



AGENDA

NOTE: In the case of non-members, this agenda is for information only

Committee - CABINET

Date & Time - MONDAY 7 SEPTEMBER, 2020 AT 9.30AM

THIS MEETING WILL BE STREAMED LIVE VIA THE LINK BELOW AND WILL BE ACTIVATED AT THE START OF THE MEETING

<https://www.breckland.gov.uk/virtual-committee-meetings>

THIS MEETING IS IN LINE WITH THE LOCAL AUTHORITIES AND POLICE AND CRIME PANELS (CORONAVIRUS) (FLEXIBILITY OF LOCAL AUTHORITY AND POLICE AND CRIME PANEL MEETINGS) (ENGLAND AND WALES) REGULATIONS 2020

<http://www.legislation.gov.uk/uksi/2020/392/contents/made>

Members of the Committee requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting. If the information requested is available, this will be provided, and reported to Committee.

The Cabinet

Mr S. H. Chapman-Allen (Chairman)
Mr P.D. Claussen (Vice-Chairman)
Mr S.G. Bambridge
Mr J.P. Cowen
Mr P.J. Hewett

Mr M. S. Robinson
Mr I. Sherwood
Mrs S. E. Suggitt
Mrs A. M. Webb

Democratic Services
Elizabeth House, Walpole Loke,
Dereham Norfolk, NR19 1EE

Date: Thursday, 27 August 2020

PART A - ITEMS OPEN TO THE PUBLIC

	<u>Page(s) herewith</u>
1. <u>MINUTES</u> To confirm the Minutes of the meeting held on 13 July 2020.	5 - 11
2. <u>APOLOGIES</u> To receive apologies for absence.	
3. <u>URGENT BUSINESS</u> To note whether the Chairman proposes to accept any item as urgent business, pursuant to Section 100(B)(4)(b) of the Local Government Act 1972.	
4. <u>DECLARATION OF INTERESTS</u> The duties to register, disclose and not to participate for the entire consideration of the matter, in respect of any matter in which a Member has a disclosable pecuniary interest are set out in Chapter 7 of the Localism Act 2011. Members are also required to withdraw from the meeting room as stated in the Standing Orders of this Council.	
5. <u>NON-MEMBERS WISHING TO ADDRESS THE MEETING</u> To note the names of any non-members who wish to address the meeting.	
6. <u>CHAIRMAN'S ANNOUNCEMENTS (IF ANY)</u>	
7. <u>BRECKLAND COMMUNITY FUNDING APPLICATIONS (STANDING ITEM)</u> To consider the grants put forward (if any).	
8. <u>REVIEW OF THE LOCAL COUNCIL TAX REDUCTION SCHEME (LCTRS) FOR 2021-22</u> Report by Councillor Philip Cowen, Executive Member for Finance and Growth.	12 - 14
9. <u>REVISED BUDGET 2020-21</u> Report by Councillor Philip Cowen, Executive Member for Finance and Growth.	15 - 23
10. <u>QUARTER 1 FINANCIAL PERFORMANCE REPORT 2020-21</u> Report by Councillor Philip Cowen, Executive Member for Finance and Growth.	24 - 32

11. BRECKLAND SUSTAINABILITY STRATEGY (STANDING ITEM)

To receive a verbal update from Executive Member for Customer Engagement and Member Champion for Breckland Sustainability Strategy, Councillor Ian Sherwood.

12. NEXT MEETING

To note that the date of the next meeting of Cabinet will be held on Monday 19 October 2020 at 9.30am.

BRECKLAND COUNCIL

At a Meeting of the

CABINET

Held on Monday, 13 July 2020 at 9.30 am

**THIS MEETING IS IN LINE WITH THE LOCAL AUTHORITIES AND POLICE AND CRIME
PANELS (CORONAVIRUS) (FLEXIBILITY OF LOCAL AUTHORITY AND POLICE AND
CRIME PANEL MEETINGS) (ENGLAND AND WALES) REGULATIONS 2020**

PRESENT

Mr S. H. Chapman-Allen
(Chairman)
Mr P.D. Claussen (Vice-
Chairman)
Mr S.G. Bambridge
Mr J.P. Cowen
Mr P.J. Hewett

Mr M. S. Robinson
Mr I. Sherwood
Mrs S. E. Suggitt
Mrs A. M. Webb

Also Present

Mr R. Atterwill
Mr T. Birt
Miss H. Bushell
Councillor M. Chapman-Allen
Mr H. E. J. Clarke
Mrs H Crane

Mr P.J. Duigan
Mr F. Eagle
Mr T. J. Jermy
Mr M. Kiddle-Morris
Mr P. Morton
Mr S. Terry

In Attendance

Anna Graves
Maxine O'Mahony

Rob Walker
Alison Chubbock

Stephen Scowen
Julie Britton
Teresa Smith

- Chief Executive
- Executive Director of Strategy & Governance
(Monitoring Officer)
- Executive Director Place
- Chief Accountant (Deputy Section 151 Officer)
(BDC)
- Major Projects Delivery Manager
- Democratic Services Officer
- Democratic Services Team Leader

Action By

37/20 MINUTES

It was noted that Councillor Terry had been omitted as being present at the meeting.

Subject to this amendment, the minutes of the meeting held on 1 June 2020 were confirmed as a correct record.

38/20 APOLOGIES

None.

Action By

39/20 URGENT BUSINESS

None.

40/20 DECLARATION OF INTERESTS

None.

41/20 NON-MEMBERS WISHING TO ADDRESS THE MEETING

Councillors Atterwill, Birt, Bushell, M Chapman-Allen, Clarke, Crane, Duigan, Eagle, Jermy, Kiddle-Morris, Morton, Terry.

42/20 CHAIRMAN'S ANNOUNCEMENTS (IF ANY)

None.

43/20 BRECKLAND COMMUNITY FUNDING APPLICATIONS (STANDING ITEM)

Nothing to report.

44/20 BRECKLAND SUSTAINABILITY STRATEGY (STANDING ITEM)

The Executive Member for Customer Engagement presented highlights to Members on some initiatives that had been announced by the Chancellor recently. Whilst more information would follow, he had tasked Officers to consider how Breckland could benefit and feature as part of the climate action. The Schemes included:

- £2 billion Green Homes Grant,
- £1 billion over the coming year for a Public sector decarbonisation scheme,
- £40 million in a Green Jobs Challenge Fund
- Social Housing Decarbonisation Fund

At a local level, Breckland Council had been taking steps to create more bee friendly habitats across the district by leaving some verges and land to grow wild, where safe to do so, allowing population of bees and other insects to boost their numbers.

As part of the Council's new Local Plan policies advice for developers included the use of bird boxes and bee or swift bricks into housing plans to boost the districts biodiversity.

The Executive Member had attended a positive meeting with the Woodland Trust and had learnt about canopy cover. Canopy Cover looked at what was already within the District, which was built into a sustainable future by caring for what was already in the District.

