

**READING BOROUGH COUNCIL**  
**REPORT BY DIRECTOR OF FINANCE**

**TO: POLICY COMMITTEE**

**DATE: 23 SEPTEMBER 2021**

**TITLE: 2021/22 QUARTER 1 PERFORMANCE AND MONITORING REPORT**

**LEAD COUNCILLOR: COUNCILLOR MCEWAN**

**PORTFOLIO: CORPORATE &  
CONSUMER SERVICES**

**SERVICE: FINANCIAL SERVICES**

**WARDS: BOROUGHWIDE**

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**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report sets out the projected revenue and capital outturn positions for 2021/22 for both the General Fund and the Housing Revenue Accounts as at the end of June 2021 (Quarter 1). These forecasts include best estimates of the additional pressures arising as a result of Covid-19.
- 1.2 The forecast General Fund revenue outturn position as at the end of Quarter 1 is an overspend of £3.419m after the use of £3.844m of corporate contingencies.
- 1.3 This forecast position includes estimated gross revenue pressures of £3.175m arising as a direct result of Covid-19.
- 1.4 The Housing Revenue Account (HRA) is projecting an underspend of £0.333m as at the end of Quarter 1.
- 1.5 The General Fund Capital Programme is forecast to underspend by £11.306m in 2021/22.
- 1.6 The HRA Capital Programme is forecast to underspend by £8.456m in 2021/22.
- 1.7 £4.297m of 2021/22 savings are currently categorised as non-deliverable (red) with a further £3.543m categorised as at risk of delivery (amber).
- 1.8 There is one budget virement that requires approval from Policy Committee as set out in Section 5.
- 1.9 On 12 July 2021, Policy Committee approved that £3.968m of un-ringfenced Covid-19 grant funding be put into an earmarked reserve to meet the ongoing financial impacts of the pandemic. Bids have now been received amounting to £1.986m, and Policy Committee is requested to consider their approval. Further details are set out in Section 6 and Appendices 3 & 4.
- 1.10 The report also sets out performance against the measures of success published in the Council's Corporate Plan.

1.11 The detail supporting this report is included in the following appendices:

- Appendix 1 - Financial Monitoring for Quarter 1
- Appendix 2 - Corporate Plan Measures for Quarter 1
- Appendix 3 - BFFC Covid Funding Request
- Appendix 4 - DACHS Covid Funding Requests

## 2 RECOMMENDED ACTION

### That Policy Committee note:

- 2.1 The forecast General Fund revenue outturn position as at the end of June 2021 is a net overspend of £3.419m after the use of £3.844m of contingencies;
- 2.2 The Housing Revenue Account is forecast to underspend by £0.333m as at the end of June 2021;
- 2.3 The General Fund Capital Programme is forecast to underspend by £11.306m;
- 2.4 The HRA Capital Programme is forecast to underspend by £8.456m;
- 2.5 £4.297m of 2021/22 savings are currently categorised as non-deliverable (red) with a further £3.543m categorised as at risk of delivery (amber);
- 2.6 The performance achieved against the Corporate Plan success measures as set out in Section 12 of this report and in Appendix 2.

### That Policy Committee approve:

- 2.7 The budget virement set out in Section 5 of this report;
- 2.8 The bids for Covid-19 funding set out in Section 6 of this report and in Appendices 3 and 4.

## 3 POLICY CONTEXT

- 3.1 The Council approved the 2021/22 Budget and Medium-Term Financial Strategy 2021/22 - 2023/24 in February 2021.

## 4 GENERAL FUND REVENUE

- 4.1 The forecast outturn as of Quarter 1 is a £3.419m overspend and is broken down in the following table:

Table 1. General Fund Forecast 2021/22

	Budget £m	Forecast Outturn £m	Variance £m

Adult Care and Health Services	37.947	41.638	3.691
Economic Growth and Neighbourhood Services	18.492	21.656	3.164
Resources	16.336	16.508	0.172
Chief Executive	1.549	1.509	(0.040)
Children's Services retained by Council	0.724	0.724	0.000
Children's Services delivered by BFFC	47.392	47.392	0.000
<b>Total Service Expenditure</b>	<b>122.440</b>	<b>129.427</b>	<b>6.987</b>
Capital Financing Costs	15.495	17.047	1.552
Contingency	3.844	0.000	(3.844)
Other Corporate Budgets	4.387	3.111	(1.276)
<b>Total Corporate Budgets</b>	<b>23.726</b>	<b>20.158</b>	<b>(3.568)</b>
<b>Net Budget Requirement</b>	<b>146.166</b>	<b>149.585</b>	<b>3.419</b>
<b>Financed by:</b>			
Council Tax Income	(99.220)	(99.220)	0.000
NNDR Local Share	(32.095)	(32.095)	0.000
New Homes Bonus	(2.108)	(2.108)	0.000
Section 31 Grant	(3.549)	(3.549)	0.000
Revenue Support Grant	(2.040)	(2.040)	0.000
Other Government Grants	(6.739)	(6.739)	0.000
One-off Collection Fund Surplus	(0.415)	(0.415)	0.000
<b>Total Funding</b>	<b>(146.166)</b>	<b>(146.166)</b>	<b>0.000</b>
<b>Over / (under) Budget</b>	<b>0.000</b>	<b>3.419</b>	<b>3.419</b>

4.2 The following table reconciles Covid-19 and other pressures to the forecast outturn position:

**Table 2. Covid-19 Revenue Pressures Impact on the 2021/22 Outturn Forecast**

	Covid-19 Pressures £m	Other Net Pressures/ (Savings) £m	Forecast Outturn £m
Adult Care & Health Services	0.000	3.691	3.691
Economic Growth & Neighbourhood Services	3.035	0.129	3.164
Resources	0.140	0.032	0.172
Chief Executive	0.000	(0.040)	(0.040)
Children's Services retained by Council	0.000	0.000	0.000
Children's Services delivered by BFFC	0.000	0.000	0.000
<b>Total Service Budgets</b>	<b>3.175</b>	<b>3.812</b>	<b>6.987</b>
Capital Financing Costs	0.000	1.552	1.552
Contingency	0.000	(3.844)	(3.844)
Other Corporate Budgets	0.000	(1.276)	(1.276)
<b>Total Corporate Budgets</b>	<b>0.000</b>	<b>(3.568)</b>	<b>(3.568)</b>
<b>Over / (under) Budget</b>	<b>3.175</b>	<b>0.244</b>	<b>3.419</b>

### Adult Care and Health Services

4.3 Adult Care and Health Services is forecasting a net overspend of £3.691m at Quarter 1. There are no direct additional pressures forecast arising from Covid-19 but it is likely there is a degree of residual impact included within the forecast position.

4.4 The forecast overspend is due to pressures comprising of:

- £2.591m pressures on placement budgets. There remains a significant pressure on placement costs where transformation work is containing any further cost pressures rather than delivering cashable reductions. Current weekly commitments are £0.826m against an available budget of £0.791m and has remained steady over recent weeks. Additionally, anticipated pressures from transitions and an overall increase in numbers have been included in the forecast.
- £0.800m forecast income shortfall. This is a recurring pressure from 2020/21 where contributions towards care were lower than previous years. Detailed work is underway to gain an understanding of what has caused the reduction.
- £0.300m of other net non-placement pressures across the directorate covering a number of small adverse variances across internal services.

4.5 Savings of £1.768m are forecast to be delivered against the target of £5.537m. The remaining £3.769m of forecast non-deliverable savings is included within the pressures outlined above.

#### **Public Health - balanced budget**

4.6 Public Health is currently forecasting to deliver on budget.

#### **Economic Growth and Neighbourhood Services**

4.7 The Directorate of Economic Growth and Neighbourhood Services is forecasting a net overspend of £3.164m at Quarter 1. The main variances are due to reduced levels of income in parking, and in planning and regulatory services where the recovery from the pandemic is happening more slowly than it was anticipated when the budget was set. In total the forecast adverse variance arising from the Covid-19 pandemic and its after-effects is £3.035m.

#### **Transportation - £2.009m overspend**

4.8 The service is forecasting a £2.009m overspend at Quarter 1 which is mostly arising from an anticipated income shortfall of £1.867m in the aftermath of Covid-19. Based on early year-to-date activity levels in parking and traffic enforcement, a cautious approach to the forecast is being adopted as the current numbers do not support a quick V-shaped bounce back in the first half of the financial year. Income levels in the first quarter are above those in the same period last year, but still below those in normal conditions. It is assumed that normal levels will be reached in Quarter 4. These adverse variances are occurring despite the temporary reduction in certain income budgets approved by the Council to recognise the impact of Covid-19 on income.

