

Bristol City Council September 2021 (P06) Revenue Finance Report

GENERAL FUND REVENUE SUMMARY POSITION

- 1.1 At Period 6 (September), the Council is forecasting a net overspend of £25.4m against the approved General Fund budget (£424.1m).
- 1.2 The forecast gross impact of the COVID-19 pandemic to the end of the current financial year is £35.5m.
- 1.3 Ringfenced grant monies totalling £22.8m are available to offset the COVID impact. These are comprised of £4.6m Infection Control Fund, £15.2m Contain Outbreak Management Fund (COMF) and £3.0m Test and Trace Outbreak Management Fund.
- 1.4 In addition, there is £24.5m of un-ringfenced funds earmarked in 2021/22 to manage the COVID impact.
- 1.5 These funds combined provide a total Covid related 2021/22 fund of £47.3m for the Council. It is expected that this funding will be fully utilised by March 2022 to offset the £35.5m forecast gross impact of COVID-19 and up to a further £9.8m currently reported within directorate risk registers following approval of business case submissions.
- 1.6 Table 1 below provides a summary of the current 2021/22 forecast General Fund position by directorate.

Table 1 General Fund P06 Directorate Level Forecast

<i>Period 6 Budget Monitoring - Summary</i>									
SERVICE NET EXPENDITURE SUMMARY	2021/22 - Full Year				Variance Analysis				
	Approved Budget	Revised Budget	Forecasted Outturn	Outturn Variance	COVID-19 Exp	COVID-19 Inc	Grass COVID Impact	Covid Service Greater/In come	Non-COVID
	€000r		€000r		€000r				
1 - People									
14 - Adult Social Care	151,448	157,648	165,661	8,013	12,006	0	12,006	(3,942)	(51)
15 - Children and Families Services	65,115	65,076	68,677	3,601	6,362	0	6,362		(2,761)
16 - Educational Improvement	11,998	11,928	15,704	3,777	2,055	170	2,225		1,552
16 - Public Health - General Fund	4,753	4,777	4,777	0	848	0	848	(634)	(214)
Total 1 - People	233,315	239,428	254,819	15,391	21,271	170	21,441	(4,576)	(1,474)
2 - Resources			(15,391)						
21 - Digital Transformation	15,305	14,721	15,127	406	821	151	972		(564)
22 - Legal and Democratic Services	8,603	8,275	8,217	(58)	58	0	58		(116)
24 - Finance	8,885	8,923	11,852	2,929	2,199	853	3,052		(123)
25 - HR, Workplace & Organisational Design	16,344	17,001	16,839	(163)	0	162	162		(275)
28 - Policy, Strategy & Partnerships	3,436	3,828	3,700	(128)	80	0	80		(208)
Total 2 - Resources	52,572	52,749	55,785	3,036	3,158	1,166	4,324	0	(1,288)
4 - Growth & Regeneration									
37 - Housing & Landlord Services	14,896	14,802	16,554	1,752	2,303	0	2,303		(550)
42 - Development of Place	1,591	1,530	1,467	(63)	0	0	0		(63)
46 - Economy of Place	12,519	12,908	13,995	1,087	131	1,065	1,196		(109)
47 - Management of Place	33,049	33,735	39,500	5,766	412	5,819	6,231		(465)
49 - Property and Asset Strategy	(7,122)	(7,122)	(7,179)	(57)	0	0	0		(57)
Total 4 - Growth & Regeneration	54,933	55,852	64,338	8,486	2,846	6,884	9,730	0	(1,244)
SERVICE NET EXPENDITURE	340,820	348,030	359,551	26,912	27,275	8,220	35,495	(4,576)	(4,006)
32 - Levies	10,118	10,118	10,118	0	0	0	0		0
33 - Corporate Expenditure	49,219	41,934	40,636	(1,298)	0	0	0		(1,298)
34 - Capital Financing	22,495	22,495	22,295	(200)	0	0	0		(200)
39 - Corporate Allowances	1,749	1,824	1,824	0	0	0	0		0
TOTAL REVENUE NET EXPENDITURE	(0)	(0)	10,023	25,414	27,275	8,220	35,495	(4,576)	(5,504)

