

**Classification: Public**

**Key Decision: No**

## **Gravesham Borough Council**

**Report to:** Report of Finance and Audit Committee  
**Date:** 20 July 2021  
**Reporting officer:** Assistant Director (Corporate Services)  
**Subject:** General Fund Provisional Outturn Report 2020/21

### **Purpose and summary of report:**

To present:

- The 2020/21 provisional General Fund Outturn Report, including movements in the General Fund working balances and earmarked reserves
- The 2020/21 provisional General Fund Capital Outturn

To update Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP), or Financial Statements.

### **Recommendations:**

1. This report is for information only.

#### **1. INTRODUCTION**

- 1.1. The Constitution of the Council requires Members to receive reports in respect of the Council's finances and financial performance. This report provides details of the provisional budget outturn for the 2020/21 financial year and complements the 2020/21 Financial Statements for the authority. This report was considered by Cabinet on 28<sup>th</sup> June 2021.
- 1.2. Throughout 2020/21, the council has faced and will continue to face unknown challenges posed by the Covid-19 pandemic. Despite these challenges, the council has continued to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances. In addition to the reporting of financial performance through regular budget monitoring reports, these actions include:
  - Requiring all financial decisions and major acquisitions to be brought to Management Team for discussion and approval;
  - Appropriate controls in approving purchase orders;

- Requiring all recruitment activity to be considered and approved by Management Team;
- Monitoring the delivery of activity under the Medium Term Financial Strategy (MTFS).

## **2. EXECUTIVE SUMMARY**

### **Revenue**

- 2.1. As a result of the Covid-19 pandemic, the council has incurred significant unplanned expenditure and the resulting budget pressures may remain for future years. There are a number of instances where planned spend should have taken place in 2020/21 but could not happen. Additionally, the long-term impact of the Covid-19 pandemic still remains, particularly as Government support unwinds during 2021/22 with a likely resultant impact on economic recovery in the local community. This is explained in detail in sections 3.5.7 to 3.5.13 of this report.
- 2.2. The provisional outturn position for the year is an underspend of £59,220. This position has arisen from a combination of factors and incorporates various movements arising from the Covid-19 pandemic, such as income losses, delayed expenditure and additional reserve movements to safeguard against long-term impacts. By way of comparisons, the year-end positions were favourable variances of £1,518,700, and - £1,194,250, for 2018/19 and 2019/20 respectively.
- 2.3. The Council ended 2019/20 in a favourable position, enabling budgets totalling £85,800 to be approved for carry forward into 2020/21.
- 2.4. The level of Working Balances at year-end is £11.28m, constituted of the minimum working balances of £2.0m, the General Fund reserve of £3.25m and usable Working Balances of £6.03m.
- 2.5. Movements in the year have resulted in a net increase in earmarked reserves of £7.17m. This reflects the start of the year position being £11.91m, with the balance being £19.08m at year-end. Of this movement, £4.58m refers to a transfer of Section 31 grants received in 2020/21 to the NNDR (National Non Domestic Rate) Collection Fund Equalisation Reserve in order to finance Collection Fund deficits over the next three years – see section 3.11.1 for further details.

### **Capital**

- 2.6. The General Fund Capital Programme working budget is £11.85m, including £1.11m for developing Land at Dering Way, £0.50m for providing working capital to Rosherville Limited, and £6.72m for The Charter development works. Actual spend for the year was £6.90m.

## **3. REVENUE**

### **3.1. Budget 2020/21**

- 3.1.1. The approved Original Budget Requirement for 2020/21 was £11,543,950, funded by a combination of retained Non-Domestic Rates, New Homes Bonus, and Council Tax. It enabled a forecast contribution of £270,100 to be made to Usable Working Balances, in accordance with the Medium Term Financial Strategy.

- 3.1.2. The provisional General Fund outturn against the Original Budget is presented in the table below. It should be noted that headings for directorates, reserves and transactions below the line have been adjusted to neutralise the effect of year-end accounting entries such as depreciation, and incorporate the correct accounting treatment for reserves and grant income. As a result, the table may not be directly comparable to previous budget monitoring reports.
- 3.1.3. The original budget requirement upon which 2020/21 council tax levels were originally set remains unchanged, and all other lines only include variations which CIPFA funding regulations permit to be levied against council tax and business ratepayers.

Directorate / Budget Heading	Original Budget 2020/21 (£)	Outturn 2020/21 (£)	Variation 2020/21 (£)
All Directorate - Salaries	14,733,930	14,717,310	(16,620)
Chief Executive	(358,570)	(446,000)	(87,430)
Communities	(3,605,960)	(4,112,410)	(506,450)
Corporate Services	(106,360)	(1,392,500)	(1,286,140)
Housing & Operations	449,710	207,960	(241,750)
Planning & Development	26,410	(136,800)	(163,210)
Non-Directorate Specific	850,200	777,340	(72,860)
Interest and Investment Income	(861,260)	(805,890)	55,370
Government Grant Funding	(1,267,930)	(5,843,040)	(4,575,110)
Transfers to/ (from) reserves	(107,470)	7,172,660	7,280,130
Transfers to/ (from) balances	603,010	603,010	0
Transactions below the line	1,188,240	1,102,050	(86,190)
<b>BUDGET REQUIREMENT</b>	<b>11,543,950</b>	<b>11,843,690</b>	<b>299,740</b>
Business Rates Income	(3,698,510)	(4,013,530)	(315,020)
Council Tax Income	(7,144,320)	(7,188,260)	(43,940)
Parish Precepts	(368,210)	(368,210)	0
New Homes Bonus	(603,010)	(603,010)	0
Transfers to /(from) the Collection Fund	0	0	0
Transfers to Working Balances	270,100	270,100	0
<b>BUDGET SHORTFALL/(UNDERSPEND)</b>	<b>0</b>	<b>(59,220)</b>	<b>(59,220)</b>

Table 1: General Fund Revenue Outturn by Directorate / Budget heading

### 3.2. ALL DIRECTORATE – SALARIES

- 3.2.1 **Staffing: £17k favourable variance** – the Council continued throughout the year to maintain a close analysis of staffing budgets through regular monitoring to Management Team and effective management of vacant posts and the staffing establishment. The budget for 2020/21 incorporated a vacancy allowance of £350k; the year-end position was an underspend of £367k, giving rise to the net favourable variance of £17k.