4.9 The other main elements of the projected overspend relate to a £0.070m overspend against Fleet Services and Strategic Transport. The former relates to a recent increase in vehicle insurance rates, while the latter relates to an income shortfall arising now that Greenwave Bus Services have transferred from the Council to Reading Buses Ltd.

4.10 There are further net pressures totalling £0.072m across the service.

## **Planning and Regulatory Services - £1.194m overspend**

- 4.11 The service is forecasting a £1.194m overspend. There is a forecast net income shortfall of £0.794m. This comprises a fees & charges income shortfall of £0.968m across building control, license fees, planning applications and planning fees and charges as a result of ongoing Covid-19 recovery uncertainty and recruitment challenges. This is mitigated in part by a £0.174m Contain Outbreak Management Fund (COMF) relief grant due for the first 6 months of 2021/22.
- 4.12 There are two significant legal cases and a public enquiry arising within the service which are currently being disputed; the one-off costs of which are estimated at £0.575m for 2021/22, which if necessary could be funded from earmarked reserves at year-end. This pressure is partially mitigated by a staffing underspend due to vacancies within the service of £0.175m.

## **Housing and Neighbourhood Services (General Fund) - balanced budget**

- 4.13 Housing and Neighbourhood Services is forecast to be on budget. The homelessness service is being monitoring closely for any signs of overspend pressure due to demand for temporary and bed and breakfast accommodation for single-households. The recent lifting on the ban on evictions may increase demand on the service and in anticipation of this an extra £0.250m of additional funding was added to the budget, but it is too early to know whether that will be sufficient for the year.

## **Cultural Services - £0.085m overspend**

- 4.14 Cultural Services is forecasting a net overspend of £0.085m at Quarter 1 as a result of income lost due to Covid-19.
- 4.15 Many of the buildings, including the four leisure centres, Reading Museum, theatres and the Town Hall, were closed to the public during the pandemic. The forecast for Arts and Theatres assumes recovery in the theatres and further Arts Council England funding of £0.487m for the period April to June to support the reopening of The Hexagon, South Street and Reading Museum. The theatres are expected to resume full trading in the autumn from which time the bulk of performances are programmed.
- 4.16 The forecast variance is comprised of the following elements:
- £0.128m of pressures relating to the Town hall due to a forecast income being less than anticipated. Bookings for function rooms are significantly lower than expected, equating to an underachievement in income of £0.064m. The remaining £0.064m is due to a lag in realising the savings from the delayed restructure of the Town Hall commercial team.
  - £0.154m under-achievement of income relating to Reading Play within Leisure Services which have been operating a limited service supporting SEND and key worker children.

- £0.052m of non-delivered savings. Due to the delay in the in-house management restructure of Cultural services, there will be a lag in realising the full savings and £0.052m has been amber rated.
- £0.252m saving on the new leisure contract. The impact of the new leisure contract has been assessed and is expected to deliver a forecast underspend of £0.252m, as it started three months later than was assumed when the budget was set.
- £0.003m of other net pressures across the service.

#### **Environmental and Commercial Services - £0.322m underspend**

- 4.17 Environmental and Commercial Services is forecasting a net underspend of £0.322m at Quarter 1, which includes £0.156m of pressures arising from Covid-19.
- 4.18 The service is currently forecasting an underspend of £0.496m due to the introduction of Food Waste. A further £0.580m is being achieved through waste being diverted from disposal as a result of the significant change in how residential waste is generated since more of our residents have been working from home during the pandemic. The current trend of the reduction in disposal tonnages and the roll out of Food waste across the borough will need to be monitored in the light of future changes and impacts.
- 4.19 These savings are partially offset by the following pressures:
- Highways are forecast to overspend by £0.210m, predominantly relating to the cost of direct materials for Highways. In previous years this budget has tended to be insufficient but has been offset in part by income generation.
  - Business Development is expected to overspend by £0.195m due to continuing problems in achieving planning permission for new sites for advertising billboards & placeholders. This is making it difficult to achieve the increased income target set for this initiative.
  - Refuse Collection is forecast to overspend by £0.156m as additional staff have been recruited for a temporary period to provide extra capacity for increased waste collection due to more people working from home as a result of Covid-19 and to support the delivery of existing savings targets relating to the increased food waste tonnage generated by its diversion from landfill.
  - In Grounds Maintenance there is an anticipated income shortfall of £0.181m in children's play areas and allotments.
  - Other net pressures across the service of £0.012m.