1 POSITION BY DIRECTORATE

1.1 An underspend of £5.5m is forecast on core service budgets not impacted by the COVID-19 pandemic. However this position includes the drawdown and offsetting effect of £3.295m COMF funding rather than any operational improvement. Excluding this effect the position equates to £2.2m underspend. There continue to be significant risks to this position which need to be mitigated before the close of this financial year. Appendices A1-A6 provide individual service detail.

2.1.1 People:

The People Directorate is reporting significant risks across its divisions:

Adult Social Care

- There is much volatility in the market particularly in relation to the availability of care staff. This presents a notable challenge as the service approaches winter and the challenge to facilitate timely hospital discharges.
- Bristol City Council (BCC) recently signed a Memorandum of Understanding (MOU) with the Department of Health and Social Care (DHSC) for an award of £0.395m for 2021/22. DHSC proposes to provide a Community Discharge Grant to BCC to be managed by Adult Social Care. This grant will be awarded under

Section 31 of the Local Government Act 2003 to BCC within a Transforming Care Partnership (TCP) or Integrated Care System (ICS). The Grant to be received in 2021/22 is £0.395m. The purpose of this Grant is to provide TCPs and ICSs with additional funding to Local Authorities in order to facilitate timely discharges into the community to reduce the net number of people with learning disabilities and/or autism who are inpatients. This is a new grant for two years which is expected to continue in 2022/23. The level of the award for 2022/23 is expected to be announced towards the end of this financial year.

Children and Families

- Currently forecast an overspend of £534k in non-COVID related expenditure P06 (excluding the impact of the £3.295m COMF funding). This represents a slight improvement of £36k due to early indication of stabilisation in placements costs in August and September 2021, which has been the key cost pressure in the service area.

Education and Skills

- Education general fund budget is currently forecasting £1.5m non-covid related overspend. This is primarily driven by a £0.7m overspend in Accessible City, where the service was required to increase staffing levels in response to increased demand in SEN assessment, and £0.8m non-COVID related budget pressure in H2ST where more children are identified to be eligible for transport service; and having to travel longer distances due to local capacity constraints.

2.1.2 Resources:

Digital Transformation

- Forecast overspend has increased by £0.2m to £0.4m at P6. The movement relates to the crystallisation of £0.6m Desktop Licencing Agreement contract pressure previously anticipated in the Risks & Opportunities. This pressure is driven by the requirement for additional licences linked to increased working from home due to COVID-19 social distancing. Partially offsetting the £0.6 risk is the materialisation of (£0.4m) internal trading income recharges for Digital Transformation staff time spent in support of the cross-organisational projects and programmes.

Finance

- Continues to forecast a £2.9m overspend at P06. The Benefits Service is forecasting a £2m pressure which relates to ongoing emergency and hardship fund payments due to COVID-19. The Revenues Service is forecasting a shortfall

of £0.8m, relating to the ongoing loss of summons and overpayments income. Further reduction in income collection resulting from continued delay in recovery activity is currently reflected in the Directorate's Risks and Opportunities. A £0.1m net overspend is forecast across the other divisions within Finance.

2.1.3 Growth and Regeneration

- The Growth & Regeneration Directorate reported a £8.5m overspend against the revised net expenditure budget of £55.852m in P06. The overspend results from a combination of the impact of the current lockdown which continues to have a significant impact on several of the directorate's fee generating services; the additional pressure of providing support for homelessness during the pandemic; additional enforcement costs as well as cleaning & materials resulting from extra measures introduced to keep people safe and deal with associated issues.
- Note that the total budget has increased £1m due to inflationary increases in the Waste contract, and other minor adjustments.

