



## HOUSING COMMITTEE

Wednesday, 10 March 2021

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

### 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 Quarter 3 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.

## **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 £0.233m 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 and Supported Housing 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
<b>Total Surplus / (Deficit)</b>	<b>6,715</b>	<b>6,481</b>	<b>234</b>	<b>3%</b>	<b>Favourable</b>

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 grants 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 minor works carried out by the home adaptations team. There is also more efficient utilisation of the Better Care Fund to offset eligible expenditure.

### 3.3 2020/21 COMMITTEE CAPITAL BUDGET

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

<b>Programme</b>	<b>Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>	<b>Variance %</b>
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%
<b>Total</b>	<b>103.843</b>	<b>86.004</b>	<b>-17.84</b>	<b>-17%</b>

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 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 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)**

<b>Committee Meeting</b>	<b>Date</b>
<b>Housing Committee</b>	<b>28 October 2020</b>
<b>Housing Committee</b>	<b>26 November 2020</b>
<b>Housing Committee</b>	<b>27 January 2021</b>