

BUDGET MONITORING REPORT 2020/21 – PERIOD 10

Summary: This report summarises the budget monitoring position for the revenue account and capital programme to the end of January 2021. The report also provides an update on the financial impact of Covid-19 on the Council's Financial position.

Options considered: Not applicable.

Conclusions: The overall position at the end of January 2021 shows an £8,443,191 underspend for the current financial year on the revenue account, this is however currently expected to deliver a full year overspend of £164,729 which, as per the previous COVID update, is to be funded from the General Fund reserve if required.

Recommendations: It is recommended that Cabinet:

- 1) **note the contents of the report and the current budget monitoring position;**
- 2) **agree to fund any deficit from the General Fund reserve at the year-end if required**
- 3) **Approve the capital programme funding as identified from reserves.**

Reasons for Recommendations: To update Members on the current budget monitoring position for the Council.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report and which do not contain exempt information)

System budget monitoring reports

<u>Cabinet Member(s)</u> Cllr Eric Seward
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<u>Ward(s) affected</u>

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1. Introduction

- 1.1 This report compares the actual expenditure and income position at the end of January 2021 to the Updated budget for 2020/21. The original Base Budget as agreed by Full Council in February 2020 has been updated to reflect approved budget virements.
- 1.2 The report also provides an update on the impact of the Covid-19 pandemic on the council's financial position and likely outturn budget impact.
- 1.3 The coronavirus COVID-19 pandemic continues to represent a significant challenge for the District Council which will continue to impact on the Council's resources and budget during 2020/21 and future years. This report sets out the current high level forecasts relating to the COVID-19 pandemic taking account of the latest central government support package.

2. Budget Monitoring Position – Summary

- 2.1 The detailed position for the various service areas is included later within the report, the table below highlights the current overall position and provides a summary of the full year projections for the service areas.

Table 1 - Summary of Full Year Effects 2020/21	Estimated Movement From Updated Budget
	£
Service Areas (Table 2) (non Covid-19)	59,927
Savings resulting from changes to working practices	(120,000)
Covid-19 Expenditure and Grant Allocations	0
Covid-19 Income Impact	1,414,367
Investment Interest/Borrowing Interest	(439,565)
Business rates	0
Fees & charges support grant	(750,000)
Total	164,729

- 2.2 The table highlights that the current forecasts as at January 2021 this position has improved from the £421k forecast as part of period 6 monitoring. As previously agreed this is to be funded from reserves if further efficiencies cannot be found before the year end.

2.3 Budget Monitoring Position – Revenue

- 2.3 The General Fund Summary at Appendix A shows the high level budget monitoring position as at 31 January 2021 and highlights a year to date variance of £8,443,191 underspend against the profiled updated budget. Of this underspend £5,021,515 is in relation to net cost service variances with the remainder relating to non-service specific budgets. Where appropriate to do so COVID-19 expenditure and grants have been allocated to services, to understand the net impact of this on the Council's base budget monitoring, an extract of the General Fund Summary adjusting for this position is shown below.

General Fund Summary P10 2020-21
Adjusted Net Cost of Service

Service Area	2020-21	Budget YTD	Actuals YTD	Variance	Covid	Adjusted
	Updated			YTD	Related	
	Budget			YTD	Expenditure/	Non Covid
	£	£	£	£	Income	£
Corporate Leadership Team/Corporate	277,015	188,111	122,407	(65,704)	16,850	(82,553)
Community & Economic Development	4,728,178	2,923,227	3,490,488	567,261	354,187	213,074
Customer Services & ICT	912,091	597,926	825,569	227,643	144,550	83,093
Environmental Health	3,898,574	2,825,308	2,737,451	(87,857)	20,483	(108,340)
Finance and Assets	3,985,045	(5,942,178)	(11,699,570)	#####	(5,802,890)	45,498
Legal and Democratic Services	1,637,068	1,709,238	1,733,182	23,944	(9,004)	32,948
Planning	2,302,200	1,928,299	1,998,888	70,589	6,824	63,765
Net Cost of Services	17,740,171	4,229,931	(791,584)	#####	(5,269,000)	247,485

2.4 Full variances across all service areas are detailed as part of Appendix B included with this report. The following table outlines the more significant variances compared to the updated budget along with the likely full year effect which are not attributed to the pandemic. Variances that are directly attributed to COVID-19 are considered in more detail later in this report. Income related variances are also discussed in more detail.

