STROUD DISTRICT COUNCIL

AGENDA ITEM NO

COUNCIL

8 OCTOBER 2020

7d

Report Title	**BUDGET STRATEGY 2021/22 TO 2024/25**
Purpose of Report	To set out the assumptions that will be used when preparing the upcoming Medium-Term Financial Plan
Decision(s)	**Council RESOLVES to:** **a. Approve the Budget Strategy 2021/22 to 2024/25 as set out in this report and appendices** **b. Continue with the Business Rates pooling agreement, subject to the recommendation of the Section151 Officer Group** **As recommended by Strategy and Resources Committee.**
Consultation and Feedback	Formal budget consultation is currently taking place in the form of a telephone survey of local council tax and business rate payers
Report Authors	Andrew Cummings, Strategic Director of Resources Email: andrew.cummings@stroud.gov.uk
Options	To review assumptions made in funding. To challenge long term cost projections.
Background Papers	None
Appendices	Appendix A – Draft Medium-Term Financial Plan 2021/22 to 2024/25 Appendix B – Current assumptions on budget changes Appendix C – Most recent forecast of impacts of Covid-19 upon 2020/21

Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

1.1 This report set outs the current assumptions on funding available throughout the period 2021/22 to 2024/25, and initial estimates on the level of cost pressures and savings that the Council may expect. That information forms the basis for the detailed budget setting process now taking place throughout the Authority. Officers are reviewing all expenditure and income budgets to determine appropriate levels and identify savings where possible.

1.2 The Covid-19 pandemic has introduced considerable risk and uncertainty into the budget setting process and will be a key feature of both this report and the work over the next few months. Response and recovery have brought both reduced income levels and increased costs. This budget strategy will seek to place the Council in a strong financial position to support the recovery of the District.

1.3 The Council's General Fund and Housing Revenue Account (HRA) budgets for 2021/22, including the budget proposals of the administration, will be presented to full Council at their meeting on 25 February 2021. Proposed budgets will have first been reviewed by service committees.

1.4 This strategy represents the first stage of the budget setting process for 2021/22 and many of the figures involved will be subject to significant review in the coming months before final Council budget approval. It is likely that the developing financial position around Covid-19 will mean that there is greater variation then in previous years. They are, however, based upon the most up to date assumptions at the current stage which have been used to prepare a draft Medium-Term Financial Plan (MTFP) as shown at Appendix A.

1.5 The transition period as part of the UK's departure from the EU ends on December 31st, 2020. In 2019 the Council carried out comprehensive risk assessments relating to Brexit and these will be re-evaluated if necessary, in the coming months. At the current time no adjustments have been made in the budget strategy for these items. A reserve of £53k is held to help with any costs which may arise in the short term.

1.6 There have also been no adjustments for possible impacts of future devolution proposals as the anticipated white paper has not been published at this point.

2. General Fund Budget Strategy and Medium-Term Financial Plan

Funding Projections

2.1 The current financial year represents a period of a one-year financial settlement from Central Government with no clarity over the position after 2020/21. Council noted this uncertainty when agreeing the current MTFP in February 2020.

2.2 In July 2020 the Chancellor of the Exchequer announced a Government Spending Review to set Government Department's budgets up until 2024/25. There was no overall spending envelope as part of the announcement, but the Chancellor confirmed that, in total across government, budgets would rise in real terms as part of the spending review. There has been no statement about what this would mean for allocations of funding for local government.

2.3 The "Fair Funding Review", the process by which the total envelope of local government funding is to be redistributed across the Country was due to be implemented in 2021, having been delayed from its original 2020 date. It was announced in April 2020 that, as a result of the Covid pandemic, it has again been delayed and there is as yet no further date for implementation.

New Homes Bonus

2.4 New Homes Bonus (NHB) has been a declining source of funding for the Council for some years having reduced from £3.2m in 2016/17 to only £1.3m in 2020/21. This reduction is expected to reduce until the point at which the grant is eliminated.

