

TRAFFORD COUNCIL

Report to: Executive

Date: 21 March 2022

Report for: Information

**Report of: The Executive Member for Finance and Governance and the
Director of Finance and Systems**

Report Title:

Budget Monitoring 2021/22 – Period 10 (April 2021 to January 2022).

Summary:

The purpose of this report is to inform Members of the current 2021/22 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that the Executive:

- a) note the updated positions on the revenue budget, collection fund and capital programme.

Contact person for access to background papers and further information:

David Muggerridge, Head of Financial Management Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Relationship to GM Policy or Strategy Framework	Not Applicable
Financial	Revenue and capital expenditure will be contained within available resources in 2021/22. In respect of the resourcing of the capital programme a number of capital receipts from the disposal of surplus land have been reprofiled to later years. This has given rise to some additional temporary borrowing the cost of which can be

	contained within the treasury management budget.
Legal Implications:	<i>In accordance with the Local Government Act 2003 and the Council's Financial Procedure Rules, this report is provided for the purposes of budget monitoring and control.</i>
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Carbon Reduction	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

EXECUTIVE SUMMARY

1. Summary of outturn

There is a net estimated outturn underspend of £6k at Period 10, a favourable movement of £1.443m since Period 8.

This monitor for the financial year 2021/22 provides a forecast outturn based on patterns of expenditure and income up to January 2022. It is encouraging to see a favourable direction of travel as the year progresses and with two months of the year remaining, forecasting assumptions of demand, the level of staffing vacancies, levels of income and the release of contingency budgets can be estimated with firmer certainty than in earlier periods.

The management action undertaken during the mid part of the year, which included a policy on vacancy management and a review of all non essential spend has had, and continues to have, a positive effect in managing our services within the budget.

If the situation continues and this results in a favourable outturn in the current year this will give the opportunity to bolster our reserves further in order to manage the scale of the challenges the Council faces in delivering a sustainable budget over the medium term as set out in the final budget report for 2022/23.

It is critical that we continue to deliver existing savings and maintain a continued commitment to robust financial management for the remainder of the year to mitigate against any adverse movement.

Although the forecast for the current year is encouraging, there still remains a large degree of uncertainty in the medium term given the upwards trend in headline inflation rates and the unprecedented increase in energy and fuel prices.

The following issues are worthy of being highlighted:-

Pressures include :-

- Children's placements £1.116m overspend due to an increase in cases during the year; **an adverse movement of £154k since period 8 due to an increase in the number of cases and higher costs.**
- Home to School Transport pressures are now £589k **an adverse movement of £193k since period 8** due to increase in demand with the current passenger numbers during the year and additional costs for fuel and also staffing to cover passenger assistants who were self-isolating.
- Strategic Investment Programme – These investments are budgeted to generate a net revenue benefit in 2021/22 of £7.61m although revised forecasts show a potential reduction in receipts generated of £1.505m **an adverse movement of £86k since period 8.** This overall shortfall is largely COVID-19 related due to delays in developer loans being drawn down, lower income from debt facilities due to lower interest rates, delays

in schemes in the pipeline and lower trading income due to COVID-19 at retail investment sites.

- COVID-19 related pressures in Place and central services directorates of £813k, **an adverse movement of £203k since period 8**, largely related to income pressures in traded services and lower sales, fees and charges as a result of the economic impact of the pandemic lasting longer than the first quarter assumed when setting the budget. The adverse movement since period 8 largely relates to a further reduction in planning income £269k. Given the uncertainty surrounding the projections, the forecasts are subject to change, however a balance £502k from the COVID-19 contingency will be utilised if required.

Service underspends include : -

- Staffing budgets net underspend of £1.907m, in Adults Services, Childrens Services and Public Health, **a positive movement of £275k since period 8**, due to delays in recruiting and service redesign. The positive movement largely relates to exceptional difficulties in recruiting to vacant posts in Adults services and the use of the Workforce Retention Grant announced in December 2021.
- Adults placements £65k net underspend, **a positive movement of £387k since period 8**; the net outturn includes £314k of pressure due to savings not expected to be achieved, alongside an underlying pressure of £730k due to an increase in costs of care packages and new cases. The balance consists of a net underspend on the Hospital Discharge Programme of £1.11m, a favourable movement of £450k since period 8, due to an increase in the income from the risk sharing agreement with the CCG.
- Public Health community services contract £400k underspend - **a £400k favourable movement since period 8**, representing a one off reduction due to assumed inflation costs being met from within the current financial regime operating in the NHS since the coronavirus pandemic.
- Other favourable items of £1.657m, **a positive movement of £1.017m since period 8**. This includes a favourable outturn of £529k within the Place Directorate, £400k within Strategy and Resources and £513k within Council Wide. The Council Wide figure includes £211k one off income in period 10 from Trafford Housing Trust associated with the recovery of VAT made on behalf of the Council at the time of the stock transfer. The remaining positive movement since period 8, although significant in isolation, relates to positive movements in minor budgets, following ongoing management actions on such things as vacancy/running cost management and the release of reserves and other spend not contractually committed.
- Contingency balances of £129k (£265k period 8) and £96k (£379k at period 8) remain for future demand in Children's and Adults Services.
- Local Government Pay award – The final pay award offer, currently rejected by the trade unions, for local government at 1.75% for all staff being in excess of budget by £980k. This would require the use of the

council wide contingency, leaving a balance of £100k for other unknown pressures during the year.

Council Tax

The Council Tax budget was reduced temporarily in 2021/22 to reflect the ongoing impact of the pandemic. At period 8 a forecast surplus of £1.55m was forecast, largely due to lower awards for Council Tax Support along with better than expected collection of historic debt. The benefit from the forecast outturn was directed towards a Council Tax Risk Reserve (£500k) to help mitigate against potential shortfalls in income in future years with the balance of £1.05m used towards bolstering the budget resilience reserves to support future plans. This resulted in a net nil variance for 2021/22 and there is no change at period 10 to this forecast.

Business Rates

The estimated outturn for Business Rates in the previous period was a favourable movement of £4.35m compared to budget. This was largely as a result of a review of the level of provisions held for historic appeals. Since period 8 there has been some negative movement in Rateable Value as a result of some large retail units being reconstructed and therefore being removed temporarily from the rating list. Whilst this reduction is only temporary, it has resulted in an adverse movement of £1.31m with the surplus now forecast at £3.04m.

