



# FINANCE PROFILE

Adult Health and Well-Being Revenue		Quarter 1 2021/22		
		Gross Budget (£m)	Net Budget (£m)	Variance (£m)
✓	Adults Health & Wellbeing Total	162.991	72.601	0.408
✓	Adult Social Care	65.036	49.346	0.275
✓	Communities	64.572	40.323	0.138
✓	Director Of Adult Services	1.288	-24.160	0.000
✓	Public Health	31.249	6.462	0.000
✓	Localities	0.846	0.630	-0.005

Adults Health and Well-Being Capital		Quarter 1 2021/22			
		Budget (£m)	Projection Q1 (£m)	Budget Future Years (£m)	Projection Future Years (£m)
✓	Adult, Health & Well-Being Total	10.2	9.4	19.9	21.2
✓	Adult Social Care	6.0	5.1	19.9	20.9
✓	Communities	0.4	0.5	0.0	0.0
✓	Modernisation and Commissioning	0.1	0.1	0.0	0.0
✓	Public Health	3.7	3.7	0.0	0.3

Corporate Resources Revenue		Quarter 1 2021/22		
		Gross Budget (£m)	Net Budget (£m)	Variance (£m)
✓	Corporate Resources Total	115.932	24.191	-0.098
✓	Customers, Digital & Ict	72.948	9.794	0.188
✓	Corporate Resources Director	0.383	0.039	-0.024
✓	Finance	25.875	1.019	-0.213
⊘	Hr, Comms & Exec Office	5.656	4.678	0.091
✓	Legal & Democratic Services	6.907	4.696	-0.047
✓	Policy, Insight & Change	4.164	3.964	-0.093

Corporate Resources Capital		Quarter 1 2021/22			
		Budget (£m)	Q1 Projection (£m)	Budget Future Years (£m)	Projection Future Years (£m)
✓	Corporate Resources Total	11.8	9.5	1.6	3.9
⚠	Customers, Digital and ICT	3.9	3.9	0.8	0.8

Corporate Resources Capital	Quarter 1 2021/22			
	Budget	Q1 Projection	Budget Future Years	Projection Future Years
 Finance	7.9	5.6	0.8	3.1
 HR, Comms & Exec Office	0.0	0.0	0.0	0.0
 Legal & Democratic Services	0.0	0.0	0.0	0.0

Learning Opportunities, Skills & Culture	Gross Budget (£m)	Quarter 1 2021/22	
		Net Budget (£m)	Variance (£m)
 Learning Opp, Skills & Culture Total	123.357	68.078	1.935
 Centrally Managed	8.303	0.278	-0.001
 Early Intervention & Localities	14.301	3.443	0.052
 Education Skills Culture & Heritage	42.87	11.27	1.061
 Childrens Services Trust	57.883	53.088	0.824

Learning Opportunities, Skills & Culture Capital	Quarter 1 2021/22			
	Budget	Q1 Projection	Budget Future Years	Projection Future Years
	£m	£m	£m	£m
 Learning & Opportunities - CYP Total	10.2	9.5	17.3	20.4
 Centrally Managed	0.2	0.2	0.3	0.6
 Commissioning & Business Development	7.5	7.4	10.1	18.1
 Partnerships and Operational Delivery	1.2	0.5	0.0	1.2
 Children's Services Trust	1.3	1.4	0.7	0.5

Council Wide Budgets Revenue	Gross Budget (£m)	Quarter 1 2021/22	
		Net Budget (£m)	Variance (£m)
 Council Wide Budget Total	17.295	-57.272	-2.180
 Change Programme	0.000	-0.150	0.000
 Gnrl Financing/Treasury Mngmen	6.569	5.908	-0.640
 Levying Bodies/Parish Precepts	16.231	16.231	0.000
 Other Centrally Funded	4.553	-0.110	0.483
 Revenue Costs Ex Capital Progrmm	-21.185	0.000	0.000
 Technical Accounting	5.804	5.804	-1.792
 Business Rate Retention	0.000	-90.098	0.000
 Severance Costs	5.322	5.143	-0.231