### 3.3. CHIEF EXECUTIVE’S DIRECTORATE – £87k FAVOURABLE VARIANCE

- 3.3.1 **Thames Gateway Kent Partnership: £34k favourable variance** – the Partnership arrangement ceased on 31 March 2020, which led to the receipt in 2020/21 of £34k relating to Gravesham’s share of the redistribution of the Partnership’s accumulated reserve.
- 3.3.2 **Communications: £32k favourable variance** – an annual provision exists within this budget to support communications and advertising for Woodville events; however due to restrictions arising from the Covid-19 pandemic, the Woodville was largely closed during in 2020/21. Resultantly, only minimal expenditure of this nature took place, resulting in a £26k favourable variance. This, in conjunction with other minor net variations across the service of £4k, has led to the overall reported position of £32k.
- 3.3.3 **Corporate Change: £16k favourable variance** – following cessation of the Council’s membership in 2020/21 of the Smarter Digital Services Team hosted at Tunbridge Wells Borough Council, an underspend of £8k has arisen. Other net movements across the service have resulted in a favourable variance of £8k, thus resulting in an overall positive MTFP effect of £16k.
- 3.3.4 **Other Net Variances: £5k favourable variance** – the net effect of other variances across the Chief Executive’s Directorate is a favourable variance of £5k.

#### 3.4. **COMMUNITIES DIRECTORATE – £506k FAVOURABLE VARIANCE**

- 3.4.1. **Civic Centre running expenses: £113k favourable variance** – a net underspend of £113k from across various repairs and maintenance and utility budgets has arisen during 2020/21. Due to the Covid-19 pandemic, there has been a reduced officer presence in the Civic Centre with large numbers of staff predominantly working at home during this period. Consequently, there has been a reduced call on various day-to-day premises budgets in 2020/21, which has generated a favourable MTFP variance – it is not anticipated that this pattern will repeat to the same extent in 2021/22.
- 3.4.2. **Events: £93k favourable variance** – due to the Covid-19 pandemic and subsequent restrictions in place on social gatherings, several events that were budgeted for in 2020/21 were unable to take place. These included the Riverside Festival, Fireworks Festival, St George’s Day Parade, Fusion Festival as well as range of annual memorial services. As a result, expenditure was not incurred as planned, and therefore an underspend of £93k has arisen.
- 3.4.3. **Legal Shared Service: £78k favourable variance** – as a result of year-end underspends in the shared service hosted by Medway Council, largely due to staff turnover and vacancies, there is a reduction in the Council’s contribution to the shared service budget. The result of this is a year-end favourable variance of £78k.
- 3.4.4. **Springhead Enterprise Park Rental Income: £74k favourable variance** – following various rent reviews, including some that were back-dated prior to 1 April 2020, and in conjunction with units at the site now being fully let, net additional income of £74k has been realised in 2020/21.
- 3.4.5. **Reprographics/Photocopiers: £69k favourable variance** – following the declaration of the Covid-19 pandemic, the vast majority of Council officers were predominantly working at home during 2020/21 in line with Government guidance. This meant that there was a reduced call on various stationery and photocopier budgets than would usually be the case. Additionally, as various Council events were unable to take place, there was a reduced demand within Reprographics for producing publicity material and other related

information. These factors combined have led to a net favourable variance of £69k in 2020/21.

- 3.4.6. **Emergency Planning: £29k favourable variance** – the Council’s annual contribution to Kent Fire & Rescue Service (KFRS) was waived during 2020/21, as KFRS were dealing with the Covid-19 and Brexit responses across the county and unable to deliver the Council’s planned support and training programme. Consequently, a one-off underspend for 2020/21 has arisen – it is anticipated that the usual level of support and training will recommence during 2021/22.
- 3.4.7. **Woodville Services: £15k net favourable variance** – due to the outbreak of the Covid-19 pandemic and government measures designed to combat the spread of the virus, The Woodville and ceased operations immediately in March 2020. Following the partial lifting of restrictions, a reduced Woodville cinema offering ran during the summer and autumn months. However, the theatre did not reopen at all during 2020/21, and since February has been used as a Covid-19 vaccination centre (currently projected to last until August 2021).
- 3.4.8. As a result of significantly reduced activity arising from the Covid-19 pandemic restrictions, there was a total loss in income compared to the original budget of £531k during 2020/21. This spanned across Council Shows, Private Hire, the Cinema, Blake Gallery and the Bar & Catering budget lines. Of this loss, £340k has been claimed (with £251k physically received as of writing), under the Government’s Sales, Fees and Charges Compensation Scheme. This scheme was announced on 2 July 2020, and was designed to support Local Authorities for lost income streams as a result of the Covid-19 pandemic. Guidance was received and worked through enabling three claims to be submitted for 2020/21; on 30 September 2020, 21 December 2020 and 28 May 2021. Thus, the net income loss for 2020/21, taking into account the compensation, was £191k.
- 3.4.9. Additionally since the closure of the Woodville Theatre and other Woodville operations running at much lower capacity than budgeted, various overhead expenditure savings have also been realised. These primarily relate to utility and general premises costs, which are not attributable to specific income streams. The impact of these reductions together with the income compensation has resulted in an overall favourable variance for 2020/21 of £15k.
- 3.4.10. **Leisure Services Management Fee Income: £72k adverse variance** – during 2020/21 the Council considered financial support to Gravesham Community Leisure Limited, who manage Cascades and Cygnet Leisure Centres within the borough, in the light of the centres’ enforced closure resulting from government actions to combat Covid-19. Resultantly, fees payable for each quarter of the year were waived with the effect of reduced income to the Council of £250k.
- 3.4.11. In a similar fashion to as described within The Woodville section, a claim was made for Leisure Services under the Government’s Sales, Fees and Charges Compensation Scheme. The compensation claimed was £178k (with £116k physically received as of writing), therefore giving rise to the net adverse variance for 2020/21 of £72k.
- 3.4.12. **Parking Services: £181k net adverse variance** – following the lockdown announcement of 23 March 2020 in response to the Covid-19 pandemic, parking charges – both on-street and within car parks – were suspended whilst government restrictions were in place to combat the spread of coronavirus. As restrictions were partially lifted, parking charges and enforcement were reintroduced across the borough from June 2020. However, no income was realised between April and May 2020, with significantly lower levels of usage, and thus occurring during the remainder of the year.

- 3.4.13. Additionally, with The Charter project gaining momentum in 2020/21, Horn Yard and Market Square car parks were closed towards the end of the financial year to facilitate the development in that area. The net effect of income losses across all aspects of Parking Services compared to the original budget for 2020/21 was £1,057k.
- 3.4.14. As with The Woodville and Leisure Services, compensation claims for lost income within Parking Services have been submitted. These have had a positive effect of £809k (with £254k physically received as of writing), thus reducing the net income deficit for the service to £248k in 2020/21.
- 3.4.15. In addition to the Sales, Fees & Charges Compensation income, various underspends have arisen across the service during the year where there has been reduced activity undertaken, and thus a lower call on expenditure budgets. The overall effect of these movements is a favourable variance of £61k, which together with the net income deficit of £248k has led to the overall reported position of an adverse variance of £181k in 2020/21.
- 3.4.16. **St George's Shopping Centre: £291k favourable variance** – during 2020/21 the Council has received rental income from the centre, as well as meeting costs arising from the finance lease arrangement and other items relating to non-recoverable service charges e.g. in instances of vacant units. Additionally, a rent guarantee sum has been accrued from Reef as part of contractual agreement, and investment income has been generated from the initial investment balance received. The net effect of these income streams less costs incurred in 2020/21 is £291k. This has been set aside at year-end in an earmarked reserve described further within section 3.11 to safeguard against lost rental income, void periods and non-recoverable service charges during further phases of redevelopment at the centre.
- 3.4.17. Further to the above, it should be noted that as of writing discussion is still underway with Grant Thornton, the Council's External Auditors, regarding the accounting treatment of arrangements relating to the St George's Centre transaction. Therefore, the outturn position has currently been based on existing arrangements, with any change arising to be reported to Members in due course.
- 3.4.18. **Other Net Variances: £3k adverse variance** – the net effect of other variances across the Communities Directorate is an adverse variance of £3k.