The estimated surplus at period 8 had been built into our Medium Term Financial Strategy agreed by Council on 16th February 2022, with plans to use this resource to bolster our budget resilience and change reserve. The shortfall of £1.31m in our estimated level of reserves will need to be factored into our medium term assumptions and this will be considered at the year end, along with the potential to draw off the Business Rates Risk Reserve if required.

The estimate includes £4.25m contribution to the Greater Manchester Combined Authority under the rates growth pilot. Discussions are ongoing regarding the sharing agreement, which could result in an increased share of rates growth being retained locally to the benefit of the Council.

Capital Programme

The revised capital programme for this financial year is £32.09m which is net reduction of £8.16m from the Period 8 position of £40.25m. This reduction is the second major rephasing in the current financial year when £8.19m was rephased in period 8. Given the substantial level of rephasing, a new Capital Programme Group has been established which will be chaired by the Corporate Director of Place to monitor the progress and delivery of the overall Capital Programme during 2022/23.

REVENUE BUDGET

2. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Appendix 2 providing an explanation of the variances:

Table 1: Budget Monitoring results by Service	2021/22 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	42,784	43,965	1,181	2.76%
Adult Services	52,750	52,332	(418)	(0.79)%
Public Health	12,505	11,076	(1,429)	(11.43)%
Place	31,565	32,904	1,339	4.24%
Strategy & Resources	5,685	5,295	(390)	(6.86)%
Finance & Systems	7,818	7,857	39	0.50%
Governance & Community Strategy	6,328	6,513	185	2.92%
Total Directorate Budgets	159,435	159,942	507	0.32%
Council-wide budgets	20,037	19,524	(513)	(2.56)%
Net Service Expenditure variance	179,472	179,466	(6)	(0.00)%
Funding				
Business Rates	(62,459)	(62,459)	0	
Council Tax	(105,869)	(105,869)	0	
Reserves Budget Support	(2,803)	(2,803)	0	
Reserves to Support COVID-19	(8,341)	(8,341)	0	
Funding variance	(179,472)	(179,472)	0	0.00%
Net Revenue Outturn variance	0	(6)	(6)	0.00%
Dedicated Schools Grant	148,343	150,107	1,764	1.19%

Budget Adjustments and Virements

3. A number of virements across Directorates are detailed in Appendix 1.

Main variances, changes to budget assumptions and key risks

4. The main variances contributing to the projected underspend of £6k, any changes to budget assumptions and associated key risks are detailed in Appendix 2.

MTFP SAVINGS AND INCREASED INCOME

5. The 2021/22 budget is based on the achievement of permanent base budget savings and increased income of £11.926m. The latest forecast shows that the programme is currently expected to deliver savings of £8.53m, which is £3.39m below target, after in-year mitigating actions, such as alternative savings, this has reduced the shortfall to £2.43m. This is an adverse movement of £54k since Period 8 which is largely due to the shortfall in strategic investment income. To date £8.30m has been achieved with £236k still to be achieved.
6. Of the savings that will not be delivered in the current year, a figure of £929k has been included in our 2022/23 budget to offset these schemes, made up from £606k in Adults Social Care and £323k in Place Directorate.

RESERVES

7. The usable reserve balance brought forward as at 1 April 2021 was £165.42m, excluding schools and capital reserves. Although the balance is substantial, the majority of this relates to COVID-19 reserves which are ring fenced to meet the 2020/21 Collection Fund shortfall. In addition, current budget plans have already assumed that £22.24m of reserves will be drawn down, including £2.80m in 2021/22 from the Budget Support Reserve and £8.34m in 2021/22 and £7.10m in 2022/23 from the COVID-19 General Reserve.
8. The final budget report for 2022/23 agreed by Council on 16th February 2022 set out details of the most recent review of all reserves which involved challenging and identifying potential uncommitted resource to bolster budget resilience reserves to support our medium term financial strategy.
9. It is encouraging that the estimated outturn is moving in a favourable direction which would indicate that a draw down from reserves to meet any shortfall in 2021/22 would be minimal or not required at all.
10. Significant reserve movements, which will impact in 2022/23, include the lower than anticipated surplus in Business Rates income of £1.31m since period 8, as detailed in para 18. This will need to be factored in to our medium term planning assumptions.

11. Should the opportunity allow, as part of the year end review, any favourable movements at outturn would be used to further bolster our reserves to meet the challenges faced over the medium term in delivering a balanced and sustainable budget.

COLLECTION FUND

Council Tax

12. During 2020/21 the challenges faced by COVID-19 placed considerable pressure on the Council Tax Collection Fund, largely related to a reduction in collection rates and an increase in Council Tax Support. The budget for 2021/2022 was set using assumptions that the impact of the pandemic would continue and an overall reduction of £3.24m was built in to reflecting higher take up of local council tax support, delays in new properties coming on line and lower collection rates. The Council's budget includes a Government backed Local Council Tax Support Grant of £1.65m to offset some of the costs associated with the higher take up of the scheme.
13. The discretionary Council Tax Hardship Scheme was extended for a further year, enabling all existing working age Council Tax Support (CTS) recipients registered as at 31st March 2021 to claim a discretionary Hardship award equivalent to the value of their 2021/2022 liability. The cost of this extension was met from an underspend from the Government sponsored hardship grant received in 2020/21. There are no plans to extend the scheme beyond the current financial year.
14. As at period 8, a detailed review of key components of Council Tax income and support and assumptions had been undertaken and concluded that a benefit of £1.55m over budget was assumed. Our budgets plans assumed this would partly be released to reserves to mitigate against potential future shortfalls in income and also towards bolstering the budget resilience reserves to support future plans. The outturn forecast at period 10 makes no change to these assumptions.

Business Rates

15. The 2021/2022 budget included anticipated growth in retained business rates, related S31 grants and redistribution of prior year surpluses of £7.8m. Projecting business rates is by its nature complex and prone to variation, in addition the impact on COVID-19 has added further uncertainty to the accuracy of projections.
16. In order to support businesses with the impacts of COVID-19, the Government provided various rate relief packages, with 100% relief being given to retail, hospitality and leisure sites until July 2021 and thereafter 66% until March 2022. The Council will be compensated for the loss in rates income via a Section 31.
17. In addition, further Government support is being offered to businesses via a discretionary scheme administered by the Council for other businesses falling

outside of the retail relief scheme. Details of the scheme, which relate to 2021/2022 only, have required the Council to design and adopt a local scheme and payments are due to commence shortly. The government will fully reimburse the cost of the relief within a cash cap grant for each local authority, of which Trafford's allocation is £6.4m.