#### **Regeneration & Assets - £0.240m overspend**

- 4.20 Regeneration & Assets is forecasting an overspend of £0.240m at Quarter 1.
- 4.21 In Assets Development, commercial tenants' income is £0.090m lower than budgeted due to approximately 70% under occupancy of the Acre park site.

- 4.22 For shops and garages, there is a forecast underspend of £0.200m in supplies and services costs. In the Corporate Property Service, it is expected that tenants in community properties will be able to return to the buildings now pandemic restrictions have been lifted, however the impact on lettings income will not be known until further on into the financial year.
- 4.23 Savings arising from the closure of Darwin Close, Hamilton Centre and the more efficient use of Bennet Road are partly red rated due to delay and a forecast overspend of £0.150m is included in the financial position. For Non-Housing Projects, there is a forecast overspend of £0.200m due to under recovery of income from recharges for time spent on projects.
- 4.24 There is a risk of a service charge liability materialising this year, which dates back over twelve years and relates to the Broad Street Mall. This is treated as a risk in this report and is not included in the forecast while the Assets Development service seek to mitigate the impact as part of the negotiation about a potential capital receipt for the site.
- 4.25 In Facilities Management some office buildings are operational, and staff have returned to certain sites, however there is a risk there may be an impact on recharges such as printing and post room, as there are be fixed costs that may not be recovered in recharges due to lower usage.

#### **DEGNS Overheads - £0.042m underspend.**

- 4.26 The service is forecasting a £0.042m underspend. There is a forecast income shortfall of £0.066m due to changes in the recharge of senior management time to the HRA. A review of other potential substitute recharges is underway. There is also a pressure relating to an unachieved digitisation saving of £0.064m. These pressures are mitigated by a staffing underspend due to vacancies totalling £0.172m.

#### **Resources**

- 4.27 The Directorate of Resources is currently reporting a net overspend of £0.172m at Quarter 1 which relates entirely to Human Resources & Organisational Development and primarily due to the loss of fees at Kennet Day Nursery. The forecast includes £0.140m of pressures arising from the ongoing impact of Covid-19.
- 4.28 All other services are currently forecasting to deliver on budget.

#### **Human Resources & Organisational Development - £0.172m overspend**

- 4.29 A pressure of £0.150m relates to Kennet Day Nursery of which £0.140m is due to the ongoing impact of Covid-19, specifically £0.110m due to loss of income and £0.030m due to additional staffing requirements. There is an additional pressure of £0.010m due to increased catering costs based on a new contract.
- 4.30 There is a pressure of £0.022m arising partially from non-deliverable savings relating to executive recruitment.

#### **Chief Executive**

- 4.31 Chief Executive is currently reporting a net underspend of £0.040m.

## Communications - balanced budget

4.32 Communications is currently forecasting to deliver on budget.

### Children's Services Retained by the Council

4.33 Children's Services retained by the Council are forecast to be on budget for 2021/22.

### Children's Services Delivered by BFfC

4.34 BFfC currently expect to deliver services within the contract sum as at the end of Quarter 1. A small number of risks and pressures have been identified in several areas that are expected to be mitigated or rectified in the coming months, including:

- An increase in agency staff in Children's Social Care, causing pressures of £0.150m;
- Risks relating to Education of £0.040m due to reductions in funding for non-qualified teachers and £0.180m relating to Education Psychology;
- Potential future risks relating to school transport due to rising demand in one-to-one transport and an increase in SEN pupils.

### Corporate Budgets

4.35 Corporate Budgets are forecasting a net underspend of £3.568m as at the end of Quarter 1. The majority of this variance relates to the unallocated corporate contingency of £3.844m.

4.36 Other Corporate Budgets is forecast to underspend by £1.276m and the Capital Financing budget is currently forecasting a net pressure of £1.522m.