The Council was currently requesting quotes from organisations to undertake a carbon audit of the organisation to help develop a carbon management plan that would help to reduce the carbon footprint as an organisation, and understand how the Council could encourage residents and businesses to improve their carbon footprint too.

Action By

The Executive Member was pleased to announce that Breckland Council would also be making a switch to green energy that would significantly reduce the organisational carbon footprint and would come into effect from the 1 October 2020.

The Executive Member for Contracts and Assets had already tasked the commercial team where they could add to the environmental initiatives that had been announced by the Chancellor and would work closely with Councillor Sherwood to do everything it could to encourage the commercial portfolio to be as environmentally friendly as they could be.

Councillor Atterwill welcomed what the Executive Member had said regarding the nest boxes and the initiative to help the bees and asked the Executive Member for Planning that when planning conditions were granted through the permission given if the conditions would be monitored to ensure the developers complied with the conditions.

The Executive Member for Planning confirmed that he would arrange for a written response to be sent to Councillor Atterwill.

Councillor Eagle asked that since Breckland had such a diverse area, including some rare species he would like to see other Councils follow Breckland's lead on the sustainability strategy. The Executive Member for Customer Engagement agreed and also felt it important that the Council got the policy right which was why the audit was taking place that included speaking to the experts to ensure it had a full picture of the diverse area that Breckland covered.

Councillor Morton was pleased to note that a carbon audit would be undertaken and looked forward to the information being shared. He felt disappointed that a year had passed since the Council declared a climate emergency but had only just changed to green energy, which he commended the Council for but felt this could have been done sooner. The Executive Member for Customer Engagement responded stating that he was aware how passionate Councillor Morton was about the green agenda and explained that the electricity could only be changed once the yearly tariff was due which fell in October. Three months' notice had to be given, which was why a decision had been made in June to change to green electric.

Councillor Clarke was supportive of what had been announced as part of the green agenda, and said that during the COVID-19 pandemic there had been less travel, and was aware that pollution levels had fallen. He asked what the Council was doing with regard to information that was received as part of air quality and whether it highlighted where the Council would need to put in additional monitoring. He gave an example where it would be useful when purchasing a property to show the pollution levels, especially with those who had respiratory conditions. Councillor Clarke said he would be happy for a written response to this question. The Executive Member for Customer Engagement said he along with the Executive Member for Environmental and Public Protection would provide a written response.

45/20 2019-20 FULL YEAR FINANCIAL PERFORMANCE

The Executive Member for Finance and Growth presented the report that provided information on the Council's actual full year financial position as at 31 March 2020.

Action By

He thanked the Finance team for the work put in to deliver the report, especially during the period between March to the end of June where Officers had been redeployed to support the businesses of Breckland.

The Executive Member highlighted whilst the Council had an overspend of £224k, it was in a fortunate position to be able to use reserves to mitigate some of those costs which were explained in the report.

The report explained that due to the high overspend, the gain from the National Non-Domestic Rates (NNDR) pilot of £559k had been utilised to cover that overspend, and therefore due to the scale of the figure it would have to go to Full Council to be approved.

Whilst the Council had a reserve fund of just under £7m that was unallocated, the Council's general fund was already at the minimum of £2,500k which he did not want to see drop below that figure.

The actual Capital out-turn showed a spend of 71% against budget which meant the Council had not used all the capital that had been set aside in the financial year to deal with various programmes and projects that were ongoing.

The Executive Member for Contracts and Assets said it was a delicate balancing act, and within his portfolio economic growth would allow the businesses within Breckland to thrive as the country started to emerge out of the COVID19 crisis. At the same time COVID19 has had a global impact and the District would not be immune to that impact. He was in agreement with the recommendations and believed it was the correct approach for the Council to follow.

Councillor Birt considered the significant variances and highlighted the Legal Services overspend and was concerned that there were issues with commercial property and asked how, as a Member, he could understand the detail of that overspend and what the issues were, as there could be scrutiny issues to consider.

In addition, in respect of the capital that had not been spent, he noted that the report was dated to 31 March, and therefore the COVID19 crisis did not apply and he was concerned that if the Council was not spending capital that had been allocated during normal times what would happen in extra-ordinary times such as the Council found itself in now.

Councillor Jermy was concerned about the level of overspend and in particular the expenditure of the temporary housing accommodation. In addition, he raised apprehension that the new property currently being refurbished would do little to reduce costs as it would not be able to take the numbers that the Council would require. He went onto ask the Cabinet for their plans to address the increased housing costs, given that they were a significant amount.

The Executive Member for Finance and Growth responded to Councillor Birt that he too had also raised a question in respect of the Legal Services budget, and informed Members that it was not a service that could be clear about their costs at the beginning of the financial year. There had been some significant changes with regard to the commercial property deals that had

Action By

required the support of Legal Services, of which the Executive Member for Contracts and Assets would be able to provide more detail if required. The Executive Member was keen to look at all the variances as it was important to understand what was happening within each service area. In terms of the Capital spend, the Executive Member provided reassurance of the way in which the Council managed its finances. The capital projects were grant funded, and spending the funding required the assurance that the right contract was in place.

The Executive Director of Place advised that the level of demand for temporary housing accommodation was unprecedented and that had been reflected in the financial figures. During the pandemic there had been a nationwide instruction to house the rough sleepers within the District. There had also been a rise in emergency accommodation requirements and movements between registered providers were not allowed during the crisis which had resulted in a rise in the figures again. The property at Elm Road formed one important part of a more complicated solution. Numbers within other Local Authorities were similar and therefore a countywide response was being considered and Breckland were actively part of that. In addition, Breckland were actively working with Saffron Housing and Flagship to match voids within the system and having looked at the figures there was resource to house some of those within temporary accommodation.

Councillor Atterwill asked the Executive Member for Finance and Growth for clarity on the Development Control costs highlighted within the appendices of the report, that referred to a loss of a court case. He went onto ask the Executive Member for Planning to provide in writing a summary of what that court case was. The Executive Member for Finance and Growth confirmed that the court case costs were approximately £35,000 of the £72,431 costs highlighted.

Options

- 1) That the report and appendices be noted and recommend to Full Council
 - That capital budgets (& associated funding sources) of £2,194,668 be carried forward into 2020-21 to support projects in progress.
 - That the final capital out-turn and funding for 2019-20 as detailed in appendix B be approved.
 - That the revised capital budget and associated funding for the 2020-21 capital programme as detailed in appendix C be approved.
 - That the NNDR Pilot gain is utilised to cover the over spend and that £214,489 is contributed from the Organisational Development Reserve and a further contribution is made from the Revenues and Benefits Reserve to cover the remaining over spend.

- 2) That the report and appendices be noted and changes are made to the recommendations to Full Council.

Reasons for Recommendation

To provide timely information to Members on the overall financial position of the Council, enabling resource re-allocation to priorities where necessary and protecting the General fund balance.