18. When the budget for 2021/22 was set, an assumption was made that there would be a reduction in income from businesses of 5% over the year, this resulted in a reduction in the budget of £3.49m. As reported at period 8, Business Rates income was forecast to generate additional income of £4.35m above budget (£3.80m within the Collection Fund and £552k General Fund). However since period 8 there has been a reduction in the Rateable Value as a result of a number of large retail units going under reconstruction and therefore being temporarily removed from the rating list. The estimated benefit above budget is now expected to be £3.04m (£1.94m Collection Fund and £1.10m General Fund), a reduction of £1.31m from the previous period. The volatility in the business rates budget demonstrates the importance of maintaining the sizeable Business Rates Risk reserve.
19. The estimated favourable outturn from business rates at period 8 had been built into our final 2022/23 MTFS, with plans to use this resource to bolster our budget resilience and change reserve. The shortfall of £1.31m in our estimated level of reserves will need to be factored into our medium term assumptions and this will be considered at the year end, along with the potential to draw off the Business Rates Risk Reserve if required.
20. Furthermore, the estimated outturn includes a net contribution of £4.25m to the Greater Manchester Combined Authority (GMCA) under the business rates growth pilot scheme. Given the overall uncertainty in the financial landscape, discussions are ongoing with GMCA concerning the sharing arrangement and potential for a higher proportion of growth to be retained by each local authority, as was the case in 2020/21. Should the contribution be lower than planned, any surplus can be used to offset the in year pressures or alternatively be used to replenish the shortfall in reserves or support our future budget.

Impact of COVID-19

21. The impact of the pandemic on the council's finances is anticipated to last for many years and the budget for 2021/2022 includes additional resources of £8.34m to help manage the continuing impact of the pandemic. Pressures were anticipated in client demand, lost income from our strategic investments in the Manchester Airport Group and from Sales, Fees and Charges. These were offset by Government backed support and use of reserves, based on assumptions at the time, that the pandemic would last for the first quarter of 2021/2022.
22. At the time of writing the previous monitor, the country was facing an increasingly uncertain situation relating to the potential for further restrictions following the rise in infections relating to the Omicron variant. The impact of Omicron was not as severe as first expected, and the Government support packages announced in December 2021, which included business rates relief in

hospitality and leisure plus grant allocations to support workforce recruitment and retention and Infection Control and Testing Fund have helped in mitigating the impact. For monitoring purposes the grant income and costs have been assumed as neutral with any grant being fully spent by year end.

23. Although no further direct COVID-19 grants have been announced to support local authorities in future years, the Council continues to provide regular monitoring returns to the Government Departments which will be used at a national level to inform the debate on whether additional resources will be required over the medium term.

CAPITAL PROGRAMME

24. The revised value of the indicative capital programme for 2021/22 to 2023/24 as at Period 8 was £439.06m which included £271.98m of asset investment fund and £167.08m relating to the general programme. Since then there has been a slight decrease in the general programme of £0.27m to £166.81m relating to a reduction in costs of the full fibre scheme supported by grant funding from the GMCA. The revised overall budget is now £438.79m
25. The revised capital programme budget for this financial year is £32.09m which is net reduction of £8.16m from the P8 position of £40.25m.

Table 2 - Capital Programme 2021/22	P8 Programme £m	P10 Revised Programme £m	Period Movement £m
Service Analysis:			
Children's Services	12.11	11.80	(0.31)
Adult Social Care	2.14	1.87	(0.27)
Place	24.78	17.61	(7.17)
Governance & Community Strategy	0.08	0.08	-
Finance & Systems	1.14	0.73	(0.41)
General Programme Total	40.25	32.09	(8.16)

The current revised position of £32.09m (a reduction of £8.16m) is a result of the period 10 monitoring exercise, with the following the paragraphs detailing the areas of re-profiling and changes to the individual schemes.

This reduction is the second major rephasing in the current financial year when £8.19m was rephased in period 8. Given the substantial level of rephasing, a new Capital Programme Group has been established which will be chaired by the Corporate Director of Place to monitor the progress and delivery of the overall Capital Programme during 2022/23.

- Children's Services
 - There has been some re-profiling on a small number of schools schemes which will be delivered in the next financial year of £160k.
 - £150k for the delivery of Foster Carers Accommodation Improvements has been re-profiled with a number of properties identified for work to be undertaken.

- Adult Social Care
 - The delivery of the Disabled Facilities Grant programme has been adversely affected by the Covid 19 pandemic. There have also been a number of changes in relation to providers for the service which have led to delays in the works. These delays have led to additional re-profiling of £196k into the next financial year.
 - There has been a re-profiling of spend of £70k for Liquidlogic updates with this work now due to be carried out in early 2022.

- Place
 - There has been a reduction in cost of £270k for the Greater Manchester Full Fibre Initiative, this element of the scheme is funded through grant.
 - The business loan scheme has seen less than anticipated uptake, mainly due to other resources being made available for support during the Covid pandemic. £100k has been reprofiled into the next financial year where uptake is expected to increase now other resources are no longer available.
 - Work on Altrincham Leisure Centre design work as part of the Leisure Strategy has begun but will not be completed until May, and £250k, has been reprofiled accordingly.
 - Future High Street works of £1.0m on the redevelopment of the Stretford Mall have been delayed. This is to ensure that all the correct agreements and procurement procedures are in place with our JV partner so that all the requirements of the grant funding are met. A more detailed update is provided below.
 - Decarbonisation grant of £1.8m have been reprofiled in line with the extension to the delivery timetable that has been granted by the funding provider. A more detailed update is provided below.
 - Football Facility Provision of £150k has been reprofiled although some work to progress this scheme has started.
 - Work on the CCTV Phase 2 has not started but a procurement exercise is currently underway to set out the tendering process with the intention to go out to find a delivery partner once the technical specifications have been formulated. The fly tipping element still requires further work in order to achieve progress on this scheme. As a result of the revised progress £351k has been reprofiled into the next financial year.