Table 2 – Service Variances	Over/ (Under) Spend to Date against Updated Budget	Estimated Full Year Variance Against Updated Budget
	As Per General Fund Summary	(Excluding Covid-19 Impacts)
	£	£
CLT and Corporate		
Human Resources and Payroll – Employee related expenditure including new appointment advertising costs. Professional and consultancy fees. These costs have been offset by savings in the corporate training programme which are being analysed separately	£20,541	£32,465
Registration Services – Staffing costs following a restructure of the team. Some of this saving will be used to fund staffing costs ahead of elections in May - there is potentially a full year effect saving. Costs associated with the running of the European & General Election - to be funded from the Electoral Claims Unit.	£58,262	(£20,000)
Corporate Leadership Team – (£95,276) - Lower salaries and on costs as a result of staff vacancies. Some of this will be offset by the restructure. The balance consists of minor variances.	(£108,169)	(£85,000)

Communications - (£16,471) – Staff turnover savings due to vacancies. (£13,800) - Marketing. (£4,750) - Digital promotion - to be used for promotion of social posts to boost engagement/audience.	(£36,338)	(£25,000)
Economic and Community Development		
Car Parking – £60,722 - Higher NNDR costs as a result of an increase in the multiplier and loss of transitional relief £514,994 - Car park income lower due to Covid-19, included under income impacts.	£423,759	£60,722
Markets – Lower fee income from market rentals as a result of Covid-19 restrictions and social distancing measures.	£25,853	£0
Leisure Complexes – (£93,282) - Rent/Hire of Buildings - No invoices received for the hire of school halls. £356,700 - Higher management fees as agreed by Cabinet - these represent contributions towards key workers and furloughed staff along with loss of income. £5,000 - Consultancy costs.	£275,171	£5,000
Other Sports – (£24,008) - Mammoth Marathon entry fees and sponsorship. This will be carried forward as the Marathon is now anticipated in May 2022.	(£18,304)	£0
Foreshore (Community) - £5,200 - Contract extension for the period 1st to 5th April 2020. (£73,633) - New cleansing contract costs, bills of quantity. (£52,960) - Beach Lifeguard Management Fee. (£9,890) - Lower costs of memorial seat repairs.	(£129,048)	(£54,760)
Business Growth Staffing – New project manager post funded from capital, this will be adjusted as part of Capital financing at year end.	£23,397	£0
Housing Strategy – (£7,384) Employee costs due to vacant hours. (£4,132) Transport costs. (£12,427) Supplies and services, professional fees not yet incurred, this mainly relates to viability works funded from the New Homes Bonus reserve.	(£25,614)	(£7,500)
Health and Communities - (£9,232) - Arts grants. (£10,766) - A new Service Level Agreement is currently being discussed with the Citizens Advice Bureau. £27,568 - Fixed term staff funded by grants. (£9,000) - Grants awarded by the Big Society panel during prior years not yet claimed.	(£46,439)	£0
Coastal Management – Staffing costs - to be funded from Reserves and contributions at year end.	£37,161	£0
Customer Services and ICT		

<p>ICT – Support Services - £173,824 - Computer Software Licences. There is an £8k one-off item for an upgrade to the GIS system. There is a £99k growth in the software licensing of Microsoft products following the withdrawal of the government framework. Current estimates are that the increase will be around £107,000. £45,551 - Computer maintenance. There are one-off costs for mandatory software upgrades, leading to a full year effect of £35,746. (£38,917) - Computer Lines / Modems - Delay in delivery of network upgrade - this will be complete by March 2021.</p> <p>Computer Purchases, Hardware - expenditure is directly in support of providing laptops etc. as a part of the requirement to work at home as a consequence of the Covid 19 Response. The total cost of Covid measures to date is £93,730. This has been allocated against the Covid grant.</p>	£237,542	£150,000
<p>Homelessness – Grant allocation not yet offset by expenditure due to Covid pressures.</p>	(£39,205)	£0
Environmental Health		
<p>Commercial Services – Vacant post within the team.</p>	(£23,041)	(£23,000)
<p>Public Protection –. Licence fee income is down as a result of restrictions in place during the Covid-19 lockdown.</p>	£40,910	£0
<p>Environmental Health Service Management – Temporary staffing costs offset by other staff savings across the wider department.</p>	£33,193	£0
<p>Combined Enforcement Team – Vacant Team Leader post currently being used to fund temporary staffing within the department.</p>	(£33,630)	£0
<p>Waste Collection and Disposal – (£20,018) Outstanding accruals from 2019/20 for services provided and no invoices yet received. £56,828 Waste collection costs higher than profiled budget. Contract extension costs of £26,998 to Kier. (£35,772) Lower contract payments for the processing of recyclables.</p> <p>Additional income from garden waste and bulky waste collections.</p>	(£46,915)	(£47,000)
<p>Cleansing – £7,641 Contractor extension costs to Kier; (£44,475) Contractor costs to Serco based on bill of quantities.</p>	(£35,830)	(£36,000)
Finance and Assets		
<p>Industrial Estates – Change of lease agreement, rental income not yet invoiced.</p>	£29,846	£0
<p>Revenue Services – The variance to date shows the net position on Business support and Discretionary grants, no full year effect is anticipated as grants continue to be made to businesses and there is an expectation that unspent monies will be repaid to the Ministry for Housing Communities and Local Government (MHCLG).</p>	(£5,927,657)	£0