2.5 NHB rewards housing growth in a particular year by giving an agreed annual amount for the following four years and it had been assumed in previous budgets that no further housing growth would be rewarded after 2017/18.

2.6 The one-year settlement for 2020/21 did ultimately reward the housing growth for 2018/19 and Stroud benefited by growth being higher than expected. In a change to previous allocations it was announced that the 2018/19 growth would be rewarded with grant for one year only. This was a change from the previous four year grant, which in turn had previously been six years.

2.7 There have been no further announcements on New Homes Bonus and so this budget strategy assumes that the scheme will continue as currently known with no further allocations to be made. It is of course possible that an additional year of growth may be rewarded but as there is no clear indication of this it would not be appropriate to include within the strategy. The table below sets out the amounts of New Homes Bonus within the MTFP.

Table 1 – NHB Forecast 2021/22 to 2024/25 (MTFP assumption)

Year of Reward	**2020/21 (£'000)**	**2021/22 (£'000)**	**2022/23 (£'000)**	**2023/24 (£'000)**	**2024/25 (£'000)**
2015/16	238				
2016/17	337	337			
2017/18	218	218	218		
2018/19	538				
TOTAL NHB	**1,331**	**555**	**218**	**0**	**0**

Business Rates

2.8 Business rates are collected by the District Council and apportioned between the District Council, County Council and central government. It has long been planned that in 2021 the rates system, and the baseline which authorities may retain, would be "reset". This is intended to remove growth from authorities which have seen increased rates collected in recent years, to redistribute to those authorities which have seen falls. The reset had been expected to take place in 2021 and this Budget Strategy assumes that this will still take place meaning that business rates income in the MTFP falls from £4.13m in 2020/21 to £2.8m in 2021/22. This is in line with the existing MTFP.

2.9 Although the government has announced there will be a comprehensive spending review this year there has been no detailed announcement on this re-distribution of business rate growth. In April the Secretary of State committed to working with the sector on plans for dealing with accumulated business rate growth.

2.10 The uncertainty means that it is certainly a possibility for the permitted level of retained business rates to continue at close to the 2020/21 level in the 2021/22 year. At this stage for reasons of prudence no change to the MTFP has been made on these grounds but the position will be clearer by the time Council agrees the final budget.

2.11 It is likely that the downturn in the economy will lead to a fall in the level of business rates collected by the authority. As the MTFP assumes that all growth above baseline will be removed no further adjustment for collected rates is necessary. This is because, in budgetary terms only, removal of growth through a change in the retention system or a reduction in rates collected has the same impact.

2.12 It is common for Central Government to issue a technical consultation early in the summer on the principles that make up the local government settlement including rates retention. At the time of writing this has not taken place as the pandemic has necessarily changed the process in the current year.

2.13 The uncertainty around the reset of growth, and levels of income mean that a decision needs to be made about the continuation of the Business Rates Pool. Put simply if the growth is redistributed from Gloucestershire then the benefit of pooling will reduce and the risk exposure to the pool is greater. Central Government wrote to Stroud as the pool lead on September 16th asking for a decision by October 23rd as to whether pooling will continue. Section 151 Officers across the County are discussing the benefits and risks to pooling. This includes the use of external experts to provide modelled scenarios.

2.14 If the Section 151 Officers Group is satisfied with the risks of pooling, they will recommend to their authorities to proceed. It is recommended that Council agree to continue with pooling, subject to the decision of Section 151 Officers.

Council Tax

2.15 For the current financial year the Council was limited to, and applied, a Council Tax increase of £5 for a Band D property. There have been no announcements as to potential limits in future years and so a limit of £5 has been assumed for each year of this Strategy.

