

Committee Name and Date of Committee Meeting

Cabinet – 19 July 2021

Report Title

Financial Outturn 2020/21

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

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Ward(s) Affected

Borough-Wide

Report Summary

The report outlines the final revenue and capital outturn position for 2020/21.

The Revenue Budget 2020/21 was approved by Council on 26th February 2020. A budget of £233.3m was set for General Fund services; this excludes schools' budgets and Housing Revenue Account (HRA). The Council had a final underspend against budget of £6.1m, following mitigating actions taken to manage the financial impacts of Covid-19. This incorporates the late receipt of £2m of Government support towards costs associated with Operation Stovewood and after a proposed transfer of £2m to create a new Children and Young Peoples Services Social Care Reserve. The mitigating actions included the application of Government's provision of £18.9m emergency funding to support the COVID-19 response and cost implications of this, the submission of compensation claims totalling £4.8m relating to the adverse impact of Covid on Sales, Fees and Charges income and the use in 2020/21 of £5.2m from the Control Outbreak Management Fund (COMF). Without the provision of these grant funding streams the Council's financial outturn would have been a £22.8m overspend.

Significant uncertainty remains about the financial consequences of the pandemic, potential restrictions, further in-year pressures on the Council's budget and government funding. This report is therefore proposing a prudent use of the

remaining underspend in order to address these ongoing risks during this financial year and the next.

The resulting £6.1m underspend has been transferred to the Councils reserves. From this underspend, an allocation of £2m will be earmarked for an Covid Recovery Fund, to take proactive steps in order to support local residents as we emerge from the pandemic. A Cabinet report brought later in the year will set out how the fund will be utilised. A further £2.4m will be earmarked to support the budget gap within the Councils Medium Term Financial Strategy (MTFS) for 2022/23, as reported to Council within the Council's Budget and Council Tax Report 2021/22. These sums will be held within the Councils Budget Strategy Reserve, with the remaining £1.7m held within the Councils Budget Contingency Reserve, as per the approved strategy and recommendations within the Council's Budget and Council Tax Report 2021/22.

A summary of the outturn position for each Directorate is shown in the table in Section 2.1 below together with the actions and measures taken to deliver outturn within budget. Through the Councils tightly managed response to the pandemic and efficient use of government funding provided to support the Council throughout the pandemic, the Council's financial outturn position is a positive one.

The Council's General Fund minimum balance has been increased to £25m as planned and set out within the Council's Reserves Strategy reported in the Budget and Council Tax Report 2021/22. The reserve is held to protect the Council against unforeseen events and realisation of contingent liabilities.

The Housing Revenue Account had an underspend of £2.8m, however, the revenue contribution to capital outlay was increased by £0.2m. Therefore, the net budgeted use of HRA reserves reduced by £2.6m.

The capital outturn shows slippage and underspend of £44.6m against the estimated spend for 2020/21 included within the Capital Programme. The pandemic has significantly impacted the delivery of a number of schemes, in the main due to Covid restrictions impacting how works are undertaken.

Recommendations

1. That the revenue outturn position be noted.
2. That the budgeted transfer from HRA reserves was reduced by £2.6m following the HRA revenue and capital outturn positions be noted.
3. That the carry forward of the combined schools balance of £3.066m in accordance with the Department for Education regulations be noted.
4. That the reserves position set out in section 2.44 be noted.
5. That the capital outturn and funding position as set out in sections 2.54 to 2.75 be noted.

6. That the report be referred to Council for information and for approval of the updated Capital Programme as set out in paragraphs 2.76 to 2.79 and Appendices A to D of this report.
7. That the transfer of £2m of Council funding into a newly created Children's and Young People's Services Social Care Reserve to support current and future pressures, be approved.
8. That the transfer of £4.4m of Council funding into the Budget Strategy Reserve, with £2m earmarked for a Covid Recovery Fund with specific use delegated to Cabinet, and £2.4m earmarked to support the MTFS budget gap for 2022/23, be approved.

List of Appendices Included

Appendices 1 to 4 – Capital Programme 2022/23 to 2023/24.
Appendix 5 Equalities Impact Assessment
Appendix 6 Carbon Impact Assessment

Background Papers

Budget and Council Tax 2020/21 Report to Council on 26th February 2020.
Budget and Council Tax 2021/22 Report to Council 3rd March 2021
May Financial Monitoring Report to Cabinet 20 July 2020
July Financial Monitoring Report to Cabinet 21 September 2020
November Financial Monitoring Report to Cabinet 25 January 2021
December Financial Monitoring Report to Cabinet 15 February 2021

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

Yes

Exempt from the Press and Public

No

Financial Outturn 2020/21

1. Background

- 1.1 This report sets out the Council's revenue, capital, HRA and schools outturn position in 2020/21. It also describes the details of the Council's reserves balances as at the end of the financial year. The Council set a revenue budget for 2020/21 of £233.3m and a capital programme that was revised to £125.3m as part of the Budget and Council Tax 2021/22 Report to Council 3rd March 2021
- 1.2 The report illustrates the Council's financial position on a management accounts basis which is used to monitor performance throughout the financial year. The Audit Committee will consider the Council's draft unaudited Statement of Accounts 2020/21 on 29 July 2021 and will consider the final Statement of Accounts on 28 September 2021 following the audit of the accounts by the Council's external auditors Grant Thornton. These required timetables for publication of local authority accounts have been pushed back nationally in response to the additional pressures placed on public sector audit firms as detailed within the Redmond review. The Statement of Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and appropriate accounting standards. As such, the reporting in the Statement of Accounts is different in format to the management reporting.
- 1.3 In understanding the outturn position, it is helpful to set out the financial context of the Council.
- 1.4 The two-year budget for 2019/20 and 2020/21 set at Council in February 2019 and reviewed during 2020/21 required £34m of budget savings and cost reductions to be delivered to meet estimated funding gaps over the two years, including savings that had been agreed in previous years for delivery across this timescale. Delivery of over £16m of these savings and cost reductions has been completed by the end of the current financial year.
- 1.5 This means that the Council still has to deliver a total of £18m of agreed budget savings. The revised timeframe for the delivery of these savings was included within the approved Budget and Council Tax 2021/22 report, recognising the further delay in delivery due to the impact of Covid-19. However, the overall challenge is significant in light of increased demand for services and funding uncertainty for the local government sector.
- 1.6 In common with other local authorities across the country, there continues to be increasing demand pressures on social care services. These increased demands continued to place additional pressures on the Council's financial position, which has been closely monitored and appropriate mitigations have been implemented by management to ensure that total expenditure remained within the overall budget for 2020/21 set by Council in February 2020.
- 1.7 Throughout the pandemic the Council has incurred significant additional costs in its efforts to manage and mitigate the impact of Covid-19, these financial pressures cut across three main themes - additional costs incurred due to the pandemic; lost sales, fees and charges income as a result of closed services; and delayed delivery

of planned savings. The Council has been able to mitigate these pressures through the use of Government's provision of £18.9m emergency funding to support the COVID-19 response; Sales, Fees and Charges Income Compensation Claims of £4.8m; and use in 2020/21 of £5.2m from the Control Outbreak Management Fund (COMF). These grants have been used to fund new and additional costs that the Council has incurred in its response to Covid-19. These resources have also been used to fund budgeted costs where teams had been diverted away from their normal role to carry out a Covid specific role. Whilst Government have provided specific targeted funding to support many of these financial pressures, the net financial impact to the Council of Covid-19, during 2020/21 was £20.4m, this represents the additional costs that the Council has incurred to manage the outbreak, it therefore does not include staff who were re-prioritised onto Covid-19 tasks.

