

TRAFFORD COUNCIL

Report to: Executive

Date: 21st June 2021

Report for: Information

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

Report Title:

Budget Monitoring 2020/21 – Period 12 Outturn (April 2020 to March 2021).

Summary:

The purpose of this report is to inform Members of the 2020/21 outturn figures relating to both Revenue and Capital budgets. It also summarises the outturn position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that the Executive:

- a) note the report and the revenue outturn position showing a budget underspend of £2.804m, which will be transferred to the Budget Support Reserve;
- b) note the reserves position as detailed in paragraph 7 and Appendix 2;
- c) note the final capital programme outturn position as detailed in paragraphs 27 to 40.

Contact person for access to background papers and further information:

David Muggeridge, 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 is contained within available resources in 2020/21. 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 has been contained within the treasury management budget.
Legal Implications:	None arising out of this report
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

- The approved budget for 2020/21 is £175.52m. Based on the pre-audit outturn for the year, the Council will underspend its budget by £2.804m (£2.301m at Period 10), see Table 1. This is an overall favourable movement of £0.503m since last period, with the movement mainly relating to the release of contingency budgets.
- It is fair to say that projecting the financial impact of COVID-19 throughout the year has been difficult given the level of uncertainty in nearly every aspect of the Council's services. Gross COVID-19 financial pressures were £51.94m at year end and after the application of Government COVID-19 grants, contributions from the CCG and the facility to spread the shortfall in our Council Tax and Business Rates income over future years, this resulted in a net pressure relating to COVID-19 of £8.82m.
- The gross COVID-19 pressure has decreased by £4.84m since period 10, largely due to grant funded expenditure being lower than expected. Some ring-fenced grants were shown as fully committed for monitoring purposes and have now been rolled over to 2021/22, (see paragraph 26).
- Net pressure has increased by £3.48m since period 10. This is largely explained by:
 - A contribution of £4.0m made to a COVID-19 General Reserve to provide additional resilience for potential ongoing financial pressures in the medium term;
 - £0.6m net reduction largely associated with costs being lower than forecast at P10 across numerous core services such as home to school transport, rough sleepers and client demand.
- The COVID-19 pressures above have been offset by savings across other service and corporate contingency budgets to arrive at a net underspend of £2.804m a positive movement of £0.503m since period 10.
- The net underspend of £2.804m (see Table 1) is represented by an overspend on Directorate budgets of £4.90m, offset by an underspend on Council Wide budgets of £7.71m. Detailed variances are shown in Table 2 and a summary of the significant items are below:
 - Savings on Adults £1.97m and Children's £1.25m services consisting of savings due to the hospital discharge programme being met by the CCG and lower staffing costs, offset by a contribution to earmarked reserves to accommodate potential delayed service demand due to COVID-19;
 - Place directorate overspend of £6.7m largely due to the impact of the pandemic on service income;
 - Strategy and Resources directorate overspend of £1.8m largely due to lower than anticipated income from trading with schools due to the pandemic closures;
 - Council Wide favourable variance of £7.71m largely due to the additional COVID-19 support grants £17.93m being held as a central

resource and the release of contingency budgets £1.7m. Offset by losses from our strategic investments in Manchester Airport Group £5.6m and a contribution to COVID-19 reserves of £5.2m to address further pressure over the medium term and other positive movements worth £1.1m.

- **Council Tax** – there was a deficit at year end of £3.01m which is a positive movement of £1.06m from Period 10. Improvements have been seen in collection rates as the year progressed along with positive assumptions on collecting historic debt. The full deficit, which will in part be offset by a tax income guarantee scheme from Government, will not impact on 2020/21 and in line with revised Government regulations will be spread over the three years 2021 to 2024. The deficit is lower than anticipated when the 2021/22 budget was prepared and will result in a net benefit of £1.88m being released over our assumptions made in our medium term financial plan, (see paragraph 13).
- **Business Rates** continues to be a complex area and prone to variation which has been exacerbated by the impact of COVID-19. There was an in-year deficit excluding rates relief awarded as a result of COVID-19 of £3.35m. In a similar manner to the Council Tax deficit this will have a neutral impact in 2020/21 and will be spread over 2021 to 2024. The deficit, which will in part be offset by a tax income guarantee scheme from Government, is lower than anticipated when the 2021/22 budget was prepared and will result in a net benefit of £1.97m being released over our assumptions made in our medium term plan. A further release from GMCA of growth pilot monies from 2019/20 £1.73m and 2020/21 £3.42m have been used to bolster our budget support reserves in line with our budget assumptions agreed in February 2021, (see paragraph 22).
- **Reserves Movements** – It must be stressed that the long term impact of the pandemic remains a significant risk for the Council in future years.

As such the Council has utilised its favourable outturn and general COVID-19 support grants to bolster its COVID-19, Budget Support Reserves and specific earmarked reserves.

Due to a number of ring-fenced Government Covid-19 grants being carried forward on the balance sheet, usable reserves have been temporarily increased from a balance brought forward of £91.35m to £200.92m at year end (see paragraph 7 for detail with a summary below), of this immediate commitments in 2021/22 to clear the deficit on the business rate element of the collection fund and to support the budget are estimated at approximately £120m. The increase in reserves over the year is explained by:-

- £89.37m increase in Corporate Reserves (inc General Reserve) largely related to the balances of Government COVID-19 funding associated with rates relief and collection fund support which is fully committed in 2021/22 and 2022/23;
- £4.45m increase in Service Earmarked reserves, largely to address the risk of delayed pressures and also the balance of unspent earmarked COVID-19 support grants carried over to be used for future commitments;

- £13.46m net increase in other earmarked reserves including:
 - £4.524m reduction to support the 2020/21 budget as agreed by Council in February 2020;
 - £4.72m reduction in respect of 19/20 COVID-19 grant held in reserve;
 - £5.23m increase in COVID-19 General Reserve (£1.2m balance of 4th tranche plus £4.0m);
 - Budget Support increased £10.45m (£5.15m Business; Rates 2019/20 and 2020/21 Growth Pilot, £2.5m Waste Levy refund, £2.8m Outturn);
 - £7.02m other increases including £2.09m Strategic Investment Reserve, £1.46m Transformation Fund Reserve, £0.7m Leisure Reserve, £1.13m Council Tax Hardship and £1.09m Sale PFI.
 - £4.26m increase in Schools Reserves;
 - £1.97m reduction in Capital Reserves.
- **Capital Programme** - Capital expenditure is £34.0 in 2020/21 (see para. 27). With minor rephasing to later years of £3.2m.

REVENUE BUDGET

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

Table 1: Budget Monitoring results by Service	2020/21 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	41,996 *	40,746	(1,250)	(3.0)%
Adult Services	49,385	47,411	(1,974)	(4.0)%
Public Health	12,381	11,959	(422)	(3.4)%
Place	29,360	36,070	6,710	22.9%
Strategy and Resources	5,227 *	7,045	1,818	34.8%
Finance & Systems	7,900	7,711	(189)	(2.4)%
Governance & Community Strategy	6,518	6,727	209	3.2%
Total Directorate Budgets	152,767	157,669	4,902	3.2%
Council-wide budgets	22,755	15,049	(7,706)	(33.9)%
Net Service Expenditure variance	175,522	172,718	(2,804)	(1.6%)

Funding				
Business Rates	(65,792)	(65,792)		
Council Tax	(103,990)	(103,990)		
Reserves Budget Support	(4,524)	(4,524)		

Collection Fund surplus	(1,216)	(1,216)		
Funding variance	(175,522)	(175,522)		
Net Revenue Outturn variance	0	(2,804)	(2,804)	(1.6)%
Dedicated Schools Grant	139,392	140,363	971	0.7%

Budget Adjustments and Virements

* There has been one virement across two Directorates since Period 10, as detailed in Appendix 1.

Main variances, changes to budget assumptions and key risks

2. The main variances contributing to the underspend of £2.804m, are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	(1,250)	<p>Outturn variance £1.250m favourable; a favourable movement of £523k since period 10.</p> <p>The coronavirus pandemic has had an impact on the service both in terms of changes to its service delivery and finances. The areas of favourable variance and pressures are outlined below:</p> <ul style="list-style-type: none"> • The overall savings target for the service of £1.611m, has been achieved; no movement • Underspend of £15k in placements/early support a favourable movement of £323k (Note 1); • Underspend on staffing budgets of £1.499m, a favourable movement of £35k (Note 2); • Additional transport costs of £336k, a favourable movement of £114k (Note 3); • £257k under budget on other running costs and income across the service; an adverse movement of £21k (Note 3); • Loss of income due to COVID-19 of £185k, a favourable movement of £72k, mainly seen at the two nurseries and those service areas unable to provide face to face training; <p>Note 1</p> <p>There is an underspend of £15k on children's placements, a favourable movement of £323k.</p> <p>The service has not seen the increase in demand it had anticipated due to the Coronavirus pandemic. It is still felt that the potential impact may fall into the next financial year.</p> <p>The numbers of children as at the end of March 2021 are as follows:-</p>

		<ul style="list-style-type: none"> • children in care 392, a reduction of 14; • child protection is 192, an increase of 3; • children in need 718, an increase of 48. <p>The original savings target of £1.611m has been achieved in full.</p> <p><u>Note 2</u></p> <p>There are underspends in staffing of £1.499m; this is a favourable movement of £35k.</p> <p>The underspends this year are due to delays in recruiting and are one-off in nature as the service undertakes its service redesign which will be in place in 2021/22.</p> <p><u>Note 3</u></p> <p>The adverse variance in running costs across the service is £79k; a favourable movement of £93k. The reasons for this overspend and favourable movement are as follows:-</p> <ul style="list-style-type: none"> • £336k adverse variance on Home to School transport, this being the full year effect of pressures seen in 19/20 and additional numbers and routes during 20/21, an adverse movement of £51k; • £80k adverse variance on Partington nursery due to a shortfall in income, no movement; • £154k favourable variance on school improvement income due to the receipt of a grant which it was not anticipated would continue, no movement; • £171k favourable variance on commissioned services, favourable movement of £47k; • £12k favourable variance on minor variances, favourable movement of £97k. <p>In addition to this there are further costs of £588k due to COVID-19 for the winter grant scheme which will be met by a specific government grant.</p>
Adult Services	(1,974)	<p>Outturn variance £1.974m favourable, a favourable movement of £2.071m since period 10.</p> <p>Within the £1.974m there is a net contribution to reserves of £2.0m as agreed in P10. Therefore the gross underspend is £3.974m which is explained below.</p> <p>The coronavirus pandemic had a significant impact on the service both in terms of changes to its service delivery and finances. The areas of favourable variance and pressures are outlined below:</p> <ul style="list-style-type: none"> • The overall savings target for the service was £1.348m, of which £949k was not achieved, no movement;