2 COVID-19 IMPACT

3.1 The forecast gross impact of the COVID-19 pandemic to the end of the current financial year is £35.5m.

3.2 Ringfenced grant monies totalling £22.8m are available to offset the COVID impact. These are comprised of £4.6m Infection Control Fund, £15.2m Contain Outbreak Management Fund (COMF) and £3.0m Test and Trace Outbreak Management Fund. It is expected that this funding will be fully utilised by March 2022.

3.3 In addition, there is £24.5m of un-ringfenced budget set aside in 2021/22 to manage the COVID impact.

3.4 Total funding to mitigate the impact of COVID-19 is available as summarised in Table 2 below.

Table 2 Grant monies for mitigation of COVID impact

Funding	Available Resources £m
Infection Control (Ringfenced)	4.576
COMF and Test&Trace (Ringfenced)	18.160
Fees and Charges Losses	7.047
B/F 20/21 plus Expenditure	15.520
Hardship Payments	2.000
Total	47.303
*Note above analysis excludes impact on Collection Fund	

3.5 These funds combined provide a total Covid related 2021/22 fund of £47.3m for the Council. Work is underway to allocate these ring-fenced and un-ringfenced funds in order to manage the COVID pressures. It is expected that all funding will be fully utilised by March 2022 to offset the £35.5m forecast gross impact of COVID-19 and up to a further £9.8m currently reported within directorate risk registers following approval of business case submissions.

3.6 Adult Social Care

- Budgets continue to experience significant pressure in 2021/22 with risk of a gross overspend of £12m at P06. This reflects a stabilising position with little change in the forecast from P05.
- It remains very difficult to confidently forecast the on-going financial impact of Covid-19 to the end of 2021/22, what are transitional vs legacy costs and whether the demand/patterns of expenditure and costs pressures will continue.

3.7 Children and Families

- There is early indication of a stabilisation in placement demands in August and September 2021, which has been the major cost pressure in the service.

3.8 Education and Skills

- £2m additional costs within Education predominantly relates to the increase in costs of Home to School Transport (HTST) £1.6m and £0.4m in Accessible City where additional staffing has been required to address a surge in SEN assessment demand due to COVID.

3.9 Communities and Public Health

- The Public Health England (PHE) grant award for Public Health (PH) ring-fenced grant for 2021/22 is £33.643m. PH also hold general fund budget and other partnership grants of £4.753m which support domestic abuse and sexual violence, health watch, substance misuse, rough sleeping, drug and alcohol treatment, sports projects, Hengrove and Leisure Centres.
- At P06, there is no adverse forecast relating to the Public Health ring-fenced budgets. The current forecast overspend on the PH general fund relates to the potential financial assistance for Leisure services contracts in the sum of £0.848m in 2021/22 as a result of Covid-19 pandemic. This will be mitigated be partly funded by the National Leisure Recovery Funding (NLRF) - £0.634m grant and the remaining £0.214m would be covered by unallocated Covid-19 response funding carried forward from 2020/21.
- Since 2020/21 Public Health has received significant amounts of government Contain Outbreak Management funding and Test and Trace Outbreak Management funding totalling £18.160m. It is expected that this funding will be

fully utilised by March 2022 as work continues, on delivering the Local Outbreak Management Plan.

4 LOSS OF SALES, FEES AND CHARGES INCOME

- 4.1 The budget continues to estimate an approximate £7.0.m loss of sales, fees and charges income, predominantly from the loss of parking income across the city for the financial year.
- 4.2 Against this budget loss, forecast losses for the full year are currently £8.2m.
- 4.3 The current activity to mitigate the total impact on the Council’s net budget will include mitigation of the net £1.2m shortfall.