## Treasury Management Update – Quarter 1 2021-22

1. The estimated outturn for Treasury Management is an underspend of £0.64m on interest payable due to historically low interest rates and not replacing maturing loans due to being under borrowed partly mitigated by lack of investment income due to historically low interest rates.
2. The Council remains under borrowed and on average in 2020/21 this was £66m which was 11% of our Capital Financing Requirement (borrowing need). Due to a favourable cashflow position in the first few months of the financial year this level of under borrowing is now at £131m which is 22% of our borrowing need. This is not expected to continue and the Council will have to borrow in the later part of the financial year. As previously mentioned remaining under borrowed relies on utilising working capital and reserve balances to delay taking external debt. This minimises interest paid on external debt but is not a permanent solution and does carry some interest rate risk.
3. However, currently interest rate risk (risk of paying higher rates when borrowing is taken) remains low as borrowing rates remain subdued and are forecast to remain that way in the short term, due to the COVID-19 pandemic (which has increased global growth uncertainty). During this period of uncertainty, there is a risk that we could see a liquidity squeeze in the local to local lending market, which could force us to utilise the higher rates from the PWLB. However, the liquidity risk is assessed as low and is being monitored carefully.

## Borrowing

Figure 1: The following table summarises the Council's forecast Debt Portfolio as at 30<sup>th</sup> June 2021: -

<b>Doncaster Council Debt Portfolio and Maturity Profile as at 30<sup>th</sup> June 2021</b>				
	Upper Limit %	Lower Limit %	Actual %	Actual £(m)
Under 12 Months	30	0	13.11	60.004
12 to 24 Months	50	0	5.46	25.000
24 Months to 5 Years	50	0	7.90	36.168
5 Years to 10 Years	75	0	2.58	11.820
10 Years to 20 Years				51.355
20 Years to 30 Years				18.325
30 Years to 40 Years	95	10	70.95	154.301
40 Years to 50 Years				100.880
50 Years and above				0.000
<b>TOTAL</b>			<b>100.00</b>	<b>457.853</b>

4. Short-term interest rates are forecast to remain low during the remainder of the financial year. The Council should be able to arrange all of its borrowings within the budgeted borrowing rate of 0.8% during this financial year.
5. Treasury Management Officers confirm that there were no breaches of Prudential Indicators, as set in the Treasury Management Strategy Statement agreed by Council on 1<sup>st</sup> March 2021, during this financial year.

## Investment

6. The investment portfolio can be seen in Figure 2. The investments are a mixture of call and notice accounts for liquidity and fixed rate bank investments.
7. The current average investment rate is 0.15% compared to the last financial year average return of 0.26%. This is due to the collapse of investment rates following the Bank of England Base Rate reduction to 0.01% at the beginning of the COVID-19 pandemic. Work remains ongoing to maximise our investments in line with the strategy agreed on 1<sup>st</sup> March 2021.
8. Treasury Management Officers confirm that there were no breaches of investment limits during this financial year.

**Figure 2: The following table summarises the Council's investment portfolio as at 30<sup>th</sup> June 2021.**

<b>Investment</b>	<b>£m</b>
GOLDMAN SACHS	20.00
FIRST ABU DHABI BANK	10.00
LLOYDS BANK	5.01
HANDLESBANKEN	15.00
SANTANDER UK	20.00
<b>Total</b>	<b>70.01</b>

### **Risks**

9. Risks were reviewed during the quarter and were managed in line with the Annual Treasury Management Strategy Statement agreed by Council on 1<sup>st</sup> March, 2021. Key risks relate to our investment portfolio: -
  - a. The risk of reduced investment interest rates is considered high. The Bank of England, Financial Markets, Think Tanks, Economists all indicate that the current level of low interest rates will need to remain in place until the economy shows signs of recovery and inflationary pressures return. This is very unlikely to be within the next 2 years.
  - b. Counterparty risks are reviewed weekly and action taken to minimise the risk that any investments placed are not returned on the due date. Creditworthiness data is received on a daily basis from our Treasury Consultants and action will be taken to reduce exposure or remove institutions from the list if negative indicators deem it appropriate.
  - c. The low interest rate environment makes it difficult to place surplus funds without a cost of carry to the council and it is therefore appropriate at this time to remain under borrowed and minimise the cost of holding funds until they are required.