1.8 It remains complex to forecast forward the continued financial impact of the pandemic, moving into 2021/22, especially with regards to the pace of recovery as Government's road map to recovery continues. However, Government have already confirmed a number of Covid grants to support those potential pressures during 2021/22;

- Tranche 5 of Emergency Funding support provided to local authorities, un-ringfenced grant, £8.3m.
- The extension of the Sales, Fees & Charges Scheme, into the first three months of 2021-22, expected to generate £1.2m.
- Local Council Tax Support (LCTS) grant will be provided to help Councils manage the financial impact on their budgets from continued increased levels of LCTS claimants during 2021/22, £2.8m.
- Control Outbreak Management Fund (COMF), final allocation of £2.1m.
- Government will provide Section 31 grants to cover the financial impact of the expanded retail discount 2021 to 2022. The reliefs will see businesses in the Retail, Hospitality and Leisure sectors continue to benefit from 100% rates relief from April 2021 to June 2021, reducing to 66% relief for the remainder of the financial year.

1.9 The Council's Medium Term Financial Strategy was revised and updated as part of 2021/22 budget setting and supports the Council's ambition of financial sustainability over the medium term. It should be noted that the planned transfers to reserves, as set out within the Council's Budget and Council Tax Report 2021/22 have all been made, further enhancing the Councils financial stability. Detail of these transfers is provided later within this report.

2. Key Issues

2.1 The Council had a final underspend against budget of £6.1m, after the late receipt of £2m of Government support towards costs associated with Operation Stovewood and after a proposed transfer of £2m to create a new Children and Young Peoples Services Social Care Reserve. The outturn follows mitigating actions taken to manage the financial impacts of Covid-19. These actions included the use of the Government's provision of £18.9m emergency funding to support the COVID-19 response; Sales, Fees and Charges Income Compensation Claims, £4.8m; and the use in 2020/21 of £5.2m from the Control Outbreak Management Fund (COMF). These grants are reflected within Central Services, in the table below. Without the

provision of these grant funding streams the Councils financial outturn would have been a £22.8m overspend.

The table below provides a summary of the Revenue Outturn for 2020/21. This is followed by a summary of the position by Directorate which includes an explanation of the key variances.

Directorate	Budget 2020/21	Outturn 2020/21	Variance (over (+)/under (-))
	£'m	£'m	£'m
Children and Young People's Services	61.0	66.5	5.5
Adult Care, Housing and Public Health	79.4	79.7	0.3
Regeneration and Environment	43.3	51.2	7.9
Finance and Customer Services	18.7	18.6	-0.1
Assistant Chief Executive	6.6	6.4	-0.2
Central Services	24.3	4.8	-19.5
TOTAL	233.3	227.2	-6.1
Net Outturn Position			-6.1
Transfer to Budget Strategy Reserve and Budget Contingency Reserve			6.1
Net Outturn			0.0

- 2.2 The Council has, therefore, delivered an outturn position within budget as expected, with three main factors contributing to the underspend of £6.1m being higher than anticipated within the financial monitoring to Cabinet in February 2021.
- 2.3 Firstly, the Council has continued to maintain dialogue with Government on the costs to the Council arising from Operation Stovewood. Costs which the Council is having to manage within its overall budget. On 30 March 2021, Government confirmed that a grant of £2m would be paid for 2020/21 towards the Council's Stovewood costs for that financial year. This additional grant funding therefore helped the Council's overall financial position as it covered £2m of costs within Children and Young People's Services that would otherwise have been a charge to the revenue budget.
- 2.4 The second main factor relates to funding from the Government's Contain Outbreak Management Fund (COMF) and the Council's prudent approach to the assumptions on Government's continued COMF funding allocations. As at December 2020, within the management of the overall budget and the forecast outturn for 2020/21, the Council took the approach to not anticipate any further funding for COMF. Therefore, within the overall revenue budget and forecast for 2020/21 planned for the additional cost impact of the measures deployed for COMF and for an amount of grant to carry forward to 2021/22 to meet existing commitments and any further measures as may be required.

- 2.5 In the December COMF funding update, Government indicated that the position on future funding would be reviewed in January 2021. There then followed the announcement of the 3rd lockdown taking effect on 5 January 2021 and superseding tiered arrangements to which the latest COMF funding allocations had been linked. As a result, the Council received further COMF funding for 2020/21 between February and April totalling £3.49m and on 6 April 2021, Government confirmed a COMF allocation for the Council for 2021/22 of £2.1m.
- 2.6 These additional funding confirmations allowed the Council to reassess its use of COMF funding, as such around £4m of COMF costs that would otherwise have been a charge to the revenue budget in 2020/21 were able to be appropriately funded from the grant rather than the General Fund. In addition, the Council is still carrying forward an amount of grant into 2021/22, which alongside the 2021/22 COMF funding will ensure that COMF measures can continue to be deployed as required across the new financial year.
- 2.7 The third factor was continued improvements in the outturn positions across the Regeneration and Environment and Adult Care and Housing Directorates. The detail behind these improvements are provided in the Directorate updates below.
- 2.8 The resulting £6.1m underspend has been transferred to the Councils reserves, from this an allocation of £2m will be earmarked for an Covid Recovery Fund, with a Cabinet report to be brought forward later in the year detailing how this will be utilised. A further £2.4m will be earmarked to support the budget gap within the Councils Medium Term Financial Strategy (MTFS) for 2022/23, as reported to Council within the Council's Budget and Council Tax Report 2021/22. That funding is intended to prevent the requirement to make additional service cuts in 2021/22 beyond those already planned. This £4.4m will be held within the Councils Budget Strategy Reserve, with the remaining £1.7m held within the Councils Budget Contingency Reserve, as per the approved strategy and recommendations within the Council's Budget and Council Tax Report 2021/22
- 2.9 **Children and Young People's Services**
- 2.10 Children & Young People Services continue to implement the budget recovery plan with budget savings of £10.2m across the 2020/21 to 2022/23 financial years. The outturn position at the end of March 2021 was a £5.5m overspend, with a £2.2m favourable movement since Decembers monitoring report to February Cabinet, in the main due to £2.0m received from the Department for Education (DfE) linked to Stovewood costs
- 2.11 As at the financial year end the Looked After Children number of 597 was 56 above the budget target of 541. The variance of 56 includes some LAC placements delayed in the court processes and inability to discharge children from care. There was no financial impact on placement costs as these children are already in adoption placements or returned home.
- 2.12 The direct employee budget was £34.6m and is a combination of general fund, traded and grant funded services. The budget overspend at outturn is £1.9m, of which £1.5m relates to general fund, relating to additional pressure from the use of agency social workers.