### 3.5 CORPORATE SERVICES DIRECTORATE – £1,286k FAVOURABLE VARIANCE

- 3.5.1 **Corporate Inflation Provision: £200k favourable variance** – the Council holds a central fund for supplies and services inflation within the Corporate Services directorate to act as a safeguard against inflationary increases to contract payments and general supplies and services costs. In 2020/21, due to a combination of services largely being able to manage inflationary increases within existing budgets, in addition to reduced expenditure in certain areas as a result of restrictions arising from the Covid-19 pandemic, there has been a reduced call on this fund compared to the original budget. The impact of this is a year-end underspend of £200k.
- 3.5.2 **Interest Payable: £94k favourable variance** – when setting the budget for 2020/21 in February 2020 there was an assumption that the authority would undertake some external borrowing during 2020/21 to support elements of the capital programme. As these schemes did not progress in the timescales originally envisaged, the level of external borrowing undertaken in 2020/21 was lower than anticipated thus reducing the interest costs incurred in 2020/21.

- 3.5.3 **Balance Sheet Items: £82k favourable variance** – following activity to refine budgetary arrangements including analysis of historic items held on the balance sheet, £82k has been released back to working balances in 2020/21.
- 3.5.4 **Housing Benefit: £60k favourable variance** – during 2020/21 the total level of recoverable overpayments has been higher originally budgeted. This, alongside a reduced level of housing benefit administration expenditure, has resulted in an overall favourable variance within the service.
- 3.5.5 **Recovery of Council Tax Court Costs: £362k adverse variance** – as a result of the Covid-19 pandemic and the country entering lockdown in March 2020, magistrates' courts were only able to deal with urgent work, and local taxation liability order hearings were suspended. Although initially it was hoped that this situation would only last a few months, ultimately no Council Tax liability order hearings were able to take place throughout 2020/21.
- 3.5.6 Officers remained in contact with the courts to arrange hearings, but as the courts were dealing with urgent work only, no hearing time was provided, and resultantly the year-end financial position is an adverse variance of £362k.
- 3.5.7 **Covid-19 Grant Funding: £1,205k favourable variance (£1,200k transferred to reserves to mitigate longer term Covid-19 impact – see reserves section)** – as part of the Government's response to the Covid-19 pandemic, the Council received four tranches of un-ringfenced grants from the Ministry of Housing, Communities and Local Government (MHCLG), in order to assist with expenditure pressures associated with responding to the pandemic. This funding totals just under £1.8m. Additionally, the Council received New Burdens funding of £446k, which is primarily associated with the administering of various schemes of grant support to local businesses, as well as the facilitating of test & trace isolation payments.
- 3.5.8 Since the outbreak of the pandemic, the Council has incurred significant unplanned expenditure. This has been in relation to action required to support the workforce to be able to work safely and in accordance with government guidelines, provision of direct financial support to partner organisations assisting in the local response, and a series of wider measures within the community.
- 3.5.9 Central government's message throughout much of 2020/21 has been to work from home if it is possible to do so. In response to this, the Council has enabled remote working for officers that are able to perform their duties remotely. This has resulted in a significant range of office and IT equipment being provided to officers in support of safe and effective homeworking arrangements. Furthermore, additional cleaning, screens, signage and hygiene measures have been implemented within council workplaces. This has enabled staff to continue to conduct their responsibilities on behalf of the Council in a safe manner and for civic buildings to remain accessible to those members of the public who require face-to-face support. PPE and other equipment has also been provided to those council officers working within the community to ensure both their safety and that of the individuals they interact with.
- 3.5.10 Direct support to organisations has included funding to volunteering and charity organisations, particularly those with a focus on supporting the most vulnerable within the community. Expenditure on Covid-secure measures and the implementation of wider Government guidelines has incorporated signage, public notices, printing and postage costs.

- 3.5.11 Whilst the above items are all clearly identifiable costs to the Council, the pandemic has also required council resources to be deployed to tasks that are beyond the usual business of the Council. Such tasks would include administering a number of initiatives locally on behalf of Central Government, such as support to the vulnerable, administration of business support schemes, compliance and enforcement activity, administration of elements of the Test and Trace programme (including contact tracing and support payments) and engagement in significant Emergency Planning activity across Kent with partner agencies. The council has also experienced significant uplifts in demand for certain services including waste and recycling collections, street cleansing and requests for support and advice, particularly in meeting payments in respect of council tax, rents, and other sundry debts.
- 3.5.12 These activities have reduced the resources the Council has available to it to deliver its own services to residents or increased demands beyond usual levels. The release of £1,200k therefore reflects support from government for the costs of these demands but does not fully compensate the council for other pressures caused by gaps in support for sectors such as local authority leisure centres and losses in income.
- 3.5.13 Furthermore, the longer term effects of the pandemic remain unknown and it is likely that there will be further requests/requirements to meet the financial impacts of Covid-19. Giving this due consideration, £1,200k of the MHCLG grant funding has been set aside in reserve to deal with future financial pressures, and therefore the overall variance within this section on MTFP working balances is £5k. Further details of these movements are set out in section 3.11 of this report.
- 3.5.14 **Climate Change Initiatives: Neutral variance** – as part of the budget-setting process, the establishment of a £500k Climate Change earmarked reserve was agreed at Full Council in February 2020. In quarter two of 2020/21, a scheme to replace litterbins and trial recycling “on-the-go” at St Andrew’s Gardens was developed, for which £3k was made available from the reserve.
- 3.5.15 A further £12k has been released from the reserve to purchase the “Carbon Reduction Options for Housing Managers” (CROHM) package which is designed to create a detailed model of the energy performance of the Council’s housing stock. This system will also have the ability to model scenarios and costings for specific carbon reduction work the Council may wish to consider in the future.
- 3.5.16 **Other Net Variances: £7k favourable variance** – the net effect of other variances across the Corporate Services Directorate is a favourable variance of £7k.