## Capital Programme Block Budget Allocations Quarter 1 2021-22

	Funding Source	Allocation of block budget 2021/22 £m	Allocation of block budget Total £m
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### Learning & Opportunities: Children & Young People

#### Centrally Managed

Kirton Lane Fencing	Government Grant	0.023	0.023
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#### Partnerships and Operational Delivery Centrally Managed

Plover HI	Government Grant	0.003	0.003
Seedlings fencing		0.003	0.003
<b>Total Children &amp; Young People</b>		<b>0.029</b>	<b>0.029</b>

### Economy & Environment

#### Economy & Development

Integrated Transport Block (ITB) – Economy	Local Transport Programme (LTP)	Revised allocation 0.946	0.721 (with 0.225 c/fwd 22/23)
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#### Environment

Highways Capital Maintenance (HCM)	Local Transport Programme (LTP)	Revised Allocation 4.958	4.958
Pothole & Challenge Fund	Department for Transport (DfT)	Revised Allocation 4.413 (inc c/fwd)	4.413
Integrated Transport Block (ITB) – Environment	Local Transport Programme (LTP)	Revised allocation 0.535	0.535
<b>Total Economy &amp; Environment</b>		<b>6.439</b>	<b>6.439</b>

## Virements for Elected Mayor / Cabinet / Portfolio Holder Approval

### 2021/2022 Quarter 1

Financial Procedure Rule B.14 – Proposals for virement between Directorates must be approved by the CFO, up to £250,000 and key decision approval is required for virements greater than £250,000 i.e. by Elected Mayor and/or Cabinet and/or Portfolio Holder. The value of the virement is defined as the gross annual budget.

The following virements are proposed for approval: -

	Reason	Directorate	£
1	Transfer of budget from learning opportunities, skills and culture to AHWB re localities working	LOSC AHWB	(630,250) 630,250
2	Transfer of PA budgets from AHWB, LOSC & E&E to Corporate Resources following the PA review.	AHWB E&E LOSC CR	(87,050) (92,160) (88,380) 267,590
3	<p>Allocation of COVID-19 emergency funding to support increasing and emerging pressures, in addition to new initiatives identified:--</p> <ul style="list-style-type: none"> <li>• Corporate Resources - Coroners - additional cost of dealing with inquests backlog - accommodation, support staff, assistant coroners, jury fees (£97,000)</li> <li>• Corporate Resources - Democratic Services - accommodation for Annual General Meeting of Council (£2,140)</li> <li>• Corporate Resources - ICT - Hybrid meeting solution equipment costs for 12 large meeting rooms and 21 small/medium meeting rooms (£136,000)</li> <li>• Corporate Resources - ICT - provision of laptops and connectivity to school children not covered by previous schemes (£209,170)</li> <li>• Corporate Resources – Schools Catering income losses due to lower uptake (£769,730)</li> <li>• Corporate Resources – Metroclean additional relief staff costs due to self-isolation (£80,000)</li> <li>• Corporate Resources – benefits subsidy shortfalls relating to people in B&amp;B/hotel accommodation (£380,000)</li> <li>• Council Wide - Staff recognition markets vouchers (£20,000)</li> <li>• LOSC - Temporary posts to assist LOSC DLT in managing the response to the pandemic and wider key priorities (£149,000)</li> <li>• LOSC - Temporary additional staffing to support vulnerable children and young people (many with SEMH needs) who step down from social care, in particular into educational settings. (£202,000)</li> <li>• LOSC – Travel Assistance savings delay (£655,230)</li> <li>• LOSC – Short Breaks savings delay (£425,000)</li> <li>• LOSC – school attendance income losses (£320,000)</li> <li>• LOSC – other fees and charges income losses (£94,530)</li> <li>• Doncaster Childrens Services Trust - additional out of authority placements due to COVID-19 (£2,055,000)</li> <li>• Doncaster Childrens Services Trust - increased resources in the Domestic Abuse Navigator team to support whole family approach to reduce risk of domestic violence and abuse and address the impact on children and young people. (£100,000)</li> <li>• E&amp;E - Car parks - provision of free parking for 3 months at Markets and St Georges' car parks from 2pm and at Chappell Drive car park all day on Saturdays (£120,000)</li> <li>• E&amp;E - Emergency Assistant Director for 7 months (£72,000)</li> <li>• E&amp;E - Support for Shopappy app to help promotion of businesses across Doncaster (£24,000)</li> <li>• DCST – out of authority placement increases (£1,318,000)</li> <li>• E&amp;E – rent shortfalls on commercial properties (e.g. cinema, car parks, Herten triangle) (£539,320)</li> <li>• E&amp;E – car parks income shortfalls (£372,000)</li> </ul>	E&E LOSC CR EMR	1,127,320 4,000,760 1,674,040 (6,822,120)