- Regent Road Multi story car park resources of £190k have been reprofiled. Procurement of Pay and Display machines is beginning imminently and work around electric vehicle charging points is progressing with site surveys and visits already undertaken. The car park is expected to open for public use in July so all of these elements are expected to be completed by then.
- Public/Council building repairs works of £613k have been reprofiled. This includes £143k of Public Building repairs relating to electrical testing at sites across the borough, reprofiling of works currently being undertaken on the Trafford Town Hall Clock Tower and some smaller schemes where work has not yet commenced. £160k identified in the budget for safety works at Watling Gate have not yet been undertaken and are currently subject of a potential levelling up bid. There is also £220k relating to Sale Waterside and Trafford Town Hall allocated for kitchen improvements and security measures which is now part of the work stream for hybrid working strategy across the administrative buildings of the Council and as such will now be delivered as part of this programme of works.
- Active Travel works of £300k have been reprofiled to next year, although it is to be noted that work on the scheme has started.
- A number of integrated transport schemes totalling £688k have been reprofiled for delivery into the next financial year. Of this £300k relates to the cycle scheme at Urmston to Sale Water Park where progress has been delayed whilst work is undertaken with Homes England, who are also the funding partner to develop the best way to progress the scheme. There has been reprofiling of the residents parking scheme of £150k which although is underway and a significant element of the budget has been spent the final elements of the scheme still need to be delivered. In addition to this there is £178k of smaller integrated transport schemes where £110k of works has been identified but not yet delivered and £68k of section 106 funded resources that have not yet been allocated have been reprofiled. The remaining element of reprofiling of £60k related to works around Boundary and village entry signs where work is still to be undertaken to identify the programme of works.
- £285k of schemes within Highways Structural Maintenance and Bridge Assessment and Strengthening programmes have not yet been delivered and been reprofiled. A significant element of the design works for the majority of schemes within the current programme has been undertaken with the delivery phase being the element that has been reprofiled. This will now be delivered as part of the next year's programme.
- Work is currently underway to provide a delivery strategy for the installation of EV Charging Points across the borough, the expected spend of £100k for this year has been reprofiled accordingly.
- Additional Mayors Cycling and Walking Challenge Fund works of £600k have been reprofiled to later in the programme. This is as a result of the reduction in funding previously reported in this

monitoring cycle meaning additional design and development work was undertaken to reflect this impact, with delays acquiring the sign off of the schemes from TfGM adding to this delay. In addition to this there have been pressures on scheme delivery from land acquisition delays. Amey have now assigned a dedicated project officer to the scheme so there is now a better understanding of the delivery around the scheme. These delays have impacted on all tranches of the scheme but tender processes are now beginning for the delivery phases of tranche 1 (A5014 Talbot Road) and 2 (Talbot Road, A56 Chester Road) which are expected to start in October this year.

- Highways Infrastructure Safety Improvements Works of £150k have been reprofiled to be completed in the next financial year.
- A small number of other schemes with a value of £331k have been reprofiled to the next financial year.
- Finance and Systems
 - A number of ICT schemes totalling £410k have been reprofiled into the next financial year, work on these schemes in particular the Windows 10 implementation is well underway and will be completed in the new financial year.

Status, Progress of Specific Major Schemes

26. Updates will be provided on specific issues where there is a significant impact on delivery of the forecast programme in terms of timescales or within approved resources. In addition updates on larger schemes will be provided throughout the year.

Specific Issues

- Decarbonisation Scheme

Works is currently underway with this scheme with a number of elements nearing completion, although there are a number of potential delivery pressures these are in the process of being managed. The scheme is being undertaken in partnership with GMCA who are currently in discussion with grant awarding body (Salix) to mitigate any funding risks. Where there are potential cost pressures resources will be identified from the current Public Building repairs programme if required. There has been an extension granted for the delivery of this scheme by Salix meaning the scheme has a three month extension to the end of June to reach practical completion which is currently anticipated will be met.

- Future High Street Fund

The project is progressing as expected and generally on programme. Certain programme elements have slipped however these elements are not on the critical path. The JV partner is progressing the design to Work Stage 3 (WS3) and is also working towards submitting detailed planning application for the first phase of build Q1 2022. At the same time the JV

partner is progressing the procurement of a contractor under a Pre-Construction Services Agreement (PCSA). Works are due to commence July 2022 with the site refurbishments of the retail units. The Council led public realm works are progressing towards Work Stage 2 (WS2) and detailed budgets are being developed during Q1 2022. Design and project management teams are appointed and progressing with the development of both schemes and liaising with the JV partner on a regular basis. Risk registers are being further developed for both elements of schemes with particular focus on identified risks over the next stages of design. Governance structures are in place between the various parties involved in the projects and regular meetings are taking place with information being shared.

- Sale Magistrates

A report to Investment Management Board on 15th February 2022 provided an update on the progress of the scheme and with approval granted to progress to RIBA stage 4 and carry out enabling works at a combined cost of £690k. The Council sought reassurance from construction partner on the project cost before any further funds were committed. In December 2021, they advised a £1.7m increase on the project costs. Work is currently being undertaken to challenge and understand the detail of these costs increases, with the Council seeking evidence to justify the cost increases included. Works around fees, contingencies and profit and overheads is also underway to ensure that these are still at appropriate levels within the scheme. In addition to this there has been an increase in internal costings relating to staff resources and financing costs of £0.2m, inclusive of the £1.7m above this takes the current cost of the scheme from £25.8m to £27.7m.

In December the Council applied for Brownfield Site funding through the GMCA to address the gap. The Council were successful and received £1.3m of funding. Within their updated cost proposal, a potential c£1.2m of value engineered (VE) savings has been identified. A thorough cost/benefit review will take place during the next phase of design to identify where value engineering can be applied. The Council has taken a prudent approach, with a more achievable VE saving of £0.5m being targeted. Once the scheme has reached RIBA stage 4 more detailed and accurate cost will be provided to the Executive and Investment Management Board. The current assumed cost increases of £1.9m offset by brownfield grant (£1.3m) and Value Engineering (£0.5m) have led a decrease in the development return of £0.1m which has been reflected in funding position included within this report.

