



Meeting or Decision Maker:	Audit and Performance Committee
Date:	17 June 2021
Classification:	General Release
Title:	Revenue and Capital Outturn – 2020/21
Key Decision:	No
Report of:	Gerald Almeroth, Executive Director of Finance and Resources.

1. Executive Summary

1.1. The General Fund (GF) revenue position is a net outturn of £3.8m (2.1%) overspend against an approved budget of £180m. This compares to a P9 overspend forecast of between £10-20m. This improvement was mainly due to some additional application of specific Covid grants, a release of funding from the insurance reserve and some smaller improvements in income. The Council has used its general reserve balance to absorb this final year-end position.

The Council has built up its general reserve position over a number of years to allow it to manage any unforeseen circumstances particularly for any economic shock. While the 2020/21 revenue overspend reduces the Council's general reserve to £59.5m, this accounts for 6% of the total balance.

1.2. It has always been acknowledged that the Council is particularly sensitive to recessions due to its reliance on fees and charges, but the current level of general reserves remains robust which should enable it to withstand any short-term volatility while the UK moves through the roadmap out of lockdown. Reserves will be important to ensure the Council can maintain resources for its services over the medium term as the national and local economic conditions remain uncertain over this period.

1.3. The HRA outturn is a surplus of £2m against a budgeted deficit of £4.3m. Further details of the variations are given later in this report.

1.4. The general fund capital outturn is a gross expenditure variance of £122m against a budget of £257m. The HRA capital outturn is an expenditure variance of £68m, against a budget of £207m.

2. Recommendations

2.1. That the Committee note the 2020/21 outturn position.

3. Background to 2020/21 Outturn Position

3.1. The last year has been unprecedented for the Council, the country and the world as it has faced a global pandemic. The national economic output fell by nearly 10% and recent figures from the Office of Budget Responsibility estimates public sector net borrowing to have totalled £303bn in 2020/21, roughly double the amount at the height of the financial crisis in 2009/10 and an increase of £246bn on 2019/20.

3.2. While shops and hospitality are now opening up and economic activity slowly picking up footfall in Westminster is unlikely to recover to pre-pandemic levels until office workers and international tourists return.

3.3. Since the first lockdown in March 2020 the Council has been impacted in several ways:

- support for vulnerable communities and those shielding in line with government regulations, through the creation of Westminster Connects – which has supported 27,000 residents and with over 4,000 volunteers;
- supporting rough sleepers off the streets;
- leading on the pan London Mortality Management Group (MMG);
- supporting our care homes and care home providers throughout the pandemic;
- support for the City's schools through the various Covid-19 restrictions;
- creating new community forums to engage with key stakeholders, and;
- supporting businesses within the City by paying out grants provided by the Government.

3.4. The financial impact of the pandemic is three-fold:

- additional costs incurred as a supporting vulnerable people in our communities;
- the effect on the local economy and reduced activity in the City has led to significant reductions in income from sales, fees and charges, and;
- saving proposals are delayed or no longer considered deliverable.

4. Government's Financial Support

4.1. The financial support the Government has provided is summarised in appendix 1. The total general Covid-19 funding received by the Council in 2020/21 is £29.3m, excluding any amounts due from the income compensation scheme. In addition to various other grants there is also passported funding to support residents and businesses.

4.2. The Government continued to reimburse authorities for 75% of Covid-related income losses in 2020/21 (after the first 5% of losses is absorbed by local authorities). To qualify, income losses must be related to the delivery of services. The compensation scheme excludes commercial and rental income. The Council is estimated to receive £28m for 2020/21 (with £15.4m already received), reducing the overspend in this year's outturn and is higher than previously expected.

- 4.3. The 75% compensation scheme has been extended to June 2021 after which the Council could face financial pressures should income levels remain significantly reduced. The Council has factored an estimate of these pressures into its medium-term financial planning for 2021/22 and has modelled income levels increasing in line with national forecast for economic recovery.
- 4.4. The Government's financial support so far can be categorised into the following areas:
- grant funding, both general and specific, for local authorities to cover expenditure and income losses arising from the pandemic;
 - grant funding provided to local authorities as intermediary that then needs to be passed on to businesses and individuals;
 - grants funding to help with Test & Trace, contain outbreak management and local enforcement, and;
 - cashflow support for local authorities, including the deferral of certain payments to Government and the bringing forward of grants.
- 4.5. The latest position on Government support is summarised on the following pages:
- General support - £57m
 - Support for Test and Trace and Local Enforcement - £11m
 - Other Specific Grants - £5.5m
 - Support for Care Providers - £3.4m
 - Support for residents - £2.7m
 - Support for Businesses - £1.2bn
- 4.6. Approximately £4m of grants the Council received for Test and Trace related activities during the year is being carried forward into 2021/22. Details of all grants are provided in Appendix 1.

5. Revenue Budget

Summary

5.1. The table below summarises the year end revenue position:

ELT	2020/21 Net Budget £m	2020/21 Net Outturn £m	2020/21 Net Variance £m
Adults	54.550	55.823	1.273
Public Health	(1.029)	(1.029)	0.000
Children's	41.800	44.030	2.229
Environment & City Management	(3.380)	34.278	37.658
Growth, Planning & Housing	24.440	29.676	5.236
Finance and Resources	19.208	18.632	(0.576)
Innovation & Change	6.006	8.324	2.318
Chief Exec and People Services	8.408	7.855	(0.553)
Corporate Items	29.973	(13.760)	(43.733)
Total	179.977	183.829	3.851

5.2. The final outturn position for 2020/21 is a net overspend of £3.851m. This is inclusive of the general Covid grant funding and income compensation scheme as set out below:

Item	£m
Gross Variance	61.068
General Covid Grant	(29.210)
SFC Compensation	(28.007)
Net Variance	3.851

5.3. The gross variance for the year of £61m is broadly within the range that has been reported during the year with approximately £50m due to income losses and the remainder from additional expenditure – primarily in response to the pandemic.