<p>Due to pressures on the service relating to processing the grant payments additional external support has been agreed using Civica on Demand. This has been funded from the Covid support grant.</p> <p>Although not highlighting as a variance at P10 there is an estimated reduction in income from costs awarded of £100,000. This is as a result of reduced recovery action being taken during the pandemic, this is include within the income impact figures.</p>		
<p>Benefits Subsidy – Current net position on Test and Trace payments (grant less expenditure)</p>	(£53,705)	£0
<p>Admin Buildings – £67,033 Higher repair and maintenance costs - Legionella corrective works at various sites, PAT testing and emergency lighting and the removal of Portacabins at New Road, North Walsham. £22,676 of which relates to Covid-19 measures and will be funded by the grant. (£44,345) Lower running costs - outstanding invoices for rent at Kings Arms St. North Walsham; lower gas and electricity costs at Cromer and Fakenham. £6.235 Management fee - termination of Caterserve contract.</p>	£52,783	£20,000
<p>Property Services – (£17,127) Vacant post held in the service offset by costs for advertising and overtime. £7,872 Works in default to be funded from the Enforcement Board. £145,825 various works identified as supporting Covid-19 measures and Return to the High Street Safely Fund (RHSSF) to be funded by relevant grants.</p>	£146,870	£0
<p>Public Conveniences – £29,250 - Higher repair and maintenance expenditure associated with Legionella risk assessments and corrective works, emergency lighting and fixed wire testing and repairs. (£18,990) Underspend in running costs for water and electricity (facilities closed during the pandemic) and offset by higher NNDR and cleansing costs.</p>	£3,207	£15,000
<p>Investment Properties – Option appraisals and structural surveys. Outstanding debtor accruals - invoices yet to be raised for recharge of insurance premiums and utility charges.</p>	£25,154	£20,000
<p>Corporate and Democratic Core – £7,413 Payment to Local Enterprise Partnership (LEP) re Enterprise Zones. £7,623 Prior year's external audit costs.</p> <p>£46,671 Additional Covid-19 costs funded from the Central Government Grant. These include a Countywide mailshot and Community food bank contribution.</p>	(£3,485)	£15,000
Legal and Democratic Services		
<p>Members Services – Year to date savings in training and travel costs as a result of the pandemic and forced changes to working practices. Underspend In Chairman's Civic expenditure. These savings are predicted to deliver a Full Year Effect of £16,000, this has been included within estimate shown at 2.5.</p>	(£23,426)	£0
<p>Legal Services – £27,651 Employee Costs. £30,181 Income</p>	£51,691	£0

generated from legal fees. No full year is anticipated as the net position will be funded from the legal earmarked reserve.		
Planning		
Development Management – £16,992 Turnover and pay award. (£7,335) Transport costs. £3,228 Costs awarded. £5,228 Professional Advice. £12,695 Agency costs - some funded from Covid-19 grant as the implementation of the new planning system (Uniform) was directly affected by the pandemic. The variance at period 10 relates predominantly to Planning fee income. During the initial lockdown period planning income drastically reduced, although there are signs that this is starting to improve - a full year variance of £120,000 is still predicted.	£82,826	£20,000
Planning Policy – (£24,030) Staff turnover savings resulting from a vacant post. (£47,446) Delays in Local Plan profiled expenditure.	(£32,959)	(£30,000)
Conservation, Design and Landscape - Accruals relating to prior year contributions in relation to Historic Environment Service not yet made. Spending profile of conservation area appraisal.	(£27,040)	£0
Major Developments – £56,504 Professional and legal services relating to planning application appeals.	£57,470	60,000
Building Control – £35,821 Building Control fee income down due to Covid-19 restrictions, The full year effect of the pandemic is estimated to have a 10% reduction in full year fee income.	£25,479	£0
Head of Planning – Departmental generic training and public transport is budgeted for here. The anticipated full year effect relates to various supplies and services.	(£22,774)	(£10,000)
TOTALS	(£4,964,160)	£59,927