Resources

27. The general capital programme is resourced by a combination of both internal and external funding and is detailed in the table shown below:
28. The movement in resources of £8.16m relates to re-phasing to the remaining years of the current approved three year programme and a reduction in grant

required to support the full fibre initiative which has reduced previously in this report. The following gives the detailed split of the variance;

Table 3 - Capital Programme Resources 2021-24	P8 Revised Approved Programme £m	Revised Programme £m	Variance £m
External:			
Grants	27.48	23.37	(4.11)
Contributions	2.07	1.88	(0.19)
Sub-total	29.55	25.25	(4.30)
Internal:			
Receipts requirement	4.68	2.94	(1.74)
Borrowing	5.22	3.36	(1.86)
Reserves & revenue contributions	0.80	0.54	(0.26)
Sub-total	10.70	6.84	(3.86)
Total Resourcing	40.25	32.09	(8.16)

- Net re-phasing to future years – (£7.89m)
- Reduction in grant - (£270k)

29. The Land Sales and Development Programmes are continuously reviewed and are updated for any known changes within the programme. The current position now indicates an over-programmed level within the capital programme of £2.61m which is an increase of £0.07m from £2.54m from the position reported in P8 monitor. This is a result of a reduction in the assumed development return for the Sale Magistrates Development as covered previously within this report.

Asset Investment Fund

30. Asset Investment Fund currently stands at a maximum approved limit of £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board to date have a total current committed cost of £331.75m, of which £223.84m has currently been expended.
31. In January 2022, the loan facility for the CIS Tower was part repaid by £24m as the scheme progresses to its next stage, with approval given by IMB to delay the remainder of the repayment to the end of April 2022. The first phase of the Castle Irwell scheme has also begun to be repaid as elements of the residential development are sold, with £9.1m repaid to date. This means the balance of the approved £500m which is available for further investment is £168.25m (Table 6 below):

Table 4: Asset Investment Fund	Prior Years £m	Repayments £m	Commitment £m	Total £m
Total Investment Fund				500.00
Property Purchase:				
Sonova House, Warrington	12.17	-	-	12.17
DSG, Preston	17.39	-	-	17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84	-	-	10.84
The Fort, Wigan	13.93	-	-	13.93
Sainsbury's, Altrincham	25.59	-	-	25.59
Sub Total	79.92	-	-	79.92
Property Development:				
Sale Magistrates Court	4.80	-	0.69	5.49
Brown Street, Hale	6.79	-	2.13	8.92
K Site, Stretford Equity	11.00	-	1.25	12.25
Former sorting office, Lacy Street, Stretford	0.87	-	0.09	0.96
GMP Site, Chester Road, Old Trafford			0.64	0.64
Care Home Purchase	2.23	-	-	2.23
Various Development Sites	0.43	-	-	0.43
Sub Total	26.12	-	4.80	30.92
Equity:				
Stretford Mall, Equity	8.82	-	-	8.82
Stamford Quarter, Equity	16.69	-	8.25	24.94
Sub Total	25.51	-	8.25	33.76
Development Debt:				
Bruntwood; K site	10.90	-	1.35	12.25
Bruntwood; Stamford Qtr/Stretford Mall	25.57	-	8.25	33.82
CIS Building, Manchester	60.00	(24.00)	-	36.00
The Hut Group	62.45	(62.45)	67.50	67.50
Castle Irwell, Salford	11.28	(9.08)	5.76	7.96
Castle Irwell, Salford – Phase 2	-	-	12.00	12.00
Sub Total	170.20	(95.53)	94.86	169.53
Total Capital Investment	301.75	(95.53)	107.91	314.13
Albert Estate Investment	17.62		-	17.62
Total Investment	319.37	(95.53)	107.91	331.75
Balance available				168.25

32. These investments were budgeted to generate a net revenue benefit in 2021/22 of £7.61m. The forecast net income is £6.10m, a deficit of £1.51m compared to budget.

Table 5: Asset Investment Strategy Period 10 Monitor	Budget Variance £000
Net Income target	(7,609)
Pipeline Recycling Target	2,454
Changes to Variable Interest Rates	854
Reduced dividends from JV's	815
HUT Group delay	632
Castle Irwell earlier draw	(194)
Castle Irwell Phase 2	(53)
Reduced reserve contributions	(1,651)
HUT Group reserve smoothing	(632)
CIS Tower Extension	(720)
Net Income after mitigations	(6,104)
Variance to Target	1,505

Issues / Risks

33. A key risk is the ability to deliver the revised capital programme in 2021/22, and the impact of any delay on the achievement of the Council's priorities. A new Capital Programme Group has been established which will be chaired by the Corporate Director of Place to monitor and challenge the progress and delivery of the overall Capital Programme during 2022/23.
34. In addition, there is the risk that the level of Capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the capital programme. A prudent approach to estimating these asset receipts and development returns will continue to be taken with only receipts that have a significant level of certainty being included in the resource forecasts.

Recommendations

35. It is recommended that that the Executive:
- note the updated positions on the revenue budget, collection fund and capital programme.

Other Options

Not Applicable.

Consultation

There are no public consultation requirements in respect of this report.

Reasons for Recommendation

Not Applicable

Finance Officer Clearance **DM**.....

Legal Officer Clearance **DS**.....



DIRECTOR'S SIGNATURE

Appendix 1

Service Review/Virements	Children's (£000's)	Adults (£000's)	Place (£000's)	Strategy & Resources (£000's)	Finance & Systems (£000's)	Governance & Community Strategy (£000's)	Council-wide (£000's)	Total (£000's)
Period 8 Outturn Report	42,456	65,014	31,132	5,540	7,683	6,159	21,488	179,472
Virements:								
Pay award 2021/22	356	213	190	145	135	97	(1,136)	0
Trafford Leisure CIC additional revenue support			215				(215)	0
Voluntary Redundancy saving adjustment			28				(28)	0
Safeguarding Development Manager post adjustment	(28)	28						0
Document Storage contract						72	(72)	0
Total movements	328	241	433	145	135	169	(1,451)	0
Period 10 Outturn Report	42,784	65,255	31,565	5,685	7,818	6,328	20,037	179,472

Appendix 2

Main variances, changes to budget assumptions and key risks

The main variances contributing to the projected underspend of £6k, any changes to budget assumptions and associated key risks are highlighted below:

Table : Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	1,181	<p>Projected outturn variance £1.181m adverse, an adverse movement of £302k from Period 8.</p> <p>The impact of the coronavirus pandemic is and will continue to have a significant bearing on the service both in terms of its service delivery and finances.</p> <p>Below is the projected position on children's placements and other budget areas.</p> <ul style="list-style-type: none"> • £1.116m over budget on Children's placements (note 1), an adverse movement of £154k; • £871k under budget on staffing (note 2), an adverse movement of £138k and • £936k over budget on other running costs and income across the service, an adverse movement of £10k (note 3). <p>Note 1 Children's placements currently projects an overspend of £1.116m, an adverse movement of £154k.</p> <p>Over the two month period there has been a number of changes within Children's placements from costs for new placements £211k and additional net costs of £79k due to movements within existing placements. The total cost of these over this two month period was £290k. However the contingency set aside to be utilised during this period was £136k and was not sufficient to cover the above resulting in an adverse movement of £154k.</p> <p>To cover any further demand for the remaining 2 months there is a contingency of £129k included in the above projections.</p> <p>The numbers of children as at the end of January compared to those at the end of November are as follows:-</p> <ul style="list-style-type: none"> • children in care 376, an increase of 10 • child protection is 190, an increase of 17 • children in need 806, a reduction of 100

All of the £1.5m savings included in the budget has been achieved.