## 5 GENERAL FUND REVENUE BUDGET VIREMENTS

5.1 The switching of resources (budgets) between approved budget headings is referred to as a budget virement.

5.2 The Scheme of Virement which sets out the required approval levels for budget virements is contained within the Council's Financial Regulations; material budget virements require approval from Policy Committee

5.3 There is one budget virement that has been requested so far in 2021/22 that requires approval Policy Committee as the total value is a transfer between budget headings within a cost centre which exceeds £0.500 million, as set out in the following table:

**Table 3. Requested Budget Virements**

Service	Cost Centre	Subjective	Current Budget (£m)	Proposed Virement (£m)
Environmental &	Civil Engineering	Street Lighting	0.735	(0.600)

Commercial Services				
Environmental & Commercial Services	Civil Engineering	Electricity	0.000	0.600
<b>Total</b>			<b>0.735</b>	<b>0.000</b>

- 5.4 The purpose of the virement is to code the electricity charges for streetlighting onto the electricity subjective code in future to align it with the other Corporate Energy Budgets. This will make it clearer to review the Corporate Energy expenditure for forecasting/efficiency monitoring purposes and keep the Energy Budget separate from the Maintenance expenditure.
- 5.5 The proposed budget virement has been approved by the Assistant Director for Environmental & Commercial Services; the Executive Director for Economic Growth & Neighbourhood Services and the Director of Finance.
- 5.6 Policy Committee is requested to approve the virement to allow it to be processed.

## 6 COVID-19

- 6.1 On 12 July 2021 Policy Committee approved that £3.968m of un-ringfenced Covid-19 grant funding be put into an earmarked reserve to meet the ongoing financial impacts of the pandemic.
- 6.2 Bids from demand led services to access this funding in order to redress pressures arising from or exacerbated by Covid have now been received amounting to £1.986m, broken down as follows:

Service	2021/22	2022/23	2023/24	Total
	£	£	£	£
BFFC	513,479	864,793	314,501	1,692,773
DACHS	293,280	0	0	293,280
<b>Total</b>	<b>806,759</b>	<b>864,793</b>	<b>314,501</b>	<b>1,986,053</b>

NB - A further £0.143m of funding has been allocated to DACHS from the Delivery Fund.

- 6.3 Full details are set out in Appendices 3 and 4 attached, and Policy Committee is asked to consider them on their merits and in the context of the Council's projected outturn position.
- 6.4 It is proposed that the remaining balance in this reserve is used to mitigate Covid-19 budget pressures in 2021/22.

## 7 SAVINGS PROGRAMME

- 7.1 Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2021. Detailed monitoring of agreed savings is tracked on a monthly basis.
- 7.2 The projected financial impact of any non-delivery of savings have been included in the projected outturn position reported above.

7.3 The following table summarises the current forecast savings delivery for 2021/22 (a further detailed breakdown by saving is provided in Appendix 1):

**Table 4. Delivery of 2021/22 Savings Programme**

Service	Savings At Risk £000	Savings Delayed or at Risk £000	Savings on Track £000	Savings Achieved £000	Directorate Total £000
Adult Care and Health Services	2,971	1,595	971	0	5,537
Economic Growth and Neighbourhood Services	1,304	1,622	3,722	975	7,623
Resources	22	0	1,043	0	1,065
Corporate	0	326	77	462	865
Children's Services delivered by BFFC	0	0	5,118	0	5,118
<b>Total</b>	<b>4,297</b>	<b>3,543</b>	<b>10,931</b>	<b>1,437</b>	<b>20,208</b>

7.4 Any savings not delivered in 2021/22 will cause an immediate pressure on 2022/23 unless mitigated with alternative ongoing savings. Savings review meetings took place in the week commencing 28<sup>th</sup> June 2021 to scrutinise savings delivery in more detail and further work is currently being undertaken to establish what mitigating actions can be taken to facilitate savings delivery.