- 2.13 A significant element of the CYPS non-pay budgets relates to placements which has a net budget of £31.0m, the spend in 2020/21 was £37.9m, creating a financial pressure of £6.9m. The main financial pressures were Residential placements (£3.0m), Emergency placements (£2.2m), and Foster placement (£1.7m), with minor variations over the other placement headings. Placement spend has been impacted by COVID and the inability to find appropriate placements to meet children's needs.
- 2.14 The other major budget changes as highlighted earlier was an additional one-off £2m allocation for Stovewood (agreed 31 March 2021), reductions in premise costs (£340k) and mileage (£200k) linked to the impact of home working, plus other minor savings (£200k).
- 2.15 High Needs Block
- 2.16 The High Needs Block (HNB) is £40.0m (including the £3.0m transfer from the schools block) and remains under significant pressure due to rising numbers of children supported in specialist provision and the rising costs of Education Health Care (EHC) plans. Consequently, the central Dedicated Schools Grant (DSG) reserve has increased significantly since 2015/16, where the Council held a £1m reserve deficit, to the end of 2020/21 with a deficit of £21.8m. Whilst the Council continues to manage and mitigate the rising pressures to find a more sustainable position, the DfE have confirmed that this deficit should not be covered via the Council's own resources outside of DSG.
- 2.17 In 2020/21 the HNB outturn was an overspend of £2.1m which is a reduction on previous years. The main pressures are due to growth in alternative provision and the number of high cost external residential and independent sector placements. Consequently, the central DSG reserve has increased from a deficit of £19.9m to £21.8m after taking into account the HNB pressures (£2.1m) offset by reductions in the other DSG blocks and reductions in the Pupil Referral Units deficit balances.
- 2.18 **Adult Care, Public Health and Housing**
- 2.19 The final outturn position for the Directorate was an overspend of £0.3m. This was an improvement on the position which had been previously reported. The reduction in forecast overspend is mainly due to additional income and a reduction in forecast placement costs due to the new hospital discharge pathway and associated NHS funding,
- 2.20 Adult Care Services overspent due to Covid pressures. This includes: £1.8m of support to the independent sector provider market (e.g. Care Homes) via grants and alternative payment arrangements (e.g. paying home care providers based on planned hours); expenditure on PPE of £936k; and a net additional cost of funding Covid related care and supporting the new hospital discharge pathway of £2.7m (net overall pressures of £5.5m).
- 2.21 Adult Care savings have been impacted by the pandemic as the majority of work required to deliver the savings could not take place due to Government restrictions and staff resource was diverted to support the new hospital discharge pathway and support the NHS. £1.1m remained to be delivered by the year end.

- 2.22 These pressures have been offset by a reduction in non-Covid related placement costs (£5.9m). These mainly relate to older people as the number in receipt of care has reduced. Some Covid related placements will be ongoing and will become part of the non-Covid Adult Care budget in 2021/22. The underspend in 2020/21 is likely to be one-off as the demand for care and support returns to pre-lockdown levels.
- 2.23 Neighbourhood Services' (Housing) has an underspend position (£353k) due to additional fee income from the Furnished Homes scheme (£553k) offset by additional homelessness costs due to Covid.
- 2.24 The Public Health grant has been fully utilised. There have been some reductions to demand led services which have been offset by additional Covid related expenditure.
- 2.25 **Regeneration and Environment**
- 2.26 Regeneration and Environment Services outturn was an overspend of £7.9m, which represents a reduction of £1.2m from the £9.1m reported to Cabinet in February 2021. The outturn position reflects the significant impact that lockdown restrictions have had on income generation and the cost pressures that have arisen as a result of social distancing requirements and other Covid linked measures that have been required to be put in place.
- 2.27 Progress on delivering outstanding revenue budget savings within the Directorate has been affected by the Council's pandemic response. In particular, progress on the key areas of property and transport has been slow but is planned to accelerate in 2021/22 as lockdown restrictions ease and new ways of working arising from the pandemic are introduced. Savings in respect of the Enforcement and Regulatory Services integration have been achieved.

A summary of the main budget variances are identified below:

2.28 **Planning Regeneration and Transport £2.7m overspend.**

This represents an improvement of £0.8m from February's Cabinet report. The most significant change was in Facilities Services, £1.5m overspend, which ended £0.6m better than previously estimated, largely as a result of an improvement in school meals income, as returning school attendance was higher than expected. For much of the rest of the year Facilities Services was impacted significantly by school closures.

Asset Management recorded an outturn pressure of £0.7m, largely as a result of delays in the timing of property savings to be achieved from the closure of buildings. The impact of Covid was also felt in this area through increased costs for security, signage, PPE and lost income. Markets closures and the ongoing difficult trading conditions caused a year end pressure of £0.5m.

2.29 **Culture, Sport and Tourism £2.9m overspend.**

This represents a £0.4m improvement to the forecast from February Cabinet, as a

result of higher than forecast income from fees and charges across the Service during the final part of the year and a number of successful grant applications that helped offset service expenditure.

The Council's operator of Leisure centres faced opening restrictions due to social distancing requirements. The impact led to a recorded overspend of £1.6m, after taking account of the Council's successful bid for £0.7m from the National Leisure Recovery Fund.

The Green Spaces Service, which includes the Borough's Country Parks and Facilities, ended the year with greatly reduced turnover, as a result of the lockdown restrictions, £0.8m pressure. An overspend of £0.4m was reported in Theatres, after the Council took a decision to close the facility for the financial year. Similarly, Commercial Development, which includes Waleswood Caravan Park, reported an overspend of £0.4m. These pressures were offset in part by reduced costs in Libraries due to closures, underspend of £0.3m.

2.30 **Community Safety and Streetscene £2.3m overspend.**

The most significant pressure in this Service is in respect of Waste, £1.3m. This is split between disposal (£1.1m) and collection (£0.2m). The pressure on Waste disposal costs has arisen as a result of extra tonnages being collected from the kerbside, as people spent more time at home. Waste Collection has shown an overspend as a result of additional agency costs and lost commercial waste income, both resulting from the impact of Covid.