Action By

To enable approved capital projects to continue to deliver in the new financial year.

RESOLVED that the report and appendix be noted; and

CABINET Recommend to FULL COUNCIL:

- 1) That capital budgets (& associated funding sources) of £2,194,668 be carried forward into 2020-21 to support projects in progress.
- 2) That the final capital out-turn and funding for 2019-20 as detailed in appendix B be approved.
- 3) That the revised capital budget and associated funding for the 2020-21 capital programme as detailed in appendix C be approved.
- 4) That the NNDR Pilot gain is utilised to cover the over spend and that £214,489 is contributed from the Organisational Development Reserve and a further contribution is made from the Revenues and Benefits Reserve to cover the remaining over spend.

46/20 INNOVATIVE PROJECTS FUND - ACCEPTANCE AND SPEND OF GRANT, AND ASSOCIATED MATCH FUNDING.

The Executive Member for Finance and Growth presented the report that sought the recommendation to Council to accept and spend a grant award from the Innovative Projects Fund along with associated match funding, on behalf of the Cambridge-Norwich Tech Corridor (CNTC) for carrying out an exercise aimed at supporting and growing the manufacturing and engineering industry within the area.

It was important that the Council worked with all businesses within the District to drive forward the economy in a direction that would see an improvement in the standard of living of residents throughout the county, but more importantly given the tech corridor runs through our District.

Reasons for recommendation:

Acceptance of the grant funding would enable the completion of the project in line with the application submitted and the conditions of the funding awarded. Doing this at the earliest opportunity would enable the project to proceed as quickly as possible and thus maximise the benefits that were anticipated to be delivered.

Delaying the decision, or not accepting the grant funding on behalf of the CNTC, would result in a significant adverse impact upon the delivery of the project and therefore all of the manufacturing businesses throughout the region.

Options

Option 1 – Accept and spend the IPF grant, and associated match funding, on behalf of the CNTC (Recommended). Under this option, the authority will accept and spend £180,700 of IPF grant from NALEP, £10,000 match funding from Norfolk County Council (NCC) and £9,500 match funding from the University of East Anglia (UEA), on behalf of the CNTC in order that the

Action By

project can proceed.

Option 2 – Do not accept the IPF grant, and associated match funding, on behalf of the CNTC (Not recommended). Under this option, the project would not proceed. The Council is the Accountable Body for the CNTC and therefore it is only the council that could accept the funding on behalf of the CNTC.

RESOLVED to RECOMMEND to FULL COUNCIL:

- 1) To approve acceptance and spending of an Innovative Projects Fund grant to the value of £180,700, and associated financial contributions of £19,500, in order to support the delivery of an exercise aimed at growing the manufacturing industry in the area, as set out within this report.
- 2) Delegate authority to the Chief Executive to sign the grant offer letters in consultation with the Cabinet Member for Finance and Growth.

47/20 NEXT MEETING

The arrangements for the next meeting on 7 September at 9.30am were noted.

The meeting closed at 10:30am

CHAIRMAN

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Phillip Cowen, Executive Member Finance and Growth

To: Cabinet, 7 September 2020

Author: Adrian Mills, Billing and Benefits Strategic Manager ARP

Subject: Review of the Local Council Tax Reduction Scheme (LCTRS) for 2021 - 2022

Purpose: To consider options for the Local Council Tax Reduction Scheme (LCTRS) for 2021-22

Recommendation(s):

- 1) That the LCTRS scheme for 2021-22 is reviewed as outlined in this report
- 2) Agree to retain the existing scheme for the 2021-22 year.

1.0 BACKGROUND

1.1 Each year the Council is required to review its Local Council Tax Support Reduction (LCTRS) Scheme. This report advises of the 2020 annual review and the proposals to maintain the current scheme for 2021-22.

Key Issues

1.2 We are now in the eighth year of CTS; a locally set scheme that replaced the nationally set Council Tax Benefits (CTB) scheme from April 2013.

1.3 In 2013-14 the Council took advantage of a one-off Government grant that compensated in part for the reduction in Government funding for the Working Age scheme that year. This meant that the maximum LCTRS awarded was the 91.5%.

1.4 For 2014-2015 to 2017-18 the Council retained the original scheme, except that allowances and premiums (the amounts of income from state-administered benefits such as Jobseekers' Allowance) were increased in line with other benefits such as Housing Benefit.

1.5 For the 2018-19 scheme the Council consulted on a proposal to harmonise the scheme to DWP welfare reforms introduced for Housing Benefit and LCTRS for Pensioners, and introduced closer links to Universal Credit data share for claims, thereby removing the stipulation to make a separate claim. This was subsequently approved and introduced.

1.6 For 2019-20 the Council kept the same scheme as for 2018-19.

1.7 For 2020-21 the only change was to introduce a fluctuating earnings rule to the treatment of Universal Credit. A weekly tolerance level of £15 (£65 monthly) was introduced to reduce the number of monthly reassessments impacting customers every time a revised Universal Credit notification is received.

Matters to Consider

- 1.8 Councils are required to consider whether to review their LCTRS schemes annually. Where it is determined to retain the existing scheme, this must be decided by 11 March of the preceding year.
- 1.9 Where Councils seek to amend their scheme it will be necessary to consult preceptors and stakeholders prior to a wider consultation to inform a final scheme design by 28 February of the preceding year.
- 1.10 The current Breckland LCTRS scheme provides a maximum benefit of 91.5% for working age claimants and the scheme also fully protects War Pensioners. The aim in designing the scheme was to achieve a balance in charging an amount of Council Tax to encourage customers back into work whilst setting the amount charged at an affordable and recoverable level during the year.

Scheme Review – Matter to Consider

- 1.11 Whilst it is relatively new at the point of writing, early results demonstrate the fluctuating earnings rule introduced April 2020 is meeting our modelling forecasts by reducing customer reassessments by a third.
- 1.12 UC is designed to be paid monthly, calculated on the customer's circumstances, including Real Time Information (RTI) earnings data from HMRC. Given customer's circumstances, especially earnings, fluctuate, this leads to monthly revised UC awards sent to the Council by the DWP.
- 1.13 Council Tax Support scheme rules had required the Council to revise awards when a customer's Universal Credit changes, leading to reassessment of Council Tax Support. In turn this meant customers received a revised Council Tax bill for balance due for the year and had to amend their payment arrangements, typically direct debit instructions. Increasingly, this became a monthly occurrence for customers.
- 1.14 The introduction of a fluctuating earnings rules this year has been particularly beneficial given the significant increase in COVID-19 workload, peaking at 500% increase compared to the same point last year, reducing to 200% and now starting to return to normal levels.
- 1.15 Further, the links we established to UC data share and removing the requirement for customers to make a separate claim application, has been particularly beneficial for customers during the pandemic.
- 1.16 We recommend a full review, taking into account COVID-19 learning, is undertaken early next year to develop a range of options for consideration and possible consultation.