2.5 As a result of the rapid transformation of the workplace and home working becoming the new normal, new ways of digitally delivering meetings and training have delivered savings across most service areas. Individually these savings are not significant enough to include in the table above but corporately they could be significant. The table below shows the current level of savings for travel and training along with an estimated saving that could be generated by outturn (this movement has been excluded from the full year effect figures above).

	Full Year Budget	Year to Date Budget	Actuals YTD	YTD Variance	Estimated Full Year Effect
	£	£	£	£	£
Travel Allowances and Public Transport	149,456	123,130	76,161	(46,969)	(50,000)
Training	174,472	145,650	73,365	(72,285)	(70,000)
Total	323,928	268,780	149,526	(119,254)	(120,000)

3. Covid-19 Position – Impact on Budget Monitoring Position P10

3.1 Covid-19 Grants and Additional Expenditure

3.2 In response to the pandemic, the council has received a number of grants from Central Government, many of these are targeted at providing direct support to local businesses in sectors greatly affected by the Covid-19 restrictions but it has also acknowledged the ongoing service delivery pressures facing district councils. The table below highlights the current grants and expenditure being allocated against them. No Full Year effects have been assumed for this grant income as it will be matched by expenditure or repaid.

Summary of Grant Position - Main Covid-19 grants received by the Authority as at P10 2020/21 (assume no Full Year Effect as additional expenditure or pay back)

	Grant Allocation at P10 2020-21 £	Expenditure at P10 2020-21 £	Current variance £
Covid Grant from MHCLG - 4 Tranches	1,703,210	787,242	(915,968)
<u>Business Support Grants</u>			
Small Business Grants/Discretionary	65,502,000	55,958,000	(9,544,000)
Local Restrictions/Tier 2/Tier 4 grants	9,484,945	7,751,041	(1,733,904)
Additional Restrictions Support	931,273	143,500	(787,773)
National Lockdown	7,900,821	6,838,929	(1,061,892)
Closed Business Lockdown	<u>15,795,000</u>	<u>13,672,000</u>	(2,123,000)
Total Business Support	99,614,039	84,363,470	(15,250,569)
Tourism Sector Support package (TSSP) Other/Grants	330,029	215,671	(114,358)
Reopening the High Street Fund	93,332	63,973	(29,359)
Test and Trace - Standard/Disc/Administration	105,473	59,973	(45,500)
Other funding including New Burdens and Enforcement Surge	74,995	42,354	(32,641)
	<u>101,921,078</u>	<u>85,532,683</u>	<u>(16,388,395)</u>

3.3 North Norfolk District Council has received four tranches of support grant from the Ministry for Housing Communities and Local Government (MHCLG) totaling £1,703,210. The expenditure allocated against this grant is closely monitored and monthly updates are submitted to MHCLG. The grant has not currently been allocated to specific service budgets and therefore the expenditure is currently showing as a variance at net cost of service level. The support grant income is identified on the General Fund Summary under Local Taxation and Government Grant. The main areas of expenditure set against this grant include, officer overtime, additional ICT to enable homeworking, Leisure contract support, Homelessness Rough Sleeper placements and Covid-19 compliance. Since our last monitoring report to the MHCLG the council has been notified that we have been awarded the full £200,000 funding from the National Leisure Recovery Fund. This funding is provided by Government, via Sport England to help support local authorities and leisure providers to recover from the effects of the Covid pandemic. This will reduce the sum currently committed from the support grant.

- 3.4 The most significant area of Covid-19 support that the council is undertaking is the provision of business support. A number of different grants have been made available for businesses across the District to draw down. The schemes relating to the original allocation of £65,502,000 have now closed and it is anticipated that once reconciliation work is complete and the final figures verified the unallocated balance will be repaid to MHCLG. The other streams are still in operation but the same process of payback for unallocated balances is likely.
- 3.5 A number of more specific grants have been received by the Council to provide greater support to specific sectors including businesses particularly effected by the pandemic such as Tourism and individuals who may be experiencing financial hardship as a result of enforced Covid-19 measures such as self-isolating. Further funding has been allocated to help the public and businesses understand the latest Covid-19 regulations, and increase compliance and enforcement checks on businesses throughout the district.