Corporate Transport overspent by £0.8m as a result of additional retention payments to operators, additional vehicle maintenance costs and increased demand pressures in Home to School Transport.

Network Management overspent by £0.4m. Whilst there was an £0.8m income shortfall in Parking Services as a result of lockdown restrictions impacting on town centre footfall and winter maintenance overspend of £0.4m due to colder than average winter, these pressures were offset in part by additional income generation in the Highways Delivery Team, (£0.8m).

Savings in Regulation and Enforcement of £0.2m were recorded as a result of staff vacancies.

2.31 **Finance and Customer Services**

2.32 There was an underspend of £0.1m in the Directorate, details of which are set out below.

- **Legal Services - £0.5m underspend** – Reduced challenges during the year from the demand for legal support with child protection hearings and court cases relating to Looked After Children. In addition to this staff savings generated through vacancy control have enabled a significant in year saving to be generated.
- **Customer Information and Digital Services - £0.3m underspend** – The ICT contracts budget generated significant savings as systems contracts

were not renewed or renewed at reduced prices. In addition, staff savings generated through vacancy control have enabled a significant in year saving to be generated.

- **Financial Services - £0.7m overspend** - The service has an overspend following a review of provisions across Housing Benefits and Insurance.

2.33 **Assistant Chief Executive**

2.34 There was an underspend of £0.2m, in the main due to vacancy control and savings from the HR restructure. Further details are:

- **Assistant Chief Executive core services, £0.8m underspend** – the main ACE service functions, such as Policy and Partnerships, Democratic Services and Neighbourhoods, Partnership and Engagement had underspent, largely due to vacancy control and staff diversion into the Community Hub to support the Councils Covid-19 response.
- **Community Hub £0.4m overspend** - the total cost of providing the Councils Community Hub was charged to ACE. In the main costs charged to the Hub were staff redeployed from within ACE to support the Hub's functions, however, some staff were re-directed from other directorates as part of the Council's response to the pandemic. The Community Hub continues to provide a vital support function to those who need to self-isolate, those that are vulnerable and have been asked to shield and the wider community.
- **Customer Services Efficiency Programme, £0.2m overspend** – The customer services efficiency programme aims to deliver improved, more efficient and more digital ways of working for Council's services. These improved ways of working are expected to generate savings of £0.2m year on year. During 2020/21 financial year new proposals were being to be developed and finalised in order that they would generate full year savings from 2021/22, with the current year mitigated via vacancy control across the directorate, however, the services focus has been on the management of Covid-19 as such progress with these savings has been delayed.

2.35 **Central Services**

2.36 In presenting the final outturn position, the Covid-19 support grants, £28.9m, that had previously been reported separately to the Directorate outturns, have now been included within Central Services. This is to reflect the outturn position as per the Councils financial accounts, as these grants have to be charged to a service. Taking these grants into Central Services means the net outturn position for Central Services was a £19.5m underspend.

2.37 Within Central Services, savings were delivered from a range of activities within the treasury management strategy (£3.1m), including effective cash flow planning and monitoring, along with management of the loans portfolio to take advantage of the continuing low cost of short-term funds. These activities, together with a number of general efficiencies on centrally managed budgets delivered savings of £3.5m as at

the year end. This £3.5m has been taken into the Budget Strategy 2021/22 reserve as per approval outlined within the Budget and Council Tax Report 2021/22.

2.38 In addition the Councils initial outturn position, presented an opportunity to factor in the following pressures into the 20/21 outturn.

- The planned transfer from reserves to the PFI budgets was not required and under capitalisation of life cycle maintenance costs, £1.8m
- Provision for risks that may arise over the longer term as part of the Covid-19 recovery process, £0.7m.
- Rebalancing the profile of the funding of PFI lifecycle payments to match current expectations and remove a potential financial risk for future years' budgets, £3.2m.
- Creation of a Children's and Young Peoples Services Social Care reserve, £2m, to help the Council mitigate the potential financial pressures during 2021/22 as a result of Operation Stovewood.

2.39 **HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2019/20**

2.40 The Housing Revenue Account (HRA) is a statutory ring-fenced account that the Council must maintain in respect of the income and expenditure incurred in relation to council dwellings and associated assets. The original approved budget included a revenue contribution to capital expenditure of £13.4m and a contribution of £9.3m from reserves to provide an overall balanced budget.

2.41 The overall HRA position is an underspend of £2.8m, in addition the final revenue contribution to capital was £13.6m, £0.2m more than anticipated. Overall, this reduced the transfer from the HRA reserve from a budgeted £9.3m to £6.5m, a reduction in use of HRA reserves of £2.8m.

2.42 The underspend relates to:

- £1.8m underspend on Repairs and Maintenance in the main as a result of Covid interventions which restricted activity during lockdown and issues in obtaining materials.
- £0.5m reduction to the bad debt provision due to well-maintained rent collection rates
- £0.3m saving on Cost of Capital due to low interest rates on debt which impacts on Corporate weighted cost of capital charge
- Savings on Supplies and services of £0.4m
- £0.2m savings on premises costs
- The underspends are offset by under-recovery of income on Dwelling rents and Fees and Charges as a result of Covid restrictions - £0.2m

2.43 **SCHOOLS OUTTURN 2020/21**

School balances at the end of 2020/21 for the Council's maintained schools was £3.066m. This is a £0.605m increase compared to the previous year and takes account of five schools that have converted to academies (£303k surplus) during 2020/21.