	<ul style="list-style-type: none"> • Payments to care providers of £1.455m to meet additional costs, favourable movement of £14k; • £5.209m below budget on Adult clients, favourable movement of £1.325m (Note 1); • £1.187m below budget due to vacancies and one off savings, favourable movement of £710k (Note 2); • Additional Personal Protective Equipment (PPE) £529k of which £511k is recovered from the CCG and £18k is met by the Council, favourable movement of £22k to the Council; <p>As agreed at period 10 the following contributions have been made to the following earmarked reserves, leaving a net underspend of £1.974m :-</p> <ul style="list-style-type: none"> • £1.0m to support to the Disabled Facilities Grant for 21/22, no movement (note 3); • £1.0m to support short term pressures on the budget for 21/22, no movement (note 4); <p>Note 1</p> <p>Adult Clients has a £5.209m favourable variance; £1.325m favourable movement since period 10.</p> <p>This budget increased in both its complexity and volatility as a result of the coronavirus pandemic.</p> <p>This year saw the introduction of the hospital discharge programmes (HDP) which are outlined below and contributed to the overall underspend on client budgets:-</p> <ul style="list-style-type: none"> • Scheme 1, March 2020 to August 2020 – these costs were met by the Trafford Clinical Commissioning Group (CCG) until the 12th October and for those awaiting a Continuing Healthcare Assessment (CHC) continued to be met. • Scheme 2 - September 2020 to March 2021 - up to 6 weeks of these cost will be met by the CCG <p>In both schemes once CHC assessments have been undertaken costs will either be met by the CCG as continuing health care (CHC) or from the adult client's budget whereby financial assessments will be undertaken to assess the amount of client contributions.</p> <p>The impact of the above was the main contributory factor to the underspend.</p> <p>The main reasons for the favourable movement from P10 are as follows:-</p>
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	<ul style="list-style-type: none"> • £858k favourable movement on the s117 provision - section 117 is a part of the legislation that requires councils and CCG's to fund the requirements of an individuals after-care under the Mental Health Act to build effective support and rehabilitation packages after a period of compulsory detention. The backdated costs being sought by other local authorities is less than had been anticipated. The reduction in provision is £1.581m however a contribution of £723k has been made to the Adults service earmarked reserve for future potential claims. • A further £200k has been added to the Adults service earmarked reserve (adverse movement since P10) in light of potential refund of client contributions following a national case ruling. • £606k favourable movement on the income from the CCG for the Hospital Discharge Programme and additional contribution to the cost of discharge to assess beds. • £61k favourable movement on minor variances <p>Savings of £363k have been achieved mainly as a result of the work undertaken during 19/20 and its full year impact into 20/21. The remaining target for adult clients of £748k has not been achieved due to the need to respond to the COVID-19 pandemic.</p> <p><u>Note 2</u></p> <p>There is a favourable variance of £1.187m; a favourable movement of £710k from P10. This is due to the following:</p> <ul style="list-style-type: none"> • £284k favourable variance on staffing due to vacancies; favourable movement of £60k; • £314k favourable variance on client equipment and maintenance due to the impact of COVID-19; favourable movement of £13k; • £637k favourable variance on the bad debt provision; favourable movement of £637k • £48k adverse variance on contracts; no movement. <p>During the year £521k of grants that had been received have not been spent but are committed in 21/22. These have been carried over into the adults service earmarked reserve.</p> <p>In addition to this there were further costs as outlined below:</p> <ul style="list-style-type: none"> • £11.017m which will be met by the CCG from their allocation given by NHSE for hospital discharges and PPE. • £4.246m for infection control for care providers which will be met by government grant. • £550k for adult social care rapid testing which will be met by government grant.
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		<ul style="list-style-type: none"> • £473k for adult social care workforce capacity which will be met by government grant. • £231k for the clinically extremely vulnerable which will be met by government grant. • £29k for supporting the contain outbreak management response which will be met by government grant. <p>Note 3 Due to an anticipated demand and therefore additional pressures on the capital budget for disabled facilities in 21/22, £1.0m of the adults underspend this year will be set aside in the capital reserve to support this budget in 21/22. No change from P10.</p> <p>Note 4 Due to a range of short term pressures in the service whilst continuing with their improvement journey and the potential requirements within hospital settings to reduce waiting lists, which will have an impact on discharges from hospital, £1.0m of the adults underspend this year will be set aside in an adult reserve to support this budget in 21/22. No change since P10.</p>
Public Health	(422)	<p>Outturn variance £422k favourable, favourable movement of £444k from P10.</p> <p>Within the £422k there is a net contribution to reserves of £1.029m. Therefore the gross underspend is £1.451m which is explained below:-</p> <ul style="list-style-type: none"> • £205k favourable variance on a refund from the Pennine contract last year, no movement • £275k favourable variance on a one off reduction in the MFT contract this year, no movement • £391k favourable variance on costs for activity based areas of e.g. sexual health services, a favourable movement of £142k • £485k favourable variance in 'business as usual' staffing costs which have been funded from government grant as the service continues to lead and support the contain outbreak management response to the pandemic, favourable movement of £185k. • £95k minor variances, favourable movement of £95k <p>As agreed at period 10 a £1.029m contribution has been made to the Adults Service earmarked reserve for the possibility that activity based areas which have been low this year may see higher than usual levels as we move into 2021/22 and potential pressures on the community contract, which is to be finalised.</p> <p>At period 10 there was an adverse variance of £22k in relation to COVID-19 costs which is now zero, a favourable movement of £22k.</p> <p>In addition to this there are further costs as outlined below:-</p> <ul style="list-style-type: none"> • £555k for test and trace which will be met by government grant

		£393k for leading and supporting the contain outbreak management response which will be met by government grant.
Place	6,710	<p>Projected outturn variance £6.710m adverse, a favourable movement of £359k since period 10.</p> <p>The pressures include:</p> <ul style="list-style-type: none"> • COVID-19 related income losses are £5.407m, a reduction of £283k. The overall loss includes Parking fees and fines £960k (increase of £16k), property rentals £703k (reduction of £110k), outdoor media advertising £413k (reduction of £5k), planning fees £498k (reduction of £28k), licencing fees £212k (reduction of £22k), building control fees £129k (reduction of £39k), highways permits and grants £86k (reduction of £92k), street trading £125k (increase of £11k), pest control £8k (£9k reduction) and trade waste £126k (increase of £9k).The figures also include £2.147m support Trafford Leisure (reduced by £14k) which has trading deficits in 2020/21 due to the various COVID-19 restrictions over the year. 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 expenditure pressures are £883k and have reduced by £258k overall. The overall pressure includes £548k in additional waste disposal costs (reduced by £7k) and £158k related to waste collection (reduction of £57k), £50k for high street reopening, £8k traffic management (reduction of £27k), £16k play areas (£6k reduction), licencing costs £13k (increase of £13k), £78k operational buildings (increase of £8k) and £12k increase in other net costs. The previously reported pressure of £144k for rough sleepers has been removed as will be addressed by GMCA, and the £50k pressure for Inclusive Neighbourhoods is now reported within the Governance & Community Strategy Directorate. • There are also additional costs fully offset by additional specific COVID-19 grants of £107k for “COVID-19 Marshalls”, £90k Community Engagement and £191k for Public Protection/Community Safety “pandemic contain” funding. There has also been recent confirmation of a successful bid for Community Champions funding £472k; • Other non-COVID-19 pressures include £363k relating to property costs including those awaiting disposal or redevelopment (increase of £84k). Street Lighting energy costs are £115k above budget due to a number of backdated billing changes (increase of £65k). There is a shortfall in building

		<p>control income £211k (increase of £23k), following on from the end of 2019/20, which is offset by an underspend in staffing from vacancies. CCTV income is also £35k below budget. There is additional income above budget for Altair £120k and other rents £3k. The income from Stretford Mall relating to prior years has now been agreed and is £214k higher than last reported, and the airport rent has recently been confirmed at £63k above budget. Car parking cost savings and other income from management fees, permits etc. is £78k favourable (increase of £28k). Other net minor movements across all services total £60k underspent (increase of £46k);</p> <ul style="list-style-type: none"> • There is an overall a staffing underspend of £629k relating to vacancies across the year (£22k reduction) (excluding the ring-fenced Planning account), which is approximately 9.8% of the staffing budget; • The Planning service is a ring-fenced account and has an underspend of £198k in staffing and running costs (£6k reduction) which part offsets the COVID-19 income pressure for Planning application fees above. • The Strategic Investment Property Portfolio will deliver a net benefit to the revenue budget in 2020/21 of £6.371m. This is £1.061m lower than budgeted (adverse movement of £333k) due to economic factors affecting some of the income particularly from the town centre investments (see paragraph 38 for further details).
Strategy and Resources	1,818	<p>Projected outturn variance £1.818m adverse, a favourable movement of £0.697m since period 10.</p> <p>This includes COVID-19 pressures of £1.983m, a favourable movement of £597k since period 10:</p> <ul style="list-style-type: none"> • Trading losses in the overall outturn includes £1.415m in Catering which has reduced by £632k following the reopening of schools in early March. There is also £27k in Cleaning (increase of £13k) and £254k in the Music Service (reduction of £15k). There is a net loss of income from staff parking £145k (reduction of £24k) and a £7k loss of other SLA income (increase of £1k); • Cost pressures include £92k relating to Stop Gap staffing (increase of £60k) and £43k for COVID-19 related communications (unchanged). <p>Other Variances £165k favourable, a favourable movement of £100k since period 10 including:</p> <ul style="list-style-type: none"> • Staff costs are £172k below budget across the Directorate based on actual vacancies across the year (2.6% of the staff budget), a favourable movement of £23k;