It is important to note that the service continues to operate with a high degree of uncertainty due to the potential consequences the pandemic will still have around future demand.

Note 2

A favourable variance in staffing of £871k which is due to delays in recruiting and are one-off in nature as the service undertakes its service redesign which will be in place during 2021/22 & 2022/23. The adverse movement of £138k from P8 is mainly due to continued agency costs being incurred as difficulties remain in the permanent recruitment of social workers

The staffing savings included in the budget of £580k are expected to be achieved this year due to the delays in recruiting as mentioned above. However this will be reviewed as to their permanency as the service redesign continues to take place during 2022/23.

Note 3

The adverse variance in running costs and income across the service is £936k, an adverse movement of £10k, as outlined below:-

- £589k adverse variance on Home to school transport, an adverse movement of £193k. The service is continuing to see an increase in demand and applications continue to be received. There is also an increase in the complexity of cases, of which a number require transport to out of borough settings. In addition to this is the additional price increase being incurred due to the increase in fuel costs. Due to the size of the pressure and the rate of increase since the previous period, a travel officer post has been created to review travel provision and provider contracts to ensure full utilisation and in addition promote less expensive personal travel budgets as an alternative to council provided provision.
- £62k adverse variance on Partington nursery, a favourable movement of £15k. The overall variance is due to a low uptake at the nursery resulting in a shortfall in income;
- £271k adverse variance on Section 17 (s17) payments, a favourable movement of £39k. S17 payments are made where, for children in need, the authority identifies the needs for these children and ensures that the family are given the appropriate support in enabling them to safeguard and promote the child's welfare. As the number of children in need has increased over the year so have the costs in providing this support;
- £220k adverse variance on income, an adverse movement of £21k. The overall variance is mainly due to the impact of COVID-19 (£161k), and a loss of service level agreement income with schools (£62k);

		<ul style="list-style-type: none"> • £130k favourable variance on grant income, a favourable movement of £9k. This is due to the receipt of a grant for the school improvement service which it was not anticipated would continue and • £76k favourable variance on minor variances across the service, a favourable movement of £141k. <p>Note 4</p> <p>In addition to this there are further estimated costs due to COVID-19 as outlined below which are met by additional income:-</p> <ul style="list-style-type: none"> • £723k for the COVID Local Support Grant (CLSG) which will be met by a government grant and • £372k for contain outbreak management which will be met by government grant.
Adult Services	(418)	<p>Projected Outturn variance £418k favourable, a favourable movement of £885k from period 8.</p> <p>The impact of the coronavirus pandemic and supporting the NHS in dealing with the backlog of patients waiting for treatments continues to have a significant bearing on the service both in terms of its service delivery and finances.</p> <p>The projected position on adult clients and other budget areas is as follows:</p> <ul style="list-style-type: none"> • £65k favourable position on Adult clients, a favourable movement of £387k from period 8 (Note 1) • £353k favourable position on staffing and running costs, a favourable movement of £498k from period 8 (Note 2) <p>Note 1</p> <p>Adult Clients currently projects a £65k underspend, a favourable movement of £387k from period 8.</p> <p>Savings – £314k adverse, a £11k favourable movement</p> <p>This is due to an improvement in the savings anticipated to be achieved, although the overall amount is expected to be £242k below the original plan. To date £1.431m of the £1.866m saving proposals in this area has been achieved. The service will continue to look for other savings to mitigate the projected shortfall in the final months of the financial year.</p> <p>Discharge to Assess - £1.109m favourable, a £450k favourable movement. This is due to an increase in projected income from the risk share agreement in place with the CCG.</p> <p>Packages of Care – £730k adverse, a £74k adverse movement</p> <p>This is due to the following:-</p>

	<ul style="list-style-type: none"> • Increases in costs to existing packages of care £1.347m (195 clients). This is mainly due to increasing client needs/complexity and changes to clients' financial assessments. • Reductions in costs to existing packages of care £1.702m (331 clients). This is mainly due to reductions in care required, clients that have deceased and changes in clients' financial assessments. • New packages of care - the gross increase was £653k reducing to £429k after applying £224k for contingencies. This will include previous self funders whose savings have fallen below £23,250. <p>It is important to reiterate that the service continues to operate with a high degree of uncertainty due to the potential risks of coronavirus infections, its impact on the care sector and the consequences the pandemic will have around further future potential demands on Mental Health provision. In addition to this is the increase in demand on services in supporting the NHS in dealing with the backlog of patients waiting for treatments.</p> <p>Contingency - within the projection there is a contingency of £96k set aside for additional increases in demand/cost pressures throughout the rest of the financial year.</p> <p><u>Note 2</u></p> <p>The current forecasts indicate there is a favourable variance of £353k on staffing and running costs, a favourable movement of £498k from period 8 which is due to the following:-</p> <ul style="list-style-type: none"> • £359k favourable variance on staffing, a favourable movement of £406k. This favourable variance and significant reduction in the projection is due to severe difficulties in recruitment of staff. The exceptional circumstances within the Supported Living service still exist but to a lesser degree due to a reduction in the use of Agency workers and the utilisation of the Workforce Recruitment and Retention grant; • £208k favourable variance on client equipment, repairs and maintenance, a favourable movement of £18k. This is due to the impact of COVID-19 and the low number of referrals being received; • £317k adverse variance due to projected underachievement of savings, a favourable movement of £6k. This is as a result of delays to changes in legislation and staffing pressures on the service and • £103k favourable variance on minor variances, a favourable movement of £68k. <p><u>Note 3</u></p> <p>In addition to this there are further estimated costs due to COVID-19 as outlined below which are met by additional income:-</p> <ul style="list-style-type: none"> • £4.681m which will be met by the CCG from their allocation given by NHSE for the Hospital Discharge Programme;
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		<ul style="list-style-type: none"> • £236k Omicron Support Fund which will be met by government grant; • £3.867m for Infection Control and Rapid Testing for care providers which will be met by government grant; • £451k for the Clinically Extremely Vulnerable which will be met by government grant; • £538k for Contain Outbreak Management which will be met by government grant; • £494k for Self-isolation Support which will be met by government grant and • £1.822m for Workforce Recruitment and Retention which will be met by government grant.
Public Health	(1,429)	<p>Projected Outturn variance £1.429m favourable, a favourable movement of £547k from period 8.</p> <p>Currently there is a projected favourable position of £1.429m as a result of:-</p> <ul style="list-style-type: none"> • £677k favourable position on 'business as usual' staffing costs, £7k favourable movement from period 8, as the service continues to lead and support the contain outbreak management response to the pandemic; • £100k favourable position on activity based budgets, £18k favourable movement; • £400k favourable position in the community services contract, a favourable movement of £400k. This is a one off reduction due to assumed costs of inflation being met from within the current financial regime operating in the NHS since the coronavirus pandemic and • £252k favourable position on running costs and other minor variations, a favourable movement of £122k. <p>In addition to this there are further estimated costs of £2.171m due to COVID-19 for contain outbreak management and this will be met by a government grant.</p>
Place	1,339	<p>Projected outturn variance £1.339m adverse, an adverse movement of £150k since period 8.</p> <p>This includes gross COVID-19 pressures of £3.533m, offset by £3.170m included in the approved budget/reserves – a net COVID-19 pressure of £363k which is an adverse movement of £156k.</p> <p>This includes:</p> <ul style="list-style-type: none"> • COVID-19 related gross income losses are £3.363m (increased by £156k), of which £1.470m is included in the approved budget and £1.5m earmarked in reserves relating to