2.44 RESERVES

- 2.45 The total General Fund revenue reserves balances as at 31 March 2021 were £53.9m compared to £34.1m in the previous year. The Councils budget for 2020/21 included a reserves strategy that made available use of £4.0m budget contingency to support the Council's financial position for 2020/21.
- 2.46 However, due to the identification of additional savings from Central Services budgets, primarily within the Treasury Management function, £3.5m, additional government funding and through use of Governments emergency Covid-19 support grants to mitigate in year pressures, the budget contingency was not required. Therefore, as per the approved recommendation within the Budget and Council Tax 2021/22 report, approved at Council 3 March 2021, this £4.0m and the £3.5m Treasury Management savings are transferred into a newly created Budget Strategy 2021/22 Reserve. This will support the Council's 2021/22 budget as set within the Budget and Council Tax 2021/22 Report to Council 3rd March 2021. It is therefore, already earmarked and not a reserve that can be used for any additional in year pressures.
- 2.47 The Budget and Council Tax 2021/22 report set out the proposed Reserves Strategy. This included a planned increase in the Council's General Fund Minimum Balance to £25m by 31st March 2021, the transfer of any 2020/21 revenue outturn position underspend into the Council's reserves, to be held within the Budget Contingency Reserve and the transfer of any 2020/21 un-ringfenced Covid funding balances into the Council's reserves to meet Covid related pressures and costs in 2021/22.
- 2.48 The table below presents the position of the Council's reserves following the financial outturn 2020/21, factoring in the following transfers to reserves as per the recommendations within the Budget and Council Tax 2021/22 report.
- £7.5m transfer to Budget Strategy 2021/22, made up of £4m planned transfer of the budget contingency plus £3.5m of Treasury Management savings.
 - £4.3m transfer to General Fund Minimum Balance.
 - £6.1m net underspend transferred to reserves, with £4.4m transferred to the Budget Strategy Reserve, earmarked for a £2m Covid Recovery Fund and £2.4m to support the MTFs. The remaining £1.7m is transferred to the Budget Contingency Reserve.
 - £12.2m net increase in the Covid Grants Reserve during 2020/21.
- 2.49 The Council will continue to maintain dialogue with Government on the costs to the Council arising from Operation Stovewood, however, there is no guarantee of future funding support to manage these costs. The Council has, therefore, created a new Children's and Young Peoples Services Social Care Reserve to help mitigate the continued cost pressures in relation to Operation Stovewood. This reserve of £2m has been created using the Council's own resources and will be used to support additional costs within CYPS during 2021/22, as a result of Operation Stovewood.
- 2.50 In addition, the Covid Grants Reserve has been increased from £15.3m to £27.5m. The breakdown of the Covid-19 Grants Reserve balance of £27.5m brought forward

into 2021/22 is as follows:

Collection Fund - £16.9m

- £16.9m of S31 Grants to support rate relief provided during 20/21 that will be accounted for in the Collection Fund during 21/22.

General Fund - £10.6m

- £5.3m Winter Emergency Covid funding, un-ringfenced Covid support funding.
- £3.5m of COMF grant received in 2020/21 and not yet utilised. £2.7m of this is committed in 2021/22.
- £0.7m Clinically Extremely Vulnerable Support Grant, un-ringfenced grant. Work carried out during 20/21 using existing staffing resources.
- £0.3m Winter Support Grant, to be used to support vulnerable households/families with bills, free school meals and other essential items. This spend is already committed and delivered in 21/22.
- £0.4m New burdens funding received across a number of Covid related work streams, grants, rates relief and Council Tax.
- £0.2m Community Champions Fund, spend fully committed.
- £0.2m Test and Trace administration grant.

2.51 Total reserves including, HRA, Schools and DSG as at 31 March 2021 was £59.6m (note DSG Deficit Reserve (£21.8m)). The outturn position reflects the projected balances for these Corporate Reserves, as well as the General Fund minimum balance as set out in the Reserves Strategy. The Corporate Reserve balances are shown in the table below and make up the Council's total earmarked reserves.

2.52 **Table 3 Total Earmarked Reserves as at 31 March 2021**

	Balance as at 1 April 2020 £m	Transfer to/(from) in the year £m	Balance as at 31 March 2021 £m
General Fund Reserves			
Transformation	4.1	0.0	4.1
Business Rates	4.0	0.0	4.0
PFI – Education (Schools)	1.4	0.0	1.4
Childrens and Young Peoples Services Social Care Reserve	0.0	2.0	2.0
Corporate Revenue Grants Reserve	1.2	0.0	1.2
Budget Strategy	0.0	11.9	11.9
Budget Contingency	2.0	1.7	3.7

Housing Transformation Fund	0.7	-0.1	0.6
Total	13.4	15.5	28.9
General Fund Minimum Balance	20.7	4.3	25.0
Total General Fund	34.1	19.8	53.9
Covid-19 Grants Reserve	15.3	12.2	27.5
DSG Grant Reserve	-19.9	-1.9	-21.8

2.53

Capital Reserves

The total earmarked and un-earmarked capital reserve balances at the end of 2020/21 are shown in Table 4 below.

Table 4 Capital Reserves as at 31 March 2021

	Balance as at 31 March 2021 £m	Committed Resources £m	Un- earmarked as at 31 March 2021 £m
Capital Receipts			
General Fund	0.8	0.8	0.0
Housing	12.3	1.3	11.0
HRA	5.2	5.2	0.0
Sub-Total	18.3	2.7	15.6
Capital Grants – Unapplied			
General Fund (not service specific)	0.0	0.0	0.0
General Fund (service specific)	19.2	19.2	0.0
HRA	3.5	3.5	0.0
Sub-Total	22.7	22.7	0.0
Major Repairs Reserve – HRA	27.9	27.9	0.0
Total	68.9	53.3	15.6

2.54

CAPITAL OUTTURN 2020/21

2.55

The Capital Programme for 2020/21 was £125.3m split between the general fund £73.5m and HRA £51.8m. As at the financial year end 31 March 2021, the capital programme had expenditure of £80.6m, with underspend and slippage of (£44.6m). The programme was an ambitious target, however, the Covid 19 pandemic impacted quite significantly on its delivery both through restrictions to scheme delivery by contractors and the impact on internal resources available to progress

schemes.

Table 4 Capital Outturn 2020/21

Directorate	2020/21 Budget £m	2020/21 Outturn £m	2020/21 Variance £m
General Fund Capital			
Children and Young Peoples Services	12.414	10.710	-1.704
Assistant Chief Executive	0.424	0.243	-0.181
Adult Care & Housing	4.825	2.515	-2.309
Finance & Customer Services	6.876	5.325	-1.551
Regeneration & Environment	46.998	26.601	-20.397
Capitalisation Direction	2.000	0.000	-2.000
Total General Fund Capital	73.537	45.394	-28.142
Total HRA Capital	51.749	35.250	-16.499
Total RMBC Capital Programme	125.286	80.644	-44.641

2.56 Children and Young People's Services

2.57 The CYPS capital programme outturn had £1.704m of underspend and slippage against the approved budget of £12.414m. The main variances contributing to this position are:

- **Send Phase III – Dinnington College Acquisition**, (£0.758m). The acquisition of the part of the former college site was not completed in year, the budget slipped into 2021/22 with the acquisition completing in May 2021.
- **Pathways to Care (Adaptations)**, (£0.507m) slippage. New projects re-profiled to the start of 2021/22 due to review of the internal approvals process and policy, including a change in the policy to include HRA properties. A new budget established within the HRA programme for specific properties.
- **Schools PFI Lifecycle**, £0.531m overspent on profile. The lifecycle maintenance work carried out in 2020/21 was higher than the budgeted amount, although work carried out over the PFI contract to date is still significantly less than planned within the lifecycle of the contract. This will lead to additional charges to revenue in future years if the level of capital maintenance works continue to fall below projections, as such a revenue provision has been established to mitigate the risk.