5.4. Since the last reported position to the committee at P9 the net variance has improved by approximately £7m. This is due to:

- the final claim for the SFC compensation scheme being £5m more than previously estimated, and;
- the application of specific Covid grants from the Government to fund relevant expenditure within services during the year.

5.5. The final position means the Council will be required to drawdown £3.8m from its unallocated reserves – reducing the balance to £59.5m. This is positive compared to early estimates this year and leaves the Council's general fund reserve in a relatively healthy position. This enables the Council to weather the impact of any

further restrictions and/or possible medium-term ongoing impact on Council budgets resulting from the pandemic.

Income

5.6. The biggest impact on the Council's 2020/21 position has been due to reductions in income. The year-end variance based on the largest income streams is £49.1m. However, a number of income losses have been mitigated by the Government's 75% Sales, Fees and Charges (SFC) compensation scheme through which the Council has received £28m.

5.7. The table below summarises the main income variances

Top Income Streams

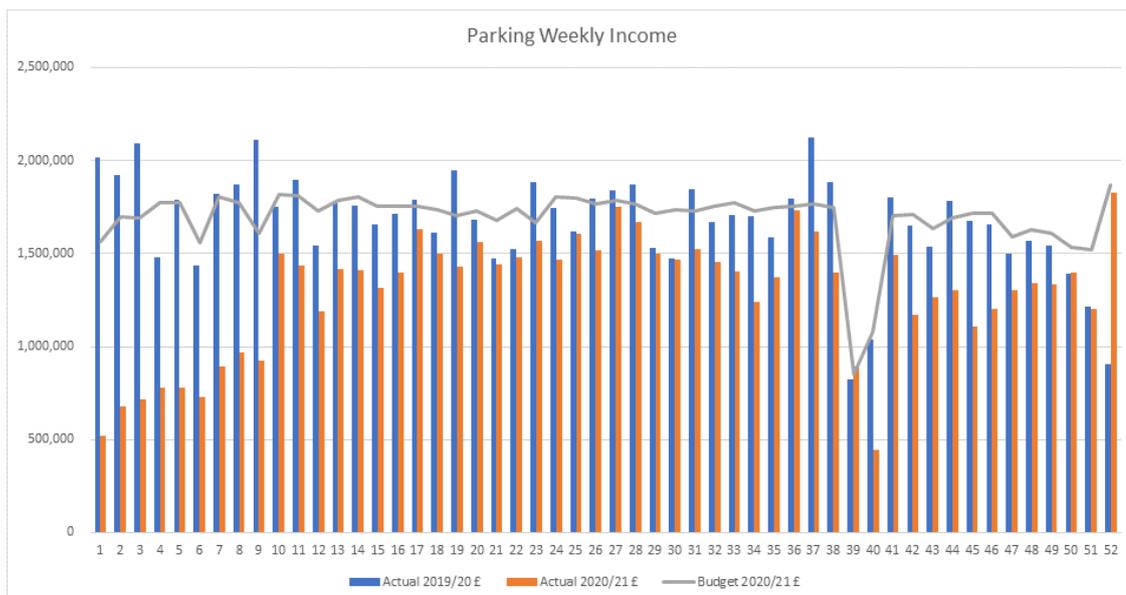
ELT	Major Income Streams with Losses	Full Year Budget £m	Full Year Actuals £m	Full Year Variance £m
Environment and City Management	Parking - Paid for Parking	39.866	30.456	9.410
Environment and City Management	Parking - PCNs	19.912	12.473	7.439
Environment and City Management	Parking - suspensions and dispensations	23.092	18.643	4.449
Environment and City Management	Parking - Resident Permits	4.471	4.491	(0.021)
Environment and City Management	Commercial Waste	18.199	7.684	10.515
Environment and City Management	Licensing (top two income streams)	3.650	1.641	2.009
Environment and City Management	Road Management	8.810	8.644	0.166
Environment and City Management	Community Services	5.974	0.113	5.861
Children's Services	Registrars	2.302	1.261	1.041
Growth, Planning & Housing	Planning	7.336	4.867	2.469
Innovation and Change	City Promotions, Events and Filming	4.704	0.830	3.874
Other Corporate Directorates	Local Land Charges	1.794	1.105	0.689
Finance and Resources	Property Income - General Fund	30.333	30.946	(0.613)
Finance and Resources	Court costs recovery income	1.908	0.000	1.908
	Total	172.349	123.155	49.194

Parking

5.8. The key income streams within parking are:

- Paid for Parking
- Penalty Charge Notices (PCNs)
- Suspensions and dispensations
- Resident Permits

5.9. Weekly parking income is summarised in the graph below:



5.10. Overall, parking income has raised £67.3m against a budget of £87.9m. This represents a variance to budget of approximately a quarter. Paid for Parking and PCN income are the largest elements of this variance, with PCN income down by a third.