3.6 Covid-19 Update on Income Variances

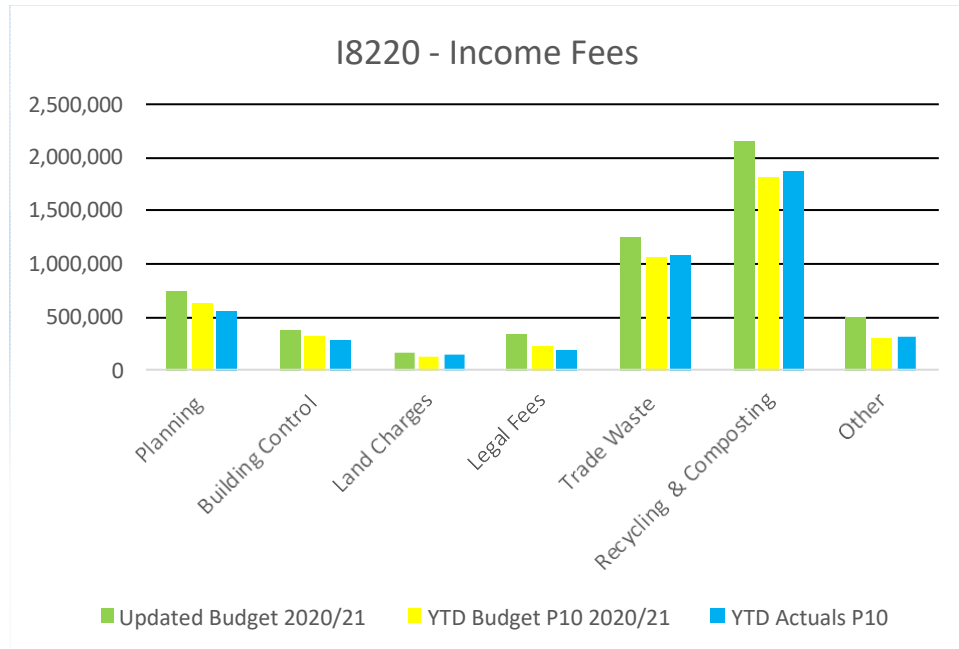
- 3.7 As previously highlighted, the greatest financial impact that faces the council is income reductions, the position at Period 10 shows a deficit of £574,136 against the year to date profiled budget.
- 3.8 At Period 3 it was noted that the government had announced a support package relating to losses from fees and charges income, although there were some areas specifically excluded such as commercial rents and investment income.
- 3.9 The first claim for the period April to July was submitted in October for £435k, this has been received and is shown on the General Fund Summary under government Grants and Local Taxation. A further claim was completed in December for the period August to November but due to favorable income levels during these months nothing further was claimed.
- 3.10 In terms of the overall claims position we are estimating that the total potential eligible claim for 2020/21 will still amount to a total of c£1m as previously quoted which would mean grant income of total grant of £0.75m based on the intervention rate of 75%. Taking into account monies already received we could expect to draw down a further £315k.
- 3.11 A breakdown of variances by main income streams is shown below. It is worth highlighting that whilst the current shortfall is £574,136 the Council is still anticipating that the full impact on 2020/21 budgets will be a shortfall of £1,414,367. A breakdown of this can be seen at Chart 3 below. The current position has been influenced by favorable variances against budget headings not included in the claim such as recycling. Another factor effecting the year to date position is the way income is accounted for within some services. For example, trade waste income is charged by invoicing and this process credits the service when the invoice is raised and not when the cash is physically received. As such the overall position cannot be quantified until all refunds and credits for suspended services have been applied to businesses accounts. Where this is the case anticipated full year variances have been provided by service managers working with their accountants.