		<ul style="list-style-type: none">• Bereavement Services net additional income after costs of £57k, adverse movement of £1k;• SLA income above budget £91k, a favourable increase of £83k;• Other minor variances are net £29k adverse, an adverse movement of £5k. <p>These are offset by the budgeted Directorate-wide efficiency saving target of £126k, which has been achieved in full.</p>
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Finance & Systems	(189)	<p>Projected outturn variance £189k favourable, a favourable movement of £123k since period 10.</p> <p>COVID-19 Pressures £360k, favourable movement of £4k since period 10:</p> <p>This relates to additional unplanned ICT staffing costs relating to the build and configuration of hardware (laptops etc.) directly related to the COVID-19 pandemic.</p> <p>There are also additional costs fully offset by specific COVID-19 grants totalling £534k in Exchequer Services and £12k in ICT. The Exchequer spend includes £218k Emergency Assistance Grant, £118k Winter Grant scheme, £67k Test and Trace, and new burdens grants for administration for benefits £26k, council tax £17k and business rates £88k.</p> <p>Other Variances £549k favourable, a favourable movement of £119k:</p> <ul style="list-style-type: none"> • Staff costs are £421k less than budget across the Directorate based on actual vacancies across the whole year, which is 5.1% of the total staffing budget, and £16k higher than last reported. This includes £289k in Finance Services and £132k in ICT; • Running costs are underspent by £290k, a favourable increase of £50k. The underspend mainly relates to reduced ICT systems and maintenance costs pending major capital investment; • Other additional income is £26k above budget, favourable movement of £53k, including schools SLA income and Exchequer grants. <p>These are offset by the budgeted Directorate-wide efficiency saving target of £188k, which has been achieved in full.</p>
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Governance & Community Strategy	209	<p>Projected outturn variance £209k adverse, a favourable movement of £19k since period 10.</p> <p>COVID-19 Forecast Pressures £592k, an adverse movement of £19k since period 10:</p> <ul style="list-style-type: none"> Income losses due to COVID-19 are £422k which is a net increase of £36k. This includes £168k relating to Sale Waterside Arts Centre (reduced by £16k) and £62k for events including Flixton House (increase of £3k). Land charges income is £31k less than budget (increase of £6k) and Registrar's £60k (reduction of £7k). There is also a £51k loss of income expected from library lettings (unchanged). There is a £50k pressure relating to Inclusive Neighbourhoods which was previously reported in the Place Directorate. Cost pressures total £170k which have reduced by £17k. The total pressure relates to legal costs for fees and additional agency staff required due to the increase in caseload. <p>Other Variances £383k favourable, favourable movement of £38k:</p> <ul style="list-style-type: none"> Forecast staff costs are £593k below budget across the Directorate, reduced by £76k, based on actual vacancies across the year (10.0% of the staff budget). This includes £245k in Legal Services, £161k in Access Trafford (contact centre), £155k in Partnerships and Communities and £32k in Arts and Culture; Running costs are underspent by £32k, a favourable movement of £97k, mainly related to a reduction in previously forecast legal/court fees £37k and library ICT/other costs £45k; There is a shortfall in income of £49k compared to budget excluding the COVID-19 pressures above, which includes £32k shortfall in capital fee income which is related to staff vacancies, and £27k reduction in expected grants in Democratic Services. The income shortfall is £17k less than last reported. <p>The above is offset by the reduced budgeted Directorate-wide efficiency saving target of £193k, which has been achieved in full.</p>
Council-wide budgets	(7,706)	<p>Projected outturn variance £7.706m favourable, a favourable movement of £989k since period 10.</p> <ul style="list-style-type: none"> COVID-19 Support Grant – favourable £10.587m, no change since period 10. The Government has announced various general packages to support the financial impact of COVID-19. All of these generic support grants have been accounted for in Council-wide as a centrally held resource for monitoring purposes;

		<ul style="list-style-type: none"> • COVID-19 Support Grant brought forward – The 1st tranche of COVID-19 Support Grant was received in 2019/20 and £4.722m was carried forward in an earmarked reserve. In previous monitors this resource has been shown under the Funding, however at year end has been credited to Council Wide along with the in-year general COVID-19 grants. Favourable movement £4.722m (although net nil including funding). • COVID-19 Sales, Fees and Charges Compensation Scheme – £2.620m favourable - alongside the announcement of the 3rd COVID-19 support grant in July 2020, the Government announced a compensation scheme for lost income from Sales, Fees and Charges. This is £0.757m less than reported at P10, reflecting the reduction in better than expected loss in income, largely due to schools catering. This grant has been accounted for in Council-wide in the same manner as the support grants. • As reported at P10 the 4th tranche of the COVID-19 grant of £2.234m was to be directed into a contingency reserve to accommodate unknown winter pressures and uncertainty surrounding the financial impact of COVID-19 going forward. During the closedown process a review of potential pressures has been undertaken and has resulted in the grant being directed into the following specific reserves. <ul style="list-style-type: none"> ○ An amount of £0.4m to the Leisure Services Reserve to accommodate potential support for our Leisure CIC in 2021/22 pending the service returning to pre-pandemic activity. ○ £0.3m directed to the Finance & Systems Reserve to reflect the historic and ongoing resource commitment made by Financial Management during the pandemic and also to support future investment in digital transformation across the council. This will ensure the service is sufficiently resourced over the medium term to meet the ongoing financial reporting and advisory functions of COVID-19. ○ £0.3m directed to the Finance & Systems Reserve to support digital transformation work within Exchequer Services which has been delayed as a result of the pandemic. ○ The remaining balance of £1.234m has been directed to the COVID-19 General Reserve reflecting potential risk over the medium term above those in our current budget assumptions.
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		<ul style="list-style-type: none"> • COVID-19 contingency for recurrent pressures – £4.0m The Council’s medium term financial strategy assumes that COVID-19 pressures of £15.4m will continue into 2021/22 and 2022/23 and reserves have been ring-fenced to meet these pressures. There are many unknowns in estimating the ongoing financial consequences and it is felt prudent that a further contribution towards the COVID-19 General Reserve of £4.0m is made to support the following two themes Short Term COVID-19 pressures – A figure of £2.0m to reduce the risk associated with short term impacts as our services return to pre-pandemic levels. This may include reduced income from sales, fees and charges, support for our Leisure CIC, delays in savings targets. Medium Term COVID-19 pressures - The pandemic has had a considerable impact on the income received from strategic investments, particularly MAG and a reduced level of income has been included in our medium term financial strategy for the period 2021/22 to 2023/24. It is anticipated that the loss of income may be felt over a longer time period and may require a further contingency to be set aside for the medium term. As such, a figure of £2m has been directed to the COVID-19 General Reserve towards this target. Priority will need to be given over the medium term to direct further resources into this reserve. • The insurance budget which includes the costs of claims and premiums is held within Council Wide, however is only reported in detail at year end due to the evolving nature of the way the claims history develops. As part of the year-end review of prior year provisions/claims and premiums an underspend of £77k can be reported. This consists of reductions in prior year claims provision of £122k, savings in premiums of £55k and additional income from schools of £14k. A figure of £125k has been transferred to the Finance and Systems Reserve in recognition of the proactive work of the insurance team in delivering the underspend and to provide some relief in meeting the immediate savings target required from Financial Management in 2021/22. • £5.148m adverse variance on Treasury Management – due to the impact of COVID-19 on the economy the budgeted MAG Dividend of £5.597m is no longer expected. Also, there is a reduction in investment income due to lower interest rates of £178k, offset by additional income from strategic investments of £627k, a minor adverse change of £6k since period 10; • Housing Benefit budget – the final outturn pressure on the net Housing Benefit budget (payments made, less subsidy, overpayment recovery and use of reserves) is £409k, an
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		<p>adverse movement of £111k since period 10 largely due to continued pressure on collection of historic debt/overpayments.</p> <ul style="list-style-type: none"> • £200k relating to Trafford’s share of the AGMA-wide Trafford Park Mortuary facility set up in response to the COVID-19 pandemic, a minor favourable change of £3k since period 10; • Trafford’s final share of the costs of the South Manchester Coroners’ service is £24k below budget, a favourable movement of £124k since period 10. This is mainly as a result of a lower than expected impact of the pandemic on the service and a continued drive to lower contract costs; • £108k saving relating to Members Allowances, a favourable movement of £58k since the last report. This relates to continuing vacancies during the year and lower than anticipated running costs; • Liability Order income is £180k below budget in 20/21 due to the impact of COVID-19 and the subsequent suspension of the debt recovery process for both Council Tax and Business Rates. This is a favourable movement of £65k since period 10. • A number of Council-wide contingencies and provisions relating to service savings not being achieved and doubtful debts have been reviewed. After taking account of un-budgeted one-off costs it has been possible to release a total of £1.7m of these in the year, an additional £775k since period 10. • Additional external audit costs of £32k, in particular relating to the audit of the 2019/20 Accounts; • Other net savings of £82k across a number of other budgets. • Contain Outbreak Grant – The Council has received £6.709m to date under the Contain Outbreak programme aimed at enforcement, compliance and contract tracing. The programme budget is subsequently managed and reported within the service area outturns. Actual expenditure of £0.879m has been incurred and the grant has been allocated to meet this cost. The balance of £5.829m has been carried over to meet the ongoing planned commitments. Net nil variance and movement. <p>In addition the Council has received within its General Fund a Council Tax Hardship Grant of £1.561m. At year end, the total amount of Hardship Award was £0.630m. The undercommitment of £0.930m has been transferred to a Council Tax Hardship Reserve to support the extension of the scheme in 2021/22 as agreed in February 2021 as part of the final budget report.</p>
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Dedicated Schools Grant	971	<p>Projected outturn variance £971k adverse, a favourable movement of £353k from period 10.</p> <p>DSG is expected to be £0.971m over spent, this is a favourable variance of £353k from period 10. Of this over spend, £1.384m is within the High Needs Block (HNB) offset by under spends in the Schools Block of £289k and Central Schools Services Block of £124k.</p> <p>The Schools Block under spend is due to an under spend within the growth fund, school funding forum must decide whether this is to be redistributed amongst schools in year or if it will be held in reserves for future growth.</p> <p>The HNB has seen an increase in demand for places and additional top-ups within Special Schools, increasing numbers and complexity of Education Health Care Plans and increasing costs and numbers of placements made out of borough.</p> <p>Although there are overall DSG reserves to cover this deficit, the HNB reserves on their own are not sufficient to cover their overspend and a report will be taken to July Executive which will look at how the deficit is to be managed and longer term strategies required to alleviate the pressures on this budget.</p>
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MTFP SAVINGS AND INCREASED INCOME

3. The 2020/21 budget is based on the achievement of permanent base budget savings and increased income of £10.055m. The outturn shows that £8.310m (82.6%) of the savings target have been achieved giving a projected shortfall in the savings programme of £1.75m, and this includes a number being affected by COVID-19. There is no movement since period 10. More details by saving scheme are shown in Appendix 4.

RESERVES

4. As part of the final budget report for 2021/22 a full review of reserves was undertaken, details of which can be found in the report agreed by Council in February 2021. This was done primarily to identify balances which could be used to support any longer term financial impacts of the pandemic along with ensuring the level of reserves were robust and sufficient to cover the range of risks faced by the Council.
5. As part of the closedown process a further review of reserves was completed which has taken into account the potential longer term risks the pandemic will have on our strategic investments and the need to replenish the Budget Support Reserve to our target level of at least 50% of the net annual pressure, approximately £5.5m.

6. In summary, usable reserves have increased from a balance brought forward of £91.35m to £200.94m at year end, an increase of £109.57m. This movement is explained by
- £89.37m increase in Corporate Reserves (inc General Reserve) largely related to the balances of Government COVID-19 funding associated with rates relief and collection fund support which is fully committed in 2021/22 and 2022/23;
 - £4.45m increase in Service Earmarked reserves, largely to address the risk of delayed pressures and also the balance of unspent earmarked COVID-19 support grants carried over to be used for future commitments;
 - £13.46m increase in other earmarked reserves including
 - £4.524m reduction to support the 2020/21 budget as agreed by Council in February 2020
 - £4.72m reduction in respect of 19/20 COVID-19 grant held in reserve;
 - £5.23m increase in COVID-19 General Reserve (£1.2m balance of 4th tranche plus £4.0m)
 - Budget Support increased £10.45m (£5.15m Business Rates 2019/2020 and 2020/2021 Growth Pilot, £2.5m Waste Levy refund, £2.8m Outturn)
 - £7.02m other increases including £2.09m Strategic Investment Reserve, £1.46m Transformation Fund Reserve, £0.7m Leisure Reserve, £1.13m Council Tax Hardship and £1.09m Sale PFI.
 - £4.26m increase in Schools Reserves
 - £1.97m reduction in Capital Reserves

Whilst there has been a significant increase in reserves during the year, the budget plans agreed by Council in February 2021 include for a significant application of these and also the risks over the medium term.