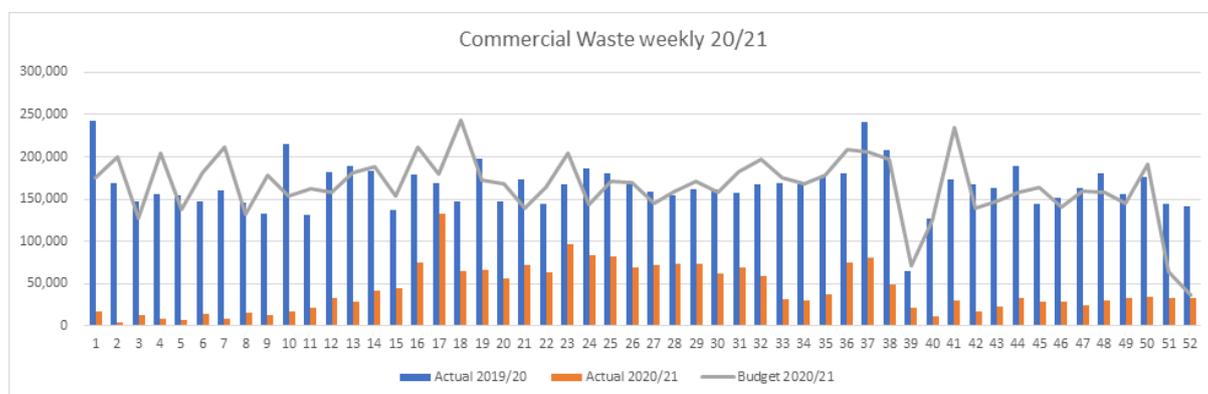
5.11. Parking income has varied during the year with significant reductions during the first lockdown but a recovery during the summer. However, further restrictions in the autumn and winter led to a further fall in income levels, which have seen some recovery towards the end of the financial year.

5.12. The year-end variance of 23.5% represents a recovery in comparison to the start of the financial year. At the start of lockdown measures parking income had reduced by 65% and at the midway point of the year was down by 30%. However, the final year end variance of 23.5% is the lowest it has been at any point during 2020/21, and income in week 52 was within 97% of profiled weekly income.

5.13. Although a positive trend, it should be noted that parking income is highly dependent on continued activity in the City and should any further restrictions be implemented income could reduce. The Government have committed to continue its income compensation scheme for the first quarter of 2021/22 which will alleviate some adverse movements, but thereafter reduced income could be a pressure on the Council's budgets.

Commercial Waste

- 5.14. Commercial waste income was significantly impacted by Covid-19 in 2020/21 with an outturn of £7.684m compared to a budget of £18.199m.
- 5.15. Business customers reduced or paused their contracted container collection frequencies and bought less pre-paid commercial waste bags due to the forced closure of offices, service providers, retail and hospitality premises.
- 5.16. Reduced trading levels and revenue businesses led to reduced commercial waste collections and less pre-paid commercial waste bags. As a result, income for the year was 58% (£10.515m) below budget and 59% (£11.001m) below 2019/20 income.
- 5.17. The table below summarises the commercial waste income over the course of the year, in comparison to budget and previous years actuals.



Licensing

- 5.18. The shortfall in licensing income was due to the lockdown measures and other Covid-19 restrictions. The introduction of pavement licences has also led to a reduction in premises applying for standard table and chairs licences.

Road Management

- 5.19. Road management income was reduced by £0.166m in comparison to budget and primarily due to reduction in activity levels in comparison to previous years.

Community Services

- 5.20. The Council received no income from the leisure contract throughout the year because of the pandemic. Leisure sites were either closed or operating under strict restrictions. The Council's outdoor learning centre in Surrey has also been closed for residential courses for the entire year, generating no income. The total year end variance was £5.861m.

Registrars

5.21. Income shortfalls were due to lockdown measures and restrictions on wedding ceremonies, with customers either cancelling their wedding outright or rescheduling their ceremony to 2021/22 financial year, leading to a variance against budget of just over £1m.

Planning

5.22. Income was below budget due to the closure of development sites and the cautious market response to the pandemic.

City Promotions, Events and Filming

5.23. Income from Outdoor Media suffered a loss of £2.831m due to the impact of the pandemic on two advertising sites and falls in banner income. The Council negotiated a revenue share agreement for both sites but the continued restrictions led to a loss of £2.7m, with the remaining variance due to banner income.

5.24. In Events and Filming, major events in parks and film premieres were cancelled leading to a total loss of £1.042m.

Local Land Charges

5.25. There was a negative income variance of £0.689m resulting from the impact of the Covid pandemic. Actual income year on year fell by £0.307m. The main income activity around Local Land Charges 1 (LLC1) income register and searches year on year fell from 6,373 transactions in 2019/20 to 4,859 in 2020/21.

Property Income – General Fund

5.26. Income exceeded budget primarily due to £0.850m of historic service charge demands that were effectively one-off windfalls in 2020/21 which more than offset the £0.690m of Covid-19 credits that were issued against invoices raised for GF properties. The balance related to a small number of completed rent reviews and additional income covering service charge expenditure and tenant recoverable expenditure.

Court Cost Recovery

5.27. Courts were closed in 2020/21 and the Council was unable to recover any costs from debt collection activity, which led to a £1.9m shortfall in income.

Expenditure

Adults

Adults: BAU

- 5.28. Adult Social Care reports an underspend of £0.439m against an annual budget of £54.550m, based on business as usual activities. The underspend is equivalent to 0.8% of annual budgets.
- 5.29. During the pandemic, there was client/family reluctance to put the elderly into care settings and clients remained in health settings for longer, in particular those awaiting Continuing Healthcare (CHC) assessments. This meant that the number of placements in 2020/21 was 9.47% lower compared to the previous year. This is equivalent to a reduction in spend of £1.718m and 50 placements.
- 5.30. Homecare hours during the first lockdown started to reduce as clients refused/suspended service, coupled with providing greater family support. However, as the first lockdown restrictions were lifted, demand for homecare started to increase and despite further lockdown measures, during the year, demand and higher complexity of some care demands resulted in homecare continuing to grow. Overall, homecare hours in 2020/21 were on average 8% greater than 2019/20. This equates to 65,628 more hours and an increase in expenditure of £1.192m.
- 5.31. Overall, the main drivers for the underspend remain the same as reported previously which is lower placement and packages costs within physical support, dementia and learning disability services, however, this is partly offset by an overspend in mental health.