2.16 The Covid-19 pandemic is likely to have an impact on the Council Tax base in future years. This could relate to;

- An increase in taxpayers claiming local Council Tax support
- A potential decrease in collection rates
- Lower housing growth in future as a result of an economic downturn

2.17 In-year monitoring does reflect that the first two points are becoming apparent in the current year. In particular the level of Council Tax support being awarded has increased by £921k in the 12 months to August 2020 and the level of arrears have increased by £635k in the same period (Only 11% of these sums have a financial impact upon to SDC).

2.18 Changes in the level of Council Tax support may result in an in-year deficit on collected Council Tax against expected levels. Under normal circumstances this would be deducted from the Council budget in the following year. It has been announced that any in-year deficits in relation to Covid-19 may be spread over three years and the budget will be prepared on this basis.

2.19 The annual budget assumption used in previous years was a growth in Council Tax base of 1.5% In light of the uncertainty at this stage a growth level of 0% has been used as an assumption for 2021/22 and 1% for the following year before returning to 1.5% for all subsequent years. This change in assumptions removes £778k of Council Tax income in total over the life of the four-year plan. The final tax base will be known when the budget is set in February 2021 and more accurate figures can then be use

3. Budget Assumptions

Pay and Price Inflation

3.1 Inflation linked increases will be added to budgets for spend with external partners. At the time of writing the CPI inflation rate in the UK is 0.2%. This Budget Strategy and Draft MTFP plans to allow for annual inflationary increases of 1% on contract sums but this will be updated to reflect the September CPI during the budget setting process. The biggest contractual partner for General Fund budgets is Ubico and discussions are about to begin on the level of budget for next year.

3.2 Inflation will not be included on budgets which are not related to salaries or contracts. It is anticipated that efficiencies will be used to maintain expenditure within existing budgets. This approach represents a small but significant way that the Council can achieve some real terms savings in expenditure.

3.3 The local government pay award has recently been agreed for 2020/21 at 2.75% for all pay levels. The budget for this year assumed an increase of 2.5%, itself an increase from the 2% used the year before. The small additional increase of 0.25% represents additional cost of £24k per annum to the General Fund and £14k per annum to the HRA. These costs have been added into the MTFP.

3.4 As with many other factors there is no indication as to the level of pay award from 2021 onwards. Although inflation in the wider economy currently remains low it seems reasonable to assume that the pay award will be at least 2.75% again as a result of the high prominence that local government has played in responding to the pandemic. This budget strategy assumes a 2.75% increase for the first year of the plan, reverting to 2.5% for the remainder.

Local Government Pension Scheme

3.5 This financial year is the first year of three years in which the local government actuary has determined that the level of contribution into the Gloucestershire Pension Fund should be reduced. This will continue into 2021/22 and 2022/23. After that point the MTFP assumes that the level of pension contribution will remain stable with no further fluctuation after that point. There will be a further actuarial valuation at the end of this period to determine the level of future contributions.

3.6 The previous MTFP assumed that the Council would benefit from a saving by making a lump sum payment of three years upfront contributions. This payment was due to be made on April 1st 2020. At that point there was considerable uncertainty around the cashflow of the Council. There was doubt as to whether funding for the newly announced business rates grants would be received in advance of the payments being made to businesses. As a result, a decision was made to keep the funds and not make the advance payment to protect cashflow. This impacts upon the MTFP by not realising the saving and the MTFP has been adjusted accordingly.

Interest Rates & Investment Income

3.7 As part of their pandemic response the Bank of England have reduced the base rate to 0.1%. It seems unlikely that there will be any increase in this during the upcoming financial year. The existing MTFP assumes that interest rates will be at 0.75% and therefore the decrease will necessitate a reduction in the assumed level of income received from Treasury investments. This has been estimated at £50k per annum in the draft MTFP.

3.8 All existing Council borrowing is at fixed rates and therefore the reduction in interest rates does not lead to a lowering of cost. It will perhaps offer opportunities to lower the cost of future capital investment such as new build housing.