Other Options Considered but Discounted

- 1.17 Increasing the contribution rate to more than 8.5%; the possible increase in Council Tax collected for the Council is considered to be less than the additional costs of recovery (additional staff, postage and enquires to customer services), including the inability to recover the debt in year by deduction from DWP benefits and therefore this is not recommended.

2.0 OPTIONS

- 2.1 That the LCTRS scheme for 2021-22 is reviewed as outlined in this report and that Cabinet agree to retain the existing scheme for the 2021-22 year.

2.2 That the LCTRS scheme for 2021-22 is reviewed as outlined in this report and Cabinet make other recommendations.

2.3 Do nothing.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 The changes made to the current scheme have worked well – introducing a tolerance rule for the treatment of UC awards has reduced the number of notifications customers receive to amend their Council Tax payments, whilst providing stability for customer repayments whilst reducing customer contact.

3.2 Given the economic impact of COVID-19 on household budgets and rising unemployment, we do not recommend increasing the contribution rate this year.

4.0 EXPECTED BENEFITS

4.1 Maintaining the existing scheme will bring stability to customer's household budgets as they recover or manage the impact of COVID-19 .

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Stakeholders / Consultation / Timescales

5.1.1 The recommendation does not require a public consultation.

5.1.2 An Equality Impact Assessment is not required to retain the existing scheme.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 All

7.0 ACRONYMS

7.1 DWP – Department for Work & Pensions

7.2 HB – Housing Benefit

7.3 LCTRS – Local Council Tax Reduction Scheme

7.4 UC – Universal Credit

Background papers:-

Lead Contact Officer

Name and Post: Adrian Mills, Billing & Benefits Strategic Manager, ARP

Telephone Number: 07984 255437

Email: Adrian.mills@angliarevenues.gov.uk

Key Decision: Yes

Exempt Decision: No

This report refers to a Mandatory Service

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Phillip Cowen, Executive Member for Finance & Growth

To: Cabinet, 7 September 2020
Full Council, 24 September 2020

Author: Alison Chubbock, Chief Accountant

Subject: Revised 2020-21 Budget

Purpose: To provide information on the financial impact of Covid-19 on the Council's budgets and to provide a revised 2020-21 budget to mitigate the impact and provide budget in the necessary areas.

Recommendation(s):

- 1) That the additional revenue costs, funding and use of reserves as set out in Appendix A are approved
- 2) That the changes to the capital programme set out in Appendix B and Appendix C are approved.

1.0 BACKGROUND

- 1.1 Cabinet on 1 June 2020 received a report on the potential financial implications resulting from the Covid-19 pandemic. This forecast that the net financial cost if the pandemic continued for 3 months would be circa £0.7m and if continued for 6 months would be circa £2.8m, based on government funding received at that time. Because of the exceptional circumstances we are currently in, it is prudent to review the Council's budget for 2020-21.
- 1.2 This report provides further information on the financial impact on the 2020-21 budget now that we have had time to evaluate the impacts in more detail and have the first quarter of data to help inform our estimates.

Although aspects of the lockdown have eased recently, there remains a risk of a second wave or local lockdowns in the future, this report therefore takes a balanced view in estimating the financial impact for the full 2020-21 year. The appendices detail the additional costs, compensating savings and proposed use of reserves.

The forecast financial impact is a cost of £3,758k, partly offset by Government funding expected of £2,482k, leading to a net cost of £1,276k. This cost has been mitigated through the proposed use of reserves and by not making a contribution to the General Fund as planned this year, Appendix A provides further details.

The remaining cost is forecast at £217k, we will aim to make further savings in year to mitigate this down to zero, however if this is not achieved or costs rise we may need to draw on reserves further and this will be monitored and reported through our usual quarterly financial reports to Cabinet.

Income Budgets

- 1.3 A significant impact of the current situation is a fall in the income received by the Council in both fees and charges and in our commercial income, total forecast loss of £1,599k as shown in Appendix A. The most significant areas of lost income forecast are:

Budget Area	Lost Income	As %age of Budget
Planning	£660k	42%
Investment Interest (including B Bridge)	£258k	50%
Commercial Services Provision	£398k	86%
Land Searches	£109k	45%

It should be noted however that staff who would usually have been delivering these services have been redeployed to other priority areas within the Council in order to deliver our response to Covid-19. This means we have been able to utilise our own staff skills and knowledge of the Council rather than relying heavily on consultancy or additional staff and have been able to fully support the Council's priorities relating to Covid-19.

The impact on commercial property rentals will become clearer as the year progresses as agreed rent deferrals become due. However, this revised budget includes additional bad debt provision of £255k for expected losses and known impacts of CVA's.

Expenditure Budgets

- 1.4 Additional costs of £302k have been incurred in various areas in quarter 1 and we forecast a further £768k for the remainder of the year, the most significant are:

Budget Area	Increased Cost
Housing Benefit – lost subsidy due to temporary accom costs	£451k
Housing – rough sleepers & temporary accommodation	£194k
Leisure centre contractual & other leisure payments	£182k

Other costs include: IT solutions to ensure effective home working, communications to residents and businesses, business rates costs of empty properties, additional cleaning and provision of PPE for staff, temporary staffing requirements and supporting the high street reopening.

There are also cost pressures as a result of un-achieved efficiencies and from not meeting the budgeted vacancy factor (as staff turnover is very low) and re-opening our leisure centres. These are partially offset from savings identified resulting from some usual business costs not taking place (i.e. mileage). These are shown in Appendix A.

Government and Other Funding

- 1.5 The government has provided 3 tranches of Covid-19 funding to date, along with specific funding for housing rough sleepers and new burdens funding for administering grant payments. We are also able to claim for lost income from sales fees and charges (not commercial income) with full details to be announced later in the year. Appendix A details all funding and includes an estimate for the income claim and the forecast is £2,498k. This is not sufficient to cover our financial impact and therefore reserves will have to be drawn upon.

Reserves

- 1.6 In order to mitigate the £1,276k remaining cost pressure, this budget proposes the use of some reserves as detailed in Appendix A. There is no allowance in any budgets currently

to replenish these reserves, so whilst they will be used to mitigate the current impact, in future years we will not have reserves available in the same way.

Our General Fund minimum balance is set by us at £2,500k and the fund is currently at this minimum level.

Whilst we still hold healthy balances in reserves, they are set aside for specific purposes and any re-allocation of these would result in agreed projects not going ahead. The table below details the un-allocated balances in our key reserves and shows what they are planned to be used for:

	Reserve	Likely Use
£1,755k	Revenues & Benefits	To cover potential future NNDR losses
£1,018k	Inclusive Growth	Climate & other Member priorities
£2,500k	General Fund	Emergency use only
£1,397k	Growth & Investment	Evolve programme & invest to save

Capital

- 1.7 Key capital projects such as Elm Road and Thetford Power have continued over the last few months with little impact on the timing of the projects. A pause was put on other non-key projects to allow staff to focus on the Council's response to Covid-19. These projects will start again as we move into recovery but some budgets will be moved into next financial year as a result. Appendix B details the revised capital programme and Appendix C summarises the changes.