## 8 SUNDRY DEBT

8.1 Total General Fund sundry debt, over 30 days old, as at the end of Quarter 1 is £10.245m, compared to £17.396m as at the end of 2020/21. The following table shows the outstanding debt over 30 days old as at the end of June 2021:

**Table 5. Outstanding Debt Over 30 Days Old**

	1 to 2 months £000	2 to 3 months £000	3 to 6 months £000	6 months to 1 year £000	1 to 2 years £000	Over 2 years £000	Total Outstanding Debt £000
Adult Social Care	323	366	607	657	1,239	2,518	5,712
BFFC Customers	-	-	-	-	15	6	21
Balance Sheet Codes	-	14	-	5	-	13	31
Capital Cost Codes	1	585	-	109	12	-	707
Chief Executive	11	-	-	-	-	-	11
Corporate Codes	-	-	-	-	-	102	102
DEGNS	1,417	486	154	135	131	315	2,638
Directorate of Resources	467	108	38	24	12	373	1,022
DCEEHS	-	-	-	-	-	1	1
<b>Total General Fund</b>	<b>2,219</b>	<b>1,559</b>	<b>800</b>	<b>930</b>	<b>1,410</b>	<b>3,328</b>	<b>10,245</b>
Housing Revenue Account	2	4	-	-	2	16	24
Intercompany Debt	3,148	31	2	715	3,170	-	7,067
<b>Total Including HRA and Intercompany</b>	<b>5,369</b>	<b>1,594</b>	<b>802</b>	<b>1,645</b>	<b>4,582</b>	<b>3,344</b>	<b>17,336</b>

8.2 A review of the Council's debt management arrangements to harmonise and streamline collection processes and ensure associated bad debt provisions are

at the appropriate level is being undertaken as part of the work to mitigate against the current in-year financial gap resulting from Covid-19.

## 9 STAFFING

- 9.1 The Council currently has 105 agency contracts across the directorates. £0.144m has been spent on overtime during Quarter 1 in 2021/22, compared to £0.101m spent on overtime in Quarter 1 of 2020/21. The majority of this increase relates to staff employed to facilitate Covid-19 testing.
- 9.2 There have not been any redundancies to date during 2021/22.

## 10 HOUSING REVENUE ACCOUNT (HRA)

- 10.1 At Quarter 1 the HRA is forecast to end the year £0.333m net favourable against budget and £1.556m HRA Reserve movement to the HRA. The breakdown of the net variance is set out in the following table and explained below.

**Table 6. Housing Revenue Account Forecast 2021/22**

	Budget £m	Forecast Outturn £m	Variance £m
Management & Supervision	8.650	8.650	0.000
Special Services	3.090	3.090	0.000
Provision for Bad Debts	0.929	0.929	0.000
Responsive Repairs	2.413	2.517	0.158
Planned Maintenance	3.049	3.049	0.000
Major Repairs/Depreciation	10.710	10.710	0.000
Debt Costs	7.488	7.488	0.000
PFI Costs	7.318	6.827	(0.491)
HRA Income	(41.758)	(41.758)	0.000
<b>Over/(Under) Budget</b>	<b>1.889</b>	<b>1.556</b>	<b>(0.333)</b>
Movement to/(from) HRA Reserve	(1.889)	(1.556)	0.333

- 10.2 There is a £0.158m overspend forecast at Quarter 1 on Responsive Repairs. This is due to electrical work programme which could not be carried out last year due to the Covid-19.
- 10.3 The forecast at Quarter 1 includes an underspend on the projection for the PFI costs of £0.491m. This will need to be realigned in the HRA business plan during the year to identify any further pressures or opportunities.

## 11 CAPITAL PROGRAMME

- 11.1 The revised budgets have been updated to include the net budget roll forward requests from 2020/21 that were approved by Policy Committee in July 2021 as part of the 2020/21 Quarter 4 Performance and Monitoring Report.
- 11.2 The General Fund Capital Programme is currently forecast to underspend by a net £11.306m set out in the following table:

**Table 7. Capital Programme Forecast 2021/22**

	<b>Original Budget £m</b>	<b>Revised Budget £m</b>	<b>Forecast Spend £m</b>	<b>Forecast Variance £m</b>
Adult Care and Health Services	0.279	1.272	1.272	0.000
Economic Growth and Neighbourhood Services	50.584	74.409	68.475	<b>(5.934)</b>
Resources	4.559	7.409	7.568	0.159
Children's Services	20.899	24.969	24.429	<b>(0.540)</b>
Corporate	11.832	12.632	7.641	<b>(4.991)</b>
<b>Total General Fund</b>	<b>88.153</b>	<b>120.691</b>	<b>109.385</b>	<b>(11.306)</b>
<b>Total HRA</b>	<b>39.675</b>	<b>45.494</b>	<b>37.038</b>	<b>(8.456)</b>

11.3 Economic Growth and Neighbourhood Services schemes are currently forecasting to underspend by a net £5.934m, comprising:

- £2.803m overspend on the Construction of Green Park Station that is forecast to due to issues arising from the course of construction;
- £1.611m underspend on Replacement Vehicles due to the programme being on hold whilst being re-visited to include assessment of different fuel type options e.g. electric alternatives;
- £1.534m underspend on Reading Football Club Social Inclusion Unit which is currently delayed as the s106 monies to fund the scheme have not yet been received;
- £1.467m underspend on Renewable Energy as a result of delays in recruiting/establishing project management resource, realigning the programme in light of feasibility studies commissioned and more detailed and accurate mapping of the Project pipeline around planning approval & operational constraints. This particularly affects Smallmead Solar Farm and The Hexagon with the main spend now anticipated in 2022/23;
- £0.950m underspend on Central Library Reconfiguration/Refurbishment due to delayed commencement of the works;
- £2.759m of net underspends across other schemes.

11.4 Corporate schemes are currently forecasting to underspend by a net £4.991m. This is primarily due to the £5.000m budget relating to Minster Quarter no longer being expected to be utilised in year.

11.5 The Council was successful in bidding for additional capital grant funding received from the Public Sector Decarbonisation Fund and the Low Carbon Skills Fund. These schemes have been included within the Capital Programme.

11.6 The HRA Capital Programme is currently forecast to underspend by £8.456m. This is due to a £6.156m underspend in New Build & Acquisitions - Phase 2, a £1.829m underspend in Major Repairs and £0.471m net underspends across other schemes.

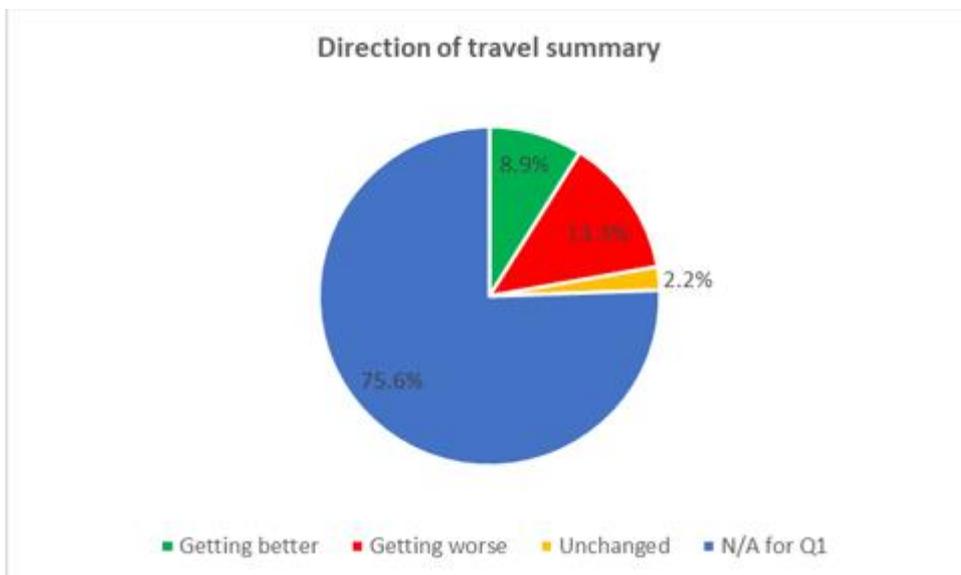
## 12 CORPORATE PLAN PERFORMANCE

- 12.1 A new one-year Corporate Plan for 2021/22 was published in March 2021, and a revised set of 45 performance measures have been developed for monitoring from April 21, along with a set of 77 key projects and initiatives which will help to deliver the Council’s mission and priorities.
- 12.2 These measures and projects have been identified by directorates as those that best demonstrate progress in achieving key outcomes. This report is therefore intended to provide an overview of the contribution that the Council makes across all its activities to improving Reading as a place to live, work and visit.
- 12.3 The performance measures and projects are set against each of themes of the Corporate Plan for 2021/22:
- Healthy environment;
  - Thriving communities;
  - Inclusive economy.
- 12.4 As well as these themes, performance information is also structured according to ‘Our foundations’ and ‘Covid response and recovery’.
- 12.5 The council’s performance management software system (InPhase) is used as the source for recording and monitoring progress against our performance objectives. Accessing the system online allows for further analysis and interaction with the data and a richer experience than when information is extracted and presented in a document format.
- 12.6 The tables below present a summary of the direction of travel for the Corporate Plan measures and a summary of the RAG status for the Corporate Plan projects.
- 12.7 Please note that ‘direction of travel’ information is limited for this quarter as many of the measures are new. The report includes performance for monthly and quarterly measures only; annual measures will be reported on at the end of the year.
- 12.8 The full set of quarterly data for all measures is attached at Appendix 2. The full list of projects is also available. RAG status and commentary have been provided for these.