## 2021/22 COVID-19 Funding and Doncaster Council allocations

Covid related funding stream	Description	Spend to date (£k)
COVID-19 pressures funding	Unringfenced funding to support discharge from hospital, children services, waste, homelessness and other COVID related services. Allocated £9.8m for 21/22, amounts for allocation included in the virements proposed.	0
Sales, fees and charges compensation	Where losses are more than 5% of a council's budgeted income for sales, fees and charges, compensation will be paid at 75%. Only available for first 3 months of 21/22.	154
Local Council Tax Support Scheme (known as Hardship Fund in 20/21)	£670m allocated nationally, of which Doncaster's allocation is £2.79m. Provided to local authorities in recognition of the extra cost to them of local council tax support at a time when more households are facing financial difficulties because of the pandemic. There are no specific requirements connected to the grant regarding the design of local council tax support schemes for 2021/22	2,791
Business Restart Grant	On 3 March 2021, Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England. This support will take the form of a one-off grant funding scheme in Financial Year 2021/22.	15,738
Welcome Back Fund	Funding to support the safe return to high streets. Builds on the £50m Reopening High Street Safely Fund. The fund will allow local authorities to put in place additional measures to create and promote a safe environment for local trade and tourism, particularly in high streets as economies reopen, including improving green spaces and providing more outdoor seating areas, markets and food stall pop-ups – giving people more, safer options to reunite with friends and relatives.	0
Local Support Grant	In April 2021 govt allocated a further £40m to June 2021 The Local Support Grant has the same eligibility criteria and reporting requirements as the Winter Pressures Grant. Doncaster allocated £283,179. Further allocation for July-Sept 21 £1,132,714 approved by rule 16 KDR	193
Infection Control & Testing fund	Merges previous Infection Control Fund (S1) and Rapid Testing Fund (S15). Additional £341m provided nationally to extend the schemes until June 2021. Purpose of the fund is to reduce the rate of COVID-19 transmission between care settings and conduct rapid testing of staff and visitors to care homes, high risk supported living and extra care settings. Doncaster allocated £1,881,405 Further allocation for July-Sept 21 £1,367,761 subject to rule 16 KDR.	1,881
Wellbeing for Education Return (grant from DHSC)	£39,080 received in 20/21. This further funding is intended to be spent on local wellbeing and mental health expertise and resources in the 2021/22 financial year.	0
Elections	Funding to cover the additional costs of holding the May elections during the COVID-19 pandemic.	102
Contain Outbreak Management Fund	Ongoing financial support to local authorities through the COVID-19 Test and Trace Contain Outbreak Management Fund Grant was confirmed in May 2021. This is an extension to the previous Contain Outbreak Management Funds received in 2020/21. The Fund supports proactive containment and intervention measures. A detailed plan is in place. Expenditure to date is nil as the £4.7m balance carried forward from 20/21 is being spent first. The allocation for 2021/22 is £2.527m.	0
COVID Community Testing	An overarching Doncaster COVID Testing Strategy is in place which aligns to the objectives of Doncaster's outbreak control plan. It outlines the wide range of testing approaches including symptomatic testing and asymptomatic testing.	707