### 3.6 HOUSING & OPERATIONS DIRECTORATE – £242k FAVOURABLE VARIANCE

- 3.6.1 **Garden Waste Collection Service: £118k net favourable variance** – the garden waste subscription service has continued to expand in 2020/21, with around 1,000 new customers joining during the financial year. This increased volume in conjunction with a review of the existing charging structure from April 2020, has led to additional income of £118k compared to the original budget.
- 3.6.2 **Refuse Collection Income: £37k favourable variance** – due to a combination of greater numbers of residents being at home during 2020/21, along with reduced capacity at the Household Waste & Recycling Centres – both as a result of the Covid-19 restrictions – the demand for the Council’s bulky and special collection services has increased. Additional collections for bulky waste were arranged at weekends, and the capacity for the collection of fridges and freezers for example, was been increased by



50% during the year to keep up increased demand. The additional net income from bulky waste and special collections is a favourable MTFP effect of £37k.

- 3.6.3 **Housing Stock Condition Survey: £35k favourable variance** – a stock condition survey of General Fund housing is budgeted to take place every 5 years. However, with the restrictions arising from the Covid-19 pandemic, it has not been possible for this to take place during 2020/21, and resultantly the budget has not utilised. It is envisaged that the survey will take place during 2021/22 instead.
- 3.6.4 **Sale of Wheeled Bins: £33k favourable variance** – due to the increased delivery of new properties across the borough, income received from the sale of wheeled bins has generated a favourable effect compared to what was originally budgeted. Although this is partly offset by the purchase of bins held as stock, there is a positive impact on the MTFP of £33k in 2020/21.
- 3.6.5 **Trade refuse expenditure: £27k favourable variance** – due to a high proportion of businesses being closed or working at reduced capacity during 2020/21 as a result of the Covid-19 pandemic, the tonnage of trade waste collected was lower than originally anticipated. This has led to reduced disposal costs compared to the original budget, and therefore a favourable variance of £27k has arisen in 2020/21.
- 3.6.6 **Homelessness Rough Sleeper Initiative: Neutral Variance** – as part of the Government’s ongoing initiative to support councils getting rough sleepers off the streets, two core tranches, each of £119k have been received, together with some other top-up funds. This funding has facilitated the on-going outreach provision along with specialist support to enable rough sleepers to access safe and suitable accommodation.
- 3.6.7 **Homelessness Next Steps Accommodation Programme (Short Term Measures): Neutral Variance** – the Next Steps Accommodation Programme makes available financial resources to help councils and their partners prevent those placed initially into emergency accommodation from returning to the streets. Resultantly, the Council received funding of £117k to use for the provision of immediate and short-term solutions for rough sleepers up to the end of March 2021. This funding has been used in conjunction with partner organisations for accommodation support, move-on start-up packs, as well as floating support for those placed in housing in multiple occupation.
- 3.6.8 **Other Net Variances: £8k adverse variance** – the net effect of other variances across the Housing & Operations Directorate is an adverse variance of £8k.

### 3.7 **PLANNING & DEVELOPMENT DIRECTORATE – £163k FAVOURABLE VARIANCE**

- 3.7.1 **Planning Application & Pre-Application Income: £106k favourable variance** – income streams have held up well during 2020/21 despite the challenging circumstances of the Covid-19 pandemic, and in particular, the initial affect of restrictions at both a national and local level which delayed planning applications and schedule building works.
- 3.7.2 The net effect of additional planning application and pre-application income in 2020/21 is £106k, which includes the planning application made in respect of The Charter – significant redevelopment works taking place around the areas previously occupied by Horn Yard, and Market Square Car Parks.

- 3.7.3 **Planning Performance Agreements: £38k favourable variance** – during 2020/21 a total of £38k has been received in respect of planning performance agreements. These agreements compensate the Council for officer time and resources spent on complex planning applications, such as Lord Street Car Park, Gravesend Canal Basin and Lower Thames Crossing schemes.
- 3.7.4 **Housing Services – Empty Properties: £30k favourable variance** – this budget is held to cover legal fees to enable the Council to serve various legal notices, issue Empty Dwelling Management Orders, cover Land Registry fees or consider the Compulsory Purchase of empty properties and any minor works in default. This budget was not required during 2020/21 since no enforcement action relating to empty properties that attracted legal costs took place. Therefore, there is an underspend for 2020/21 of £30k.
- 3.7.5 **Bus interchange at Rathmore Road: Neutral variance** – reserve funding of £15k was been made available as a contribution to a Kent County Council-led project to implement a new bus hub to improve the transport interchange between bus and rail in Gravesend town centre at Barrack Row.
- 3.7.6 **Other Net Variances: £11k adverse variance** – the net effect of other variances across the Planning & Development Directorate is an adverse variance of £11k.
- 3.8 **NON- DIRECTORATE SPECIFIC – £73k FAVOURABLE VARIANCE**
- 3.8.1 **Past Service Retirement Contributions: £73k favourable variance** – this budget allows for regular retirement contributions relating to former Council employees, payable to Kent County Council on a monthly basis. Additionally, an amount is held for one-off retirement benefit payments that may be required in any given year e.g. exit packages that attract pension costs. There has been reduced call on this second aspect of the budget in 2020/21, leading to a favourable year-end variance of £73k.

### 3.9 ITEMS CARRIED FORWARD FROM 2019/20 – £86k

3.9.1 The following items from 2019/20 have been approved for carry forward to 2020/21 by the Section 151 Officer and the Council’s Management Team:

<b>Summary of General Fund Revenue 2019/20 year-end carry forward requests</b>			
<b>Directorate</b>	<b>Service</b>	<b>Amount</b>	<b>Reason for carry-forward request into 2020/21</b>
Communities	Community Engagement	£7,610	Unspent MOD grant to be rolled forward. The MOD have agreed that this money can be carried forward and used against an appropriate project next year.
Communities	Community Involvement	£12,640	Unspent Community Involvement budget to be used to bolster activities and events in the new year due to the cancellation of a number of activities in 2019/20.
Communities	The Woodville	£15,000	Unspent Woodville budget to be rolled forward to cover the cost of new lighting in the Kent Room and Bar.
Communities	Arts Development & Cultural Events	£6,000	Grant associated with The Arts Council Service Level Agreement. Outstanding information delayed due to organisational restructure. Funds will be re-aligned in the 2020/21 Service Level Agreement.
Communities	Arts Projects	£3,450	Income received from ticket sales of the annual Outdoor Theatre held at Nurstead Court. The funds raised from the previous years performance will be used to cover 2020/21 production costs.
Communities	Licensing	£6,200	Budget needed to fund the cost of new tablets for the Licensing Team, this has been delayed due to COVID-19.
Communities	Major Outdoor Events	£17,690	Social Values income received in 2019/20 which has not been allocated to events. This will now be spent in 2020/21.
Corporate Services	Corporate Management Expenses	£13,710	Budget to be rolled forward to pay for the solicitors cost for the sale of Lord Street car park.
Housing & Operations	Burials Admin	£3,500	Safety equipment required for grave excavation which is a legal requirement, the delivery of this equipment was delayed due to COVID-19.
<b>Total carry-forward requests</b>		<b>£85,800</b>	

Table 2: Items Carried Forward from 2019/20

### 3.10 INTEREST AND INVESTMENT INCOME – £55k ADVERSE VARIANCE

3.10.1 There is an overall adverse variance of £55k against the budget for interest earned on investments, with the Covid-19 pandemic having a significant impact on global financial markets. The Bank of England base rate was reduced twice in early 2020, first to 0.25% and subsequently to 0.10% in response to the pandemic, which has resulted in significant difficulties in achieving the budgeted return for internally managed investments whilst maintaining security and liquidity of funds. Most Money Market Funds are paying 0.00% or close to zero percent on any investments held, and as a result, the Council has been holding larger cash balances that it would normally hold given bank transactional fees outweigh the returns possible from placing funds.