### **Summary of direction of travel (measures)**

- 12.9 The chart below displays an overview of the shifts in performance for the (monthly or quarterly) measures published in the Corporate Plan.

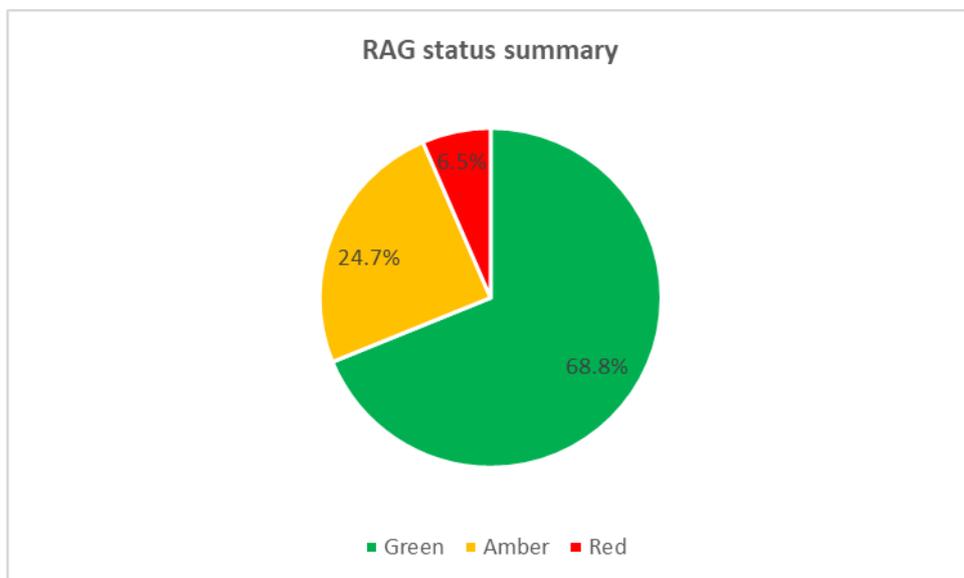
Getting better	4	8.9%
Getting worse	6	13.3%
Unchanged	1	2.2%
N/A for Q1	34	75.6%



**Summary of RAG Status (projects)**

12.10 The RAG status for the Corporate Plan projects is shown below. Future reports will show the change in RAG status from the previous period.

Green	53	68.8%
Amber	19	24.7%
Red	5	6.5%



**13 CONTRIBUTION TO STRATEGIC AIMS**

13.1 The Council’s vision is to ensure that Reading realises its potential - and to ensure that everyone who lives and works in Reading can share the benefits of its success. The Council has three inter-connected themes which contribute to delivering this vision. The themes are:

- Healthy environment;
- Thriving communities;
- Inclusive economy.

13.2 Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

## **14 ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

14.1 The Council declared a Climate Emergency at its meeting on 26 February 2019. Whilst the Covid-19 situation has put significant pressure on the Council's finances, the work to tackle the Climate Change Emergency is continuing and has not yet been impacted by the financial position.

14.2 The Covid-19 pandemic has had a positive impact on air quality as a result of the initial lockdown and changes to the town centre that encourage increased walking and cycling.

## **15 COMMUNITY ENGAGEMENT AND INFORMATION**

15.1 Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

## **16 EQUALITY IMPACT ASSESSMENT**

16.1 The equality duty is relevant to the development of the Budget and Corporate Plan. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

## **17 LEGAL IMPLICATIONS**

17.1 The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

## **18 FINANCIAL IMPLICATIONS**

18.1 The financial implications are set out in the body of the report and in Appendix 1 attached.

## **19 BACKGROUND PAPERS**

- 2021/22 Budget and Medium-Term Financial Strategy 2021/22-2023/24 Report - Full Council - February 2021