7. The Council's usable reserves at 31st March 2021 are £200.92m, an increase of £109.57m over the year. Immediate commitments in 2021/22 to clear the deficit on the business rate element of the collection fund and to support the budget are estimated at approximately £120m.

Table 3: Usable Reserves	Opening Balance 1/4/2020 £m	Closing Balance 31/03/2021 £m	Change £m
Budget Resilience and Smoothing	31.25	42.90	11.65
Strategic Priority	11.74	13.55	1.81
Corporate	2.05	90.42	88.37
Corporate - General Reserve	7.00	8.00	1.00
Service Area Priorities	6.64	11.09	4.45
Earmarked Reserves	58.68	165.96	107.28
Capital Related Reserves	21.77	19.80	(1.97)
School Related Reserves	10.90	15.16	4.26
Total Usable Reserves	91.35	200.92	109.57

Details of all reserve movements are shown in Appendix 2.

COLLECTION FUND

Council Tax

8. The table below summarises the pressures and movements on the Council Tax Collection Fund. The Fund is shared between the Council (82%), the Police & Crime Commissioner for GM (13%) and GM Fire & Rescue Authority (5%).

Table 4: Summary of Council Tax Collection Fund Movements	Period 10 Full Collection Fund £000	Period 12 Full Collection Fund £000	Movement P12 to P10 (improvement) /deterioration £000	Period 12 Trafford Share £000
(Surplus) Brought Forward	(1,121)	(1,121)	0	(931)
Distribution of estimated surplus	1,466	1,466	0	1,216
Over Distribution of Prior Year - Collected in 21/22 (Para. 15)	345	345	0	285
In Year Position				
Shortfall in Tax Base (para 10)	890	1,070	180	875
Reduction in Cash Collection (para. 10)	2,207	860	(1,347)	704
Local Council Tax Support Scheme	677	703	26	575
Hardship Awards	623	630	7	516
Other Movements (Backdated discounts etc.)	(50)	30	80	24
Sub-total In Year Position before hardship grant	4,347	3,293	(1,054)	2,694
Contribution from Hardship Grant (para. 11)	(623)	(630)	(7)	(516)
Sub-Total In Year Position (para. 12) *	3,724	2,663	(1,061)	2,178
Deficit Carried Forward	4,069	3,008	(1,061)	2,463

(*) – The in-year Collection Fund deficit will not be charged to 2020/21 in line with Government regulations. It will be recovered over three years 2021/24.

9. As reported in previous periods, there was an overpayment on the surplus brought forward as at 1 April 2020. This will be made good in 2021/22 by the three preceptors. Trafford's share is £285k and was set aside in 2019/20 in an earmarked reserve for this purpose.
10. During the first half of the year the challenges faced by COVID-19 placed considerable pressure on the Council Tax Collection Fund, largely related to a reduction in collection rates and increase in Council Tax Support. As the year progressed collection rates improved steadily and at the year end a shortfall on cash collection of £0.860m has been realised which is a significant improvement on the £2.207m shortfall forecast at P10. In year collection rates were 97.18% in 2020/21 compared with 97.76% in 2019/20. However increasing trends in claims for discounts and reliefs (such as Single Person Discount) and delays in new properties coming online, placed further pressure on our business as usual activity resulting in a shortfall in the core tax base of £1.070m.
11. Hardship awards relating to COVID-19 were £0.630m for the year and this was offset by the Government sponsored Council Tax Hardship Grant the Council received within its General Fund. The total hardship grant was £1.561m and £0.630m was transferred to the Collection Fund to offset the lost income from awards. The remaining balance of £0.931m was transferred to an earmarked reserve to support the extension of the hardship scheme in 2021/22 as agreed in the final budget report for 2021/22.
12. There is currently a total in year deficit of £2.663m. This is an improvement of £1.061m on the estimated deficit of £4.069m at period 10.
13. As highlighted in the previous monitors, the Government announced changes, enabling local authorities to spread their council tax deficits over three years rather than the usual one. As such, the deficit will not feature in the 2020/21 outturn. The budget for 2021/22 was set using Trafford's share of the estimated deficit at Period 8 of £4.059m spread over the next three financial years. The improvement in the Council's share of the outturn forecast to £2.178m will release a net benefit of £1.88m over our budget assumptions. The timing of this release will be considered in the medium term financial strategy.
14. In addition to the ability to charge the 2020/21 deficit over the next three years, the Government also announced further support under the Tax Income Guarantee (TIG) Grant which compensated councils for 75% of specific losses in Council Tax and Business Rates recovery caused by COVID-19. The TIG for Council Tax has been calculated at £0.767m and although accounted for as a receipt in 2020/21 will be held in an earmarked reserve to be drawn down over the next three years in line with our medium term budget assumptions as agreed in February 2021.
15. In summary, as at year end the forecast year-end balance on the Council Tax Collection Fund is a deficit of £3.008m (£4.069m at period 10), consisting of an

overpayment of £345k in the brought forward balance plus an in year shortfall of £2.663m. The Council's share of the total deficit is £2.463m, of which £285k has been identified in an earmarked reserve leaving a balance of £2.178m. The new requirement for local authorities to spread their tax deficits over three years will reduce the financial impact of the full deficit, in 2020/21, to a neutral amount, however this will need to be recovered between the periods 2021 to 2024.

Business Rates

16. The 2020/21 budget included anticipated growth in retained business rates, related S31 grants and redistribution of prior year surpluses of £11.35m.
17. Projecting business rates is by its nature complex and prone to variation, in addition the impact of COVID-19 has added further uncertainty to the accuracy of projections. The rates monitoring focuses on the impact on the Collection Fund and also the Council's General Fund. Appendix 3 gives a breakdown of the components of the rates budget and outturn figures. A summary is as follows.

Rates Collection Fund components

18. There was a total shortfall on the Rate Collection Fund at year end of which the Council's share is £91.056m. Included in this figure is £87.710m of COVID-19 rates reliefs, where businesses in the retail, hospitality, leisure and nursery sector were awarded 100% relief due to the pandemic. The remaining balance of £3.346m relates to a shortfall in other rates income, such as lower cash collections, premises undergoing refurbishments, demolitions and changes in the levels of appeals. This is an improvement of £2.184m over period 10 and relates to a review of the levels of appeals taking into account large appeals which were dismissed by the VOA, provisions for debt recovery and cash collection rates.

Rates General Fund components

19. Within its General Fund, the Council has been compensated for the loss in rates due to COVID-19 reliefs in the form of a Section 31 grant. An amount equivalent to the share of the deficit caused by these reliefs (£87.710m) has been transferred to an earmarked reserve which will be used to repay the shortfall to the Collection Fund.
20. In normal years the Council would be required to charge the underlying deficit of £3.346m to its 2020/21 accounts and make a repayment to the Collection Fund over the following financial years. However, the Government announced changes allowing this shortfall to be spread over the next three financial years and it therefore has no impact on 2020/21 outturn.
21. The deficit on the Collection Fund of £3.346m is however lower than estimated at Period 8 (£5.319m) which was used in the preparation of the 2021/22 budget. The improvement in the outturn will release a net benefit of £1.973m over our budget assumptions. The timing of this release will be considered in the medium term financial strategy.

22. Other components of the General Fund budget have resulted in favourable movements totaling £1.486m which includes higher than anticipated Section 31 compensation Grants and a lower payment to GMCA relating to the Growth Pilot. In a similar manner to the Council Tax Income Compensation Scheme, the Government has also announced support of 75% of budgeted losses on business rates. Included in the 2021/22 budget plan is a total grant of £3.99m. Due to changes in business rates since the estimate, the actual grant is now £4.321m, an increase of £0.33m. This budgeted grant figure has been moved to an earmarked reserve to meet our budget requirement assumed for 2021/22 leaving a windfall of £0.33m in 2020/21.
23. The above figures include a payment to Greater Manchester Combined Authority (GMCA) relating to the benefit of the Business Rates Growth Pilot sharing scheme in 2020/21. GMCA has clarified that due to COVID-19 pressures across GM Authorities, they no longer require the payment. This has resulted in additional income of £3.418m which has been transferred to the Budget Support Reserve in line with previous monitors.
24. GMCA also announced an additional redistribution of Growth Pilot Monies relating to 2019/2020 across the Greater Manchester Business Rates Pool members. Trafford's share is £1.73m and again this has been transferred to the Budget Support Reserve in line with previous monitors.
25. The remaining positive outturn of £1.486m will be transferred to the Business Rate Risk Reserve, as previously reported, to help absorb any future business rates volatility. Business Rates in-year collection rates were 95.22% in 2020/21 compared with 98.0% in 2019/20.

Impact of COVID-19

26. During the course of 2020/21 the implications of COVID-19 have had a major and unprecedented impact on the Council's finances. The net pressures being felt in 2020/21 have been detailed in the service narratives and a summary is shown in Table 5, along with the grant funding, CCG and earmarked reserves contributions.

Table 5: Impact of COVID-19 on Services	Period 10 2020/21 £000	Period 12 2020/21 £000	Change P12 to P10 £000
Estimated Gross Service Pressures	47,696	45,904	(1,792)
Estimated Funding Pressures (Council Tax and Rates)	9,089	6,040	(3,049)
Gross COVID-19 Pressures	56,785	51,944	(4,841)
CCG contribution – PPE – Adults Services	(511)	(511)	0
CCG contribution - Hospital Discharges	(10,487)	(10,506)	(19)
Infection Control (Care Homes) Grant	(4,246)	(4,246)	0
Public Health – Test and Trace Grant	(1,457)	(555)	902
Council Tax Hardship Grant	(510)	(510)	0
Emergency Assist Grant (*)	(218)	(218)	0
Clinically Extremely Vulnerable (*)	(262)	(231)	31
Rough Sleeping emergency funding (*)	(20)	0	20
Self-Isolation Grants (Admin Grant) (*)	(33)	(67)	(34)
COVID-19 Winter Grant Scheme (*)	(588)	(588)	0
COVID-19 Marshalls (*)	(107)	(107)	0
New Burdens Benefits/CT/NDR (*)	0	(131)	(131)
Community Champions	(473)	(90)	383
Rapid Testing	(550)	(550)	0
Workforce capacity	(473)	(473)	0
Total Specific Grants and Recharges to CCG	(19,935)	(18,783)	1,146
COVID-19 Support Reserve (Bal of 1 st Tranche held in reserve)	(4,722)	(4,722)	0
COVID-19 Support Grant 2nd Tranche	(6,539)	(6,539)	0
COVID-19 Support Grant 3rd Tranche	(1,814)	(1,814)	0
COVID-19 Support Grant 4th Tranche	(2,234)	(2,234)	0
Contain Management Outbreak Grant	(4,237)	(879)	3,358
COVID-19 Support SFC Income Loss Support	(3,377)	(2,620)	757
Total General Government Support	(22,923)	(18,808)	4,115
Net COVID-19 Pressures 2020/21 before removal of Collection Fund Deficit	13,927	14,347	420
Council Tax Deficit removed and recovered 2021 onwards	(3,045)	(2,178)	867

Business Rates Deficit removed and recovered 2021 onwards	(5,534)	(3,346)	2,188
Total Collection Fund Adjustment	(8,579)	(5,524)	3,055
Net COVID-19 Pressures 2020/21	5,348	8,823	3,475

(*) Grant previously shown within Gross Service pressures

Gross COVID-19 financial pressures were £51.944m at year end a reduction of £4.841m from period 10. This relates to

- grant funded expenditure being lower than anticipated. For the purposes of monitoring, some grants such as Contain Outbreak and Test and Trace were largely shown as fully committed. The lower expenditure has been offset by lower grant income. Unspent grants have been carried forward where conditions allow.
- Lower than forecast losses in trading income due to schools catering income improving in February and March. This has been offset by lower compensation grant.
- Lower than forecast Council Tax and Business Rates deficits. Although this is neutral overall as the deficits are removed in 2020/21.
- A contribution of £4.0m made to a COVID-19 General Reserve to provide additional resilience for potential ongoing financial pressures.