		<p>Leisure. This gives a net COVID-19 income pressure in the forecast outturn of £393k;</p> <ul style="list-style-type: none"> • The gross COVID-19 related income losses include parking fees and fines £491k (reduced by £30k), property rentals £300k, outdoor media advertising £95k (reduced by £75k), planning fees £728k (increased by £269k), licencing fees £80k, building control fees £61k, highways permits and grants £24k, street trading £20k, pest control £16k (reduced by £8k) and trade waste £48k. There is also £1.5m in forecast support for ongoing trading deficits of the Trafford Leisure CIC due to the ongoing effects of the various COVID-19 restrictions (unchanged), which will be funded existing earmarked reserves. Trafford Leisure continue to work closely with the Council to monitor finances and mitigate these budget pressures as far as possible within the various operational restrictions, including successful bids for grant funding; • COVID-19 related gross expenditure pressures are £170k (unchanged). This is £30k under the £200k included in the approved budget. The overall gross pressure includes £100k in additional waste disposal costs and £50k related to waste collection, £63k operational buildings, £7k grounds maintenance, £6k licencing running costs. There is an underspend of £56k on Community Safety staffing relating to staff secondments to COVID-19 related work; • There are also additional costs fully offset by additional specific COVID-19 grants of £305k Community Engagement and £453k for Public Protection/Economic Growth “pandemic contain” funding. <p>Other Forecast Variances £529k favourable, a favourable movement of £92k.</p> <ul style="list-style-type: none"> • The forecast variance includes an overall a staffing underspend of £579k relating to vacancies across the year (increase of £46k), which is approximately 7.2% of the staffing budget and includes for management action on vacancies outlined in the previous report. The ring-fenced planning account has a forecast underspend of £362k (increased by £71k) which part offsets the COVID-19 income pressure for Planning application fees above. • These are offset by projected shortfalls in income relating to building control £192k, CCTV £35k and public protection £40k. There are net cost pressures relating to energy £50k and property £95k. <p>Strategic Investment Programme £1.505m adverse, an adverse movement of £86k:</p> <p>The Strategic Investment Property Portfolio will deliver a net benefit to the revenue budget in 2021/22 of £6.1m. This is</p>
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		<p>£1.505m lower than budgeted (increased by £86k) and is due to economic factors affecting some of the income, particularly from the town centre investments (see details in paragraph on capital programme).</p>
Strategy & Resources	(390)	<p>Projected outturn variance £390k favourable, a favourable movement of £49k since period 8.</p> <p>This includes gross COVID-19 pressures of £491k, an adverse movement of £30k, which is £10k higher than the £481k included in the approved budget:</p> <ul style="list-style-type: none"> • Gross trading losses in the overall forecast outturn includes £259k in Catering (increased by £33k) and £107k in Cleaning (unchanged) offset by a £41k surplus in the Music Service (£90k favourable movement). There is a forecast net loss of income from staff parking of £148k (increased by £88k) and £14k expected loss of SLA income (reduced by £1k). There are also £4k of staff costs (unchanged); • There is also £1.179m of forecast additional staff costs relating to the Modernisation, Communications and Human Resources teams which are wholly funded from COVID-19 related grants up to the end of March 2022. <p>Other Forecast Variances £400k favourable, a favourable movement of £79k, including:</p> <ul style="list-style-type: none"> • Staff costs are £436k less than budget across the Directorate (favourable movement of £64k) based on actual and forecast vacancies across the whole year, which is 6.5% of the total staffing budget; • SLA income and other items above budget £90k. <p>These are offset by the budgeted Directorate-wide efficiency saving target of £126k, which is expected to be achieved in full.</p>