Adults: Covid-19

- 5.32. As a result of Covid, additional spend of £0.987m was incurred mainly on PPE, increased staffing and support for the provider market. Furthermore, financial savings of £0.725m were deferred into financial year 2021-22.
- 5.33. Overall, actual outturn is a £0.027m lower than the period 10 forecast. This is due to lower Covid spend of £0.088m which is partly offset by £0.061m increase in homecare expenditure.

Children's Services

- 5.34. Children's Services (CHS) are reporting an outturn overspend of £2.2m of which £2m is related to general Covid-19 pressures incurred across the services. The outturn excluding Covid-19 impacts is an overspend of £0.217m.
- 5.35. The position has improved since the last reported forecast due largely to movements in SEN Transport, which saw a significant reduction in spend (£0.800m) caused by the impact of ad-hoc supplier relief payments (made in lieu of contract payments due to Covid). Positive movements across the rest of CHS account for the balance. The table below summarises the activity data on SEN Transport.

SEN Transport	P12	P10 Forecast	Movement	2019/20
No of Completed Trips	93,365	104,335	(10,970)	122,480
Reported Variance £m	(0.620)	0.180	(0.800)	0.080

5.36. Placement spend on Former UASC Care Leavers amounted to £3.048m, with income covering just 47% of this. Funding for this cohort is paid by the Home Office at a rate of £240 per week, compared to £1,001 per week for UASC Looked After Children. Total pressures, including a recharge for salary-related costs, came to approx. £2.2m and were mitigated by underspends elsewhere across budgets for Looked After Children (LAC) and Care Leavers. Former UASC Care Leavers currently represent 59% of the total Care Leaver population.

5.37. Pressures in this area are expected to be ongoing as the cohort of UASC Looked After Children – currently 35% of the total LAC population – ages and continues to impact spend Care Leaver spend disproportionately, when compared to the general population. This is due to both underfunding and the requirement in more cases for higher cost placements to support those with more complex needs. Unbudgeted spend on Care Leavers with no recourse to public funds is also a factor and work to clearly quantify the impact of this and the drivers is ongoing. (This data is currently included as part of Former UASC Care Leaver numbers). The table below summarises the activity data on USAC:

Looked After Children

Looked After Children No's	2020/21	2019/20	2018/19
UASC	58	90	82
General	110	131	127
Total	168	221	209

Care Leavers

Care Leaver No's	2020/21	2019/20	2018/19
Former UASC	172	118	82
General	121	102	101
Total	293	220	183

[Growth, Planning & Housing](#)

[Housing – GF](#)

5.38. Temporary Accommodation has a gross overspend £4.485m. However, once the budgeted funding from the Homelessness Prevention Grant (previously known as Flexible Housing Support Grant) is accounted for the net overspend is £1.852m.

5.39. At the end of March 2021 there were 2,770 TA tenancies, a small reduction from the 2,793 at the end of March 2020. Most tenancies (2,057) are within properties rented from the private sector; each tenancy costs WCC on average £4,083/annum net although this figure varies widely according to location. There are 175 tenants in B&B properties (net cost to WCC £4.3k) and 314 in Nightly booked properties (net cost to WCC £8.4k), with the rest in properties owned by WCC, either in regeneration areas or properties purchased specifically for use for Temporary Accommodation.

5.40. On-going funding from the Homelessness Prevention Grant is not guaranteed and the TA reduction strategy is working on a number of initiatives including targeted purchases to house high-cost tenants, reducing the level of voids and working with tenants to identify private sector tenancies. This is alongside additional prevention activities to avoid local residents at risk of becoming homeless.

Rough Sleeping

5.41. The Council has incurred gross costs of £1.5m during the year to support rough sleepers off the streets. However, this has been largely offset by specific grant funding received by the Government. As such the net overspend is £0.100m.

5.42. This has been one of the Council's most significant operational areas in its response to the pandemic and the Council has higher costs and demand due to the number of rough sleepers in the City. About 266 rough sleepers were housed in hotels in response to Covid-19 during phase 1 and by the end all hotel residents had been offered a solution and left hotel accommodation with the Council fully funding all accommodation costs. Food and sundry items were paid for until the middle of May, when costs were handed over to charity partners. Charity partners on behalf of the Council have also been able to place an additional 400 rough sleepers found in Westminster into GLA commissioned hotels at no extra cost to the Council.

5.43. The Council also bid for and were successful in receiving £1.7m of the Government's transition funding for rough sleepers. The funding is being used to continue the Council's current strategy to actively move people off the streets.

6. 2020/21 Savings

6.1. In March 2020 (prior to the pandemic) Full Council approved savings of £18.9m to be delivered in 2020/21. However, the impact of the pandemic has meant that a number of these savings have been delayed or are no longer considered deliverable.

6.2. A total of £5.6m of savings which were due in 2020/21 were not delivered due to the pandemic. This represents approximately a third of all savings – therefore two thirds of savings were still delivered.

6.3. The majority of these undelivered savings were related to income from the Council's leisure management contract, growth in property income and outdoor media advertising.