3.9 At the time of writing the Council has made three investments totalling £9 million in pooled funds in accordance with the new investment approach in the Treasury Management Strategy. These have achieved higher rates than the traditional investments although they too are likely to have yields reduced due to the downturn in the economy. At the time of writing the fluctuations in capital values are fully covered by the investment risk reserve.

Fees & Charges

3.10 The budget approved in February 2020 included for the first time a comprehensive fees and charges policy and a list of all Council fees and charges. This transparent approach allows the Council to make clear decisions as to both the reason for charging and level of charging raised. This approach also brought additional income into the MTFP of £126k per annum. The upcoming budget process will again include consideration of fees and charges.

3.11 The approach for the current year was to increase all charges by 2.5% unless charges are set by statute or if such an increase would cause an excessive surplus would be raised.

3.12 The primary driver of the Council's costs is staffing and therefore there is considerable logic in linking the planned fees and charges increase to the assumed level of pay increase at 2.75%. However, it is recognised that inflation in the wider economy is low and that fees and charges increases should be kept as affordable as possible. Therefore, all fees and charges, including car parking, will increase by 2% subject to the usual restrictions around charges set by statute and the desire not to make an excessive surplus. This is estimated to allow for income growth of £80k per annum.

3.13 The level of income to be received next year is highly likely to be very significantly impacted by lower levels of demand as the economy begins to recover from the pandemic. The exact level of this will be very hard to determine as demand is uncertain at this stage and there may be future Covid related restrictions which have an impact on income in 2021/22.

3.14 The budget setting process will analyse income streams across the Council and try to determine an estimated level of income adjustment. This strategy seeks to manage this through a central income fall pot to be funded through the equalisation reserve as in 2020/21. For the purposes of this strategy this overall fall in income has been estimated at £1m. This assumes no further income support from the government which would obviously reduce this figure if any is forthcoming.

Table 2 – Assumptions included within the Strategy

	2021/22	2022/23	2023/24	2024/25
Band D Council Tax Increase	£5	£5	£5	£5
Tax Base Increase	0%	1%	1.5%	1.5%
Contract Inflation	1%	1.5%	2%	2%
Pay Inflation	2.75%	2.5%	2.5%	2.5%
Fees and Charges Growth	2%	2.5%	2.5%	2.5%

Borrowing and Minimum Revenue Provision (MRP)

3.15 The General Fund requirement for borrowing to fund past capital works currently stands at £14.647 million (decreased from 15.726 million the year before). This creates a need for a Minimum Revenue Provision (MRP) to repay that borrowing. This was budgeted at £1.035 million in 2020/21. The current capital programme, as reported to this committee in the outturn report, includes £8.956 million of borrowing for General Fund capital purposes, with the largest uses being the Canal, Brimscombe Port and Ubico Fleet vehicles.

3.16 The current budget strategy allows for increases of MRP in line with the borrowing included in the capital programme. The budget setting process will further review the level or provision required over the life of the MTFP. Where possible the capital reserve will be used instead of borrowing to limit MRP exposure.

3.17 This strategy does not consider the detail of the capital programme which will be included within the full budget report.

Longer Term Budget Adjustments

3.18 The following paragraphs set out those items in the draft MTFP which represent significant changes to the budgets which have previously been approved by Council. Expected changes to the budget are all shown in Appendix B.

3.19 The Councils' recovery strategy has become one of the key pieces of Council policy and is driving a number of workstreams and actions. The recovery strategy was approved by full Council and the governance structure includes a recovery board. As part of the Budget Strategy process a summary of all available General Fund revenue budgets and reserves has been consolidated and will be considered by the recovery board at their meetings. The recovery board will track actual and committed spend against these funds work progresses and updates to Strategy and Resources Committee will be presented as part of the budget monitoring process.

3.20 The appointment of the Strategic Director for Change and Transformation has allowed the Council to begin to develop a modernisation plan to reshape how the Council serves its resident and businesses in a more efficient manner. A key element of the programme is to close the gap in the MTFP. It is therefore appropriate that the budget strategy includes targeted savings from the plan. At this early stage a prudent savings delivery of £1 million delivered in stages over the course of the four future years of the plan.