5 SAVINGS PROGRAMME

- 5.1 The savings programme agreed by Council in 2021 included savings totalling £7.4m. In addition, £4.3m of savings were carried forward from prior years which still requires delivery. The total savings delivery target for 2021/22 is £11.7m.
- 5.2 It is currently assessed that £6.4m of these targeted savings are at risk of not being delivered in the planned way. COVID-19 has been a significant contributing cause. Those savings at risks are currently reported either within service forecasts or within risk and opportunity registers.
- 5.3 Table 3 below headlines the position by directorate.

Table 3 Summary of Savings by Directorate

Directorate	2021/22 Savings £m	2021/22 Savings reported as safe	2021/22 Savings reported as at risk	
		£m	£m	%
People	6.11	2.07	4.04	66
Resources & Cross-Cutting	3.49	1.78	1.71	49
Growth and Regeneration	2.14	1.52	0.62	29
Total	11.74	5.37	6.37	54

- 5.4 Further detail is shown in the directorate appendices.
- 5.5 It is to be noted that adjustments have been made to budgets in Period 6 to realise cross-cutting thematic savings of £166k. This has been deducted from divisional budgets as follows:

Table 4 Summary of cross-cutting thematic savings

Division	Saving (£k)
Children and Families	2
People Total	2
Digital Transformation	44
Finance	12
Human Resources	15
Legal & Democratic	8
Policy and Strategy	7
Resources Total	85
Development of Place	3
Economy of Place	8
Management of Place	62
Housing and Landlord	6
G&R Total	78
TOTAL	166

5.6 Temporary cross-cutting savings of £36k for 21/22 only have also been identified. These are mainly across the Resources and G&R directorates (£25k and £11k respectively). Approval for these virements is sought from Cabinet.

6 RING-FENCED BUDGETS

6.1 HRA

6.1.1 The HRA forecasts an underspend of (£1.0m), a movement of (£0.4m), on the reported forecast at P05 of (£0.6m) underspend. This underspend will be transferred to the HRA general reserve at the end of the year. The movement in forecast by service area is set out below in Table 5.

Table 5 HRA Movement In Forecast By Service Area

HOUSING REVENUE ACCOUNT SUMMARY	2021/22 - Full Year				Variance Analysis				
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	COVID-19 Exp	COVID-19 Inc	Gross COVID Impact	Covid Service Grants/Income	Non-COVID
	£000s				£000s				
321 - Strategy, Planning & Governance	17,284	17,284	16,804	(480)			0		(480)
322 - Responsive Repairs	28,385	28,385	27,225	(1,160)	600		600		(1,760)
323 - Planned Programmes	15,006	15,006	15,496	490	79		79		411
324 - Estate Management	(105,326)	(105,326)	(106,629)	(1,303)	22		22		(1,325)
326 - Estate Regeneration	536	536	413	(123)			0		(123)
32 - Housing Services - HRA	(44,115)	(44,115)	(46,691)	(2,576)	701	0	701	0	(3,277)
X10 - HRA - Funding & Expenditure	11,465	11,465	13,065	1,600		1,600	1,600		0
X11 - HRA - Capital Financing	3,206	3,206	3,206	0			0		0
X12 - HRA - Year-end transactions	29,444	29,444	29,444	0			0		0
X1 - HRA Funding & Expenditure	44,115	44,115	45,715	1,600	0	1,600	1,600	0	0
Total Housing Revenue Account	0	0	(976)	(976)	701	1,600	2,301	0	(3,277)

- **Strategy, Planning & Governance** reports no significant move in forecast since P5.
- **Responsive Repairs** reports an improvement in forecast of (£0.157m) since P5 due mainly to delays in recruitment thereby reducing payroll costs.
- **Planned Programmes** reports an improvement in forecast of (£0.44m) since P5 due mainly to the reduction of communal maintenance and painting.
- **Estate Management** reports an improvement of (£0.235m) since P5 due to further reductions in payroll costs and savings against court costs.
- **Estate Regeneration** – reports little move in forecast since P5.