6.4. As part of the Council's Medium-Term Financial Plan approved by Full Council in March of this year, the pressures from these undeliverable/delayed savings were included in 2021/22 budget.

7. HRA

7.1. The HRA outturn is a surplus of £2m against a budgeted deficit of £4.3m.

Summary

7.2. The overall position on the HRA is an underspend of £6.3m. This movement is driven by:

7.2.1. Pressures due to Covid-19 account for £3m of costs / lower income, with the biggest driver being the loss of £1.6m income from commercial property, plus an increase in arrears in this area, resulting in an increased contribution to the bad debt provision of £0.7m.

7.2.2. The remaining variance is due to a number of underspends across the service that are partly offset by reduced income and additional costs in other parts of the service with the BAU variance being a £3.2m underspend.

7.2.3. The main variances contributing to this underspend are:

- £3.3m extra service charge income from leaseholders,
- £1.2m staffing underspends across Housing Management and Repairs Management
- £1.4m lower than budgeted support service charges
- £2.2m lower interest charges to the HRA, and
- £1.3m one-off benefit from the Council's insurance fund.

7.2.4. These underspends are partially offset by pressures across the HRA, including:

- £2.1m lower rent and tenant service charge income than budgeted due to voids, primarily those linked to regeneration schemes,
- £0.4m lower income from non-dwelling rents,
- £1m more expenditure on the commercial portfolio than budgeted

7.2.5. There are also a number of smaller variances across the HRA which make up the balance.

8. Capital

8.1. The Council's capital programme was approved by Council in March 2020, with an expenditure budget of £257m (including slippage from the previous year). The delivery of schemes and capacity for planning projects were significantly affected by the pandemic and the response to it, further details follow in this report.

8.2. Although the level of slippage is significant, there were also a number of projects that spent within a reasonable tolerance of the original budget. These included the following projects - LED Lighting Rollout, Lisson Grove Refurbishment, Corporate Property Landlord Responsibilities, Footway Programme Maintenance and the LED Lighting Rollout.

8.3. The table below summarises the General Fund capital outturn position for 2020/21:

General Fund Capital Programme

	2020/21 Expenditure Budget £m	2020/21 Income Budget £m	2020/21 Net Budget £m	2020/21 Expenditure Outturn £m	2020/21 Income Outturn £m	2020/21 Net Outturn £m	2020/21 Expenditure Variance £m	2020/21 Income Variance £m	2020/21 Net Variance £m
ELT									
Adult's Services	1.251	(1.251)	0.000	0.830	(0.830)	0.000	(1.168)	1.168	0.000
Children's Services	20.998	(15.181)	5.817	9.294	(6.898)	2.396	(11.704)	8.283	(3.421)
Growth, Planning & Housing	76.273	(22.853)	53.420	38.484	(7.752)	30.732	(37.789)	15.101	(22.688)
Environment & City Management	81.567	(39.885)	41.682	52.069	(25.756)	26.313	(29.498)	14.129	(15.369)
Finance and Resources	31.672	0.000	31.672	14.210	(0.390)	13.820	(17.462)	(0.390)	(17.852)
Westminster Builds	45.521	0.000	45.521	21.169	(4.256)	16.913	(24.352)	(4.256)	(28.608)
Total for Council	257.282	(79.170)	178.112	135.309	(45.135)	90.174	(121.973)	34.035	(87.938)

8.4. In total the general fund capital programme has gross expenditure slippage of approximately £122m. The majority of slippage is related to the following reasons:

- Acquisitions not becoming available
- Covid-19 related delays
- External factors – e.g. Crossrail
- Delays in internal decisions
- On site issues and delays

8.5. The table below summarises the projects with the largest variance to budget:

Project	2020/21 Variance to Budget £m	Comments
Westminster Builds	(15.425)	<p>Acquisitions from Council developed schemes have not taken place this financial year and reflects £7.6m of underspend.</p> <p>The remaining underspend relates to the company's pipeline programme, the impact of Covid-19 and the Jubilee acquisitions budget.</p> <p>The pipeline programme is live, but no suitable sites have been identified yet and therefore the budget has slipped.</p>
Temporary Accommodation Acquisitions	(14.765)	Due to Covid-19 no activity took place on two of the Council's acquisition programmes.
St Marylebone Bridge Special School	(9.403)	There was a delay in the start date of construction caused by issues of disconnecting gas and electrics, amplified by Covid 19.
Luton Street	(8.926)	A new plan was agreed with the Limited Liability Partnership (LLP) after the budget was set and some element of delay was caused by Covid restrictions and uncertainty at the start of the first lockdown.
Ceremonial Streetscape	(4.433)	A revised programme of works has identified that some of the largest schemes will start in 2021/22 rather than the earlier planned start dates as legal agreements have not yet been secured with landowners.
Huguenot House - Strategic Acquisition	(4.000)	There have been a reduced level of acquisitions compared to what was originally anticipated.
Oxford Street District	(4.399)	The original budget of £10.5m was based on a delivery programme which has since been re-prioritised. An underspend against budget has been forecast since P2 to reflect this. As a result, some work packages which were expected to be delivered in 2020/21 have been moved to future years, with the focus for 2020/21 being on the economic recovery of the District. Some work packages have entered the implementation stage, including the Showcase Scheme and Ramillies Place. There is an underspend of £4.4m across the programme which will be re-profiled to 2021/22.
Place Shaping's Enterprise Programme	(4.017)	The majority of the budget was to cover works to create Enterprise Space along the Grand Union Canal. These works have been delayed as the land is required for Crossrail works by Network Rail. Discussions are ongoing with them over the best course of action going forward. Other smaller pots of funding were due to be utilised on schemes such as Somerset House, but these discussions have been postponed due to the pandemic. Additionally, the Street Markets Wi-Fi scheme has also underspent this year as there was a delay in getting the procurement process started..
Piccadilly Underpass	(3.529)	There have been discussions about the design costs which has delayed the scheme this year. As a result any planned start date will not be until 2021/22 at the earliest.
Church St Green Spine Project	(3.518)	The programme was revised early on in 2020/21 after delays in planning the scheme. Final expenditure was more than forecast at P10 because utility companies billed earlier than anticipated.