Future Budgets

- 1.8 The budget for 2021-22 currently includes a budget gap of £1,155k, efficiencies need to be identified and achieved to cover this gap. Government funding for future years is not yet confirmed so this value is likely to change and will be reported as part of the 2021-22 budget. The planned Fair Funding Review has been delayed by Government so the impact to the Council will not be seen next year now.

Work has started on a small number of legacy projects to deliver some relatively quick savings/additional income which will mitigate any budget gap in part. In future the Evolve programme will help to drive innovation and change for the Council and help us to set a balanced budget over the medium term.

2.0 OPTIONS

- 2.1 That the additional revenue costs, funding and use of reserves as set out in Appendix A are approved and that the changes to the capital programme set out in Appendix B and Appendix C are approved.

- 2.2 Do nothing.

3.0 REASONS FOR RECOMMENDATION(S)

- 3.1 To set a revised budget which reacts to the Covid-19 situation and provides a new budget to monitor against for the remainder of the year.

4.0 EXPECTED BENEFITS

- 4.1 To support the Councils priorities and support our response to the Covid-19 pandemic.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Corporate Priorities

5.1.1 This revised budget supports the Council's priorities during this exceptional period.

5.2 Financial

5.2.1 This report is financial in nature and financial information is included within the appendices.

5.3 Health & Wellbeing

5.3.1 This report provides the budget to support our community activities around the wellbeing of our residents.

5.4 Risk Management

5.4.1 The revised budget is the best estimate at this time but we are still at an early stage and the numbers are therefore likely to vary. There remains a risk that the revised budget will require updating at a future date, dependent on future conditions.

5.5 Staffing

5.5.1 The revised budget supports the costs of temporary additional staffing where required to support the Councils priorities

5.6 Stakeholders / Consultation / Timescales

5.6.1 Budget holders have been consulted with in order to set this revised budget.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 All

7.0 ACRONYMS

7.1 CVA – Company Voluntary Arrangement

Background papers:-

Lead Contact Officer

Name and Post: Alison Chubbock, Chief Accountant
Telephone Number: 01362 656865
Email: Alison.chubbock@breckland.gov.uk

Key Decision: Yes

Exempt Decision: No

This report refers to Mandatory and Discretionary Services

Appendices attached to this report:

Appendix A
Appendix B
Appendix C

Revised revenue budget and proposed funding
Revised capital programme
Summarised changes to the capital programme

Appendix A – Revenue Budget Amendments

Description	£
Unidentified Efficiency Requirement - won't be achieved	332,320
Other efficiencies in progress - won't be achieved	92,837
Additional Covid-19 related costs to date & forecast	1,069,875
Additional Bad Debt Provisions	254,511
Potential building re-opening costs	229,000
Vacancy factor not fully achieved & additional staff costs	243,962
Lost income - Planning, Building Control & Land Charges	850,520
Lost income - Other	747,952
Contribution to Norfolk Business Rates Pool (BRP) - funded by reserve	150,000
Economy Cell & Confidence temporary staffing requirements - part funded	141,494
Temporary savings resulting from Business As Usual not being carried out	(354,940)
Additional Cost Pressures	3,757,531
Government Funding Tranche 1 (remaining balance)	(36,636)
Rough Sleepers Funding	(17,000)
Government Funding Tranche 2	(1,403,082)
Government Funding Tranche 3	(232,935)
Government Funding Tranche 3 - Income (estimated value)	(642,520)
New Burdens funding - Covid grant administration	(150,000)
Use of Buffer fund to cover large assets bad debt provision	(204,317)
Use Inclusive Growth Reserve to fund contribution to Norfolk BRP	(150,000)
Use Market Town Initiative Reserve to fund Confidence team	(86,694)
General fund remains at minimum balance	(400,000)
Use Growth & Investment reserve underspent balance	(216,861)
Additional Funding Available	(3,540,045)
Net Deficit/(Surplus)	217,487

APPENDIX B - REVISED CAPITAL PROGRAMME

** Denotes project is fully funded from external funding

SCHEMES	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	Total budget 2020/21 - 2023/24	Total Funding 2020/21 - 2023/24	Net Breckland contribution
Strategy and Governance - Funding Released							
ICT	80,136				80,136	-	80,136
Total Strategy and Governance - Released	80,136	-	-	-	80,136	-	80,136
Strategy and Governance - Funding NOT Released							
ICT	225,000	125,000	220,000	-	570,000	(228,000)	342,000
Total Strategy and Governance - Not Released	225,000	125,000	220,000	-	570,000	(228,000)	342,000
Total Strategy and Governance	305,136	125,000	220,000	-	650,136	(228,000)	422,136

SCHEMES	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	Total budget 2020/21 - 2023/24	Total Funding 2020/21 - 2023/24	Net Breckland contribution
Place - Funding Released							
Decent Homes Grants	73,992				73,992	(73,992)	-
Disability Adaptations (DFG's/Re-Able)**	1,359,534	1,171,850	1,171,850	1,171,850	4,875,084	(4,875,084)	-
Public protection shared platform	26,281				26,281	0	26,281
Temporary accommodation project - (BDC)	67,200				67,200	0	67,200
NECTON 3PL20120833 S06 grant**	9,443				9,443	(9,443)	-
L DUNHAM 3PL20130888 S106 grant**	1,386				1,386	(1,386)	-
WSA 0798/0995/0330 S106 grant**	3,492				3,492	(3,492)	-
THET TC 3PL20120509 S106 grant**	1,935				1,935	(1,935)	-
THET TC 3PL20141054 S106 grant**	1,120				1,120	(1,120)	-
Total Place - Released	1,544,382	1,171,850	1,171,850	1,171,850	5,059,932	(4,966,451)	93,481
Place - Funding NOT Released							
Leisure Strategy			1,300,000		1,300,000	0	1,300,000
Temporary accommodation project - (S106)**	391,031				391,031	(391,031)	-
Temporary accommodation project - (BDC)		881,106			881,106	(388,030)	493,076
Waste vehicle purchases	5,000,000	-			5,000,000	(1,875,000)	3,125,000
Total Place - Not Released	5,391,031	881,106	1,300,000	-	7,572,137	(2,654,061)	4,918,076
Total Place	6,935,413	2,052,956	2,471,850	1,171,850	12,632,069	(7,620,512)	5,011,557