As part of the outturn position the following key outputs have been delivered:

- Primary: New 2 form entry (420 places) school at Waverley, which includes a

nursery and a 10 place SEN unit.

- Secondary schools: Demolition and asbestos strip of swimming pool at Aston Academy in preparation for new classroom block and school gymnasium which will be completed in 2022.
- SEND Phase 3: 9 projects creating 98 SEN places at various schools/academies in Rotherham.
- Investment in 29 primary schools utilising the capital enhancement programme.
- Adaptations to foster carers homes: 3 extensions completed as part of this programme.
- CYPS Children's Homes: The purchase and adaptation of 4 children's homes and a minor refurbishment at 1 other home.

2.58 **Adult Care & Housing**

2.59 The Adult Care & Housing capital programme outturn had £2.309m of underspend and slippage against the approved budget of £4.825m. The main variances contributing to this position are:

- **Aids and Adaptations for private sector properties**, slippage of (£1.567m) against budget, this is a demand led scheme, that provides adaptations to properties to allow vulnerable people to remain within their own home. Issues around access to properties due to Covid 19 was the main reason for the low delivery against budget, the grant can be carried forward for delivery in 2021/22.
- **Disabled Facility Grant**, underspent by (£0.447m). Additional Disabled Facilities Grant was awarded to the authority to the value of £0.364m, together with the unallocated grant received from the original award of £0.083m this was rolled forward into 2021/22. As with the above scheme, this is demand led and impacted due to Covid-19 through access to properties, the grant can be carried forward for delivery in 2021/22.

As part of the outturn position the following key outputs have been delivered:

- 81 DFG's have been completed during 2020/21 with a further 37 approved grants commencing.

2.60 **Assistant Chief Executive**

2.61 The Assistant Chief Executive capital programme outturn had £0.181m of underspend and slippage against the approved budget of £0.424m.

- **Badsley Moor Lane Community Hub**, (£0.181m) slippage – The project has slipped following the result of the tender process as the projected costs exceeded budget. Therefore, there is a funding shortfall and the project design and viability needs to be reviewed.

As part of the outturn position the following key outputs have been delivered:

- 145 projects supported across the borough through the ward allocations.

2.62 Finance & Customer Services

2.63 The Finance & Customer Services capital programme outturn had £1.551m of underspend and slippage against the approved budget of £6.876m. The main variances contributing to this position are:

- **Network Equipment refresh**, (£0.714m) slippage. Work is ongoing with the delivery partner to identify requirements and potential costs. The project has slipped due to lack of capacity, due to wider Covid-19 pressures and is now forecast to be delivered in 2021/22, with the budget re-profiled.

As part of the outturn position the following key outputs have been delivered:

- Migration of 3,039 users and call plans from Legacy telephone system to the new 8x8 Cloud platform.
- Set-up and migration of 14 Contact Centre services onto the 8x8 Virtual Contact Centre platform.
- Refreshed Public Access computers in libraries.
- Replacement of the Library management system.
- Replaced our 'compute' platform in the data centre and virtual desktop environment to achieve compliance requirements.
- Introduction and deployment of Microsoft Teams across the organization to facilitate new ways of working and 'virtual' meetings.
- Replacement of Ricoh managed and non-managed print / photocopy devices
- Upgrade of the Education Management System and replacement of the infrastructure.
- 830 laptops & 530 Smart phones deployed.
- Upgraded to Windows 10 across all laptop/PC devices.
- Removed and/or upgraded un-supported windows operating systems and databases.

2.64 Regeneration & Environment

2.65 The Regeneration & Environment capital programme outturn had £20.397m of underspend and slippage against the approved budget of £46.998m. The main variances, by service area, contributing to this position was:

Planning, Regeneration & Transport: £17.805m

- **Holmes Tail GOIT**, £3.137m slippage, due to delayed start date, therefore, project timeline slipped by approximately 3 months. Most of the costs will be incurred in 21/22, the project is now onsite.
- **Riverside House refurbishment Works**, £0.400m slippage. Project on hold pending decision on the future of Bailey House, impacted through the uncertainty around new ways of working during and post the pandemic.
- **Operational Estates Maintenance Programme**, £1.549m slippage, this funding is for backlog maintenance. A large proportion of the budget has been earmarked for particular schemes, as and when they are ready to be delivered, however, uncertainty about future service requirements, heightened by the pandemic have impacted progress.

- **Forge Island Flood Defence**, £0.336m slippage, this funding is for the cost of the Wall and Barrier. The Wall completed in 20/21. Work is due to commence on the Barrier in 21/22 although it should be noted that costs predicted are in excess of the current budget allocation and other funding options are being sought.
- **Public Realm**, £0.394m slippage as Frederick Street was delayed as desired materials were not available. A framework for all future public realm materials has now been approved to mitigate against this risk in the future.
- **Town Centre Investment**, £3.309m slippage. Match funding for Town Centre projects. This funding is now fully committed against projects to commence from 2021/22.
- **Century II**, £0.498m slippage. Delayed due to a re-design of the proposed building, to better meet current business demand for units/space. Get Britain Building funding of £2m has now been secured for this scheme.
- **Bassingthorpe Farm Land Acquisition**, £0.908m slippage as the land purchase did not complete in 20/21 as expected.
- **Future High Streets Fund**, £0.581m slippage. Estimated value of Future High Streets funding. The award was not confirmed until 19th May 2021, therefore, the 21/22 budget has been amended to reflect actual award.
- **Parkway Widening**, £2.073m slippage as the contractor has claimed less in month 1 than was indicated in the contract profile, at the time of the FBC, utilities diversion works expenditure will be in 21/22 not 20/21 as originally anticipated as these occur quite late in the contract programme.

Culture, Sport & Tourism: £1.317 slippage.

- **Libraries and Neighbourhood Hubs**, £0.422m slippage. Ongoing improvement programme across 14 libraries delivering upgrades to digital provision, refreshment and toilet facilities, signage, decoration and furnishings.
- **Leisure and Sport**, £0.474m slippage. Less than expected spend on PFI Leisure contract maintenance. Herringthorpe Stadium is currently out to tender with works to be undertaken in 21/22.
- **Green Spaces**, £0.382m slippage across various small projects within the Programme.

Community Safety & Streetscene: £1.274m slippage

- **RRFAS 2A Ickles Lock (ERDF)**, £0.743m slippage – Network Rail and River Trust have not completed their approvals for the scheme. It is anticipated that approvals will be in place by Q1 2021/22. As a consequence, construction has not yet started on site.
- **Litter Bin Strategic Review**, £0.702m slippage following a slight delay in finalising the contract, work orders now placed. This is a 3-year replacement programme.
- **CCTV Enhancement and Upgrade**, £0.350m slippage a market engagement exercise is being undertaken to assess what potential suppliers can deliver within the project budget and therefore costs to be incurred 21/22.