3.10.2 External borrowing for the New Build scheme and The Charter has been carefully managed and minimised to avoid holding surplus cash balances for longer than necessary given the difficult financial landscape.

3.10.3 Despite this difficult backdrop, Property Funds have continued to perform well and generated a dividend return of just over £400k, which is equivalent to a 4% return on the initial deposit, albeit this is a slightly lower return than 2019/20. Multi Asset Funds have

produced a dividend return of £316k this financial year, which is similarly lower than the £376k generated in 2019/20.

### 3.11 FUNDING STREAMS – £2,260k ADDITIONAL TRANSFERS

3.11.1 **Government Grant Funding: £4,575k favourable variance** – as part of the Government's response to the Covid-19 pandemic in supporting businesses and the local economy, a number of business rate reliefs have been awarded, primarily in the retail and hospitality sectors. These are over and above what was anticipated during the 2020/21 budget-setting process (i.e. pre Covid-19), and have resulted in an additional £4,575k received by the Council in 2020/21. This funding is in the form of Section 31 grants, and is effectively in-lieu of monies that would otherwise have been directly due from NNDR rate-payers through the regular billing process.

3.11.2 **Transfers to/(from) reserves: £7,280 net additional transfer to reserves** – this comprises:

- NNDR Equalisation Reserve - as a result of the process described above, a deficit has arisen on the NNDR Collection Fund whereby a reduced level of income is due via that route. Under accounting arrangements, deficits are repayable to the Collection Fund in future years, and therefore the additional Section 31 grants of £4,575k received in 2020/21 are being transferred to the Business Rates Equalisation Reserve for drawdown in subsequent years.
- NNDR Growth Fund Reserve - membership of the Kent Business Rates Pool has generated £200k that has been transferred into the NNDR Growth Fund Reserve. This represents a reduction of £39k from what was previously anticipated in the original budget for 2020/21.
- St Georges' Income Protection Reserve – following on from the favourable variance relating to the St George's Shopping Centre described within the Communities Directorate section, an equivalent sum of £291k has been transferred to this earmarked reserve. This will ensure that monies are set aside to negate lost rental income, void periods and non-recoverable service charges, particularly during the construction phases of the project. The full surplus generated of £291k has been transferred to the reserve, therefore resulting in no net overall variation to the Council. It should be noted however, that as of writing, accounting arrangements in relation to the St George's Centre are still subject to the external audit process, and therefore any changes identified through this may result in an alternative reserve movement.
- Following analysis of the overall year-end position and uncertainty in future years on the full impact of the Covid-19 pandemic, a number of strategic decisions have been made in relation to reserves to enable the Council to be placed as well as possible to mitigate any longer-term effects on the Council's financial position and its activity.
- These decisions have resulted in the following additional reserve transfers being made:

- a) Commercial Income Protection Reserve £453k – increasing the overall provision to 25% of the Council’s Rental Income budget, safeguarding interests in the current economic climate.
- b) IT Infrastructure Reserve £150k – to facilitate further agile working for both officers and Members, ensuring Microsoft Teams functionality in meeting rooms, replacing Citrix software and hardware (for remote working) as well as various telephony enhancements.
- c) Corporate Priorities Reserve £300k – to support specific actions the Council may wish to take over the next few years relating to the Covid-19 recovery process.
- d) DSO Fleet Replacement Reserve £150k – to set aside funds to meet the potential costs of starting to introduce electric vehicles into Council Fleet.
- e) Asset Enhancement Reserve £400k – to enable both capital and revenue works to take place across the Council’s assets, and also provide funding where expenditure in 2020/21 has been delayed.
- f) Covid-19 MHCLG Grant - £1,000k – a transfer of MHCLG Covid-19 grant funding received in 2020/21 but required in future years to meet the longer-term impacts of the pandemic on the Council’s finances and within the wider community.

**3.11.3 Transactions below the line – Minimum Revenue Provision (MRP): £86k favourable variance** – the MRP charge for 2020/21 is based on the Council’s cumulative capital spend that is financed from either internal or external borrowing up to the end of 2019/20. As the capital spend in 2019/20 on schemes financed from these sources was lower than anticipated at the time of setting the 2020/21 budget, there is a resulting favourable variance relating to MRP of £86k.

**3.11.4 Business Rates Income: £315k favourable variance** – this comprises:

- As a result of timing differences between the completion of the statutory NNDR1 return and the annual budget-setting process, an adverse variance of £151k has arisen. However, this has largely been compensated through the receipt of additional Section 31 grants as described in section 3.11.1.
- The outturn relating to membership of the Kent Business Rates Pool in 2020/21 has resulted in lower payments required from the Council than originally budgeted. This has had a positive effect of £77k.
- As part of Central Government’s response to the Covid-19 pandemic, a NNDR Tax Income Guarantee Scheme has been established. This has been designed to partly compensate Local Authorities for NNDR income deficits arising from the pandemic, and for Gravesham, is expected to result in receipt of around £389k. The exact final position will depend upon audited NNDR 3 form, with an initial payment received in May 2021, and a subsequent reconciliation settlement later in 2021/22.
- Therefore the total variation for this section is a combination of the adverse £151k NNDR1/budget-setting timing difference, a £77k surplus relating to Kent Business Rates Pool payments, and a £389k NNDR Tax Income Guarantee projection – an overall favourable variance to the MTFP of £315k in 2020/21.

3.11.5 **Council Tax Income: £44k favourable variance** – in a similar fashion to the situation described above within the Business Rates, Central Government also announced a Tax Income Guarantee Scheme relating to Council Tax. This enables Local Authorities to receive 75% compensation for income losses in 2020/21 resulting from the Covid-19 pandemic. For Gravesham, this scheme is forecast to result in a payment of £44k, which will be received in two instalments during 2021/22.

### 3.12 WORKING BALANCES AND RESERVES

3.12.1 The variances and Carried Forward items outlined in this report have the following effect upon the General Fund working balances:

<b>Working Balances</b>	<b>£</b>
Balance Brought Forward from 2019/20	10,350,750
New Homes Bonus (Straight to working balances)	603,010
Budgeted contribution to Working Balances	270,100
Variances per budget report (Incl.items Bfwd from 2019/20)	59,220
<b>Working Balances C/Fwd (as at 31 March 2021) including Minimum GF Working Balance</b>	<b>11,283,080</b>
Less: Minimum GF balance	(2,000,000)
Less: Additional General Fund Reserve	(3,250,000)
<b>Usable Working Balances C/Fwd (as at 31 March 2021)</b>	<b>6,033,080</b>

Table 3: Effect on General Fund Balances

3.12.2 The general working balance is supplemented by specific reserves, established to assist with future funding obligations or initiatives. The table below provides a summary of the projected movements on these specific reserves during the year.