The movement in net costs of £3.475m is associated with the £4.0m contribution to reserves mentioned above less £639k largely associated with costs being lower than forecast across numerous core services such as home to school transport, rough sleepers, client demand.

Net COVID-19 related pressures are at £8.823m at year end (£5.348m at period 10), these have been offset by favourable movements across other services to arrive at a net underspend of £2.804m.

Further details of COVID grants received during 2020/21 can be seen in appendix 5.

CAPITAL PROGRAMME

27. The updated budget for 2020/21 was approved by the Executive in September 2020 and included the reprogramming from the 2019/20 budget, the initial impacts of the COVID-19 pandemic and where possible minimised the reliance of capital receipts reflecting delays in achieving receipts and development returns. The revised approved total budget for the financial year 2020/21 was £182.15m, which included the Asset Investment Fund of £139.35m and general programme of £42.80m. Subsequently during the year the forecast expenditure has been revised to reflect re-phasing and any new approvals to give the position forecasted at period 10. Where such changes have been made, these have been reported in relevant capital monitoring reports to the Executive with explanations provided. The final outturn position for the year 2020/21 for the general capital programme is £33.95m which is a variance of £8.85m from the revised approved programme. A summary of these variances is detailed in Appendix 6.

GENERAL CAPITAL PROGRAMME OUTTURN (£33.95m)

28. The final outturn position for the general capital programme is £33.95m which was a movement of £3.21m from Period 10 (P10) as summarised in the table below:-

Table 6: Capital Investment Programme 2020/21	Revised Approved Programme £m	P10 Forecast £m	2020/21 Expenditure £m	Variance P10 to Outturn £m
Service Analysis:				
Children's Services	8.64	7.31	7.74	0.43
Adult Social Care	1.84	1.79	1.85	0.06
Place	29.98	26.37	23.16	(3.21)
Governance & Community Strategy	0.08	0.09	0.01	(0.08)
Finance & Systems	2.26	1.60	1.19	(0.41)
General Programme Total	42.80	37.16	33.95	(3.21)

29. The major areas of investment included :

School Improvements - £7.60m:-

- Capital Maintenance & Access works - £933k
- Expansion & Basic Need works - £5.05m
- SEND and Healthy Pupils Funding works - £1.12m
- Improvements via Devolved Formula Capital - £501k

Children Social Care - £135k:-

- Children's Portal - £110k
- Foster Carers - Accommodation improvements - £25k

Adult Social Services - £1.85m:-

- Disabled Facilities Grants - £1.71m
- Assistive Technology / Agile Working - £141k

Major works on Public & Operational Buildings - £424k:-

- Public Building Repairs & DDA Improvements - £263k
- Other Schemes- £161k

Regeneration Projects - £15.01m:-

- Manchester Airport – Strategic Investment - £13.42m
- Altair Development Land Assembly – £628k
- Altrincham Town Centre Public realm works - £450k
- Greater Manchester Full-Fibre - £299k
- Other Schemes - £208k

Highway & Transport Related Improvements - £6.65m:-

- Highway Structural Maintenance (Inc. Lighting) - £3.86m
- Integrated Transport Schemes - £269k
- Cycling and Walking schemes - £1.17m
- Bridges Programme - £491k
- Carrington Road improvements - £855k

Leisure and Sport - £578k:-

- Leisure Centre Strategy and Improvements - £521k
- Other Schemes - £57k

Environmental Services and Green Spaces - £474k:-

- Parks and Play Areas Infrastructure - £438k
- Other Schemes - £36k

Housing and Other Services - £38k:-

- Housing Services - £10k
- Community Safety - £28k

Governance and Communities - £11k:-

- Partnership and Communities - £11k

Finance and Systems – £1.19m:-

- Range of ICT initiatives - £1.19m

Performance and explanation of major variances

30. Progress against project milestones are monitored throughout the year and at the end of 2020/21 £28.0m (82.6%) of works were complete with the remaining £5.95m (17.4%) still on site or programmed to start with initial work underway.
31. As described above there was an overall movement of £3.21m in the outturn compared to period 10. Capital expenditure by its nature can fluctuate and be difficult to forecast across a single financial year, and can also be affected by factors outside the Council's direct control. An explanation of the variations by Directorate is shown in Table 7 below with a more detailed breakdown in Appendix 6.

Table 7	Period 10 2020/21	Outturn 2020/21	Variance	← Variance Explained By →			
				Re-Profiling	Acceleration	Add'n Expend	Saving
Directorate	£m	£m	£m	£m	£m	£m	£m
Children's Services	7.31	7.74	0.43	(1.64)	2.05	0.02	
Adult Social Care	1.79	1.85	0.06	(0.03)	0.13		(0.04)
Place	26.37	23.16	(3.21)	(4.47)	1.19	0.17	(0.10)
Governance & Community Strategy	0.09	0.01	(0.08)	(0.08)			
Finance & Systems	1.60	1.19	(0.41)	(0.46)	0.05		
General Programme Total	37.16	33.95	(3.21)	(6.68)	3.42	0.19	(0.14)

32. The overall variance of £3.21m includes £3.26m relating to re-profiling and acceleration, and is explained in detail below and in Appendix 6:

Children's Services

- £1.14m of Basic Need funding has been incurred in advance of forecast, the majority of this relates to work at Blessed Thomas Holford College which has progressed ahead of schedule; this is a grant funded scheme;
- £(850)k of re-profiling occurred across the Schools Capital Maintenance programme of works, this was across a number of schemes for which the majority of the work is already underway and is nearing completion. These works are grant funded and have slipped into 2021/22;
- £70k of Devolved Formula Capital was spent in advance of forecast on a number of projects with funding already received;
- £290k of SEND work at Delamere School has been completed slightly ahead of schedule; this is a grant funded scheme;
- £(241)k of re-profiling in Children's and Family Services linked to delays in delivery of Foster Carers accommodation improvements as a result of COVID-19 and the ability to get into people's homes. There has been a

slight slippage with the delivery of Liquid Logic systems although work is underway.

Adult Services

- £97k of additional works to that forecast was carried out within Adults Social Care relating to Disabled Facilities works and as such is funded from grant already received.

Place

Re-profiling has occurred on a number of project areas:

- £507k in relation to regeneration and strategic planning schemes for Public Realm works in Altrincham and Stretford and Greater Manchester Full fibre scheme;
- £182k of Corporate Landlord works across a number of small schemes but in the main initial works have started on these schemes;
- £183k of Leisure related schemes the majority of which relates to Turn Moss Playing fields where initial work on the scheme is underway;
- £280k on a number of Integrated Transport schemes - most of the schemes are underway or have had initial design work completed;
- £838k of Highways Structural Maintenance, the vast majority of schemes have incurred costs in 2020/21, however, due to varying reasons not all schemes were concluded in year and so will continue into 2021/22;
- £635k on Cycling and Walking schemes with the majority relating to the Mayors Challenge Fund and Walking schemes, these schemes are progressing but there has been some delays in scheme delivery as a result of a shift in priorities during the pandemic;
- £223k on a number of bridge Assessment and Strengthening works, these works are planned to be completed in this financial year;
- £104k in relation to work in Carrington on road improvement schemes, works on the initial development stage is well underway;
- £202k at a number of parks schemes dealing with refurbishment and infrastructure;
- £128k on a small number of other schemes within the Place directorate including Bereavement Services, Parking, Housing and Community Safety services.

Governance & Community Strategy

- Governance and Community Strategy - re-profiling of £79k relating to Waterside Arts Centre building refurbishment. Work is expected to start and be completed this financial year.

Finance & Systems

- £407k of re-profiling linked to ICT improvements. This is due to changing requirements as a result of the COVID-19 pandemic.

33. Scheme Overspending/Savings - Included within the variance of £3.21m from P10 there have been are a small number of schemes where there has been variances as

a result of overspends £191k and underspends £137k, these variances are detailed within Appendix 6. The majority of the scheme overspending will be managed within existing resources as they are linked to block allocations e.g. Highways. Where schemes have underspent, as with the majority of overspends these are part of block allocations and as such will be utilised to either cover other variances in costs or delivery of additional schemes. As part of the in-year monitoring process, any variances that are part of block allocations have been managed and scheme forecasts amended to reflect this. The most significant of these were;

Overspends (managed within existing block allocations)

- Highways Structural Maintenance – Asset Management £88k;
- Highway Resurfacing £51k.

Underspends (managed within existing block allocations)

- Victoria Park Infant – Rewire £60k;
- Seymour Park Primary – Rewire £110k;
- Woodhouse Primary School – Mobile Replacement £169k;
- Highway Resurfacing £52k.

Financing of General Capital Programme Expenditure

34. The general capital programme expenditure of £33.95m was financed predominantly from grants and external contributions and borrowing, supplemented by specific reserves and a small level of receipts. The actual levels applied are shown below:

Table 8: Financing of General Capital Expenditure 2020/21	Actual £m
Internal Resources	
Capital Receipts	0.01
Specific Reserves & Revenue	0.22
Borrowing	17.51
Sub-Total	17.74
External Resources	
Grants & Contributions	16.21
Total Financing	33.95

35. Within the total expenditure of £33.95m it was originally assumed that £3.02m would be funded by capital receipts; the actual amount of receipts received and able to be utilised to fund the capital programme was £0.01m. The rate at which assets have been disposed, has been impacted by the economic uncertainty around COVID-19 and reviewing whether best value could be achieved during this period. The shortfall in capital receipts has been able to be managed within the Council’s existing borrowing approvals, and it is assumed that these receipts will now be received in 2021/22. There is an ongoing risk that receipts are lower or received later than assumed in the approved capital programme for 2021/24, and this may require additional borrowing, and potential increased revenue costs, or a reduction in the number of approved schemes able to be delivered. This will be reported through the budget monitoring process throughout the coming year.