Finance & Systems	39	<p>Projected outturn variance £39k adverse, a favourable movement of £146k since period 8.</p> <p>Forecast COVID-19 Pressures £219k, adverse movement of £1k:</p> <p>This relates to additional unplanned costs associated with ICT staff, equipment and systems directly related to the COVID-19 pandemic.</p> <p>There are also additional costs fully offset by additional specific COVID-19 grants totalling £1.152m in Exchequer Services and £66k in ICT.</p> <p>Other Forecast Variances £180k favourable, a favourable movement of £147k:</p> <ul style="list-style-type: none"> • Staff costs are £357k less than budget across the Directorate based on actual and forecast vacancies for the whole year, which is 4.5% of the total staffing budget, and an increase of £140k; • Other variances of £11k, a favourable movement of £7k; <p>These are offset by the budgeted Directorate-wide efficiency saving target of £188k.</p>
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Governance & Community Strategy	185	<p>Projected outturn variance £185k adverse, a favourable movement of £48k since period 8.</p> <p>This includes gross forecast COVID-19 pressures of £461k offset by £240k included in the approved budget, an adverse movement of £16k – a net COVID-19 pressure of £221k:</p> <ul style="list-style-type: none"> • Projected gross income losses due to COVID-19 are £371k (increase of £10k) and includes £298k relating to Sale Waterside Arts Centre (increase of £8k), £22k for events including Flixton House (increase of £9k), land charges £39k (increase of £4k) and Registrar’s now £33k above budget (increased by £6k). There is also a £45k loss of income expected from library lettings (reduced by £5k); • cost pressures total £90k (increased by £6k) and relate to legal costs for fees and additional agency staff required due to the increase in caseload £100k, which is in line with budget, and an underspend in Library running costs due to grants of £10k (reduced by £6k). <p>Other Forecast Variances £36k favourable, a favourable movement of £64k:</p> <ul style="list-style-type: none"> • Forecast staff costs are £401k less than budget across the Directorate based on actual and forecast vacancies across the whole year, which is 7.1% of the total staffing budget. This is an increase of £66k; • Running costs are forecast to be overspent by £36k, which is an adverse movement of £7; • There is a projected shortfall in income of £137k compared to budget excluding the COVID-19 pressures above, which is £6k less than last reported. The overall shortfall includes £34k in capital fee income which is related to staff vacancies, £47k shortfall in traded services (£15k decrease) and £45k reduced grant income in electoral registration service. Other income shortfall is net £11k (increase of £9k). <p>The above is offset by the budgeted Directorate-wide efficiency saving target of £192k.</p>
Council-wide budgets	(513)	<p>Projected Outturn variance, £513k favourable, a favourable movement of £221k since Period 8</p> <p>Treasury Management</p> <p>Income totaling £392k was forecasted to be received during 2021/22 from monies invested in Manchester Airport Group in 2020 by the Council along with the other 9 Greater Manchester LAs for the provision of a new car parking facility. As a result of the current COVID-19 pandemic, returns will not be forthcoming and it is envisaged that once the current restrictions on air travel are relaxed</p>

	<p>then an income stream from this project will start to be received. To reduce the impact this will have on the treasury management projected outturn for 2021/22, a contribution from the Council's COVID-19 contingency budget will be applied. No change since period 8.</p> <p>VAT recovery Trafford Housing Trust £211k - A one off release of monies received in period 10, from Trafford Housing Trust associated with the recovery of VAT made on behalf of the Council at the time of the stock transfer.</p> <p>Greater Manchester Advance Pension Payment</p> <p>A greater than expected saving of £150k above budget from the three yearly advance pension payment is forecast. No movement since period 8.</p> <p>Housing Benefit</p> <p>The Housing Benefit budget is notoriously difficult to predict. At period 10 a pressure on the net Housing Benefit budget (payments made, less subsidy and overpayment recovery) of £165k is estimated, although there is a wide margin for error given the unknowns. It was considered prudent at the end of the last financial year to bolster the Housing Benefit Reserve by a figure of £500k and this will be drawn on to cover this in-year pressure, so no impact on the Council-wide outturn figure above.</p> <p>Members Allowances</p> <p>There is a projected saving of £35k on Members Allowances and running cost budgets, a favourable movement of £10k since period 8.</p> <p>External Audit fees</p> <p>Following the approval of its 2020/21 audited annual report, the Public Sector Audit Appointments has redistribute a total of £5.6m amongst its members. For Trafford this refund is £18k.</p> <p>Council-wide Contingencies</p> <p>a) Pay Award</p> <p>On 27 July 2021 the National Employers, who negotiate pay on behalf of local authorities, made an improved, final pay offer to Council employees, a pay increase from 1 April 2021 of 1.75% (with 2.75% for those on the bottom pay point). Negotiations on the final pay offer have yet to be resolved.</p> <p>The cost to Trafford of the above pay offer, had it been accepted, would be £1.145m. This would leave a shortfall of £980k above current budget assumptions, which would need to be met from within the general Council-wide contingency budget. This would now only</p>
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		<p>leave £100k in the contingency budget for other unknown pressures during the year.</p> <p>b) Sales, Fees and Charges Compensation Grant</p> <p>Council-wide holds the budget provision for the Sales, Fees and Charges Compensation Grant to recompense the council for COVID related income losses limited for the first quarter of 2021/22. Income losses during the first quarter were lower than budget subsequently resulting in a lower compensation grant estimated at £566k. No change since period 8. The shortfall will be met from the COVID-19 contingency of £1.5m.</p> <p>c) Greater Manchester Temporary Resting place</p> <p>£40k potential COVID-19 related costs above budget. This shortfall will be met from the COVID-19 contingency. No change since period 8.</p> <p>d) COVID-19 Contingency (temporary)</p> <p>The Council-wide contingency budget for 2021/22 includes £1.5m specifically for potential COVID-19 pressures. The current commitments against this allocation identified above leaves a balance of £502k remaining, no change since period 8.</p> <p>e) Transport Levy</p> <p>The final GMCA Transport levy set is lower than the budget agreed in February by £99k.</p> <p>f) Savings Programme</p> <p>The savings from the Voluntary Redundancy/Voluntary Severance scheme of £919k over the two year period 2021/23 (£708k in 2021/22 and £211k in 2022/23) is projected to fall short by £50k.</p> <p>Also, the take up from the 9-day Fortnight scheme has been lower than expected and the saving of £60k will not be fully realised, leaving a shortfall of £48k.</p> <p>However, these savings shortfalls will be managed within the pay element of the Council-wide contingency budget, which includes an allowance to cover the reduced savings from the lower than expected take up of the Voluntary Leave Scheme in 2021/22, £100k compared to the budget of £250k.</p>
Dedicated Schools Grant	1,764	<p>Projected outturn variance £1.764m adverse, a favourable movement of £212k from Period 8.</p> <p>Underspends are expected in the Schools, Central Schools Services and Early Years blocks of £351k, a favourable movement of £165k. The majority of the favourable movement is within the schools block (£161k) and due to several growth fund applications not being required until 2022/23.</p>

		<p>There has been a reduction of £1.893m in the Early Years Block grant due to an update in pupil data, this was expected. Expenditure is in line with the revised budget, no change since period 8.</p> <p>The High Needs Block is over spending by £2.115m, a favourable movement of £47k from Period 8.</p> <p>There is a negative High Needs Block reserve of £181k, leaving an overall deficit of £2.296m.</p> <p>The service is reviewing what mitigations can be put in place to provide longer term savings.</p>
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