4. General Fund Medium Term Financial Plan

Use of Reserves

4.1 The report to Strategy and Resources Committee in June 2020 set out the approach to use Council reserves to fund the Covid shortfalls and this is to continue in the budget strategy.

4.2 The current net impact of the Covid 19 pandemic is £3.741 million to the General Fund as shown in Appendix C. This represents the updated and most recently reported version of the figures taken to S&R in June. The recovery works included within that figure and the £50k for community grants are funded from specific earmarked sums put aside in 2019/20 for those purposes. Therefore, the net draw on reserves is £3.319 million.

4.3 A very significant proportion of that figure is met from government grant. There are already confirmed allocations to SDC of £1.386 million. In addition to that grant, the government has committed to reimbursing local authorities for 75% of their lost income (after a 5% deductible). Authorities must make the first estimate of their sum to be reclaimed at the end of September, so a final figure is not available at the time of writing. For the purposes of the draft MTFP a sum of £1.2 million has been estimated and added to the known allocation to produce estimated Covid funding in 2020/21 of £2.586 million.

4.4 The balance of General Fund earmarked reserves, excluding the capital reserve, at the end of 2019/20 was 13.935 million (2018/19 £12.53 million), including the £6.72 million General Fund equalisation reserve. This is in addition to the General Fund balance of £2.169 million which this Strategy recommends be held at that level.

4.5 This Budget Strategy continues the policy of using the equalisation reserve to give time to make major savings decisions as required. It is this approach which allows the modernisation savings to be phased over the life of the plan.

4.6 As part of producing this Strategy the allocation of reserves has been reviewed by the S151 Officer as shown in the outturn report. The level and allocation of reserves is currently deemed to be sufficient.

4.7 The table below shows the current forecast of General Fund equalisation Reserve over the life of the draft MTFP.

Table 3 – Forecast level of General Fund equalisation reserve

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Estimated Surplus / (Deficit)	(1,454)	(680)	(865)	(1,020)
GF equalisation reserve				
Opening	6,687	5,233	4,553	3,688
Change	(1,449)	(670)	(840)	(990)
Closing	**5,238**	**4,568**	**3,728**	**2,738**

5. Housing Revenue Account (HRA)

5.1 HRA balances and reserves at the end of 2019/20 were relatively robust at £4.430 million in general reserves and £3.925 million in earmarked reserves. In common with the General Fund, the Housing Revenue Account (HRA) faces financial pressures over the medium-term plan period.

5.2 The proposed Budget and Rent Setting 2021/22 Report will be presented to Housing Committee in December, followed by Strategy and Resources Committee in January 2021.

5.3 2021/22 is the second year of permissible rent increases following the four-year rent reduction set out in the Welfare Reform and Work Act 2016. Based on national rent guidance, rents are assumed to increase by Consumer Price Index (CPI) +1% for a further three years after 2021/22.

5.4 CPI had been included in the MTFP and 30 year position at an assumed rate of 2%, in line with the Bank of England target rates. The inflationary uplift for rents is set using September CPI, which will not be available until 21 October 2020. CPI rates have been affected by Covid-19, and the rate for August 2020 is 0.2%, the lowest annual rate increase since 2015. Should this inflation rate continue into September, the reduction in rental income for 2021/22, compared to the MTFP, is £397k. Over a 30 year period, a one year reduction to 0.2% (and then returning to CPI of 2%), gives a total reduction in income of £16m. This level of income reduction is not supportable within the HRA, and savings would need to be found over the longer term to maintain a balanced position.

5.5 Rent arrears have increased from £295k in early April, to £342k during September, an increase of 16%. Income Management Officers are supporting tenants, but it is expected that rent collection will be lower than budgeted due to the pandemic.