<b>General Fund Earmarked Reserves</b>	<b>Opening Balance 01/04/2020 £'000</b>	<b>Actual Use of Reserve (Expenditure) £'000</b>	<b>Actual Contributions (Income) £'000</b>	<b>Closing Balance 31/03/2021 £'000</b>
Planning Policy Reserve	369	(34)	130	465
Asset Enhancement Reserve	1,320	(657)	500	1,163
Spend to Save Reserve	160	(162)	2	--
Leisure Centres Reserve	1,649	(350)	358	1,657
Corporate Priorities Reserve	250	(15)	300	535
Town Pier Pontoon Reserve	111	--	12	123
Local Authority Mortgage Scheme (LAMS)	25	(25)	--	--
Elections Reserve	74	--	--	74
NNDR Collection Fund Equalisation Reserve	500	--	4,575	5,075
IT Infrastructure Reserve	340	(194)	225	371
DSO Vehicle Capital Reserve	102	(67)	439	474
Freighter Replacement Reserve	1,002	--	221	1,223
NNDR Growth Fund Reserve	588	(413)	200	375
Lower Thames Crossing Reserve	150	(10)	--	140
Woodville Repairs Reserve	227	(45)	58	240
Investment Interest Equalisation Reserve	500	--	--	500
Housing & Commercial Growth Fund	700	--	--	700
St George's Income Protection Reserve	948	--	292	1,240
Commercial Income Protection Reserve	483	--	664	1,147
Service Review Reserve	241	(158)	--	83
Playgrounds Reserve	117	--	19	136
Decriminalisation Reserve	185	(57)	100	228
Enterprise Zone Reserve	--	(349)	500	151
Climate Change Reserve	--	(15)	500	485
<b>Sub-total - Specific Earmarked Reserves</b>	<b>10,041</b>	<b>(2,551)</b>	<b>9,095</b>	<b>16,585</b>
Revenue Grants not yet applied	1,865	(371)	1,000	2,494
<b>Total - All Earmarked Reserves</b>	<b>11,906</b>	<b>(2,922)</b>	<b>10,095</b>	<b>19,079</b>

Table 4: Analysis of Specific Reserves

3.12.3 Significant or new approved uses of reserves, other than those already referred to in section 3.11 or within individual directorates include:

- Asset Enhancement Reserve - £25k reinstatement works at Norfolk Road (Communities), £18k Portland Villa Wall repairs (Housing & Operations), and £614k included within the "Essential Repairs to Buildings" paragraph in section 4.1 within the Capital Programme.
- Leisure Centres Reserve – £75k revenue maintenance (Communities), and £275k "Gym Equipment Leisure Centres" within the Capital Programme section.
- IT Infrastructure Reserve - £194k see "IT Infrastructure Assets" paragraph within Capital Programme section.
- NNDR Growth Fund Reserve – £413k to support a range of professional services in areas such as legal, property, treasury management, finance and taxation to advise the Council on Corporate Projects, including The Charter and Creative Hub/Arts Centre within the St Georges Shopping Centre.

### 3.13 MEDIUM TERM FINANCIAL PLANNING

- 3.13.1 Despite the financial challenges faced throughout the year, the General Fund has ended in a favourable position. However, as an authority our budgeted expenditure continues to exceed our income. To address this, a paper will be brought to Council in the Autumn which will aim to quantify the estimated budget gap together with proposals on how this should be responded to in the future.
- 3.13.2 The Covid-19 pandemic and subsequent restrictions in place had particular impacts on the Council's fees & charges income in 2020/21. Although partly offset by Central Government's Sales Fees & Charges Compensation Scheme, gross income losses in three significant Council services as set out in report – Woodville (see section 3.4.7), Leisure (see section 3.4.10) and Parking (see section 3.4.12) – this totalled £1,838k.
- 3.13.3 Alongside the unknown lasting impact of COVID-19 on the council's finances, the future of Local Government funding remains very uncertain and challenging. Another one-year final settlement was announced in February 2021 together with further delays to the Fair Funding, Business Rates and New Homes Bonus reviews. As a result, we are still awaiting Central Government's overall package of future Local Government financing.
- 3.13.4 Given the current lack of clarity from Central Government around the future funding of local government and significant uncertainty regarding the potential impacts on the economy due to the COVID-19 Pandemic, the council put in place a one year Medium Term Financial Strategy for 2021-22. This Strategy was approved by Full Council in February 2021.
- 3.13.5 This uncertainty makes medium term financial planning far more challenging than previously, coupled with the ongoing lasting effects associated with the Covid-19 pandemic and how the Borough plans to recover from this. Proactive financial stewardship has seen the council make provision for this with the transferring of the majority of MHCLG Covid-19 grant income to reserves which can be drawn down in future years as obligations arise.

#### **4. GENERAL FUND CAPITAL PROGRAMME**

- 4.1 The following table details the final outturn for the General Fund, which includes the revised original budget for 2020/21, taking into consideration adjustments for carried forward items as approved by the Section 151 Officer and the Council's Management Team.



