



HOUSING COMMITTEE

Tuesday, 19 October 2021

REPORT TITLE:	2020/21 REVENUE AND CAPITAL BUDGET MONITORING FOR QUARTER THREE (APR - DEC)
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report provides a summary of the projected year-end revenue and capital position for Housing Committee as at the end of Quarter 3 (December 2020) of 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 are in progress to mitigate the overall forecast position presented at quarter 3, 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

The Housing Committee is recommended to :

1. Note the favourable year-end forecast position presented at the end of March 2021 of £0.234m.
2. Note the impact of funding and expenditure as a direct consequence of Covid-19, including the additional funding sources which have been identified, but as yet, not received
3. Note the Capital 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 projected year-end revenue position as at the end of Quarter 3, Month 9 (December 2020) of 2020/21 financial year.
- 3.1.2 The year-end forecast recorded as part of December's financial monitoring activity represents a favourable variance from budget of £0.234m for this committee.

3.2 2020/21 COMMITTEE REVENUE BUDGET

- 3.2.1 The budget for the Housing Committee is included within the Regeneration & Place Directorate.
- 3.2.2 The Housing Committee is predicting a small Favourable budget variance of £0.234m at year-end against a budget of £6.7m. The favourable variance has been driven by one-off grants for Homelessness, more effective use of the Better Care Fund that has supported income recovery from minor works adaptations.
- 3.2.3 Significant variances are above £0.1m.

TABLE 1 2020/21 – Housing Committee Revenue Budget & Forecast

	Full Year				
	Budget	Forecast	Variance (+ Fav, - Adv)		Adv/Fav
	£0	£0	£0	%	
Housing Strategy & Investment	461	379	82	18%	Favourable
Housing Standards	763	705	58	8%	Favourable
Homelessness	984	1,010	-26	-3%	Adverse
Supported Housing	4,507	4,387	120	3%	Favourable
Total Surplus / (Deficit)	6,715	6,481	234	3%	Favourable

3.2.4 **Housing Strategy & Investment:** There are no significant variances in this area.

3.2.5 **Housing Standards:** There are no significant variances in this area.

3.2.6 **Homelessness:** The service is maximising the use of one-off additional specific grants as a result of the pandemic for Homelessness activity.

3.2.7 **Supported Housing:** A Supported Housing favourable variance of £0.120m has been forecast using the current occupancy rates and taken into account an increase in income recovery from the Better Care fund for eligible minor works carried out by the home adaptations team.

3.3 2020/21 COMMITTEE CAPITAL BUDGET

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

Programme	Budget £m	Actual £m	Variance £m	Variance %
Adult Social Care & Health	7.550	0.991	-6.56	-87%
Children, Young People & Education	5.500	3.614	-1.89	-34%
Economy, Regeneration & Development	60.362	40.972	-19.39	-32%
Environment, Climate Emergency & Transport	21.851	32.805	10.95	50%
Housing	7.806	6.123	-1.68	-22%
Tourism, Communities, Culture & Leisure	0.774	1.499	0.72	94%
Total	103.843	86.004	-17.84	-17%

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. Further detail is provided below.

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 Quarter 3 budget monitoring report that provides information on the forecast outturn for the Council for 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 Section 151 of the Local Government Act 1972 requires the Chief Finance (s.151) Officer (as the responsible officer) to ensure the proper administration of the Council's financial affairs. Regular monitoring of, and reporting on, budgets as required by section 28 of the Local Government Act 2003 (the 2003 Act), is an essential requirement placed on Directorates and members of the Senior Leadership Team in discharging this statutory responsibility.

5.2 The provisions of section 25, of the 2003 Act further 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 the Policy and Resources Committee Wednesday, 17 February
2020/21 Revenue Budget Monitoring for Quarter 3
2020/21 Capital Budget Monitoring for Quarter 3

SUBJECT HISTORY (last 3 years)

Committee Meeting	Date
Housing Committee	28 October 2020
Housing Committee	26 November 2020
Housing Committee	27 January 2021