5.6 There are also other significant pressures for the HRA over the medium to long term. The Carbon Neutral 2030 commitment will have a significant impact on both major works needed on existing stock and the build costs for the development programme. This additional cost will not be fully known for this budget setting round, but should be factored in when considering the position of the HRA. A low estimate of £10k spend per property on average would give a total spend in the region of £50m over 10 years to 2030. This is not currently included within the MTFP or 30 year position as it is not yet funded.

5.7 The total borrowing incurred for the HRA is £103.004m. All the external debt is at fixed rates and so there will be no fluctuations in interest payments for current borrowing over the medium term. There may be opportunities to re-schedule the debt to take advantage of lower rates and this will be kept under review. Of the borrowing, £5.287 million is internally borrowed, utilising HRA balances over the short term. This will continue to be reviewed as balances reduce, in line with the Treasury Management Strategy.

5.8 The HRA MTFP currently includes an annual contribution towards repaying borrowing. This base amount will increase by inflation each year, with additional amounts added to reflect any new borrowing for the new build programme.

5.9 As detailed above there are significant risks and substantial financial challenges for the HRA over the medium and long term. These will need to be addressed, but as the full financial impact of these is not yet known in order for a full review to take place, it is not currently anticipated that a deficit will be included over the MTFP period. In view of this it is not expected that Members will be presented with a detailed savings plan for 2021/22.

5.10 Members should continue to be mindful that this position does not include the full retrofitting works on properties that are needed in order to meet our CN2030 obligations, and so a savings plan will become necessary in future years in order to implement this. The savings needed could be further compounded by a reduction in rental income, caused by low inflation levels.

6. RISKS

6.1 All of the figures in this report are estimates and there is a clear risk that final outcomes will differ. The budget monitoring process will review things as the year progresses.

6.2 If the long-term impact on budgets of the pandemic is greater than anticipated a further revision of the MTFP will be required including measures to bring Council expenditure in line with the funding available.

7. IMPLICATIONS

7.1 Financial Implications

The whole report is of a financial nature.

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7.2 Legal Implications

There are no legal implications arising from the recommendations made in this report

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7.3 Equality Implications

An EqIA is not required because no changes to service levels are proposed

7.4 Environmental Implications

There are no direct financial implications to the budget strategy. The Council has identified funding to support its CN2030 Action Plan.

Appendix A

Medium Term Financial Plan 2020/21 - 2024/25

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<u>Budget</u>				
Opening Budget	14,592	14,746	14,666	14,702
<u>Recurring Changes</u>				
Pay Increases	256	280	260	260
Additional Pay Award	24			
Fees and Charges Growth	(126)	(80)	(100)	(100)
Pensions Changes	(194)	(206)	(206)	0
Contract Increases	143	100	150	200
Revised Budget	14,695	14,840	14,770	15,062
Proposed Budget Adjustments	51	(174)	(68)	(218)
Revised Budget	**14,746**	**14,666**	**14,702**	**14,844**
<u>Funding</u>				
Council Tax	9,573	9,798	10,124	10,506
Collection Fund Deficit	(11)			
Business Rates (incl grants)	4,136	2,845	2,902	2,960
Other Grant	75	38	38	38
New Homes Bonus	1,331	555	218	0
Covid Grant Support	2,586	0	0	0
Total Funding	**17,690**	**13,236**	**13,282**	**13,504**
Surplus / (Deficit) before Reserves Movements	**2,944**	**(1,430)**	**(1,420)**	**(1,340)**
Reserves Movements				
Business Rates Reserve		(800)	(600)	(500)
Waste and Recycling Reserve	(181)	(181)	(150)	
Building Control Reserve	(159)			
Estimated Surplus / (Deficit)	**3,284**	**(449)**	**(670)**	**(840)**
<u>GF Equalisation Reserve</u>				
Opening	6,722	6,687	5,238	4,568
Change	3,284	(449)	(670)	(840)
Covid Shortfall	(3,319)	(1,000)		
Closing	**6,687**	**5,238**	**4,568**	**3,728**