Scheme	2020/21 Original Budget inc C/Fwd £	2020/21 Approved Adjustments £	2020/21 Working Budget £	2020/21 Final Outturn £	Variance £	C/Fwd and Adj's to 2020/21 £	2020/21 Approved budget £	2021/22 Original Budget including C/Fwd £
Essential Repairs to Buildings	898,870	383,280	1,282,150	974,800	(307,350)	307,350	615,000	922,350
Gravesend Cemetery Improvements	14,830	0	14,830	0	(14,830)	14,830	0	14,830
Parrock St Car Park - resurfacing	11,740	15,250	26,990	26,990	0	0	0	0
Purchase of Vehicles (DSO Fleet)	275,830	184,000	459,830	167,270	(292,560)	292,560	232,000	524,560
Gatekeeper Replacement	50,000	0	50,000	0	(50,000)	50,000	0	50,000
New Wheeled Bins for Flat Recycling	100,000	0	100,000	0	(100,000)	100,000	0	100,000
Waste & Horticulture back office system	108,690	(108,690)	0	17,850	17,850	(17,850)	108,690	90,840
Replacement Playground Programme	104,870	(104,870)	0	0	0	0	159,870	159,870
IT Equipment Air Conditioning Unit	40,000	0	40,000	0	(40,000)	40,000	0	40,000
Brookvale Office Accommodation	1,400,000	(1,400,000)	0	0	0	0	1,400,000	1,400,000
Property Acquisition Programme	3,286,980	(3,286,980)	0	0	0	0	3,286,980	3,286,980
Land Acquisition Programme	3,658,810	(3,658,810)	0	0	0	0	3,658,810	3,658,810
Land at Dering Way	4,702,910	(3,590,190)	1,112,720	1,112,720	0	0	3,590,190	3,590,190
Heritage Quarter - St George's Centre	130,000	0	130,000	130,480	480	(480)	5,151,550	5,151,070
Cascades Replacement Flumes	29,440	0	29,440	25,710	(3,730)	3,730	0	3,730
Heritage Assets	388,580	(330,000)	58,580	13,250	(45,330)	44,570	200,000	244,570
Gym Equipment Leisure Centres	386,000	0	386,000	338,200	(47,800)	47,800	0	47,800
Back up Generator	75,000	(75,000)	0	0	0	0	60,000	60,000
Parking Machines	251,200	(251,200)	0	0	0	0	251,200	251,200
LATCO development costs	24,110	0	24,110	5,510	(18,600)	18,600	0	18,600
LATCO working capital provision	500,000	0	500,000	274,990	(225,010)	225,010	0	225,010
Elizabeth Huggins Cottages	2,000,000	(2,000,000)	0	0	0	0	2,000,000	2,000,000
Town Centre Improvements	67,590	0	67,590	70,350	2,760	0	0	0
Parking Software	74,750	0	74,750	56,181	(18,570)	18,570	0	18,570
Purchase of Freighters	400,000	0	400,000	0	(400,000)	400,000	0	400,000
Enforcement of Private Housing	55,000	0	55,000	34,957	(20,043)	20,040	0	20,040
IT Infrastructure Assets	330,000	(46,720)	283,280	193,788	(89,492)	89,490	200,000	289,490
The Charter	0	6,715,950	6,715,950	3,416,266	(3,299,684)	3,299,680	27,295,500	30,595,180
Barrock Row Public Conveniences	0	40,000	40,000	35,660	(4,341)	4,340	0	4,340
Website Content Management System	0	0	0	0	0	0	65,000	65,000
MOT Lane, Brookvale Workshop	0	0	0	0	0	0	37,000	37,000
Street Cleaning Machine	0	0	0	0	0	0	49,000	49,000
New Leisure Centre	0	0	0	0	0	0	4,000,000	4,000,000
	<b>19,365,200</b>	<b>(7,513,980)</b>	<b>11,851,220</b>	<b>6,894,971</b>	<b>(4,956,249)</b>	<b>4,958,240</b>	<b>52,360,790</b>	<b>57,319,030</b>

Table 5: General Fund Capital Programme 2020/21

- **Essential Repairs to Buildings**

The following work has been completed this year:

- Refurbishment of First Floor Flats at the Civic Centre;
- The replacement of the main roof at Cascades Leisure Centre, for which the majority of costs will be reimbursed via an insurance claim.
- Flume repairs at Cascades Leisure Centre
- Cascade Ceiling Repairs

A carry forward request has been received for building projects which are continuing into 2021/22.

- **Gravesend Cemetery Improvements** – a number of improvements to the Cemeteries are currently underway and these will be completed by the end of 2021/22.
- **Parrock Street Car park resurfacing** – the resurfacing work has now been completed and all costs have been settled.
- **Purchase of Vehicles (DSO Fleet)** – the vehicle fleet replacement plan was completed for 2020/21. Additional vehicles are currently on order to support the expansion of the Housing Repairs service.
- **Gatekeeper Replacement** – KCC approval has been received to introduce Automatic Number Plate Recognition (ANPR) enforcement of the King Street bus gate and a legal agreement is in place. Confirmation of programme for installation is awaited prior to capital expenditure on the equipment being made.

- **New Wheeled Bins for Flat Recycling** – the review of all flatted developments across the borough was delayed due to the Covid-19 pandemic, but is now underway to establish what bins are required to enable residents in flats to be able to recycle their waste. A project plan for the implementation of recycling bins in GBC owned flats has been produced and bins are being purchased to support this plan. Work is also underway with privately owned blocks of flats to implement dry recycling services.
- **Waste & Horticulture Back Office System** – work has started on the procurement of digital solutions for the Street Cleansing Service. The playground inspection software is now operational.
- **Replacement Playground Programme** – a 20-year replacement programme is in place, however any renewals for 2020/21 were suspended due to the Covid-19 pandemic and will be re-visited during 2021/22 instead.
- **IT Equipment air conditioning unit** – These works are on order and due to be carried out within the first half of 2021/22.
- **Brookvale Office Accommodation** – work to redesign the Brookvale depot and deliver commercial accommodation at the site has been deferred to 2021/22.
- **Property Acquisition Programme** – whilst activity to identify potential acquisitions has recommenced, no new opportunities are being progressed at this time. The Property Acquisition Strategy has been reviewed and property investment guidance updated to assist with future investment proposals and as a tool in the ongoing management and monitoring of the portfolio.
- **Land Acquisition Programme** – the council continues to maintain an overview of strategic land sites in the borough so that, as sites come to the market, their acquisition can be considered as a means of delivering development and revenue generating opportunities for the council and the wider borough in the future.
- **Land at Dering Way** – as a first step, a master planning exercise of the various landholdings in the wider area has been undertaken. Considering complementary uses of the adjacent land holdings to ensure that development in that area maximises benefits to the council and to the wider community, taking advantage of opportunities to improve access to and provision of services, green space and high quality housing. A final report is being worked upon to include additional material received from Southern Water, and a Supplementary Planning Document will be produced. As such, the project has been re-profiled within the Capital Programme.
- **Heritage Quarter (St George's Centre)** – the works to re-enliven the mall areas of the St George's Centre have now been completed. Further works at the site have been re-profiled within the Capital Programme, in line with the latest projected pattern of development.
- **Cascades Replacement Flumes** – the major internal and external works have now been completed and will be operational once the pools fully re-open. Only minor follow up painting/snagging works remain, which will be completed in due course.
- **Heritage Assets** – capital expenditure to date relates to surveys and site investigations in support of progressing works to the council's heritage property assets. Preparations are being made for works to the St Andrew's Riverwall and maintenance works to the Gravesend Blockhouse. Expressions of interest are being finalised for submission of projects for funding to the National Heritage Lottery Fund.