Queensway Streetscape	(3.314)	When reconciling the overall scheme costs to date, it was identified some costs had already been paid for in previous or will be invoiced in future stages of the scheme when works have been completed.
TfL Local Improvement Plan Scheme & Cycle Schemes	(3.089)	As a result of the COVID 19 pandemic TfL Reduction in TfL LIP funding and cycling funded compared to what was built into the budget.
Total	(78.818)	

8.6. As can be seen in the table above, fifteen projects contribute towards two thirds of the total slippage for the year.

8.7. The expenditure forecast from P9 to outturn has moved by approximately £11m. The schemes with the largest movement over the last quarter of the year are:

Project	2020/21 Variance to P9 Forecast £m	Comments
Ceremonial Streetscape	(3.810)	A revised programme of works from the contractor has identified that some of the largest schemes will start in 2021/22 rather than the earlier planned start dates as legal agreements have not yet been secured with landowners.
Westminster Builds	(3.478)	Delays to the approval of an additional loan facility has slipped £640k of costs into next year. The money has been spent by the contractor at risk and the additional loan will allow the LLP to repay the contractor. There was an omission of one payment of £1.085m due to be paid to the Developer in the P9 forecast. Subsequently, an additional payment of £1.085m was paid in P12. Payments are linked to milestones on site and this payment was originally profiled for April 2021.
Street Cleansing Zero Emissions	(3.046)	There was a significant delay in the delivery of the vehicles the UK and Italy. This is a result of covid lockdowns and restrictions across Europe impacting supply chains and production.
Total for the top three projects	(10.334)	

9. Housing Revenue Account – Capital

9.1. The HRA capital budget and out-turn position is summarised in the table below:

HRA Capital Programme	2020/21 Revised Budget £m	2020/21 Out-turn £m	2020/21 Budget Variance £m
Housing Planned Maintenance	54.057	31.309	(22.748)
Housing Regeneration	112.727	80.547	(32.180)
Other Projects	40.639	27.750	(12.889)
Total	207.423	139.607	(67.816)

9.2. The HRA out-turn of £139.607m represents an underspend for the year of £67.816m. This is mainly due to the continued Covid-19 restrictions and lockdown, particularly on projects that are in community engagement stages. The impact of Covid-19 has caused delays to project completion and prevented access to properties in line with the Government guidelines. The schemes have been re-profiled into future years, however there was some pick up in the final months of the year on some regeneration projects that were already on site.

9.3. The main variances on individual projects are set out in the tables below:

Regeneration Project	2020/21 Variance to Budget £m	Comments
Church Street Acquisitions	(11.414)	Underspend caused by impact of Covid-19 on the property market. The team saw a reduced number of units that could be acquired this financial year due to restrictions and guidelines on Covid-19.
Ebury Acquisitions	(10.170)	The out-turn position has been affected in a similar way to the Church Street project, in that Covid-19 has resulted in a reduction in the number of units that could be acquired.
Cosway	(8.194)	Re-profiling of the scheme into future years as contractors revised their work schedule to incorporate social distancing and the Government guidelines.
Small Sites (Infill)	(5.561)	All the small sites have been reprofiled into future years as some of the sites had procurement issues which caused delays.
Ashbridge	(4.711)	The discovery of asbestos at this site delayed the start on site date.
Total	(40.049)	

Planned Maintenance Project	2020/21 Variance to Budget £m	Comments
Vale Royal House	(2.362)	Initially delayed due to COVID-19 with Service Provider staff members furloughed. Thorough consultation with the resident association has slowed down the design process. Revision to the leases to more fairly represent resident leaseholders over commercial property further delayed progress. We have now issued a commencement order with a start date of July 2021.
Avenue Gardens roof & balcony surfacing & ventilation	(2.962)	A delay arising from a change in safe systems of working in line with government COVID-Secure practices increased costs after notice of estimates had been issued. The change in access increases scaffold costs by approximately £500k and the council had been working to try and mitigate this liability. Subsequently Axis Europe issued a notice to terminate the contract which will now be delivered by United Living subject to consultation, moreover there has been cause to review this and commence and complete an initial block (Birch House) under a different Job Number prior to the main works.

Fire Doors South	(2.577)	Initially delayed due to COVID-19 with Service Provider staff members furloughed. Subsequently unclear legislation about the testing of fire doors and the 'field of variation' led to a delay in progressing with this project. The issue is now resolved and has taken several months' working with Building Control and the Fire Safety team. Our Service Providers have now started the on-site survey process and site set up
Total	(7.901)	

9.4. The out-turn position is £10.623m higher than had been projected at period 9. This movement is made up of Housing Planned Maintenance of £(4.220)m, Regeneration of £10.477m and Other Projects of £4.365m.