36. As part of the year end process a review of grants has been undertaken to identify any grants where there are no specific conditions attached to them and schemes have been completed. Grants totalling £137k have been identified resulting in a reduction in the amount of borrowing required to meet the shortfall in capital receipts as detailed above. This increase in resources will be reflected in the period 2 monitoring report for 2021/22. It is to be noted that a further exercise around unused grants is being undertaken along with a further review of S106 contributions and this will be included in future monitoring reports.

ASSET INVESTMENT FUND

37. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing, to support the Council's Investment Strategy. A number of investments have since been made, or committed to, leaving a balance available for further investment of £164.47m. This figure includes for the repayment of the facility agreement at The Crescent (£44.32m final outlay out of a total £60.8m facility) which was repaid in full in 2020/21. Further detail is found in the table below.

Table 9: Asset Investment Fund	Prior Years £m	2020/21 £m	2020/21 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	4.10	0.70	-	-	4.80
Brown Street, Hale	3.34	3.45	-	0.70	7.49
K Site, Stretford Equity	10.69	0.31	-	1.25	12.25
Former sorting office, Lacy Street, Stretford	0.86	0.01	-	0.09	0.96
Care Home Purchase	-	2.23	-	-	2.23
Various Development Sites	0.30	0.13	-	-	0.43
Sub Total	19.29	6.83	-	2.04	28.16
Equity:					
Stretford Mall, Equity	8.82	-	-	-	8.82
Stamford Quarter, Equity	16.69	-	-	-	16.69
Sub Total	25.51	-	-	-	25.51
Development Debt:					
Bruntwood; K site	10.69	0.21		1.35	12.25
The Crescent, Salford (*)	39.67	4.65	(44.32)	-	0
Bruntwood Shopping Centre	25.57	-	-	-	25.57
CIS Building, Manchester	60.00	-	-	-	60.00
The Hut Group		48.09	(30.20)	49.61	67.50
Castle Irwell, Salford	0	11.28	-	7.72	19.00
Sub Total	135.93	64.23	(74.52)	58.68	184.32
Total Capital Investment	260.65	71.06	(74.52)	60.72	317.91
Albert Estate Investment	17.62	-		-	17.62
Total Investment	278.27	71.06	(74.52)	60.72	335.53
Balance available					164.47

38. These investments have generated a net benefit to the revenue budget in 2020/21 of £6.37m and contributions have been made to the Investment Strategy Risk Reserve of £2.08m. Net investment returns have come under pressure over the course of the last twelve months as a result of the economic impact of COVID-19 and returns were £1.06m less than those budgeted. The reasons for this include:
- Additional contribution to risk reserve of £0.4m being made for potential bad debts across the portfolio;
 - Reduced net income of £0.3m from the Grafton Centre in Altrincham due to the pressures on the retail and leisure sector caused by COVID-19;
 - Lower returns to the value of £0.6m on a number of debt facilities which are linked to variable interest rates;
 - Shortfall in returns from the Council's three joint ventures with Bruntwood of £0.8m, required to cover the Council's borrowing costs on the acquisition of the town centre assets in Stretford and Altrincham. The shortfall is a direct consequence of the impact of COVID-19 on the retail sector;
 - The pressures above have been offset by additional income of £0.8m on new facilities agreed during the course of the year, and £0.3m of additional income due to the favourable repayment terms of the Crescent debt facility.
39. The Council has set aside a Risk Reserve to mitigate against potential unforeseen cost or income pressures and to finance future investment in the Council's assets. At the start of the financial year this reserve stood at £3.9m and is forecast to rise by £2.1m this year, giving a year-end balance of £6.0m. This contribution is £456k higher than planned at the start of the year.

Risk Reserve B/F	3,893,197
In year contribution	2,084,816
Risk Reserve C/F	5,978,013

40. There are a number of schemes within the Strategic Investment Property Portfolio to develop land which has either been acquired, or is currently owned by the Council. The delivery of such developments will provide housing and community facilities, and also produce development returns that can be re-invested to support the Council's General Capital Programme. This is in line with the Strategic Land Review Programme approved by the Executive in February 2021. Currently there is one scheme nearing completion (Brown Street) one with approved planning (Sale Magistrates) and a number under development (Tamworth and Jubilee Centre). The following provides a brief update on these schemes:

- **Brown Street**

This scheme has an anticipated completion of early July 2021, and will provide 10 townhouses and 12 affordable apartments. The townhouses are to be sold on the open market and are expected to achieve the market values assumed within the financial business case for the scheme. The 12 affordable units are to be sold to a Housing Registered Provider (RP). A number of offers have been received from RPs through a formal tender process and a preferred partner has been identified.

The scheme has experienced a number of unforeseen cost pressures linked with both the impact of COVID-19 and the original developer going into administration part way through the scheme and a new contractor having to be appointed. The full financial impact is in the process of being finalised but it is expected that the current assumed return of £1.1m (which is an IRR of 13%) will not be achieved. This will be reported as part of the first capital monitoring update for the Executive in 2021/22.

- **Sale Magistrates**

A formal planning application was submitted and approved on 11 March 2021. The scheme is to deliver 84 properties with a minimum of 25% affordable housing. Work is still being undertaken to create the right mix for development with the scheme awaiting formal approval to progress to full design stage. Achieving a balanced mix of affordable housing above the minimum will potentially have an impact on the anticipated return for the scheme but work is continuing to still achieve the target development return of £3.0m plus land value, which is an IRR of 13%;

- **Jubilee Centre**

The architect has been appointed for this scheme, with the rest of the design team expected to be appointed shortly, after which it is anticipated that consultation will start, including with planning. Once this has been completed, the financial forecasts will be further reviewed against the currently assumed return of £1.5m, an IRR of 15%. Any changes will be reported to the Executive in future capital monitoring reports accordingly.

- **Tamworth**

This scheme is being developed in an equal partnership with Trafford Housing Trust once each party have contributed their own land holdings on the site. The scheme is expected to deliver in the region of 157 properties with the mix of affordable housing not yet finalised but is expected to exceed the planning policy mix. It is also anticipated that the scheme will deliver a high level of sustainability and exceed minimum requirements of affordable housing.

Prudential and Local Indicators

41. The Council is required to maintain these indicators which are designed to show that its capital expenditure plans are prudent, affordable and sustainable. Detailed in Appendix 8 are the actual capital programme related indicators agreed in February 2021.

Recommendations

42. **It is recommended that the Executive:**

- a) note the report and the revenue outturn position showing a budget underspend of £2.804m, which will be transferred to the Budget Support Reserve;
- b) note the reserves position as detailed in paragraph 7 and Appendix 2;
- c) note the final capital programme outturn position as detailed in paragraphs 27 to 40.

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer ClearanceDM.....

Legal Officer ClearanceJL.....

DIRECTOR'S SIGNATURE *G. Bentley*

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 10 Report	42,077	61,766	29,360	5,146	7,900	6,518	22,755	175,522
Virements:								
Ofsted Investment in Children posts	(81)			81				0
Total movements	(81)	0	0	81	0	0	0	0
Period 12 Outturn Report	41,996	61,766	29,360	5,227	7,900	6,518	22,755	175,522

Trafford Council Reserves Movement 2020 to 2021	Balance 31.3.20 £000	Spend/ (income) 2020/21 £000	Transfer to/from reserves 2020/21 £000	Balance 31.3.21 £000	Net Movement £000
Budget Resilience and Smoothing					
Budget Support Reserve	(9,855)	(5,932)	9,537	(6,250)	3,605
Business Rates Reserve	(7,978)	(844)	2,335	(6,487)	1,491
Manchester Airport Group Dividend	(550)	0	550	0	550
COVID-19 Grant Reserve	(4,722)	4,722	0	0	4,722
COVID-19 General Reserve	0	(5,234)	(15,438)	(20,672)	(20,672)
Council Tax Hardship Scheme	0	(1,131)	0	(1,131)	(1,131)
Insurance Reserve	(1,900)	0	200	(1,700)	200
Employment Rationalisation Reserve	(1,000)	334	(500)	(1,166)	(166)
Housing Benefit Overpayments Reserve	(500)	500	(500)	(500)	0
High Needs Support Reserve	(468)	0	468	0	468

Synthetic Pitch Replacement Reserve	(78)	(15)	0	(93)	(15)
Legal Services Reserve	(106)	106	0	0	106
Local Search Litigation Costs Reserve	(142)	7	43	(92)	50
Civic Vehicle Replacement	(37)	(5)	19	(23)	14
Waste Levy Reserve	(1,059)	0	488	(571)	488
Winter Maintenance Reserve	(120)	0	0	(120)	0
Elections Reserve	(144)	(164)	0	(308)	(164)
Interest Rate Reserve	(2,132)	(1,029)	1,000	(2,161)	(29)
Exchequer Services Reserve	(142)	(96)	0	(238)	(96)
EU Exit Funding Reserve	(315)	15	0	(300)	15
Sale PFI Reserve	0	(1,086)	0	(1,086)	(1,086)
Total Budget Resilience and Smoothing Reserve	(31,248)	(9,852)	(1,798)	(42,898)	(11,650)
Strategic Priority					
Transformation Fund Reserves	(4,817)	(1,464)	2,000	(4,281)	536
Strategic Investment Fund Risk Reserve	(3,893)	(2,085)	0	(5,978)	(2,085)

Leisure Centre Redevelopment Risk Reserve	(668)	(700)	0	(1,368)	(700)
Children Action Fund Reserve	(378)	241	0	(137)	241
Major Projects/DSG Academy Transfer Reserve/Future Gov	(488)	666	(468)	(290)	198
Bus Reform Reserve	(1,500)	0	0	(1,500)	0
Total Strategic Priority	(11,744)	(3,342)	1,532	(13,554)	(1,810)
Corporate					
NDR Deficit Reserve	(792)	4,916	0	4,124	4,916
STaR Procurement Reserve	(617)	71	0	(546)	71
Planning income reserve	(358)	0	0	(358)	0
Council Tax Smoothing	(285)	0	0	(285)	0
Business Rates Relief Deficit funded from Section 31 Grant	0	(88,597)	0	(88,597)	(88,597)
Council Tax Income Guarantee Grant Reserve	0	(767)	0	(767)	(767)
Business Rates Income Guarantee Grant Reserve	0	(3,990)	0	(3,990)	(3,990)
General Fund Reserve	(7,000)	0	(1,000)	(8,000)	(1,000)
Total Corporate	(9,052)	(88,367)	(1,000)	(98,419)	(89,367)
Specific Area Priority					
ICT development	(625)	(250)	287	(588)	37