- **Gym Equipment Leisure Centres** – Cascades and Cygnet Leisure Centres have both received brand new fitness kit, which was installed prior to the re-opening of the sites on 25 July 2020. In light of the Covid-19 pandemic, a decision has been made in partnership with GCLL not to replace the specialist spin bike equipment at the present time and so approximately £47k is left within the capital budget for future replacement, anticipated to take place later in 2021/22.
- **Back-up Generator** – these works are being tendered with a view to undertaking them in 2021/22. The budget has now moved into 2021/22 to reflect the new timescales.
- **Parking Machines** – options are currently being appraised for the replacement and upgrade of Pay & Display machines, and steps are being taken to make a recommendation for decision later in the year.
- **LATCO Development Costs** – the work is now completed; no further costs are expected.
- **LATCO Working Capital Provision** – the final outturn for 2020/21 was £275k, and it has been confirmed that any further provisions will now fall within the 2021/22 financial year.
- **The Charter** – legal agreements between all parties were entered into on 16th March 2021 and initial works on site are underway to bring forward 242 residential units and a new multi-storey car park. The capital spend in 2020/21 represents the first loan draw down from the Council to Rosherville Property Development Ltd.
- **Elizabeth Huggins Cottages** – there was no request from Elizabeth Huggins Cottages Charity Association to drawdown the funding in the financial year. The Charity continues to refine their proposals for the development of their site at Cross Lane West and has recently identified potential additional funding for the development through Homes England. A further report was considered by Full Council on 18 May 2021 which authorised the loan facility to be made available for all stages of the development scheme, not just the element of the scheme previously referred to as phase one.
- **Town Centre Improvements** – the capital expenditure is complete. This has funded the acquisition of a MV7000 Gladiator Machine, now operational in the Town Centre, and the purchase of 28 Big Belly bins as itemised in the report to Full Council, 25 February 2020.
- **Parking Software** – the back office parking software and the virtual permit system has been implemented and is now live. The environmental enforcement module and the bus gate enforcement module have not been implemented yet, and both are due to go live in 2021/22.
- **Purchase of Freighters** – two new refuse collection vehicles are currently on order and due to be delivered in June 2021. The current replacement programme has been suspended until the results of the Consistency in Household Waste Consultation has been released, so any potential effect to service delivery can be assessed.
- **Enforcement of Private Housing Standards** – Works in Default of the improvement notice was served on the owner in June 2020, however, due to ongoing Covid-19 related issues, work did not start on-site until November 2020. Due to the challenges of Covid-19 and the impact this had on the contractor's workforce, the programme took eight weeks longer than initially anticipated and was completed at the end of April 2021.

- **IT Infrastructure Assets** - in the last quarter, costs of £48,500 have been incurred relating to one-off installation and hardware requirements for the new telephony solution, and £98,000 to replace the previous data backup solution with a new system which provides enhanced protection and resilience from ransomware cyber-attacks.

## 5 Capital Resources

5.1 The table below shows the General Fund resources available to fund capital projects in the future:

<b>General Fund Capital Resources</b>	<b>Opening Balance 01/04/2020 £</b>	<b>Actual Income 2020/21 £</b>	<b>Use of Funding 2020/21 £</b>	<b>Closing Balance 31/03/2021 £</b>
Capital Receipts	(596,280)	(104,110)	226,450	(473,940)
S106 Capital Contributions	(531,050)	(116,500)	70,350	(577,200)
Capital Grants unapplied	(147,190)	0	8,690	(138,500)
<b>Total Capital Resources</b>	<b>(1,274,520)</b>	<b>(220,610)</b>	<b>305,490</b>	<b>(1,189,640)</b>

Table 6: General Fund Capital Resources 2020/21

<b>Capital Grants Unapplied</b>	<b>Opening Balance 01/04/2020 £</b>	<b>Actual Income 2020/21 £</b>	<b>Use of Funding 2020/21 £</b>	<b>Closing Balance 31/03/2021 £</b>
Transport Quarter Stage 3	(2,970)	0	2,970	0
Localised Council Tax Support	(89,220)	0	5,720	(83,500)
Land at South of Hever Court Road	(55,000)	0	0	(55,000)
<b>Total Capital Grants Unapplied</b>	<b>(147,190)</b>	<b>0</b>	<b>8,690</b>	<b>(138,500)</b>

Table 7: Capital Grants Unapplied 2020/21

5.2 The table below lists the S106 developer contributions currently held by the council. These contributions are treated as specific grants as they have conditions attached to their use.

S106 Developer Contributions	General Fund £	HRA £	Third Party Contributions £	Total S106 Income 2020/21 £	Purpose of S106
Infrastructure Maintenance Depot (IMD) Compensation fund	(2,590)	0.00	0.00	(2,590)	This grant fund was established by money secured from Union Rail the developers of the Channel Tunnel Rail Link. The original contribution was £242,000. Its aim is to support the delivery of landscape access, wildlife and recreation schemes in the Wards and Parishes affected by the development.
Land at the South of Hever Court Road	0.00	0.00	(80,000)	(80,000)	Highways contribution.
Whitehill Open Space	(52,000)	0.00	0.00	(52,000)	Towards qualitative improvements to the wider Whitehill amenity space. These funds might be put towards a number of potential opportunities including, for example, new seating, footpath improvements, new planting and/or the levelling of the retained amenity space to the north of the proposed development.
Land South of Dalefield Way, Dering Way	(17,000)	0.00	0.00	(17,000)	Flood Risk Management - £12,000, Bus Shelter - £5,000.
Whitehill Road	0.00	0.00	(2,680)	(2,680)	Highways contribution
Springhead Leisure Contribution	(150,000)	0.00	0.00	(150,000)	To provide additional and/or improved play facilities at the Recreational ground and if not expended in 7 years after payment any unspent sum should be repaid
Bluewater - Gravesend Town Centre Improvements	(189,120)	0.00	0.00	(189,120)	A scheme to improve or enhance the environmental setting, visitor and shopper experience, and / or attractiveness of Gravesend Town Centre.
Dover Road - Open space	(50,000)	0.00	0.00	(50,000)	For use by Gravesend Council leisure for Springhead Recreation Ground pitch improvements at Dover Road Development, Includes levelling works to make 'pitch' 2 more usable to accommodate junior markings and potential 5V5 pitch.
Cold Harbour Road	(92,000)	0.00	0.00	(92,000)	To be used to fund projects to improve and enhance the Fleet Leisure Centre or such other leisure facilities situated within 5 miles of the Site.
Meopham Police Station	(24,500)	0.00	0.00	(24,500)	Payment in lieu of on-site affordable housing relating to the proposed development at the former Meopham Police Station site. These funds must be used for the provision or major upgrade of affordable housing in the borough.
<b>Total S106 Contributions</b>	<b>(577,210)</b>	<b>0.00</b>	<b>(82,680)</b>	<b>(659,890)</b>	

Table 8: S106 Contributions 2020/21

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	There are no specific legal matters arising from this report.
<b>Finance and Value for Money</b>	The financial implications are contained within the body of this report.
<b>Risk Assessment</b>	The purpose of this provisional outturn report is to identify performance against the original budget set for the 2020/21 financial year and illustrate how this affects the Working Balances and Earmarked Reserves held by the council at the end of the financial year (subject to audit).
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?</p> <p>A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. N/A</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>No decision – paper is for information only.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p>N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>

<b>Corporate Plan</b>	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
<b>Climate Change</b>	No direct implications.
<b>Crime and Disorder</b>	No direct implications.
<b>Digital and website implications</b>	No direct implications.
<b>Safeguarding children and vulnerable adults</b>	No direct implications.