

### Appendix 3 - Briefing Note for Members on outturn at 31 March 2021.

The below table shows the draft outturn after Covid compensation received and accrued up until the 31<sup>st</sup> March 2021.

<b>Controllable Costs by Service Area</b>	<b>Revised Budget - 2020/21</b>	<b>Revised Outturn - 2020/21</b>	<b>Variance Outturn v Revised Budget 2020/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Corporate Services</b>	<b>4,806</b>	<b>5,398</b>	<b>592</b>
<b>Community Services</b>	<b>1,015</b>	<b>904</b>	<b>(111)</b>
<b>Technical and Environmental Services</b>	<b>3,083</b>	<b>3,652</b>	<b>569</b>
<b>Place Services</b>	<b>2,180</b>	<b>1,914</b>	<b>(266)</b>
<b>Net Cost of Services</b>	<b>11,084</b>	<b>11,868</b>	<b>784</b>

At Overview and Scrutiny Committee on the 15<sup>th</sup> June 2021, Members asked if a reconciliation could be provided of service underspends and overspends to enable Members to be able to understand where overspends or underspends had occurred that were not purely attributable to the Pandemic.

This has been done for each service area below with additional narrative

#### Corporate Services

<b>Service Area</b>	<b>Covid / Non-Covid</b>	<b>Value (£'000)</b>
Internal Audit	Covid Expenditure	27
Housing Benefit and Council Tax Benefit	Covid Expenditure	102
Leisure	Covid Expenditure	399
Revenues and Benefits – Court Fees	Covid Expenditure	64
Accountancy	Non-Covid Expenditure	273
Commercial – The Swan	Non-Covid Expenditure	85
Additional Covid Grants received	Covid Expenditure.	(358)
	<b>Total</b>	<b>592</b>

The material overspends and underspends have been detailed above. There has been additional expenditure on Housing Benefit and Council Tax Benefit, subject to the year end audit, housing benefit spend can be recovered. The Leisure Expenditure is the unrecovered spend required to maintain sustainability of the contract. Additional spend on Internal Audit is due to members of the in-house internal audit team being seconded to Business Grants payments. Due to a pause on recovery, Council Tax and Business Rates debts were not taken to court during the pandemic which

has led to an overspend of £64K. As detailed in the report there was a recharge error on the additional expenditure incurred as a result of the previous accountancy contract being terminated. The Council has had to incur significant costs on the Swan at North Warnborough. The scaffolding and hoarding has had to be replaced and a number of surveys have been carried out. There was no budget in place for this work. The above expenditure has been offset by additional Covid grants received which were not fully spent at year end.

### Community Services

Service Area	Covid / Non-Covid	Value (£'000)
Community Safety	Non-Covid	(91)
Health and Wellbeing	Covid	(9)
Various low level underspends	Non-Covid	(11)
	Total	(111)

The key drivers of underspends for Community Services were savings derived from exiting the previous shared service community safety contract. There was also an underspend on Health and Wellbeing as various stakeholder engagement projects did not take place.

### Technical & Environmental Services

Service Area	Covid / Non-Covid	Value (£'000)
Drainage	Covid	(88)
Waste Contract net overspend	Non-Covid	1088
Bramshot Farm	Covid	(22)
Environmental Promotion Strategy	Non-Covid	(249)
Various parking underspends	Covid	(41)
Street cleaning	Covid	(45)
Traffic Maintenance	Covid	(37)
Climate Change	Non-Covid	(10)
CCTV	Non-Covid	(9)
		569

A number of service areas in Technical and Environmental have underspent due to projects not being taken forward during the pandemic. Street cleaning staff provided by East Hants were furloughed and little traffic maintenance work was carried out. Environmental Promotion work was funded by SANGs and lower levels of work took place at Bramshot Farm. The revised CCTV contract has delivered savings and Climate change staff costs were lower than budget. This is all offset by an overspend on the Basingstoke Waste code. Independent investigations are being undertaken to understand this unforeseen cost.

## Place Services

Service Area	Covid / Non-Covid	Value (£'000)
Land Charge Income	Non-Covid	(46)
Underspend EH staffing	Non-Covid	(46)
Planning Income	Non-Covid	(39)
Hackney Carriages	Non-Covid	(81)
Building costs and utilities	Covid	(34)
Building Control	Non-Covid	(20)
	Total	(266)

The main underspends in Place are driven by additional land charge income due to additional searches as people move before the Stamp Duty holiday ends. In addition Building Control income, Hackney Carriage Income and Planning delivered well against reduced income targets provided in the revised budget.