Economic Development Reserves	(663)	(41)	0	(704)	(41)
Libraries and Customer Services Reserve	(18)	(2)	0	(20)	(2)
Voluntary Sector Grants Reserve	(40)	35	0	(5)	35
Community Safety Reserve	(319)	(249)	0	(568)	(249)
One Trafford Partnership	(2,129)	(230)	500	(1,859)	270
Sports Partnership Reserve	(215)	50	0	(165)	50
Modernisation Reserve	0	(306)	0	(306)	(306)
Service Carry Forward Place	(651)	(525)	209	(967)	(316)
Service Carry Forward Traded Services	(451)	(9)	200	(260)	191
Service Carry Forward Children's Services	(453)	343	0	(110)	343
Service Carry Forward Adults Services	0	(3,779)	0	(3,779)	(3,779)
Service Carry Forward Governance and Corporate Services	(127)	32	0	(95)	32
Service Carry Forward Finance and Systems	(380)	(748)	72	(1,056)	(676)
Service Carry Forward People and Traded Services	(570)	(42)	0	(612)	(42)
Total Specific Area Priority	(6,641)	(5,721)	1,268	(11,094)	(4,453)
Total Earmarked Reserves	(58,685)	(107,282)	2	(165,965)	(107,280)

Other Reserves					
Capital Related Reserves	(21,772)	1,975	0	(19,797)	1,975
Balances held by schools under a scheme of delegation	(10,898)	(4,268)	0	(15,166)	(4,268)
Total Other Reserves	(32,670)	(2,293)	0	(34,963)	(2,293)
Total Usable Reserves	(91,355)	(109,575)	2	(200,928)	(109,573)

Appendix 3

Business Rates	Budget 100%	Actual 100%	Variance	Comments
	2020/21 £	2020/21 £	£	
Business Rates - Collection Fund				
Gross Rates Payable	(186,028,107)	(176,529,342)	9,498,765	Reduction in Rateable income due to refurbishments and demolitions £2.5m, £7m was repaid due to appeals and prior year adjustments. Total loss in rates of £9.5m.
Transitional Adjustments and Mandatory & Discretionary Reliefs	19,231,360	18,459,389	(771,971)	
Extended Relief due to COVID-19	0	88,597,151	88,597,151	Reduction in income due to the award of COVID-19 reliefs (retails, hospitality, leisure, nursery).
Accounting Adjustments (Appeals & BDP) & Cost of Collection	10,742,245	5,394,927	(5,347,318)	Budgeted contribution of £7.5m for appeals relating to 20/21 has been offset by contribution from provision for those settled and also reduction in amount set aside for major schemes and some big cases being dismissed by the VOA.
Collection Fund Budget and Actual Income 100%	(156,054,502)	(64,077,875)	91,976,627	Net impact of above lines resulted in a deficit on the Collection Fund of £91.976
Collection Fund Budget and Actual Income - Trafford Share 99%	(154,493,958)	(63,437,096)	91,056,861	Trafford's Share (99%) of the Collection Fund Deficit is £91.056m

Business Rates – Trafford General Fund				
Local Share	(154,493,958)	(151,148,275)	3,345,683	Trafford Share (99%) of the Collection Fund Deficit (excluding COVID-19 reliefs)
Deficit caused by COVID-19 Relief Contribution to Deficit Reserve	0	87,711,179	87,711,179	A contribution towards a reserve will be made in 2020/21 to pay for the deficit caused by COVID-19 rates relief. The deficit will be repaid during 2021/22 and 2022/23. A Section 31 Grant has been received (below) to meet the cost of this deficit.
Trafford's Share of Collection Fund	(154,493,958)	(63,437,096)	91,056,862	
Remove Core Deficit (to be spread over 2021/24)		(3,345,683)	(3,345,683)	The core deficit is removed in 2020/21 and will be collected in 2021 to 2024
Tariff	95,749,897	95,749,897	0	
Section 31 Compensation Grants	(10,832,326)	(98,607,267)	(87,774,941)	The increase in S31 grants is largely due to the extended relief as a result of COVID-19.
SAICA Renewable Energy	(82,944)	(82,944)	0	
GM Pilot 'No Detriment' Over Payment	9,019,836	6,837,269	(2,182,567)	Lower No Detriment payment as a result of lower rates income
GM Pilot 'No Detriment Rebate at 50%	(4,509,918)	(3,418,635)	1,091,283	Lower rebate from above
PY Surplus/(Deficit)	4,915,710	4,915,710	0	
Contribution (to)/from Deficit Reserve where PY is Deficit	(4,915,710)	(4,915,710)	0	
Contribution from Business Rate Risk Reserve	(642,817)	(642,817)	0	

TIG Grant Income		(4,321,394)	(4,321,394)	Tax Income Guarantee Grant to address COVID-19 shortfall in rates
TIG Grant to Reserve		3,989,974	3,989,974	Transfer of TIG to reserve (using figures in MTFP budget assumptions)
Sub-Total	(65,792,230)	(67,278,696)	(1,486,466)	
Windfall from 19/20 Growth Pilot		(1,733,629)	(1,733,629)	Redistribution of 19/20 growth pilot returned by GMCA
Windfall from 19/20 Growth Pilot to Budget Support		1,733,629	1,733,629	19/20 Growth Pilot refund transferred to Budget Support Reserve
GM Pilot 'No Detriment' returned in 2020/21		(3,418,635)	(3,418,635)	The GM 'no detriment' payment is not required in 2020/21 resulting in a windfall of £3.4m above the budgeted rebate of £3.4m
GM Pilot 'No Detriment' to Budget Support Reserve		3,418,635	3,418,635	'No detriment' windfall transferred to Budget Support Reserve
Total Budget/ Actual/ Variance	(65,792,230)	(67,278,696)	(1,486,466)	

The remaining balance of £1.486m will be transferred to the Business Rate Risk Reserve

MTFP Savings and increased Income 2020/21

Theme/Title	Service Area	Status(New/Existing)	Budget 2020/21	Projection 2020/21	Variance 2020/21	Description of Saving	Reason for shortfall
			£000's	£000's	£000's		
Fundamentally Reshaping Our Services							
Children's Placements	Children's	New	(1,200)	(1,200)	0	Investment in early intervention estimated to reduce the forecast demographic growth and therefore placement costs	
Person Centred (Reshaping)	Adults	New	(301)	0	301	Continuation and roll out of the let's talk and right care for you approach to promote independence and support better outcomes	Due to response and recovery required by the service as a result of the coronavirus pandemic, mobilisation of this saving has not been possible.
Liberty Protection Safeguards (LPS)/Portal (Reshaping)	Adults	New	(200)	0	200	The implementation of the LPS scheme and a whole system portal which will drive through efficiencies and costs savings.	Due to response and recovery required by the service as a result of the coronavirus pandemic, mobilisation of this saving has not been possible.
Sub-Total			(1,701)	(1,200)	501		
Be More Commercial							
New Investment Income	Place	New	(5,020)	(5,020)	0	Estimated income in the form of new rents and loan repayments from assets held as part of the Council's new investment portfolio, net of MRP payments and interest costs.	
Car Parking	Place	New	(114)	(47)	67	Car Parking - additional enforcement and reduced cashless parking transaction contract costs	Saving actions have been implemented but the level of financial saving is below the original expectations due to

							COVID-19 impacts on numbers of visits.
Environmental Health - Increase Income from HMO Licences	Place	Existing	(5)	(5)	0	Income already being received above current budget – e.g. HMO licences, (costs recoverable from third parties).	
Early Repayment of Suppliers Discount	CW	Existing	(10)	0	10	Review of procedures around invoice payments to maximise potential of supplier discounts	Project delayed to commence in 2021/22
Traded Services - 5 % price rises planned 19/20 and 20/21 (catering and cleaning)	Central	New	(483)	(314)	169	Smoothing of price levels to fully recover National Living Wage costs	Saving actions have been implemented but the level of financial saving is below the original expectations due to COVID-19 impacts on numbers of meals served.
Sub-Total			(5,632)	(5,386)	246		
Delivering More of Our Own Services							
LD supported living	Adults	New	(122)	0	122	To maximise the current service capacity within the in-house Supported Living Service.	Due to response and recovery required by the service as a result of the coronavirus pandemic, mobilisation of this saving has not been possible.
Legal advocacy - in house	Central	New	(50)	0	50	Efficiency saving from reduced use of external providers	The service has had difficulty in recruitment and has carried a number of vacancies, plus demand has risen due to COVID-19. The level of external support has hence not been able to be reduced as intended.
Increase in income from our strategic investments	CW	Existing	(500)	0	500	Additional dividend from our strategic investments	Impacted by COVID-19
Sub-Total			(672)	0	672		
Health and Social Care Integration							

Homecare Pilot	Adults	New	(619)	(361)	258	A number of pilots which will trial new ways of working, supporting positive outcomes for service users with financial benefits for the Council	Due to response and recovery required by the service as a result of the coronavirus pandemic, mobilisation of this saving has not been possible.
Market Management	Adults	New	(68)	0	68	Pursuing alternative purchasing arrangements with providers.	Due to response and recovery required by the service as a result of the coronavirus pandemic, mobilisation of this saving has not been possible.
Review of Children's Placements	Children's	New	(315)	(315)	0	Pursuing options that will allow Children currently placed outside of the borough in high cost external placements to return to appropriate placement/packages of support in Trafford	
Sub-Total			(1,002)	(676)	326		
Other Corporate Efficiencies							
Insurance premium saving	CW	New	(50)	(50)	0	A reduction in the cost of council insurance premiums	
Exchequer billing costs - move to online	Central	Existing	(80)	(80)	0	Reduction in printing, stationery and postage costs already being achieved	
Review of grounds maintenance	Place	New	(40)	(40)	0	Reduced grounds maintenance and promotion of wildflower areas	
10% reduction in running costs	All	New	(237)	(237)	0	A reduction in non-contractual general running cost budgets	
Advance Pension Payment	CW	Existing	(725)	(725)	0	A saving generated in pension contributions payable to GM Pension Fund as a result of paying contributions up-front	
Voluntary Sector Grants - use of smoothing reserve in 2019/20 - Reversal	Central	Existing	100	100	0	Reversal of one-off use of reserves in 2019/20	

Coroners Saving Toxicology Contract	CW	New	(16)	(16)	0	Contractual savings	
Sub-Total			(1,048)	(1,048)	0		
Grand Total			(10,055)	(8,310)	1,745		

Appendix 5

COVID grants received in 2020/21	Trafford Allocation £	Spent £	Amount Carried forward into 2021/22 £
Grants Included in revenue			
COVID-19 2020/21 emergency unringfenced funding for LA's	10,587	8,353	2,234
Test and Trace Service Support Grant	1,157	555	602
Test and Trace support - Discretionary (1st and 2nd Tranche)	271	64	207
Test and Trace support - admin (1st and 2nd Tranche)	67	67	
Contained Outbreak Management Fund	6,709	879	5,829
Adult Social Care Infection Control Fund - Round 1	2,270	2,270	
Adult Social Care Infection Control Fund - Round 2	1,976	1,976	
Adult Social Care Workplace Capacity Fund	473	473	
Adult Social Care Rapid Testing Fund	550	550	
Clinically Extremely Vulnerable Funding	682	231	451
Community Champions Fund	473	90	382
Compliance and Enforcement Grant	107	107	
Reopening High Streets Safely Fund	30	30	
Local Authority Emergency Assistance Grant for Food and Essential Supplies	218	218	
DWP Covid Winter Support Grant Scheme	588	588	
Sales, Fees and Charges Compensation Scheme	3,234	2,620	
Council Tax Hardship fund	1,561	630	931
COVID BID	15	15	
Wellbeing for Education	33	13	20
Digital Inclusion	50	50	
Catch up pupil premium	1,069	1,069	
Council Tax Hardship admin grant	17	17	