9.5. The main reasons for the movement in forecast are shown below:

Housing Regeneration Project	2020/21 out-turn vs P9 Forecast Variance £m	Comments
Ebury	3.632	The impact of the Stamp Duty holiday ultimately allowing better progress on acquisitions than had been expected (£2.898m) coupled with enabling works being brought forward from 2021/22 (£0.734m).
Parsons North	1.592	Increase due to contractor making better than expected progress on site (due to Covid-19) which has enabled the recovery of some lost time. Cost b/fwd. from 2021/22.
Church St Phase 2	2.386	The positive impact of the Stamp Duty holiday combined with the impact of internal costs not previously included in the P9 projection.
Cosway	1.079	Increase due to contractor making better than expected progress on site (due to Covid-19) which has enabled the recovery of some lost time. Cost b/fwd. from 2021/22.
Other	2.522	Improved out-turn compared to P9 primarily due to better progress being made on projects than had been anticipated, including £0.710m at Luton Street, £0.770m at Ashbridge
Total	10.477	

Other Project	2020/21 out-turn vs P9 Forecast Variance £m	Comments
Self-financing	1.625	Improvement linked to the impact of the Stamp Duty holiday allowing better than anticipated progress on acquisitions.
Infills	1.045	Increase due to contractor making better than expected progress on site (due to Covid-19) which has enabled the recovery of some lost time. Cost b/fwd. from 21/22.
Other	1.695	Again, the improved position is a result of better progress being made on projects than had been anticipated at P9, including £1.021m at Warwick Community Hall, and £0.669m at Kemp House/Berwick St.
Total	4.365	

10. Business Rates and Council Tax

Overview

10.1. Council Tax and Business Rates are the Council's largest income sources and the Council has a responsibility to collect on behalf of the GLA and government. It collects and recognises in its account the following:

- Gross Council Tax (including GLA share): £98m
- Gross Business Rates (after retail relief given by government during COVID): £1.4bn

10.2. However, the Council only retains £185m of this income (Council Tax £60m & NNDR £120.5m) for its own use. If there is a reduced business rates income as witnessed through Covid the maximum the council will lose is £6.8m, protected by Government, reducing our recognised income from £120.5m to £113.7m.

10.3. The Council were compensated during 2020/21 for the business rates reliefs provided to businesses following the first lockdown. This compensation (known as s31 grant) is to cover losses in the Collection Fund but is recognised in the General Fund upon receipt. However, due to accounting rules Collection Fund losses are realised the year after they occur. Therefore, this will increase earmarked reserves by £361m in 2020/21, but this reserve will then be used in 2021/22 to cover the corresponding Collection Fund loss, which will feed into the General Fund balance in 2021/22.

Collection Rates

10.4. The collection of business rates and council tax has been impacted by the Covid-19 outbreak as residents and businesses face an uncertain financial situation. The restriction on courts has in effect suspended recovery action for unpaid bills and reduced cash receipts.

10.5. The 2020/21 council tax collection rate for the year is 91.1% which is 5.6% lower than last year.

10.6. The restriction surrounding courts therefore continues to have a negative effect on income collected to date. There will be a programme of initiatives implemented to get collection back on track once conditions turn back to normal.

10.7. The collection rates and comparison to last year are shown below

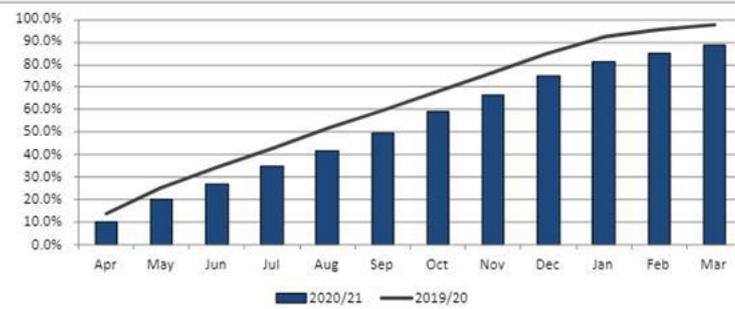
	March 2021 Collection Rate	March 2020 Collection Rate	Difference
Business Rates	88.8%	97.6%	-8.8%
Council Tax	91.1%	96.7%	-5.6%

BUSINESS RATES

Revenues Dashboard - March 2021

Current Year Bills - Collection Rates

	2019/20	2020/21
Apr	13.6%	9.7%
May	25.4%	19.9%
Jun	34.1%	26.7%
Jul	42.9%	34.7%
Aug	51.5%	41.8%
Sep	59.6%	49.8%
Oct	68.3%	59.1%
Nov	76.5%	66.7%
Dec	84.8%	74.9%
Jan	92.5%	81.6%
Feb	95.5%	84.8%
Mar	97.6%	88.8%



Collectable Balance £1,391m Amount Collected £1,234m Balance Owing £156m 11.2%

COUNCIL TAX

Revenues Dashboard - March 2021

Current Year Bills - Collection Rates

	2019/20	2020/21
Apr	20.9%	17.9%
May	30.5%	26.4%
Jun	38.1%	35.3%
Jul	47.0%	43.3%
Aug	54.4%	50.0%
Sep	62.1%	57.3%
Oct	71.1%	66.0%
Nov	78.5%	72.6%
Dec	85.4%	79.4%
Jan	91.9%	86.1%
Feb	94.5%	88.7%
Mar	96.7%	91.1%