SCHEMES	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	Total budget 2020/21 - 2023/24	Total Funding 2020/21 - 2023/24	Net Breckland contribution
Commercialisation - Funding Released							
Snetterton Power Upgrade**	2,740,813	750,000			3,490,813	(3,490,813)	-
Housing Infrastructure Fund - Thetford**	1,459,413	12,281,479			13,740,892	(13,740,892)	-
New industrial units at Turbine Way Swaffham	16,000				16,000	(16,000)	-
Investment Strategy - Fess re land transfer Swaffham	50,000				50,000	0	50,000
Shipdham Land Release Grant**	283,660				283,660	(283,660)	-
Car park resurfacing	25,579				25,579	0	25,579
Air Conditioning, Elizabeth House, Dereham	40,000	-	-		40,000	0	40,000
Elizabeth House alterations/committee suite (G & I)	784,735				784,735	(784,735)	-
Total Commercialisation - Released	5,400,200	13,031,479	-	-	18,431,679	(18,316,100)	115,579
Commercialisation - Funding NOT Released							
LABV- Riverside Regeneration	212,639				212,639	0	212,639
Commercial Property Rolling Maintenance 20/21 onwards	217,890	132,721	132,721	132,721	616,053	0	616,053
Investment Strategy Development of land, Swaffham (G & I)	50,000	895,000			945,000	(945,000)	-
Investment Strategy - build 2 new units next to Roman House Swaffham (G & I)		425,000			425,000	(425,000)	-
Investment Strategy - Extension 11 Bertie Ward Way (G & I)	344,000				344,000	(344,000)	-
Investment Strategy - Investment reserve unallocated balance (G & I)	-	-	1,073,689	323,785	1,397,474	(1,397,474)	-
Health Hub Dereham		2,000,000			2,000,000	0	2,000,000
Car Parks resurfacing 20/21	230,000	-			230,000	0	230,000
Estate Roads - works to bring roads up to an Adoptable standard	-	144,170	144,170	144,170	432,510	0	432,510
Public Lighting	73,463	90,000	90,000	90,000	343,463	0	343,463
Air Conditioning, Elizabeth House, Dereham	-	20,000	20,000	20,000	60,000	0	60,000
Cowper Road Toilet block - conversion to retail unit		55,000			55,000	0	55,000
Bridge Works Swaffham and Thetford	75,000				75,000	0	75,000
Total Commercialisation - Not Released	1,202,992	3,761,891	1,460,580	710,676	7,136,139	(3,111,474)	4,024,665
Total Commercialisation	6,603,192	16,793,370	1,460,580	710,676	25,567,818	(21,427,574)	4,140,244

Capital loans							
Breckland bridge shareholder loan Attleborough	386,222				386,222	0	386,222
Total Capital Loans	386,222	-	-	-	386,222	-	386,222
GRAND TOTAL	14,229,963	18,971,326	4,152,430	1,882,526	39,236,245	(29,276,086)	9,960,159

G & I = Growth & Investment Reserve

Appendix C – Summarised Capital Programme Changes

Proposed Capital Budget Amendments 2020-21

Description	2020-21	2021-22	2022-23	TOTAL	Notes
NEW - Attleborough Leisure Provision	0	0	1,300,000	1,300,000	1
REPROFILE - Elm Road, Thetford	(881,106)	881,106	0	0	2
REPROFILE - Snetterton Power Upgrade (<i>Externally funded</i>)	(750,000)	750,000	0	0	
REPROFILE - Thetford HIF (<i>Externally funded</i>)	(1,029,960)	1,029,960	0	0	
ADD & REPROFILE - Swaffham Build New Units	(682,100)	895,000	0	212,900	3
REPROFILE - Roman House, Swaffham New Units	(425,000)	425,000	0	0	
REPROFILE - Health hub Dereham	(2,000,000)	2,000,000	0	0	
REPROFILE - Air Conditioning Elizabeth House	(20,000)	20,000	0	0	
REPROFILE - Cowper Road Toilet Conversion	(55,000)	55,000	0	0	
Total	(5,843,166)	6,056,066	1,300,000	1,512,900	

Notes

- 1) S106 funded in 7-10 years, may need budget to cover interest only borrowing costs if required
- 2) Part budget moved into 2021-22 to reflect updated timeline
- 3) Additional cost funded from Growth & Investment Reserve

BRECKLAND DISTRICT COUNCIL

Report of: Councillor Phillip Cowen, Executive Member Finance & Growth
To: Cabinet, 7 September 2020
Author: Alison Chubbock, Chief Accountant
Subject: Quarter 1 Financial Performance Report 2020-21
Purpose: This report provides information on the forecast full year financial position of the Council as at 30 June 2020

Recommendation(s):

- 1) That the report and appendix be noted

1.0 BACKGROUND

- 1.1 Throughout the year quarterly monitoring reports are completed forecasting the expected year end out-turn against the budgets. This report provides information on the forecast full year financial performance as at 30 June 2020 for revenue, capital and treasury, with the detail being included in the attached Appendix.

The report shows the significant impact that the Covid-19 pandemic has had on the finances of the Council and this report is made in conjunction with another report to Cabinet and Full Council to set a revised budget for 2020-21. Once approved, the revised budget will be used to report financial performance against in future quarters.

1.2 Revenue

The full year out-turn based on current projections, assumptions and mitigations is a forecast above budget spend of £217k.

The additional cost pressures resulting from the pandemic total £3,536k, with additional Government grants forecast of £2,465k leaving a total cost pressure of £1,071k (7.4%). Further mitigations through use of reserves is proposed in the revised budget report to Full Council which would bring our forecast overspend down to a more manageable £217k.

It is extremely difficult to forecast accurately in the current circumstances and therefore these numbers will change over the coming months and will continue to be reported to Cabinet each quarter. It is anticipated that we will make savings over the remainder of the year to offset the £217k above budget spend to bring our out-turn in line with the revised budget.

There are many variances this quarter and these are detailed in the appendix and result from the Covid-19 pandemic and the Councils responses.

1.3 Capital

The forecast out-turn shows spend of £14,232k (71%) against the budget at this stage of the year. The full below budget spend of £5,843k is requested to be carried forward as

the projects will run into future years, these carry forward requests have been included in the revised budget report to Full Council.

1.4 **Treasury**

The interest budget is forecasting below budget income of £258k as detailed in the appendix to this report. This partly relates to external loans to a 3rd party which are still expected to be made, but the timing is later than when budgeted. This means the income will be achieved, but will be lower in this year and higher in future years. Alongside the reduced interest rate environment we are currently operating in.

1.5 **Other Issues of Note**

It has been confirmed that changes to government funding planned for 2021-22 (such as the Fair Funding Review) will be delayed by at least one year. Our budget setting later this year will reflect these changes and will provide a revised budget gap position for us to work towards.

The Fair Funding Review includes an assumption that all Councils collect a 'notional council tax' based on the national average, which means Breckland will almost certainly be worse off under this new scheme due to our low council tax levels. The volatility of the Retained NNDR scheme is significant, the differences in values between a full reset of growth (i.e. none retained by Breckland) compared to partial resets ranges from around £250k to £1,000k. This all leads to high levels of uncertainty continuing for budget setting in future years.