6.2 DSG

- 6.2.1 The in-year forecast deficit on the DSG is significant at £14.6m, which when added to the brought forward balance of £10m will give a total deficit to carry forward at the end of the year of £24.6m as can be seen in Table 6 below. The main area for concern continues to be the High Needs block, which is forecasting an in-year overspend of £14.947m.
- 6.2.2 Within the High Needs Block, top-up funding is still experiencing the biggest pressure, with significant increase from 2020/21. The current forecast is £15.7m over budget.
- 6.2.3 The other area of overspend is £0.5m in Early Year's block due to pressure in SEND costs; offset by underspend in schools block (-£0.84m due to three schools' closure).
- 6.2.4 Summary of DSG grant performance is detailed in Table 6 below whilst Appendix A5 provides further detail.

Table 6 Summary DSG position

Summary DSG position 2021/22 Period 06 (all figures in £000s)

	b/f	Net DSG funding/ budget 2021/22	P06 2021/22 Forecast Outturn	In-year variance at P06	Cumulative c/f
Schools Block	(619)	87,256	86,416	(840)	(1,459)
De-delegation	(553)	31	31	0	(553)
Schools Central Block	0	2,627	2,627	0	0
Early Years	(621)	37,185	37,651	466	(155)
High Needs Block	12,609	55,230	70,177	14,947	27,556
HNB Transformation	(812)	1,400	1,400	0	(812)
Funding		(183,698)	(183,698)	0	0
Total	10,004	0	14,572	14,572	24,576

6.3 COMMUNITIES AND PUBLIC HEALTH

- 6.3.1 The Public Health England (PHE) grant award for Public Health (PH) ring-fenced grant for 2021/22 is £33.643m. PH also hold general fund budget and other partnership grants of £4.808m which supports domestic abuse and sexual violence, health watch, substance misuse, rough sleeping, drug and alcohol treatment, sports projects, Hengrove and Leisure Centres.
- 6.3.2 At Period 6, there is no adverse forecast relating to the Public Health ring-fenced budgets. The current forecast overspend on the PH general fund relates to the potential financial assistance for Leisure services contracts in the sum of £1.123m in 2021/22 as a result of Covid-19 pandemic. This will be mitigated be partly funded by the National Leisure Recovery Funding (NLRF) - £0.634m grant and the remaining £0.489m would be covered by unallocated Covid-19 response funding carried forward from 2020/21.
- 6.3.3 In continuation of the Covid-19 support for the communities and public health in 2021/22, as at Period 6, Bristol City Council has received grant funding totalling the sum of £5.138m from government departments which include Test and Trace – Contain Outbreak Management Fund (COMF) £3.709m, Clinically Extremely Vulnerable (CEV) £0.717m Practical Support for those self-isolating - £0.623m and Project Eagle Surge Testing - £0.89m. All outbreak management funding is committed up to end of March 2022 with COMF grant ring fenced against the plan to ensure the council had sufficient capacity to manage throughout the year. The delivery of the outbreak management plan is reliant on that budget and that posts across the council are in place.
- 6.3.4 Finally, Communities and Public Health have also been successful in securing £1.7m revenue-only funding for 2021/22 from Public Health England (PHE) following approval of its Year 1 delivery plan by the Project ADDER Programme

Board. An indicative allocation of up to another £1.7m has also been allocated for Year 2 delivery plan for 2022/23 (making a total of £3.4m over two years). This funding has been awarded for the Project ADDER Accelerator programme. This is a two-year funding scheme in which PHE is working alongside the Home Office to support investment in a whole-system approach to tackling drug use, which includes enforcement, diversion and treatment and recovery interventions. The funding scheme is underpinned by the development of local plans to address drug-related offending and deaths.

6.3.5 Appendix A6 provides further detail.

7 GRANTS

7.1 FUNDING PROPOSALS

7.1.1 S256 Funding Proposals

As reported to Cabinet (April 13th 2021) the Council entered into an agreement with Bristol, North Somerset and South Gloucestershire (BNSSG) CCG for transfer of £10.199m funding to the Council to support the implementation of the BNSSG Healthier Together Single System Plan. This funding was to be used to fund a programme of investment and services designed to improve integration, reduce demand the growth for secondary health care and social care, and improve independence for individuals.