1822 - Income Fees and Charges

18220 - Income - Fees

	Updated Budget 2020/21	YTD Budget P10 2020/21	YTD Actuals 2020-21 P10	YTD Variance
Planning	(751,500)	(626,250)	(554,843)	71,407
Building Control	(380,000)	(316,660)	(280,624)	36,036
Land Charges	(162,190)	(135,160)	(148,385)	(13,225)
Legal Fees	(329,896)	(216,644)	(186,523)	30,121
Trade Waste	(1,255,000)	(1,071,750)	(1,080,595)	(8,845)
Recycling & Composting	(2,144,861)	(1,809,400)	(1,873,051)	(63,651)
Other	(508,278)	(287,918)	(313,209)	(25,291)
	(5,531,725)	(4,463,782)	(4,437,230)	26,552

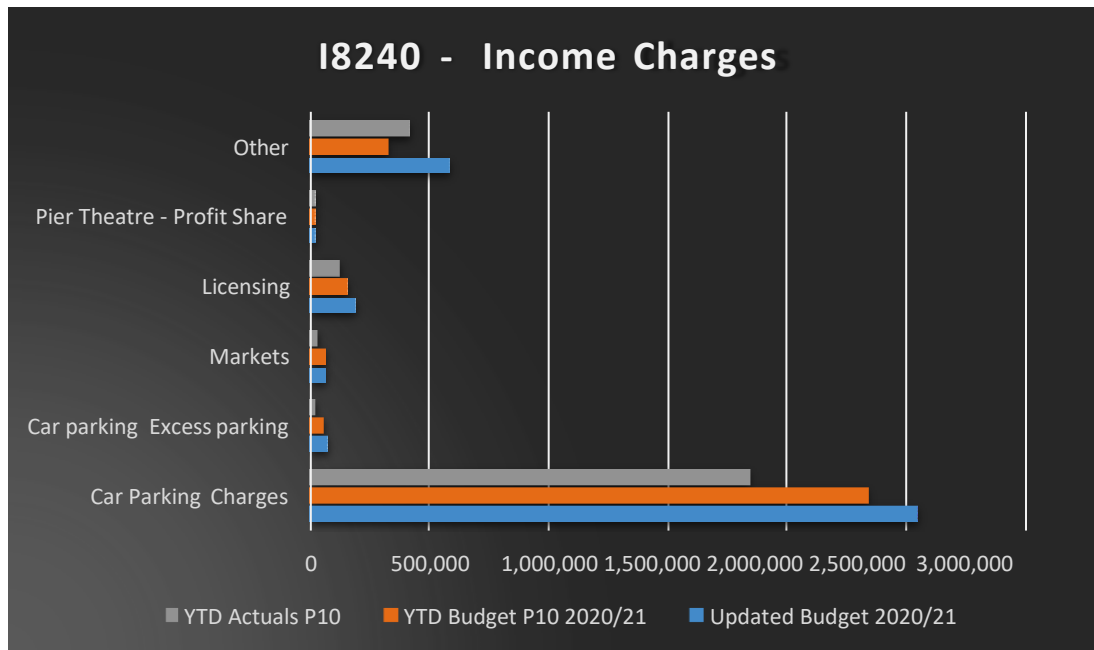
Chart 1



18240 - Income - Charges

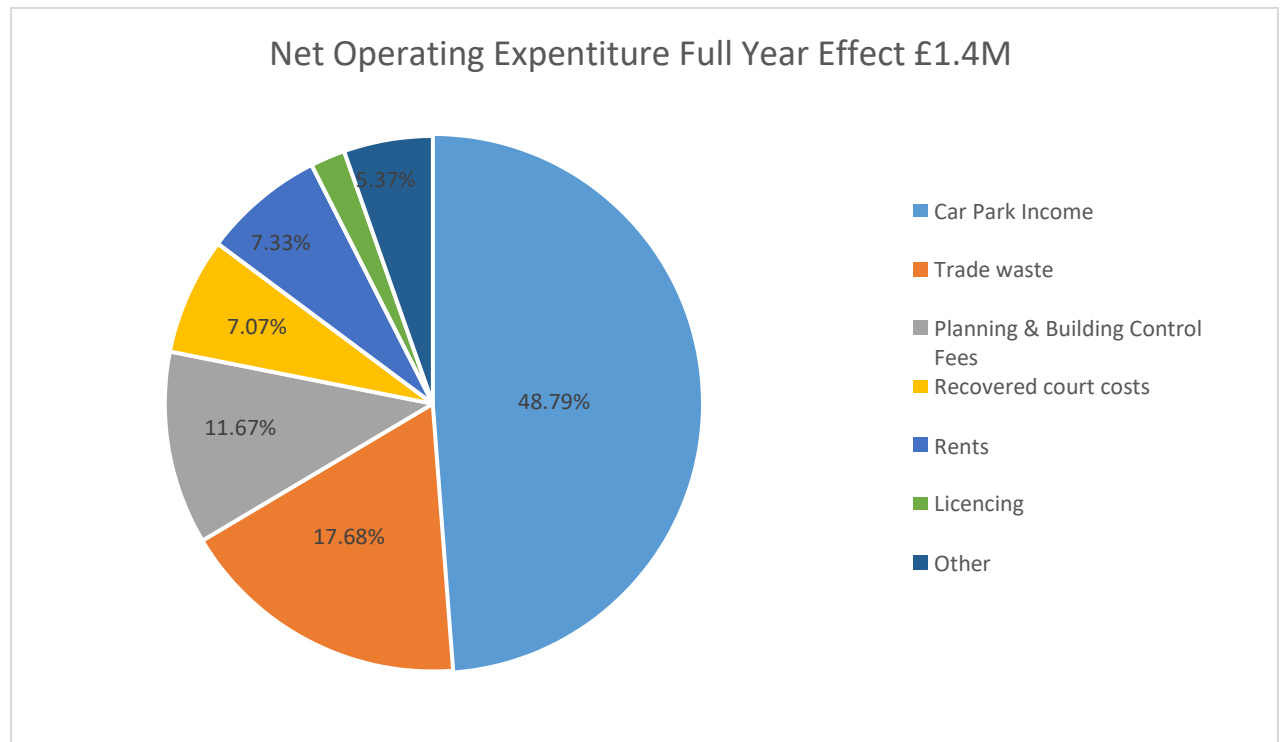
	Updated Budget 2020/21	YTD Budget P10 2020/21	YTD Actuals 2020-21 P10	YTD Variance
Car Parking Charges	(2,544,900)	(2,339,359)	(1,838,767)	500,592
Car parking Excess parking	(70,490)	(58,740)	(20,746)	37,994
Markets	(63,654)	(60,954)	(32,452)	28,502
Licensing	(188,500)	(157,080)	(120,359)	36,721
Pier Theatre - Profit Share	(20,000)	(20,000)	(19,361)	639
Other	(587,110)	(326,709)	(415,404)	(88,695)
	(3,474,654)	(2,962,842)	(2,447,089)	515,753

Chart 2



The balance that makes up the year to date income variance on I82 - Customer and Client Receipts of £574,136 is in relation to rents and miscellaneous receipts and sales and has a net negative impact of £31,830 at P10.

Chart 3



4. Non Service Variances to Period 10 2020/21

4.1 Investment Interest

The interest budget for 2020/21 anticipates that a total of £1,323,300 will be earned from treasury investments and a loan for service purposes to Broadland Housing Association. Overall an average balance of £40.1m is assumed, at an average interest rate of 3.3%.