## Carry forwards from 2021/22 – Progress update

Reserve	Purpose	Balance at 1/4/21 (£k)	Estimated balance at 31/3/22 (£k)	Update
Leisure Park Ph2 Plot 6 Service charge	£300k received from sale of Plot 6 Lakeside for the future ongoing maintenance / enhancement / improvements including renewing the soft landscaping around the lakeside.	300	300	Assets and Design are working on proposals to spend this year on a programme of works including the replacement of landscaping.
Port Transition Funding	DEFRA grant to support Port Health Function during Brexit Transition	191	-	It is anticipated that the majority of the reserve will be used in 21/22. Money will be used for Railport developments and we're just waiting on the outcome of ongoing discussions to decide when this can commence.
Music Services Insurance	Insurance monies received to purchase new musical equipment that were lost in floods.	134	-	Monies will be spent this year when the goods are received (expected over next few of months).
COVID-19 Wellbeing Education Return grant	Covid Wellbeing Return to Education Grant received during the year. The monies will be used to meet the objectives of the grant.	45	-	Project has been completed but money not spent yet with charges expected in the next few months from Doncaster Childrens Services Trust.
Diamond/Solar Centre	The Local Authority and Doncaster CCG are jointly funding the spend on the Diamond Centre provision and continue to review the service. Monies are being carried forward in order to meet committed spend in 2021/22.	674	-	All of this reserve is expected to be utilised in 21/22 by the Local Authority and Doncaster CCG for purpose as stated but no final agreement/spend to date.
Fleet Electric Vehicles/Infrastruture	Reserve created for future Electric Vehicle pool car purchases and infrastructure development. Delayed in 20/21 due to COVID-19 but under review to establish working practices and vehicle demands post COVID-19.	410	-	Reserve created for future Electric Vehicle pool car purchases and infrastructure development. Delayed in 20/21 due to COVID-19 but still under review to establish working practices and vehicle demands post COVID-19.
COVID-19 Test & Trace Grant	This reserve has been established to continue to fund COVID 19 test & trace activity into 2021/22 and support costs associated with dealing with the pandemic	2,234	-	This reserve has been established to continue to fund COVID 19 test & trace activity into 2021/22 and support costs associated with dealing with the pandemic. This is expected to be spent in full in 21/22

