



## **HOUSING COMMITTEE**

**Thursday, 18 November 2021**

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

### **REPORT SUMMARY**

This report provides a summary of the year-end revenue outturn and capital position for the Housing 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**

The Housing Committee is requested to :

1. Note the year-end revenue outturn variance of £0.102m favourable position for 2020/21.
2. Note the Capital Programme Report.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular monitoring and reporting of revenue and capital budgets, reserves, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, 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

#### Revenue Forecast Position

- 3.1 This report provides a summary of the year-end revenue outturn position as at the end of March 2021 for 2020/21 financial year.
- 3.2 Housing has an overall favourable variance outturn of £0.102m against a budget of £6.159m, with service utilising the Better Care Fund to offset eligible service expenditure across the Housing function.

**TABLE 1: 2020/21 Housing – Service Budget & Forecast**

Objective	Budget	Outturn	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Housing Strategy & Investment	461	438	23	5%	Favourable
Housing Standards	763	568	195	20%	Favourable
Homelessness	764	1,084	-320	-40%	Adverse
Supported Housing	4,171	3,967	204	5%	Favourable
<b>Directorate Surplus / (Deficit)</b>	<b>6,159</b>	<b>6,057</b>	<b>102</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	882	882	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>7,041</b>	<b>6,939</b>	<b>102</b>	<b>1%</b>	<b>Favourable</b>

- 3.3 **Housing Standards:** A favourable variance of £0.195m is reported for 2020-21, due to lower non-pay costs of £0.080m and selective licence fee income of £0.123m.

- 3.4 **Homelessness** : An adverse outturn variance of £0.320m is reported for 2020-21, with the service significantly impacted by Covid-19, both in terms of demand and changes to statutory requirements.
- 3.5 **Supported Housing service** : A favourable variance of £0.204m is reported for 2020-21. This relates to an increase in income recovery from minor works carried out by the home adaptation team.

**TABLE 2: 2020/21 Housing – Subjective Budget & Forecast**

Subjective	Budget £000	Outturn £000	Variance (+ Fav, - Adv)		Adv/Fav
			£000	%	
Income	-1,699	-3,808	2,108	124%	<b>Favourable</b>
<b>Expenditure</b>					
Employee	3,422	3,427	-5	0%	Adverse
Non-Pay	4,436	6,438	-2,001	-45%	Adverse
Total Expenditure	<b>7,858</b>	<b>9,865</b>	<b>-2,006</b>	<b>-25%</b>	<b>Adverse</b>
<b>Directorate Surplus / (Deficit)</b>	<b>6,159</b>	<b>6,057</b>	<b>102</b>	<b>1%</b>	<b>Favourable</b>
Support / Admin Building Overhead	882	882	0	0%	
Movement on Reserves	0	0	0	0%	
<b>Total Surplus / (Deficit)</b>	<b>7,041</b>	<b>6,939</b>	<b>102</b>	<b>1%</b>	<b>Favourable</b>

- 3.6 **Income:** A favourable variance of £2.108m is reported for 2020-21. This relates to mainly to grant support income relating to Homelessness and Supported Housing activities.
- 3.7 **Non Pay:** An adverse variance of £2.001m is reported for 2020-21. This relates to forecast costs for Homelessness which is mainly covered by Grant funding income.

## 2020/21 COMMITTEE CAPITAL BUDGET

**TABLE 5: 2020/21 – Housing Committee Capital Budget & Forecast**

Scheme	2020/21		
	Budget at 01.04.20 £000	Outturn £000	Variance £000
<b>Housing</b>			
Aids, Adaptations and Disabled Facility Grants	7,340	3,148	4,192
Clearance	228	483	-255
Empty Property Grant Scheme	0	157	-157
Home Improvements	238	131	107
<b>Total Housing</b>	<b>7,806</b>	<b>3,919</b>	<b>3,887</b>

- 3.8 Table 5 summarises the forecast expenditure against Capital Budgets, which shows a favourable variance of £3.887m.
- 3.9 Aids, Adaptations and Disabled Facilities Grants has spent £3.148m in 2020-21 on the provision of essential works giving people better freedom of movement in and around their homes. A further £4.192m has been transferred into 2021-22 for committed/planned programmes which will incur expenditure next financial year.
- 3.10 Home Improvements has previously been approved by Members with budget provision top sliced from the Better Care Fund grant.
- 3.11 Members should note the majority of the housing capital programme operates on a rolling programme basis related to approvals and works being undertaken therefore expenditure against available budgets can fluctuate across financial years.

## 4 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 LEGAL IMPLICATIONS

- 5.1 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly

monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.

- 5.2 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.
- 5.3 It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources.

## **6 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no implications arising directly from this report.

## **7 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.

## **8 ENGAGEMENT/CONSULTATION**

- 8.1 The priorities in the Council Plan 2025 were informed by stakeholder engagement carried out in 2019.

## **9 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.
- 9.2 There are no equality implications arising specifically from this report.

## **10 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The Wirral Plan 2025 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.

10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are no community wealth implication arising directly from this report.

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## APPENDICES

None

## BACKGROUND PAPERS

- 2020/21 BUDGET MONITORING
- P&R Revenue Outturn Report 2020-21
- P&R Capital Outturn Report 2020-21

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Housing Committee	26 November 2020
Housing Committee	27 January 2021
Housing Committee	10 March 2021
Housing Committee	19 October 2021