As part of the outturn position the following key outputs have been delivered:

- Throughout Covid-19, the Libraries service has been working hard with

colleagues from Asset Management to undertake the £1.4 million capital investment improvement programme across the 14 library locality sites which includes upgrades to digital provision, refreshment and toilet facilities, signage, decoration and furnishings.

- A618 Growth Corridor completed
- College Road NPIF Completed
- Traffic Management projects at:
 - A630 route approach 50pmh
 - A630 Doncaster Road Thrybergh 30 mph
 - Oakwood High School & Thomas Rotherham College
 - A57 Anston traffic Light controlled pedestrian crossing
- Local Safety Schemes:
 - B64363 Lamb Lane, Green Arbour Road Outside St Willows school - signing and lining improvements
- Schools 20 MPH signage for 15 schools
- 28 new 'pay and display' machines for the town centre. All machines in the town centre now have facilities for cash or card payments.
- Car park refurbishments at Wellgate mscp, Drummond Street, Clifton Hall and Wellgate North.
- Delivery of the first year of the £24m 2020 to 2024 highway maintenance programme and with Highways Capital Maintenance funding through LTP, over £10m of highways investment during 2020.21.
- Progress being made on the delivery of the Flood Alleviation delivery at Forge Island and Ickles lock.
- £150k Capital funding for the replacement of obsolete street lighting columns allowed for the replacement of 120 units that were deteriorating
- Project to replace 1.5 Km of non-conforming Vehicle retention system (Crash barriers) was partially delivered in 2020/21, due to be completed by July 2021.
- 3 new sweepers procured and in use.

2.66 **Transformation Programme (Capitalisation Direction)**

2.67 The expenditure that the Council can capitalise under this direction is limited to the level of new-year Capital Receipts. A budget estimate of £2.000m of receipts is included in the Capital Programme to fund revenue expenditure that meets the criteria of being transformational spend. The Council's policy allows the use of new-year capital receipts to fund transformational costs that would otherwise be held within revenue expenditure accounts, releasing pressure on the revenue budget. Although capital receipts were generated in this financial year they were utilised to fund the expenditure on short life asset's in order to reduce borrowing costs which is a more favourable overall outcome for the Council. The cost of transformational spend was minimal and kept within revenue as result.

2.68 **Housing Revenue Account (HRA)**

2.69 The HRA capital programme outturn was a £16.499m underspend against the approved budget of £51.749m. The main variance contributing to this position was:

- **Refurbishments underspend**, £5.510m underspend. The main reasons for variance to budget are Covid-19 related. These resulted from operatives being unable to enter properties, the work force being reduced due to the need for isolation or illness, and a shortage of materials. Internal works on properties were heavily impacted, where only the urgent jobs were given priority, with the back log of work due to be cleared from 2021/22 onwards.

Some schemes, as a result, have been re-scheduled to be delivered in 2021/22 financial year. However, it should be noted, that, after a slow start and new ways of Covid safe working, many external schemes were delivered in full.

- **Replacement boilers**, £0.358m overspend. Due to high level of ad-hoc (demand driven) boiler replacements, the scheme out turned in an overspend position, however, this was covered off by underspends in the overall programme.
- **Major Voids**, £1.075m underspend. Following a review of the authority's classification of voids, more work has shifted to revenue, under the repairs and maintenance contracts.
- **Town Centre Development (Housing)**, £1.057m underspend. This scheme is to deliver 171 housing units over 3 Town Centre sites. The scheme is on site on all three sites and progressing well. The underspend against the in year budget is largely due to the discovery of structural issues with the existing retaining wall at the rear of the Millfold site. Most work on site was delayed pending works to ensure the stability of the structure, as there was a risk that construction activity could have caused the wall to collapse.
- **Modern Methods of Construction (MMC)**, underspend £1.952m. Overspend on the previous two schemes within the programme mean that the remaining bungalows project needs to be reconsidered, the remaining programme budget is insufficient to deliver the planned scheme. The scheme is potentially going to be incorporated into a wider growth programme, that is currently in early stages of development. Therefore, a roll forward of the budget into 2021/22 has been actioned.
- **New Housing Provision, Strategic Acquisitions** slippage of £1.842m. The budgets within this programme line are a mixture of approved schemes and Growth Budgets where schemes are in the development stages. Delays on private sector developments impacted by Covid-19 have contributed to the delayed spend on the acquisitions programme.
- **SOAHP Bungalows 2 sites**, Budget of £1.027m, out turn of £0.366m. This scheme is to build 14 units over 2 sites. The scheme was on site March 21, after delays with planning and specifications, with the work to be completed by Autumn 21. A budget roll forward has been actioned.
- **Fair Access for All - Public Sector & Private Sector**, underspend £2.777m. This budget is to provide major and minor aids and adaptations for

public and private sector properties, namely, but not limited to, walk in showers, ramps, stairlifts and minor aids to ensure people are able to remain/live at home independently. The reason for the variance to budget, is Covid 19 restricted entry into people's homes to carry out the works to properties.

As part of the outturn position the following key outputs have been delivered:

- The Housing investment delivered circa £16m of investment in the Councils existing housing stock during 2020/21. The programme is split into multiple schemes examples being, investing in external elements including roof renewals, fascia, soffit, and rainwater goods, upgrading boilers, improving the communal areas within blocks of flats, improving major elements in properties when they become void, increasing the energy efficiency of homes, and upgrading the fire doors to flats. The following table provides details of the types of work carried out during the course of 2020/21;

External Improvements	950 properties
Upgrading fire doors	450 properties
Installation of full sprinkler systems	2 large complexes
Communal Area improvement works	37 Blocks
Renewal of walkways to flats	5 blocks and 52 properties
Structural Works	68 properties
Upgrade of Neighbourhood Centres	12
Improve the energy efficiency of	171 properties
Major works in void properties	71 properties
Boiler upgrades	819 properties
Environmental improvements (paths, fencing, parking etc)	10 schemes

- 92 new units delivered for social housing, comprising of 58 at Canklow on the Site Clusters development, 28 at Bellows Rawmarsh Development and 6 new purchased units under the strategic acquisitions programme at North Anston.
- 293 Major Adaptations completed (Fair Access)

2.70 Funding of the Capital Programme 2020/21

2.71 The £80.644m of capital expenditure was funded as shown in the table below:

Table 5 Funding of the Capital Programme 2020/21

Funding Stream	Outturn £m
Grants and Contributions	22.862
Unsupported Borrowing	16.150

Capital Receipts	6.204
Revenue Contributions	0.178
Total Funding - General Fund	45.394
Grants and Contributions	7.995
Housing Major Repairs Allowance	9.369
Useable Capital Receipts	4.499
Revenue Contributions	13.387
Total Funding - HRA	35.250
Total	80.644

2.72 Capital Receipts Outturn 2020/21

2.73 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings. This may contribute future capital receipts which are earmarked to support the revenue budget, using the capital receipts flexibilities in place until 2022/23 to fund expenditure relating to transforming Council services to generate future revenue efficiency savings.