New burdens business rate relief grant	12	12	
Digital Education Platform	13	13	
Additional Resource Grant	7,130	3,321	3,809
Sub- total	39,292	24,211	14,466
Grants whereby Trafford acts as agent			
Business Support Grant	43,395	43,395	
Test and Trace	300	223	77
LRSB - Open	2,780	2,597	183
LRSB - Closed	18,015	11,846	6,169
LRSB - Sector		4	4
LRSB - Wet Led Pubs	51	80	-29
Closed Business Lockdown	12,033	7,726	4,307
Sub- total	76,574	65,871	10,711
Grand Total	115,866	90,082	25,177

An analysis of major areas of re-profiling for the General Capital Programme		Period 10 2020/21	Actual	Variance	%	Net Re-profiling	Overspend	Savings
		£m	£m	£m		£m		
Children's Services								
	Schools	6.95	7.60	0.65	9%	0.65		
	- Basic Need : Expansion schemes	3.91	5.05	1.14		1.14		
	- Maintenance Programme	1.78	0.93	(0.85)		(0.85)		
	- Devolved Formula Capital	0.43	0.50	0.07		0.07		
	- SEND Programme	0.83	1.12	0.29		0.29		
	Children's Social Care Services	0.36	0.14	(0.22)	(61)%	(0.24)	0.02	
	- Foster Carers – Accommodation Improvements	0.17	0.03	(0.14)		(0.14)		
	- Children's Portal/Other Schemes	0.19	0.11	(0.08)		(0.10)	0.02	
	Total	7.31	7.74	0.43	6%	(0.41)	0.02	
Adult Social Care								
	- Disabled Facilities Grant	1.58	1.71	0.13		0.13		
	- Assistive Technology/ Agile Working	0.21	0.14	(0.07)		(0.03)		(0.04)
	Total	1.79	1.85	0.06	3%	0.10		(0.04)
Place								
	Corporate Landlord	0.52	0.42	(0.10)	(19)%	(0.18)	0.08	
	- Public Buildings Repairs and DDA	0.33	0.26	(0.07)		(0.15)	0.08	
	- Other Schemes	0.19	0.16	(0.03)		(0.03)		
	Regeneration & Strategic Planning	15.48	15.01	(0.47)	(3)%	(0.50)	0.03	
	- Manchester Airport – Strategic Investment	13.42	13.42	0.00				
	- Altair Development Land Assembly	0.60	0.63	0.03			0.03	
	- Greater Manchester Full Fibre Initiative	0.64	0.30	(0.34)		(0.34)		
	- Town Centre Public Realm Works	0.60	0.44	(0.16)		(0.16)		

	Period 10 2020/21	Actual	Variance	%	Net Reprofiling	Overspend	Savings
	£m	£m	£m		£m		
- Other Schemes	0.22	0.22	(0.02)				
Sport, Recreation & Culture and Recycling	0.76	0.58	(0.18)	(24)%	(0.18)		
- Leisure Centre Strategy and Improvements	0.53	0.52	(0.01)		(0.01)		
- Other Schemes	0.23	0.06	(0.17)		(0.17)		
Environmental Services and Green Spaces	0.77	0.47	(0.30)	(39)%	(0.30)	0.02	(0.02)
- Parks and Play Areas Infrastructure	0.64	0.44	(0.20)		(0.20)	0.02	(0.02)
- Other Schemes	0.13	0.03	(0.10)		(0.10)		
Housing and Other Services	0.09	0.03	(0.06)	(67)%	0.06		
- Housing Services	0.06	0.01	(0.05)		(0.05)		
- Community Safety	0.03	0.02	(0.01)		(0.01)		
Highways	8.75	6.65	(2.10)	(24)%	(2.06)	0.04	(0.08)
- Highways Structural Maintenance	4.72	3.86	(0.86)		(0.82)	0.04	(0.08)
- Integrated Transport Schemes	0.55	0.27	(0.28)		(0.28)		
- Cycling and Walking Schemes	1.81	1.17	(0.64)		(0.64)		
- Bridges Programme	0.71	0.49	(0.22)		(0.22)		
- Carrington Road Improvements	0.96	0.86	(0.10)		(0.10)		
Total	26.37	23.16	(3.21)	(12)%	(3.28)	0.17	-0.10
Governance & Community Strategy							
Partnerships & Communities	0.09	0.01	(0.08)	(89)%	(0.08)		
Finance & Systems							
Information Technology	1.60	1.19	(0.41)	(26)%	(0.41)		
General Capital Programme Total	37.16	33.95	(3.21)	(9)%	(3.26)	0.19	(0.14)

Revised Approved Budget to Outturn		Revised Approved budget	Actual	Variance
		£m	£m	£m
Children's Services				
	Schools	8.30	7.60	0.70
	- Basic Need : Expansion schemes	4.70	5.05	0.35
	- Maintenance Programme	2.21	0.93	(1.28)
	- Devolved Formula Capital	0.43	0.50	0.07
	- SEND Programme	0.96	1.12	0.16
	Children's Social Care Services	0.34	0.14	(0.20)
	- Foster Carers – Accommodation Improvements	0.17	0.03	(0.14)
	- Children's Portal/Other Schemes	0.17	0.11	(0.06)
Total		8.64	7.74	0.90
Adult Social Care				
	- Disabled Facilities Grant	1.58	1.71	0.13
	- Assistive Technology/ Agile Working	0.26	0.14	(0.12)
Total		1.84	1.85	0.01
Place				
	Corporate Landlord	0.80	0.42	(0.38)
	- Public Buildings Repairs and DDA	0.56	0.26	(0.30)
	- Other Schemes	0.24	0.16	(0.08)
	Regeneration & Strategic Planning	16.72	15.01	(1.71)
	- Manchester Airport – Strategic Investment	13.42	13.42	0.00
	- Altair Development Land Assembly	0.71	0.63	(0.08)
	- Greater Manchester Full Fibre Initiative	0.64	0.30	(0.34)
	- Town Centre Public Realm Works	0.60	0.44	(0.16)
	- Other Schemes	1.35	0.22	(1.13)
	Sport, Recreation & Culture and Recycling	0.93	0.58	(0.35)

- Leisure Centre Strategy and Improvements	0.45	0.52	0.07
- Other Schemes	0.48	0.06	(0.42)
Environmental Services and Green Spaces	0.82	0.47	(0.35)
- Parks and Play Areas Infrastructure	0.60	0.44	(0.16)
- Other Schemes	0.22	0.03	(0.19)
Housing and Other Services	0.75	0.03	(0.72)
- Housing Services	0.53	0.01	(0.52)
- Community Safety	0.22	0.02	(0.20)
Highways	9.96	6.65	(3.31)
- Highways Structural Maintenance	4.77	3.86	(0.91)
- Integrated Transport Schemes	1.55	0.27	(1.28)
- Cycling and Walking Schemes	1.81	1.17	(0.64)
- Bridges Programme	0.87	0.49	(0.38)
- Carrington Road Improvements	0.96	0.86	(0.10)
Total	29.98	23.16	(6.82)
Governance & Community Strategy	0.08	0.01	(0.07)
Finance & Systems – Information Technology	2.26	1.19	(1.07)
General Capital Programme Total	42.80	33.95	(8.85)

CAPITAL PROGRAMME 2020/21- Overspends and savings P10 to Outturn

Overspends	£000's
Children's Portal - Liquid Logic	17
Sale Waterside PFI	63
Altair Development - Land Assembly	27
Victoria Park – Pavilion Replacement	20
Surface Treatment - A56 Cross Street	11
Highway Resurfacing – Green Lane	6
Section 278 Agreements	26
Path Resurfacing	5
Play Area Refurbishment	13
ICT Capacity Upgrade	3
Total Overspends	191
Savings	
Care Home Purchase	38
Highways Fees	3
Highways Structural Maintenance - Unallocated	50
Highway Resurfacing - Warburton Lane	21
Highway Resurfacing – Carrington Lane	7
Play Area Refurbishment	13
Parks Infrastructure	5
Total Savings	137

Prudential Indicators – 2020/21

The figures below show the Council's actual prudential indicators for 2020/21 as reported in February 2021 and estimates for the following three years.

Capital Prudential Indicators	2019/20 Actual £m	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Capital Expenditure:					
General Programme	40.33	33.95	61.80	74.63	34.41
Investment Strategy	16.86	71.06	122.57	69.50	52.49
Capital expenditure - the table above shows the capital expenditure incurred in 2020/21 and the estimated expenditure to be incurred for following three years.					
Capital Financing Requirement as at 31 March	479.04	423.49	549.93	660.42	655.59
Capital Financing Requirement (CFR) - this reflects the estimated need to borrow for capital investment (i.e. the anticipated level of capital expenditure not financed from capital grants and contributions, revenue or capital receipts).					
Financing Cost to Net Revenue Stream	6.4%	6.4%	6.7%	6.9%	6.8%

Financing costs to net revenue stream - this indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the Council's net revenue stream.

Incremental Impact on Band D Council Tax (£)	£0.00	£0.00	£0.00	£0.00	£0.00
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Incremental impact on band D council tax – reflects the incremental impact on the Council Tax arising from new borrowing undertaken in order to finance the capital investment decisions taken by the Council during the budget cycle. The figures above reflect that any additional borrowing is supported by revenue savings or external support.

Local Indicators for the Asset Investment Strategy	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Gross Commercial Income	17.79	16.73	18.83	14.57
Gross Commercial Income – this is the total estimated level of income to be received from the acquisitions of commercial property and provision of senior debt finance and is required to support new debt costs associated the transactions, with any balance supporting the overall revenue budget.				
Net Commercial Income Stream	6.37	7.61	6.71	4.81
Net Commercial Income Stream – this is the estimated level of income net of any borrowing and other costs to be received from the acquisitions of commercial property and provision of senior debt finance.				
External Interest Cost	4.81	5.65	6.38	5.36
External Interest Cost – this is the interest cost of the new debt required to cover the capital cost of the new commercial activity.				
Minimum Revenue Provision (2.0% = 50 years)	2.24	2.25	2.25	2.25
Minimum Revenue Provision - this is the amount of income set aside as a provision for the repayment of the debt, required to cover the capital cost of the new commercial activity.				
Risk Reserve	2.08	0.96	1.23	1.87
Risk Reserve - this is the amount of income set aside to reserve as contingency in the event of a reduction in commercial income levels.				

Cumulative Investment Reserve	5.98	6.39	7.62	9.50
Cumulative Risk Reserve - this is the cumulative amount of reserve set aside, after annual contributions and deductions, as contingency in the event of a reduction in commercial income levels.				
Gross Commercial Income as proportion of Net Budget	10.14%	9.33%	8.60%	7.17%
Gross Commercial Income as proportion of Net Budget – this illustrates the proportion of the net budget which is supported by the new commercial income streams.				