



ECONOMY, REGENERATION AND DEVELOPMENT COMMITTEE

Tuesday, 8 June 2021

REPORT TITLE:	2020/21 REVENUE AND CAPITAL OUTTURN
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report provides a summary of the year-end revenue outturn and capital position for Economy, Regeneration and Development Committee as at the end of March 2021 for the 2020/21 financial year.

The Council's response to the Covid-19 pandemic continues to present financial risk due to uncertainty and fluidity in the external environment.

The overall financial position for the Council remains challenging, and a number of actions were instigated during the year to mitigate the overall position including limiting spending to essential areas of service delivery only, with Corporate Directors supported to mitigate the risk of overspending. This is not a key decision.

RECOMMENDATIONS

That the Economy, Regeneration and Development Committee:

1. Note the adverse year-end outturn of £0.514m.
2. Note the impact of funding and expenditure as a direct consequence of Covid-19.
3. Note the Capital Programme Report.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Regular monitoring and reporting of the Revenue Budgets and savings achievements enables decisions to be taken in a timely manner, which may produce revenue benefits and will improve financial control of Wirral Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Other reporting frequencies could be considered, but quarterly reporting is standard practice.

3.0 BACKGROUND INFORMATION

- 3.1.1 This report provides a summary of the year-end revenue outturn position as at the end of March 2021 for 2020/21 financial year.
- 3.1.2 This report includes a summary of the Capital Programme.

3.2 2020/21 COMMITTEE REVENUE BUDGET

- 3.2.1 The budget for the Economy, Regeneration and Development Committee is included within the Regeneration & Place Directorate. The budget outturn position for Economy, Regeneration and Development Committee was an adverse budget variance of £0.514m at year-end. Most income losses in this committee are, in part, mitigated by the Sales, Fees and Compensation scheme, which is recorded as a separate and distinct funding stream.
- 3.2.2 The Covid-19 pandemic has affected this Committee in a number of ways. Regeneration activity slowed at the outset of the pandemic as staff were diverted to the emergency response, but as the year progressed, the projects were able to recommence.

TABLE 1 2020/21 – Economy, Regeneration and Development Committee Revenue Budget & Outturn

	Full Year		Variance		Adv/Fav
	Budget	Outturn	(+ Fav, - Adv)		
	£000	£000	£000	%	
Regeneration	25,161	25,446	-280	-1%	Adverse
Planning	1,185	1,391	-206	-17%	Adverse
Special Projects	266	294	-28	-10%	Adverse
Total Surplus / (Deficit)	26,612	27,131	-514	-2%	Adverse

3.2.3 **Regeneration:** £0.280m adverse position has been due to the in-year delay to the strategic restructure for the Regeneration and Place team (£0.225m). In the original plan for this service, it had been agreed to fund growth to ensure a sustainable service could be delivered. In light of the difficulties for the organisation caused by Covid-19, this plan has been rephased to 2021/22, releasing funds to support the wider organisational budget gap. However urgent activity did need to be conducted, and this was delivered by locum staff, the expense of this shows within this service.

3.2.4 **Planning:** The adverse forecast variance of £0.206m is due to income losses as a result of reduced planning fee income due to Covid-19 and additional pressure from the increased contract / exceedance costs of Merseyside Environmental Advisory Service who provide statutory advice on ecology, archaeology and waste. The income losses, will be, in part, mitigated by the Sales, Fees and Charges Compensation Scheme.

3.2.5 **Special Projects and Regeneration:** There is a small adverse variance of £0.028m.

3.3 2020/21 COMMITTEE CAPITAL BUDGET

TABLE 2 2020/21 – Economy, Regeneration and Development Committee Capital Budget & Outturn

2020-21 PROGRAMME	2020/21 Cabinet Programme	2020/21 Revised Programme	2020/21 Actual £'000	2020/21 Variance £'000
Economy, Regeneration and Development	60,362	41,420	19,971	21,449

3.3.1 Table 1 provides an update on the 2020/21 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2020. These include the re-profiling of expenditure into and out of the 2020/21 financial year, inclusion of additional grant funded schemes, variations to spend forecasts and the inclusion of potential new capital schemes that are seeking funding via this report. Overall this Committee is reporting actual 2020/21 outturn of £19.971m against a revised programme budget of £41.420m. This represents a favourable variance of £21,449m. This is due to delays in projects commencing because of the COVID-19 pandemic. This expenditure has been re profiled into the 2021/22.

3.3.2 Given the budgetary pressures that the Council faces, which have been exacerbated by the COVID-19 outbreak, a review of the programme continues to try and identify schemes that may no longer be financially viable, essential or deliverable. This review has resulted in scheme reductions totalling £5.81 million and the reprofiling of budget into future years of £61.56 million. It is anticipated that further reductions and/or deferrals of budget will be made as the review continues. Such deferrals will reduce the borrowing costs incurred during 2020/21 (the effects of which are included within the Quarter 3 revenue monitoring) and also delays the resultant Minimum Revenue Provision charges into future years.

4.0 FINANCIAL IMPLICATIONS

4.1 This is the Outturn budget monitoring report that provides information on the outturn for the Council for Financial Year 2020/21. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

5.0 LEGAL IMPLICATIONS

5.1 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

7.1 The possible failure to deliver the Revenue Budget is being mitigated by:

1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
2. Availability of General Fund Balances.
3. Review of existing services and service provision.
4. Capitalisation directive

8.0 ENGAGEMENT/CONSULTATION

8.1 No consultation has been carried out in relation to this report.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity. This report has no impact for equality implications at this stage, however any associated actions may require an assessment.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 This report is essentially a monitoring report on financial performance.

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BACKGROUND PAPERS

Minutes of Policy and Resources Committee
2020/21 Revenue Budget Outturn Report
2020/21 Capital Budget Monitoring Report

SUBJECT HISTORY (last 3 years)

Committee Meeting	Date
Economic, Regeneration and Development Committee	27 October 2020
Economic, Regeneration and Development Committee	24 November 2020
Economic, Regeneration and Development Committee	26 January 2021