2.0 **OPTIONS**

2.1 That the report and appendix be noted.

2.2 Do nothing.

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 To provide timely information to Members on the overall financial position of the Council, enabling resource re-allocation to priorities where necessary.

4.0 **EXPECTED BENEFITS**

4.1 To ensure Members are updated regularly on the overall Council financial position.

4.2 To make the best use of the funding available to the council and allow us to respond quickly to opportunities as they arise.

5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.2 **Corporate Priorities**

5.1.1 The Council's budget and associated spend supports the Council's priorities.

5.3 Financial

5.2.1 The report and appendix are financial in nature and include the financial implications of activities planned or underway.

5.8 Risk Management

5.3.1 Financial risks are included within the report.

5.9 Stakeholders / Consultation / Timescales

5.4.1 Budget holders have been consulted on their variances and the reasons for those variances.

5.10 Transformation Programme

5.5.1 The transformation programme is intrinsically linked to the Council's budget and any variance against targets is included in the Appendix.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 N/A.

7.0 ACRONYMS

7.1 DMADF – Debt Management Account Deposit Facility

7.2 DWP – Department for Work & Pensions

7.3 LIBID - London Inter-Bank Bid Rate.

7.4 MHCLG – Ministry for Housing Communities and Local Government

7.5 NNDR – National Non-Domestic Rates

7.6 PFI – Private Finance Initiative

Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

Lead Contact Officer

Name and Post: Alison Chubbock, Chief Accountant
Telephone Number: 01362 656865
Email: alison.chubbock@breckland.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to Mandatory and Discretionary Services

Appendices attached to this report:

Appendix A Forecast financial report for 2020-21 full year.

Breckland Council

Financial report for the year ended 31 March 2021

This report has three sections

- Section 1 – Revenue budget
- Section 2 – Capital budget
- Section 3 – Treasury update

Figures in brackets denote either income, an under spend or above budget income. Positive figures denote either spend, an over spend or below budget income.

Section 1 - Revenue

Table 1 – Forecast Revenue Outturn

	Budget £'000	Forecast Out-turn £'000	Forecast Variance £'000
Cost of Services			
1) Strategy & Governance (S&G)	5,740	5,957	217
2) Growth & Commercialisation (G&C)	2,410	3,826	1,416
3) Place (PL)	6,432	8,088	1,656
4) Housing Benefits (HB)	246	697	451
5) Total Cost of Services before reserves	14,828	18,568	3,741
6) Contributions to/from reserves (RES)	(347)	(552)	(204)
7) Total Cost of Services	14,480	18,016	3,536
Funding & Appropriations			
8) Appropriations (APP)	3,044	3,044	-
9) Government grants (GRA)	(7,261)	(9,726)	(2,465)
10) Council Tax (CT)	(4,238)	(4,238)	-
11) Retained Business Rates (NDR)	(6,025)	(6,025)	-
12) Total Funding	(14,480)	(16,945)	(2,465)
Contribution (to)/from the General Fund	-	1,071	1,071
Proposed mitigations, subject to Council approval	-	(854)	(854)
Final Contribution (to)/from the General Fund	-	217	217

Significant variances are detailed over the page.

Salaries

The budgeted vacancy factor for 2020-21 is 4% for Breckland staff and 2.5% for Anglia Revenues Partnership (ARP) staff.

The achieved vacancy factor for this year is 4% for Breckland staff and 1.4% for Anglia Revenues Partnership (ARP) staff. Whilst these values are on track currently we expect them to worsen as the year progresses due to less staff turnover in the current pandemic situation.

Table 2 - Significant Variances

Cost Centre	Port- folio	Total Budget £	Total Variance £	Comments
1) High/Ongoing Impact				
1a) Efficiencies	All		425,157	Due to the pandemic, work on identifying future efficiencies and progressing those already identified has ceased temporarily. During Q2 this work has re-started and will feed into budget setting for next financial year.
2) High Opportunity				
3) One Offs				
1a) Planning	PL		660,000	Forecast lost income on Planning fees resulting from reduced demand during Covid-19 pandemic.
1b) Housing Benefits	HB		451,121	High costs of providing temporary accommodation through reduced options for accommodation exceed the amount available to recover through Housing Benefits. This value should reduce through quarters 2 to 4 as more accommodation is becoming available.
1c) Commercial Income	S&G/ G&C		398,038	Lost income on commercial, enforcement and consultancy activities through temporarily ceasing these services during the Covid-19 pandemic.
1d) Other Covid-19	All		331,825	All other additional costs relating to Covid-19, such as: Provision of PPE for staff and buildings, additional cleaning in buildings, business rates costs of empty commercial property, emergency planning activity, high streets campaigns, etc.
1e) Interest Income	G&C		257,823	Reduced interest rates result in lower investment income of £80k. Temporary delays in Breckland Bridge projects due to Covid-19 staff priorities have changed timing of loans leading to less income this year although this will still be received in future years.
1f) Commercial Property	G&C		254,511	Additional bad debt provisions relating to potential higher debt resulting from rent deferrals and specific provision on larger tenants under voluntary credit arrangements.
1g) Staffing	All		243,962	Additional short term staffing requirements to support Covid-19 pandemic and expected vacancy factor pressures through reduced staff turnover this year.
1h) Contract Payments	PL		229,000	Forecast costs of re-opening certain activities and buildings.
1i) Housing	PL		193,429	Additional costs of housing rough sleepers and increased homelessness demand. This is partly offset by Government grant.
1j) Leisure	PL		182,355	Contractual and other costs relating to the leisure centres closure as a result of Covid-19 lock down.
1k) Other Income			152,251	Other lost income such as: Licensing, Room hire, water sampling, legal fees, etc.
1l) Grant contribution			150,000	One off contribution to Norfolk Business Rates Pool by all Norfolk authorities to support tourism and businesses throughout Norfolk in recovery from the Covid-19 pandemic lock downs (subject to Full Council approval).

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Cost Centre		Total Budget £	Total Variance £	Comments
1m) Land Charges	PL		109,000	Forecast lost income on Land Charges resulting from reduced demand during Covid-19 pandemic.
1n) Building Control	PL		57,000	Forecast lost income on Building Control resulting from reduced demand during Covid-19 pandemic.
1o) Reserves			(204,317)	One off use of buffer fund to cover costs of large tenants bad debt provision.
1p) Temporary Savings	All		(354,940)	Identified savings throughout the Council from certain 'business as usual' activities reducing, such as: Staff & Member travel, reduced planning spend due to reduced income, focus change for internal audit, etc.
1q) Proposed Mitigation			(853,555)	Proposals to mitigate overspend through use of reserves (subject to Full Council approval).
1r) Government grants			(2,465,173)	Additional Government grants relating to Covid-19 costs and income, rough sleepers and grant administration costs.
4) Low Impact				
5) TOTAL		-	217,487	

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Collection Funds

Council Tax

The Council Tax collection fund account had a residual deficit of £152k overall at the end of 2019-20, with Breckland's share being £16k. At this stage we have not been able to accurately forecast the 2020-21 position due to the Covid-19 impact in quarter 1. Data from quarter 2 will help us forecast later in this year.