Collectable Balance £107.7m Amount Collected £98.0m Balance Owing £9.6m 8.9%

Appendix 1 – Government Grants

Scheme	National Funding	WCC Share (2020-21)	Purpose
General Support for Councils			
General Support	£4,600m	£29.3m	Un-ringfenced funding to help councils respond to the pandemic. Four tranches of payments have been made by Government.
New Burdens Grants	Unknown	£0.246m	New burdens funding to help with the administration cost of processing the grants
New Burdens Allocation	Unknown	£0.038m	New Burdens Payments for Council Tax Hardship Fund and Business Rate Reliefs.
High Street Funds	£50m	£0.233m	Reopening High Streets Safely Fund
Sales, Fees and charges scheme	Unknown	£28.007m	Councils may claim 75p in the pound after absorbing the first 5% of losses against budget on reduced income from sales, fees and charges.
Support for Test & Trace and Local Enforcement			
Local Authority compliance and enforcement grants	£30m	£0.192m	This is to support the council with the enforcement of Covid-19 restrictions or to encourage individuals within the borough to comply with the measures.
Scheme National Funding WCC Share Purpose			
Contain Outbreak Management Fund	Unknown	£6.310m	Set of payments for local authorities to help support and maintain proactive containment and intervention measures. Circa £2m of funding will be used in 2021-22.
Track and Trace	£300m	£2.890m	Funding to support the test and trace service and to implement outbreak control plans.
Payments for Community Test Funding	Unknown	£1.737m	Funding to support asymptomatic community testing in the City. Rolling forward from previous year.
Other Specific Purpose Grants for Councils			
Support programme for extremely clinically vulnerable.	£32m	£0.309m	New guidance for clinically vulnerable residents at second lockdown has led Government to pledge over £32m funding for local councils in support.

Covid Winter Grant Scheme	£170m	£0.776m	Covid Winter Grant Scheme used to support children, families and the most vulnerable over winter during the second wave of the pandemic.
Local authority Emergency Assistance Grant for Food and Essential Supplies	£63m	£0.284m	Help people struggling to afford food and other essentials
Emergency Support for Rough Sleepers	£3.2m	£0.250m	Funding to help rough sleepers self-isolate during the pandemic.
Next Steps Accommodation Programme	£105m	£1.721m	For interim accommodation and support for the 15,000 vulnerable people accommodated during the pandemic.
Protect Programme: the next step in winter rough sleeping plan	£15m	£1.000m	The £15 million funding is on top of the £91.5 million allocated to 274 councils in September to fund their individual plans for rough sleepers over the coming months.
Rough Sleeping Drug and Alcohol Treatment Grant Scheme 2020-21	Unknown	£1.125m	To provide additional support to people who are experiencing or have recently experienced rough sleeping. Rolling forward from previous year.
Support for Care Providers			
Infection Control (2 Tranches)	£1,146m	£2.576m	Infection Control in care homes. 75% of the funding must be passed straight to care homes within our geographical area – even if the Council does not have a contract with them. Councils can decide how to allocate the remaining 25% based on needs, but it must be used for infection control.
Scheme	National Funding	WCC Share	Purpose
Social Care Funding - Increased Care Home Testing	£149m	£0.148m	To support increased care home testing of residents and staff.
Social Care Funding - for local authorities to boost staffing levels	£120m	£0.662m	This funding has been provided for local authorities to boost staffing levels. In particular: <ul style="list-style-type: none"> - Provide additional care staff where shortages arise - Support administrative tasks so experienced and skilled staff can focus on providing care - Help existing staff to take additional hours as overtime or help with covering childcare costs.

Support for Businesses and Council Taxpayers (Council distributes)			
Council tax Hardship Fund	£500m	£2.2m	Help residents with council tax payments by £150. The council has supported 1,413 households so far and is considering other schemes to support residents and fully utilise the fund.
Test and Trace Support Grants	£70.53m	£0.538m	This is to be paid to residents who need financial support when self-isolating due to either being infected or potentially being infected.
Business Rates Retail Relief	£10,000m	£945m	Retail relief given to businesses and fully supported by the Government. The relief is expected to be more than the grant paid but more funding will be paid by central Government to recognise the additional relief.
Small Businesses	£12,000m	£98.555m	Grants paid to businesses of £10k or £25k each depending on their rateable value. The Council has paid out all the funding it has received and paid approximately 5,612 businesses.
Discretionary Local Authorities Grants	£617m	£4.840m	Additional to the above £12bn to help businesses who did not benefit from the first round of business grants.
Additional Restrictions Support Grant allocations	Unknown	£7.547m	Additional Grants to support local restrictions for lockdown period dating 5 th November to 2 nd December and a top-up to this fund for the national lockdown commencing 5 th January.
Local Restrictions Support Grants (Open)	Unknown	£7.208m	Two Grants to support the nation's economy and its businesses in response to Coronavirus and specifically for businesses that were still open but have been severely impacted by Local Covid Alert Levels and restrictions during 1 st August to 4 th November 2020 and 2 nd December to 18 th December.
Local Restrictions Support Grants (Closed) Addendum	Unknown	£54.806m	Three Grants to support local businesses closed by restrictions for lockdown period dating 5 th November to 2 nd December, for tier restrictions entered into on 2 nd December and under the national lockdown from 5 th January onwards.
Scheme	National Funding	WCC Share	Purpose

Closed Business Lockdown Grant (January)	Unknown	£65.565m	The Closed Businesses Lockdown Payment will be in addition to LRSG (Closed) Addendum: 5 th January onwards scheme payments. Funding to deliver a one-off payment for businesses that have been required to close from 5 th January 2021 due to the introduction of national restrictions. This funding is not retrospective.
Christmas Support Payment for wet-led pubs	Unknown	£0.250m	To support the nation's economy and its businesses in response to Covid-19.
Cashflow support			
Deferred Rates	£2,600m	£192m	The deferral of local authority Q1 payments of the Central Share of retained business rates until the second half of the financial year.
Advance payment of reliefs	£1,800m	£90m	Up-front payment of business rates reliefs