<b>Reserve</b>	<b>Purpose</b>	<b>Balance at 1/4/21 (£k)</b>	<b>Estimated balance at 31/3/22 (£k)</b>	<b>Update</b>
COVID-19 Contain Outbreak Management Fund	This reserve has been established to continue to fund COVID 19 related activities into 2021/22 and support costs associated with dealing with containing further outbreaks of the pandemic	4,742	-	This reserve has been established to continue to fund COVID 19 related activities into 2021/22 and support costs associated with dealing with containing further outbreaks of the pandemic. This is expected to be spent in full in 2021/22
COVID-19 Community Champions	This reserve has been established from the Community Champions Government Fund which aims to support a range of interventions to build upon, increase or improve existing activities to work with residents who are most at risk of Covid-19 and will be spent in 21/22	317	-	This reserve has been established from the Community Champions Government Fund which aims to support a range of interventions to build upon, increase or improve existing activities to work with residents who are most at risk of Covid-19 and will be spent in 21/22
Digital Recovery & Renewal	The reserve was created to roll forward grant for Digital Recovery & Renewal.	170	-	Used towards Local Solutions Lab. A 1 year project to create an intelligence led approach to produce innovation, expertise and creativity and create data products to be embedded into the Council's operating model to improve outcomes.
COVID-19 Track & Trace Support Payment	COVID-19 Test & Trace Support Payment - Discretionary Payments. The Government funded a scheme to make payments available to individuals who are asked to self-isolate due to a positive COVID-19 test result (or a parent/guardian of an isolating child), who suffer a financial loss through not being able to work during the isolation period. This reserve relates only to the discretionary element of the scheme, funded by an unringfenced government grant.	305	-	Fully drawn down during Q1 - The approved Council support scheme is still in place and payments continue to be made to claimants during Q1 & Q2. It is anticipated that this funding will be spent in full especially in light of higher isolation numbers during the summer.
COVID-19 Business Grants	COVID-19 Business Grants - Doncaster specific schemes to support local businesses - Sheffield City Region (SCR) paid the full £844k Additional Restrictions Grant (ARG)	529	-	Fully drawn down during Q1 - all spent on discretionary business support grants, with nil balance remaining.

<b>Reserve</b>	<b>Purpose</b>	<b>Balance at 1/4/21 (£k)</b>	<b>Estimated balance at 31/3/22 (£k)</b>	<b>Update</b>
	discretionary allocation to Doncaster in 2020/21 and so the unspent balance has been carried forward to be spent in 2021/22.			
Adwick Sec Capital Programme	This was an agreed Revenue Contribution to Capital during the budget setting process for 20/21. The scheme slipped and will incur expenditure in 2021/22.	250	-	Will be used for financing the Adwick SEC Capital Scheme at the end of the financial year 21/22. There is a start date of early September and the works have a turnaround time of 8-10 weeks.
One Adoption hub funds	Yorkshire and the Humber Regional Adoption and Special Guardians Leadership Board (RASGLB) agreed that the all funds relating to the One Adoption Hub would be sent to Doncaster following the termination of the service. The funds have been paid for by the 15 local authorities and voluntary agencies who were members of the Hub, but the members have requested that Doncaster will hold the funds and the RASGLB will determine how they will be used in the future.	14	14	Yorkshire and the Humber Regional Adoption and Special Guardians Leadership Board (RASGLB) will determine how the funds relating to the One Adoption Hub, held by Doncaster, will be used in the future. No plan yet as to how this funding will be spent.
One Public Estate Programme	Grant received from Govt in March 20/21 to fund masterplanning for Doncaster Council, RMBC and BMBC	360	60	Grant received from Govt in March 20/21 to fund masterplanning for Doncaster Council, RMBC and BMBC. All funds drawn down in year apart from the Sustainable Grant element which will need to be paid back to the funder in future years as per MoU.
Economic Recovery Grants	The reserve is to fund Economic Recovery Grants in 21/22 in support of the Sheffield City Region Gainshare scheme which will pay up to £5,000 to businesses affected by COVID 19.	637	537	This reserve is in addition to a further balance of £637k, which is expected to be received in revenue within this financial year. It is the intention to allocate £1.2m in Economic Recovery Grants in 21/22 but actual spend to date is around £50k at Q1. Business Doncaster are currently working with 84 applicants which would result in expenditure spend of up to £420k. They are opening up for further Expressions of Interest each month so it is

Reserve	Purpose	Balance at 1/4/21 (£k)	Estimated balance at 31/3/22 (£k)	Update
				likely that more applicants will come forward and more grants issued.
COVID-19 Clinically extremely vulnerable grant	Clinically Extremely Vulnerable (CEV) Covid Grant monies (unringfenced grant) received in year, expected to be spent in 21-22.	975	928	A plan for spending the reserve will be put forward to Cabinet for approval.