Retained Business Rates

The retained Business Rates (NNDR) collection fund account had a residual surplus of £921k overall at the end of 2019-20, with Breckland's share being £391k. At this stage we have not been able to accurately forecast the 2020-21 position due to the Covid-19 and Government reliefs impacts in quarter 1. Data from quarter 2 will help us forecast later in this year.

Section 2 - Capital

Table 1 - Progress against 20-21 approved capital programme

	Budget £	Forecast Out-turn £	Forecast (under)/overspend £
Commercialisation			
Property (Land & Buildings)	16,000	16,000	-
Capital grants	3,774,473	3,024,473	(750,000)
Capital loans	386,222	386,222	-
Not yet released	5,285,406	2,103,306	(3,182,100)
Total Commercialisation	9,462,101	5,530,001	(3,932,100)
Strategy & Governance			
ICT and Vehicles & Equipment	-	-	-
Not yet released	305,136	305,136	-
Total Strategy & Governance	305,136	305,136	-
Place			
Property (Land & Buildings)	67,200	67,200	-
ICT and Vehicles & Equipment	5,026,281	5,026,281	-
Grants	3,942,674	2,912,714	(1,029,960)
Not yet released	1,272,137	391,031	(881,106)
Total Place	10,308,292	8,397,226	(1,911,066)
TOTAL	20,075,529	14,232,363	(5,843,166)

Forecast outturn £14,232,363 or 71%

Table 2 - The variance is shown below:

Project	(under)/ over spend £	Carry over to Future £	
Commercialisation			
Snetterton Power	-	(750,000)	Re-profile of project spend (fully grant funded).
Swaffham new build	-	(682,100)	Start on site expected Q4 subject to approval.
Roman house new units	-	(425,000)	Project not yet commenced.
Health hub Dereham	-	(2,000,000)	Project currently paused.
Air conditioning	-	(20,000)	Await outcome of Worksmart 2020 before committing.
Toilet conversion	-	(55,000)	Project currently paused & under review.
Strategy & Governance			
Place			
Temporary Housing	-	(881,106)	Start on site expected Q4, therefore reprofiled spend.
Thetford HIF Power	-	(1,029,960)	Re-profile of project spend (fully grant funded).
Total	-	(£5,843,166)	= (£5,843,166) Total

Section 3 – Treasury

Security

The low actual risk for the Council's portfolio of investments reflects its cautious approach to counterparty selection which in turn is reflected in lower investment returns.

	Maximum risk level	Actual risk level	Variance
Investments maturing in < 1 year	0.060%	0.007%	0.053%
Investments maturing between 1 - 2 years	0.060%	n/a	-
Investments maturing between 2 - 3 years	0.080%	n/a	-

Liquidity

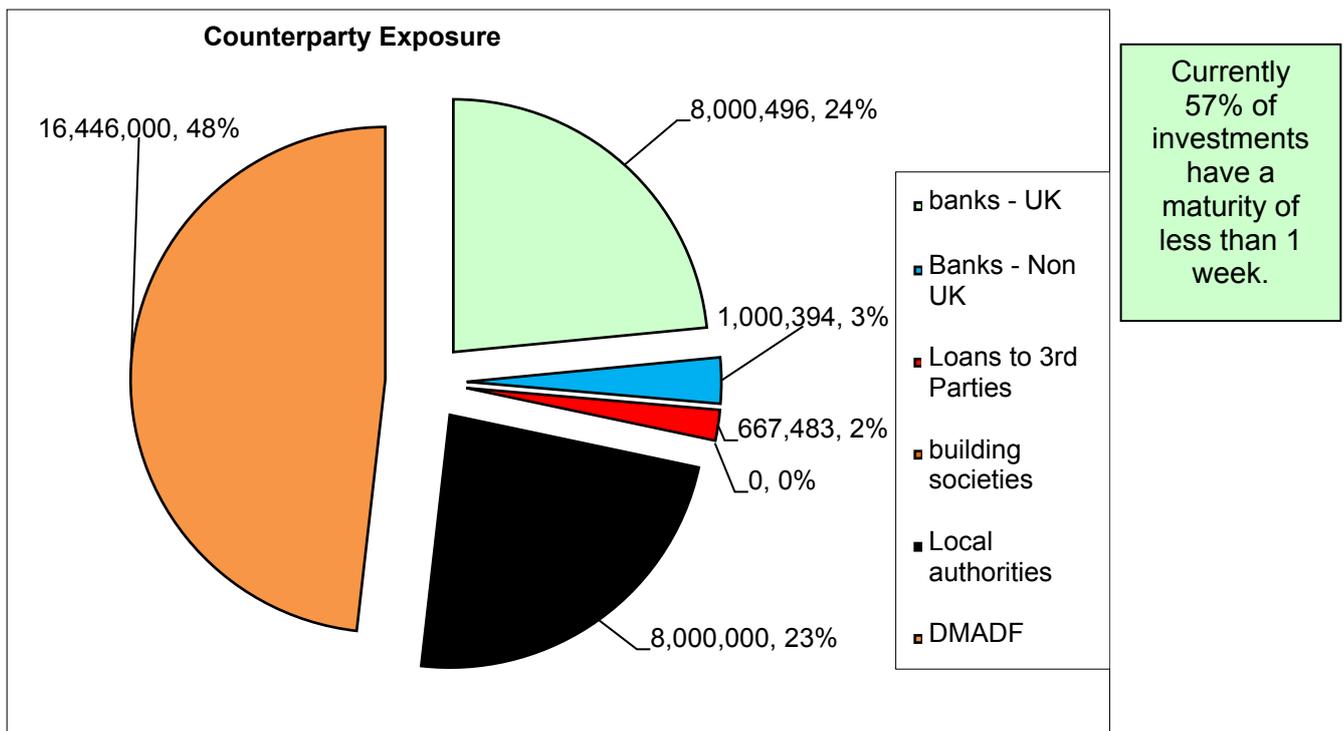
The Council had an average of £21.5m instant access cash available during the reporting period. This was exceptionally higher than our usual requirement of £5m due to the Government grants received in April, many of which were held short term to pay out grants, combined with a lack of available resource to make investments due to other priorities and low interest rates making investment deals more difficult. As the result of an error in the daily banking, the council used its overdraft facility once in this reporting period to the value of £366k, costing £23. The weighted average life (WAL) of investments was 52 days.

Yield

	Budget	Forecast	Variance
Interest receivable 2020-21	£512,050	£254,227	£257,823
Yield (3 month LIBID ¹)	0.195%	0.670%	(0.475%)

The below budget income relates to expected loans to 3rd parties at market rates which will not be made this year due to timing delays, alongside reduced interest rates on general investments.

Our exposure to different counterparties is shown in the graph below.



¹ LIBID – London Inter-bank Bid Rate