Appendix B

MTFP Changes

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Pressures				
Pressure on existing services				
Additional Recycling Round	55		150	
Food Waste Income (GCC)	181			
Play areas	45			
Stratford park - loss of car park income	10			
Housing Advice & Temporary Accommodation	76			
Drainage Board Levy increase	7	7	7	7
Land charges income	40			
Property Services	106			
Spend consolidation	50			
Homelessness Grant		125		
MRP - new capital spend	54	130		
Interest costs on new borrowing		30	30	30
Fall in investment income		50		
Total Pressure	**769**	**342**	**187**	**37**
Savings				
Removal of One off budget items				
Canal	161	(161)		
Community Building	50	(50)		
Brownfield sites	100	(100)		
Planned Savings				
Modernisation Program		(200)	(250)	(250)
Kingshill House		(5)	(5)	(5)
Total Saving	**(718)**	**(516)**	**(255)**	**(255)**
Net Changes	**51**	**(174)**	**(68)**	**(218)**

Covid-19 Financial Impact Estimate 2020/21 (as reported to MHCLG August 2020)

Service Area	Impact £k	Reason
General Fund		
Additional Expenditure		
Homelessness	216	Additional costs continuing, with rough sleepers shared countywide
Ubico	135	Additional agency and PPE through year and flytipping
Cornhill Market	1	One off clean
Stratford Park - SLM	36	Estimate of initial support, not including a loan
Buildings eg Ebley Mill and PPE	50	Compliance works to council owned buildings and PPE for staff
The Pulse	48	Additional staffing (due to cohorts) and cleaning costs. Also an app to allow online booking
Public Conveniences	26	Additional cleaning costs
Revs and Bens software	18	Software required for grants scheme
IT	15	Additional equipment
Community Grants	50	Match funding County pot
Covid-19 letters	28	One-off item
Recovery	372	Allocation in reserves £442k less some allocate to housing for purposes of government return. Note: this doesn't affect the available funding, only the reporting to MHCLG
Total Additional Expenditure	**995**	
Loss of income		
Car Park income	535	Parking charges to resume end July, but with reduced use throughout the year
The Pulse	820	Open from July, but at reduced capacity
Museum in the Park	60	Open from July, but with lower commercial opportunities
Planning	560	Applications are coming in, but lower fee levels
Building Control	150	25% reduction over the year
Bulky Waste	0	No reduction now expected
Garden Waste	10	Additional rounds to go ahead, but prorated income over lost months
Land Charges	58	Lower level of property transactions expected
Licensing	38	Phased recovery expected
Market	6	Phased recovery expected
Environmental Health	21	Phased recovery with social distancing affecting service
Property rental income	110	Some tenants may seek rental reductions as well as deferrals
Investment Income	263	Reduction in the bank of England Base Rate will see reduced returns all year
Enforcement income	115	Reduced income expected
Total Loss of Income	**2,746**	
Total General Fund	**3,741**	

Service Area	Impact £k	Reason
HRA		
Additional Expenditure		
Repairs and Maintenance	200	Costs related to catch up for backlog of repairs and additional PPE
Tenancy Management	40	Additional staff potentially required
Sheltered Housing	5	PPE and cleaning equipment
Other Expenditure	32	Rubbish clearance and cleaning equipment
Revaluation of stock	10	Change in house prices mean an additional valuation is needed
Total Additional Expenditure	**287**	
Loss of income		
Rents and Service Charges	240	Assumptions around increased voids and rent loss against budget has been reduced
Non dwelling rents (shops)	30	Relates only to commercial properties within the HRA
Other income	20	Loss of income from recharges and leaseholder service charges
Investment income	51	Reduction in investment returns as per the General Fund
Total Loss of Income	**341**	
Total HRA	**628**	