
| | | Adverse variance due to spend incurred in complying with Covid-19 and enabling home working (laptops and other home working equipment) | 154,000 |
| | Council Offices | Reductions in spend due to Council Offices not being occupied: Electricity costs Gas costs Trade refuse Canteen subsidy (canteen now closed) | (30,360) (10,950) (13,000) (12,600) |
| All other expenditure variances within portfolio | | | (19,700) |
| Total Expenditure Variances in Customer Experience and Improvement Portfolio | | | 43,890 |

| Customer Experience and Improvement Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £ |
|---|--|-------------------------------------|--------------|
| No variance over £5,000 reporting threshold | | | |
| All other income variances within portfolio | | | 5,950 |
| Total Income Variances in Customer Experience and Improvement Portfolio | | | 5,950 |

| | | | |
|---|--|--|---------------|
| Total Net Variances in Customer Experience and Improvement Portfolio | | | 49,840 |
|---|--|--|---------------|

| Major Projects and Property Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £ |
|--|--|--|----------|
| Regeneration, Property and Highways | Aldershot Regeneration Strategy | Favourable variance for regeneration consultancy fees, budget not needed in full | (15,000) |
| | Estates Support | Favourable variance of Viability Valuation costs due to Covid-10 market restrictions | (5,000) |
| | Belle Vue Enterprise Centre | Adverse variance on NNDR due to delay of new leases being renewed and the landlord becoming responsible for business rate liabilities | 13,000 |
| | | Favourable variance for repairs and maintenance due to Covid-19 delays in works, postponed until 2021/22 | (50,000) |
| | | Adverse variance due to service charge costs for void units | 15,000 |
| | Rushmoor Properties | Favourable variances due to Covid19 related market stagnation issues: | |
| | | Agents' fees | (10,000) |
| | | Lease Renewal Fees | (12,500) |
| | | Survey Fees | (10,000) |
| | Energy Efficiency | (5,000) | |
| | 36-62 Union Street, Aldershot | Adverse variance for consultancy fees based on Union Yard regeneration (to be funded from the Due Diligence Regeneration Reserve) | 200,000 |
| | 13 Invincible Road, Farnborough | Adverse variance due to landlord service charge liability because of tenants' cap (budget missing) | 6,000 |
| | Voyager House, Southwood | Adverse variance due to ongoing consultancy and professional fees that the Council are meeting due to the delay transferring the property to the CCG | 50,000 |
| | Frimley 4 Business Park | Favourable variance due to new boiler costing less than estimated | (10,000) |
| | The Meads, Farnborough | Adverse variance due to consultancy fees for The Meads project (original budget of zero) | 20,000 |
| | Trafalgar House, Winchester | Favourable variance for consultancy fees and agents' fees as the building is fully occupied and no plans for this to change | (19,200) |
| Farnborough Town Centre Regeneration | Favourable variance for regeneration consultancy fees, budget not needed in full | (15,000) | |
| Other Highway Services | Reduction in spend on weeds and basal growth around highway tree bases | (13,300) | |
| | Reduction in spend on non routine grounds maintenance works | (5,000) | |
| | Markets and Car Boot Sales | Reduction in spend on casual staffing costs for the car boot sales and markets during April, May and June due to reduced operation of the service as a result of the Covid-19 pandemic | (5,000) |
| | | Reduction in spend on trade refuse costs | (8,000) |
| All other expenditure variances within portfolio | | | (13,100) |
| Total Expenditure Variances in Major Projects and Property Portfolio | | | 107,900 |

| Major Projects and Property Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £ |
|---|------------------------------------|---|-----------|
| Regeneration, Property and Highways | Legal and Estates Support | Underachievement of Viability Valuation income due to Covid-19 market restrictions | 6,000 |
| | Belle Vue Enterprise Centre | Adverse variance due to underachievement of rental income due to delay of new leases being renewed | 60,000 |
| | Town Centres | Adverse variance due to underachievement of rental income due to delay of new lease at Bevan Lodge and Devereux House being renewed | 10,000 |
| | 35/39 High Street, Aldershot | Adverse variances due to underachievement of rental income and service charges which will be written off | 24,000 |
| | 168 High Street, Guildford | Adverse variance due to underachievement of rental income, vacant units and unpaid rent | 185,000 |
| | Wellesley House, 100a Eelmoor Road | Adverse variance for rental income underachievement due to first floor vacancy | 15,000 |
| | Optrex Business Park | Adverse variance for rental income underachievement due to lease renewal delays | 50,000 |
| | 36-62 Union Street, Aldershot | Favourable variance due to unbudgeted additional rental income | (14,500) |
| | Voyager House, Southwood | Favourable variance for additional unbudgeted rental income | (160,000) |
| | Frimley 4 Business Park | Favourable variance due to additional income for gym subscriptions | (7,500) |
| | Other Highway Services | Reduction in income as there won't be the recharge income from the 2020 Farnborough Airshow | 11,000 |
| | | Covid-19 related loss of engineering fee income (partially offset by a £13k reduction in staff costs) | 57,900 |
| | Markets and Car Boot Sales | Reduction in car boot sales income due to reduced operation of the service as a result of the Covid-19 pandemic | 27,600 |
| | | Reduction in market pitch fee income due to reduced operation of the service as a result of the Covid-19 pandemic | 40,300 |
| All other income variances within portfolio | | | 2,000 |
| Total Income Variances in Major Projects and Property Portfolio | | | 306,800 |
| Total Net Variances in Major Projects and Property Portfolio | | | 414,700 |