2.74 In 2020/21 General Fund Capital receipts of £1.327m were generated as shown in the table below. Although, £0.049m of this was for loan repayments, these cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used under the new capital receipts flexibilities introduced from the 1st April 2016.

Table 6 – General Fund Capital Receipts Received in 2020/21

Description	Total Capital Receipts 2020/21 £m
Galaxy Building	-0.015
36 Nelson Street	-0.018
6 Dale Road	-0.008
47 Allendale Road	-0.007
Wath Town Hall	-0.090
Hope Street	-0.019
Land off Simmonite Road	-0.162
Land at Whinney Hill/Chesterton Ave	-0.141
Plots A&C Laudsedale Rd	-0.020
Kiveton Youth Centre	-0.102
17 West Close	-0.166
Land at Newsam Rd	-0.020
Maltby Library	-0.382
Land at Steel Street	-0.012
790 Upper Wortley Rd	-0.165

Total Capital Receipts (Excluding loan repayments)	-1.327
Repayment of Loans	-0.035
Total Capital Receipts	-1.362

2.75 Although capital receipts were generated in this financial year they were utilised to fund the expenditure on short life asset's in order to reduce borrowing costs which is a more favourable overall outcome for the Council. The cost of transformational spend was minimal and kept within revenue as result.

2.76 **Updated Capital Programme 2021/22 to 2023/24**

2.77 The Capital Programme 2021/22 totals £205.192m split between the general fund £131.422m and HRA £73.770m, both these programmes are higher than previous programmes due in the main to the following;

- Significantly increased government and external funding to support Town Centre redevelopment and Infrastructure programmes. Such as the Town Centre Fund, Future High Streets Fund and Transforming Cities Fund. Whilst this is positive, these resources are heavily time restricted and present a significant challenge for the Council to deliver.
- Slippage into the 2021/22 financial year from 2020/21 due to delays caused in part to the pandemic, adding greater pressure on delivery to 2021/22.
- The Housing Growth Programme within the HRA programme, presents the ambition of the Council to expand and improve housing supply but also represents a sizeable challenge for delivery.

The 2021/22 programme has increased overall by £42.487m from the position reported to Cabinet in March 2021. The movement is based on the latest profiles of expenditure against schemes, following the 2020/21 outturn position, factoring in slippage from 2020/21 of £38.625m and new grant funding of £3.862m. The total slippage from 2020/21 was £41.816m, £38.625m moving into 2021/22 and a further £3.191m re-profiled across 2022/23 to 2023/24.

2.78 **Table 8: Updated Capital Programme 2021/22 to 2023/24**

Directorate	2021/22 Budget £m	2022/23 Budget £m	2023/24 Budget £m	Total Budget £m
General Fund Capital				
Children and Young People's Services	17.825	4.508	5.412	27.745
Assistant Chief Executive	0.391	0.210	0.210	0.811
Adult Care & Housing	6.849	6.540	14.226	27.616
Finance and Customer Services	7.125	3.204	10.523	20.852
Regeneration and Environment	97.232	45.507	28.089	170.828
Capitalisation Direction	2.000	1.000	1.000	4.000

Total General Fund Capital	131.422	60.969	59.460	251.852
Total HRA Capital	73.770	45.831	44.062	163.663
Total RMBC Capital Programme	205.192	106.800	103.522	415.514

In light of the challenges that Covid-19 has brought about the Council will need to carry out a detailed review of the current capital programme, to assess the deliverability of projects to planned budgets and timescales. It is too early at this point to accurately carry out this piece of work as such the review will need to take place in the autumn when a greater level of clarity is available about the impact of Covid-19 on the capital programme.

2.79 **Forecast funding position of Capital Programme 2021/22**

The £205.192m of capital expenditure is funded as shown in the table below;

Table 9: Funding of the approved Capital Programme

Funding Stream	2021/22 Budget £m
Grants and Contributions	63.207
Unsupported Borrowing	64.898
Capital Receipts	1.14
Capital Receipts - Flexible Use	2.000
HRA Contribution	0.173
Total Funding - General Fund	131.422
Grants and Contributions	5.787
Unsupported Borrowing	4.303
Housing Major Repairs Allowance	45.402
Capital Receipts	11.76
Revenue Contribution	6.519
Total Funding - HRA	73.770
Total	205.192

3. **Options considered and recommended proposal**

3.1 This detail is set out in Section 2 above.

4. **Consultation on proposal**

4.1 None identified

5. **Timetable and Accountability for Implementing this Decision**

- 5.1 The Strategic Director - Finance and Customer Services is responsible for implementing any actions arising from the supported recommendations in this report. These should be actioned at the earliest opportunity to aid the monitoring of the 2020/21 Revenue Budget and Capital Programme.
6. **Financial and Procurement Advice and Implications**
- 6.1 As set out in the sections above.
- 6.2 There are no direct procurement implications arising from the report.
7. **Legal Advice and Implications**
- 7.1 None identified
8. **Human Resources Advice and Implications**
- 8.1 None identified
9. **Implications for Children and Young People and Vulnerable Adults**
- 9.1 None identified
10. **Equalities and Human Rights Advice and Implications**
- 10.1 None identified
11. **Implications for CO2 Emissions and Climate Change**
- 11.1 No direct implications.
12. **Implications for Partners**
- 12.1 None identified
13. **Risks and Mitigation**
- 13.1 There are increasing cost pressures associated with the rising demand for social care services. The Council will continue to closely monitor its financial position throughout the year and if required management will implement appropriate mitigations.
- 13.2 There is funding uncertainty for the local government sector beyond 2021/22 pending the outcomes of the Government Spending Review and the Fair Funding Review, which will implement changes to the way in which local government is currently funded. The Council's Medium Term Financial Strategy will be revised and updated later in the year to reflect the outcomes of these reviews. This will of course need to factor in the financial implications of Covid-19 and its wider impact on the short and long term sustainability of Council finances.

14. Accountable Officers

Judith Badger, Strategic Director of Finance and Customer Services
 Graham Saxton, Assistant Director – Financial Services
 Rob Mahon, Head of Corporate Finance

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	01/07/21
Strategic Director of Finance & Customer Services (S.151 Officer)	Named officer	01/07/21
Head of Legal Services (Monitoring Officer)	Named officer	01/07/21

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This report is published on the Council's [website](#).