At the end of period 10, a total of £1,178,475 has been earned, resulting in a favourable variance against the year to date budget of £75,727. The average rate of interest achieved was 2.55% from an average balance available for investment of £55.3m. At the end of the year a favourable variance against the budget of £83,992 is anticipated. This is due to dividends from pooled funds being higher than budgeted, performing well despite the impact of COVID. Conversely, the returns from investing surplus cash in money markets has been significantly lower than expected, the interest rates now at 0.01%, down from a high of 0.45% in April. This has been partly mitigated by increased investment balances due to additional payments received from central government in response to COVID. There are significant risks to this forecast in the current uncertain economic environment, where negative interest rates are a potential future possibility.

A total of £32m has been invested in pooled funds which are valued at £32.8m at the end of period 10; a gain of £0.8m on the original investment. This is an improvement of £2.7m from the position at 31st March, where pooled funds were valued at £30.1m due to the impact of the global pandemic on equity funds.

The Council has a balanced portfolio with a diverse range of funds investing in different instruments. The Council can expect the valuation of its pooled investments to continue to be volatile, but this is in line with expectations when the investments were placed. The risks inherent in the volatile nature of these investments are mitigated as the Council intends to hold them for the long term.

4.2 Borrowing Interest

The budget for 2020/21 anticipates that £10,000 would be paid in interest for short-term borrowing for cash flow purposes. At period 10, a total of £1,633 has been paid resulting in a favourable variance against the budget of £6,700. There has been a lower requirement for short-term borrowing due to increased cash inflows associated with COVID related central government payments. At the end of the year a favourable variance against the budget of £7,473 is anticipated.