| Operational Services Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £ |
|--|------------------------------|---|----------------|
| Operations | Management Costs | Reduction in spend on conferences and seminars, training courses and associated traveling costs | (7,000) |
| | Public Health | Expenditure on Covid-19 Compliance and Enforcement (funded by Covid-19 Grant) | 44,300 |
| | Housing Advice | Estimated net increase in Bed and Breakfast costs, increase in number of applicants | 65,000 |
| | | Increase in void costs where not able to use some hostel units due to clients needs | 72,000 |
| | | Increase in spend on deposits to secure accommodation for those moving from Bed and Breakfast | 10,000 |
| | Housing Improvement Grants | Reduction in spend on supplies and services | (5,000) |
| | Parks and Recreation Grounds | Reduction in spend on playground apparatus | (11,000) |
| | | Reduction in spend on repairs and maintenance | (13,000) |
| | | Additional spend on suitable projects that developers contributions have been collected for (offset by Additional Income being reported) | 20,000 |
| | | Additional spend on insurance excess | 5,000 |
| | Car Parks | Additional spend on car park lining | 6,400 |
| | | Reduction in spend on lift maintenance | (6,000) |
| | | Reduction in spend on Pay and Display card handling charges | (15,400) |
| | | Reduction in spend on Farnborough Leisure centre User rebates | (104,000) |
| | | Reduction in spend on Managed Car Park payments | (23,000) |
| | Parking Management | Reduction in expenditure as there won't be an on-street parking surplus generated in 2020/21 to pay to Hampshire County Council | (171,900) |
| | | Note: The on-street Parking variances are being offset by a transfer from the CPE Earmarked Reserve | |
| | Community Safety | Reduction in spend as the 'Think Safe' project won't be delivered in 2020/21 | (5,500) |
| | | Additional spend on bought-in support from Basingstoke and Dean BC as part of the new Community Safety arrangement for Rushmoor BC now that the Community Safety Partnership with Rushmoor, Hart and Basingstoke and Deane has finished | 6,300 |
| | Cemeteries | Additional spend on National Assistance burials | 5,000 |
| | Crematorium | Additional spend on memorial expenditure which includes the webcast costs | 20,000 |
| | Grounds Maintenance Contract | Reduction in spend on the Grounds Maintenance Contract to partially offset the additional cost for maintaining current standard for grass, shrubs and hedges following the reduction in funding by Hampshire County Council a couple of years ago | (20,000) |
| | | Reduction in spend on Prospect Estate Grounds Maintenance | (5,000) |
| | Domestic Refuse | Additional spend on bulky waste contract payment (offset by additional income) | 10,000 |
| | | Reduction in spend on Non Domestic Rates | (7,500) |
| | Recycling | Additional spend on wheeled bin delivery and assembly due to increase in garden waste subscribers | 7,000 |
| | | Additional contract payment following an increase in garden waste subscribers to the service | 35,000 |
| | | Reduction in spend on the main recycling contract payment | (9,400) |
| | Street Cleansing | Reduction in spend on contractor payment | (14,400) |
| | | Reduction in spend on highways non-routine works | (11,600) |
| | | Reduction in spend on specialist cleaning | (8,400) |
| | Farnborough Leisure Centre | Predicted additional cost on the Leisure costs/contract costs for the reopening of the facilities in September and the support package until the end of March 2021 | 484,000 |
| | Southwood Golf Course | Reduction in spend on repairs and maintenance | (5,000) |
| All other expenditure variances within portfolio | | | 27,500 |
| Total Expenditure Variances in Operational Services Portfolio | | | 337,100 |

| Operational Services Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £ |
|---|------------------------------|---|------------------|
| Operations | Food, Health and Safety | Reduction in income as there won't be the recharge income from the 2020 Farnborough Airshow | 17,700 |
| | Public Health | Covid-19 Compliance and Enforcement Grant | (44,300) |
| | Parks and Recreation Grounds | Additional income from developers contributions being used to fund the additional spend on projects | (17,400) |
| | | Shortfall in funfair income | 8,000 |
| | | Shortfall in the pavilions income due to the Covid-19 impact | 7,500 |
| | | Additional rental income as the budget was revised back to nil in 2020/21 approved budget but the income is still being charged | (25,000) |
| | Car Parks | Anticipated reduction in car park Pay and Display machine income for 2020/21 | 779,800 |
| | | Anticipated reduction in Penalty Charge Notice income for 2020/21 | 111,700 |
| | | Reduction in season ticket (permit) income | 30,300 |
| | | Reduction in the notional income associated with the granting of free parking permits to various voluntary organisation and charities. This is offset by a corresponding reduction in notional cost of these permits in the Major Grants to Organisations cost centre | 45,000 |
| | Parking Management | Anticipated reduction in on-street Pay and Display machine income for 2020/21 | 249,300 |
| | | Anticipated reduction in Penalty Charge Notice income for 2020/21 | 187,000 |
| | | Reduction in residents parking scheme income | 14,000 |
| | | Note: The on-street parking variances are being offset by a transfer from the CPE Earmarked Reserve | |
| | Community Safety | Reduction in recharge income for a hosted post - the corresponding favourable variance in being shown in salary monitoring | 11,900 |
| | | Reduction in hosting charge recharge credit as the joint Community Safety Partnership between the three councils has now finished | 7,400 |
| | Cemeteries | Additional income from grave sales | (25,000) |
| | | Additional income from interment fees | (30,000) |
| | Domestic Refuse | Additional income from bulky waste collection service (partially offset by an increase in the Bulk Waste service contractor payment) | (34,600) |
| | Recycling | Decrease in income from Materials Recovery Facility (MRF) | 72,000 |
| | | Additional income from garden waste subscribers | (49,000) |
| | | Additional glass sales income | (8,800) |
| | | Additional income from recycling credits | (5,000) |
| | Street Cleansing | Reduction in income from Developers contributions for litter bins | 9,500 |
| | Blunden Hall | Shortfall in income due to the current Covid-19 situation. Some of the regular users have returned however all of the ad hoc bookings have been cancelled for the foreseeable future | 8,700 |
| | | | |
| All other income variances within portfolio | | | 7,000 |
| Total Income Variances in Operational Services Portfolio | | | 1,327,700 |
| Total Net Variances in Operational Services Portfolio | | | 1,664,800 |

| Planning and Economy Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £000 |
|---|------------------------|--|-----------|
| Economic, Planning and Strategic Housing | Princes Hall | Additional spend as part of the Culture Recovery (funded from the Culture Recovery Grant) | 56,000 |
| | | Reduction in spend on costs as the venue is closed following Covid-19 restrictions | (494,400) |
| | Rushmoor in Bloom | Reduction in spend as Rushmoor in Bloom promotions were suspended in 2020/21 due to Covid-19 (offset with reduction in income) | (5,500) |
| | Special Events | Reduction in spend as the November 2020 firework event has been cancelled | (22,000) |
| | Town Centre Management | Additional spend on the High Street re-opening costs (funded by High Street Re-Opening Grant) | 83,500 |
| All other expenditure variances within portfolio | | | (2,000) |
| Total Expenditure Variances in Planning and Economy Portfolio | | | (384,400) |

| Planning and Economy Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £ |
|--|------------------------------|--|-----------|
| Economic, Planning and Strategic Housing | Princes Hall | Shortfall in income as the venue is closed following Covid-19 restrictions | 984,300 |
| | | Additional income from the Culture Recovery Grant | (166,000) |
| | Rushmoor in Bloom | Reduction in income as Rushmoor in Bloom promotions were suspended in 2020/21 due to Covid-19 (offset with reduction in expenditure) | 5,500 |
| | Special Events | Shortfall in planned income as the November 2020 firework event has been cancelled | 22,000 |
| | Town Centre Management | High Street Re-Opening Grant (offset by High Street re-opening expenditure) | (83,500) |
| | Development Control | Reduction in planning fee income - Covid19 related | 115,000 |
| | Building Control Fee Earning | Reduction in building control income - Covid19 related | 20,500 |
| All other income variances within portfolio | | | 0 |
| Total Income Variances in Planning and Economy Portfolio | | | 897,800 |

| | |
|---|---------|
| Total Net Variances in Planning and Economy Portfolio | 513,400 |
|---|---------|

| ICE Programme Portfolio - Expenditure | | VARIANCES RELATED TO EXPENDITURE BUDGETS | £ |
|--|--|--|---|
| | | No variances to report at this stage | |
| All other expenditure variances within portfolio | | | 0 |
| Total Expenditure Variances in ICE Programme Portfolio | | | 0 |

| ICE Programme Portfolio - Income | | VARIANCES RELATED TO INCOME BUDGETS | £000 |
|--|--|--------------------------------------|------|
| | | No variances to report at this stage | |
| All other income variances within portfolio | | | 0 |
| Total Income Variances in Planning and Economy Portfolio | | | 0 |

| | |
|---|---|
| Total Net Variances in Planning and Economy Portfolio | 0 |
|---|---|

| | |
|-------------------------------------|-----------|
| Net portfolio Expenditure Variances | 2,735,940 |
|-------------------------------------|-----------|

| | |
|--------------------------------|-----------|
| Net Portfolio Income Variances | (131,420) |
|--------------------------------|-----------|

| | |
|-------------------------|-----------|
| Net Portfolio Variances | 2,604,520 |
|-------------------------|-----------|