Interest for long-term borrowing has been budgeted for £348,100 for financing the re-provision of Splash Leisure Centre and purchase of waste vehicles. No borrowing in relation to these projects have been made to date and this is the same position expected at the end of the financial year. This will be continually reviewed, with treasury management decisions made based on achieving best value for money.

4.3 Retained Business Rates

There is currently no variance showing against Non Domestic Rates income for the financial year. Any unspent allocation from the Section 31 grant used to reimburse the authority for new reliefs announced by the Government to support businesses with the effect of COVID will have to be repaid at the end of the year, having been paid to councils in advance to support with cash flow requirements. The final variance will not be known until the NNDR3 form is completed at the end of the year and the grant actually due to the authority has been determined.

The COVID pandemic is having adverse effects on collection rates for Non Domestic Rates, but this will not impact income recognised in the General Fund until next financial year. Due to the potential severity of this, MHCLG have confirmed that authorities will be able to spread the surplus or deficit on the Collection Fund over three years. This is not however an option for the Council as we will not be eligible to

spread the NNDR deficit as our Collection Fund deficit was caused due to the retail relief, and not due to non-collection.

The accounting for this is still being worked out, and it is not possible at this time to say what the impact on NNDC will be. The sector is also lobbying central government to recognise the potential impact of this on next year's budgets with a view to providing additional financial support.

5 Budget Monitoring Position – Capital

5.1 Total Capital expenditure at the end of period 10, amounted to £9,813,570 across all projects. The Capital Programme has been updated to reflect changes agreed up to the end of January 2021 and can be found at Appendix C. Since the last report to Cabinet the following changes have been made:

- Property Investment Company – £2,000,000 has been removed from the capital programme in response to the new PWLB lending rules.
- Cromer West Prom Chalet Ramps - £61,345 has been removed from the capital programme as the project was not viable, due to lack of buy-in by chalet holders.
- Provision of Temporary Accommodation - £60,560 additional budget has been added for the refurbishment of 2a Stirling Road, Sculthorpe for temporary accommodation use. This was approved by Cabinet and funded by capital receipts. The refurbishment in total will cost £80,000; the remainder is met by savings within the original approved programme.
- The following 2020/21 budgets have been re-profiled into future years to reflect programme of work revisions, or known delays associated with further decision making or the impact of COVID:

Scheme	Budget Re-profiled
Fakenham Connect	(£69,668)
North Walsham Heritage Action Zone	(£277,000)
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	(45,500)
Splash Gym Equipment	(£502,534)
North Walsham Artificial Grass Pitch	(£848,868)
Splash Leisure Centre Re-provision	(£2,370,264)
Waste vehicles	(£1,388,157)

5.2 Further release of funds is requested at this time for the following Capital projects;

- Cromer Pier Steelworks and Improvements to Pavilion Theatre – An additional £424,900 is requested to meet expected final costs for the current programme due to urgent work requirements. This will be financed by the Capital Project

(£104,939) and Asset Management (£319,961) reserves. A further paper will be brought to Cabinet to consider the most recent survey results and to approve the future work programme and its associated procurement and financing.

- Administration Buildings (Cromer Office Works) – A further £148,200 is requested to cover anticipated final costs for this project, financed by the Asset Management Reserve. This has been due to further essential emergency works that have been uncovered as part of the project which were unforeseen when the scheme was initially commenced.

6 Conclusion

- 6.1 The revenue budget is showing an estimated full year overspend for the current financial year of £164,729. The overall financial position continues to be closely monitored and it is anticipated that the overall budget for the current year will be achieved.
- 6.2 The previous Budget monitoring report secured reserve funding to support with the anticipated £400k deficit which has reduced to £165k based on current forecasts. The use of the General Fund reserve will be a last resort, the Council will continue to try and address any forecast deficit by looking to make further savings and reallocate resources within the current budget as the reserves are already under pressure and only represent a one-off source of funding which is not sustainable in the medium term. Should the Council not be able to make these adjustments in year then a transfer from the General Fund reserve will be required to balance the budget at year end.

7 Financial Implications and Risks

- 7.1 The detail within section 3 of the report highlights the more significant variances including those that are estimated to result in a full year impact.
- 7.2 The estimated outturn shown in Table 1 will continue to be monitored during the year.

8 Sustainability - None as a direct consequence from this report.

9 Equality and Diversity - None as a direct consequence from this report.

10 Section 17 Crime and Disorder considerations - None as a direct consequence from this report.