This funding was to be overseen by the Healthier Together Executive and detailed proposals were submitted for an initial £5m approval. A number of proposals were approved and are summarised in Table 7 below. A number of the projects span the BNSSG CCG area and contributions are being made by each local authority from their S256 funding envelope.

Table 7 Summary S256 Proposals

S256 Proposals Project	Year				Funding Contribution from S256 by Local Authority			
	Annual cos	21/22	22/23	TOTAL	BCC	N Som	S Glos	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PAUSE	490	490	386	876	447	210	219	876
High Stability Housing	86	86	86	172	172			172
S117 Mental Health	229	229	228	457	457			457
S117 Pre commitment	350	350	0	350	350			350
Positive Behavioural Support	1,005	1,005	0	1,005	513	241	251	1,005
Autism Intensive Support	395	395	0	395	201	95	99	395
Stroke	797	797	0	797	214	478	105	797
Population Health	321	321	321	642	327	154	161	642
TOTAL funding	3,673	3,673	1,021	4,694	2,681	1,178	835	4,694

Note - PAUSE, Positive Behavioural Support and Population Health are projects led by Bristol but span BNSSG

Cabinet is asked to note the £2.681m funding allocation from Bristol S256 funds and give delegated authority to the Director of People to progress the projects in line with scheme of delegations. Appendices A i-viii provide details of the project bids.

7.1.2 Active Travel Social Prescribing Pilot

The Council has submitted an Expression of Interest for the Active Travel Social Prescribing Pilot. The objectives of the pilot are to:

1. To address local community identified need relating to underrepresented groups, high levels of deprivation and health inequalities.
2. To actively promote increased levels of physical activity through cycling and walking
3. To demonstrate clear links between infrastructure development and the proposed social prescribing schemes.
4. To support modal shift to active travel providing people with travel choices and supporting changes in behaviour.
5. The total amount applied for is £70,000 and if successful, this will be used to conduct a feasibility study to be undertaken between November 2021 and March 2022. No match funding is required. The funds will be used to conduct Needs Assessment and Pre-mobilisation / Pre-engagement within the community. If the pilot is successful the annual cost of the resulting programme has initial estimates of £245,000 in Year 1 (2022/23) and £385,000 per annum in Year 2023/24 & Year 3 (2024/25) thus a total of £986,000 over 3 years. These costs are based on piloting a range of different delivery formats and target groups (including intensive 1 to 1 programme, small group formats, large group formats and open access formats) and working with around 2,500 people.
6. Revised and final costings will be presented in a later report should the pilot prove successful and results in a request to bid for funding for a full scheme.

7.1.3 Green Homes Grant Local Authority Delivery (LAD) - Phase 1b extension request to approve the grant award and make necessary changes to the Council's budget.

1. In January 2021 Bristol City Council was awarded £2.6million of grant funding via the Green Homes Grant Local Authority Delivery (LAD). The bid is a consortium bid between Bristol and North Somerset County Council with Bristol as the lead bidder. The primary purpose of the LAD is to raise the energy efficiency rating of low income and low EPC rated households (those with E, F or G, although D is also in scope) therefore tackling Fuel Poverty, reducing carbon emissions and supporting economic resilience. The original scheme was due to finish in September 2021.
2. BEIS are looking to extend the scheme to March 2022 and have asked BCC to reprofile delivery including any additional delivery we can carry out. BEIS have offered the Project additional funding for Phase 1b of £756k (of which £411k is for Bristol), bring the total grant allocation to £3.4m.

7.1.4 Update on Adult Social Care (ASC) Emergency COVID-19 Funding, Infection Control Grant Rounds 1 and 2, Rapid Testing and Workforce Capacity Funding (see Appendix A ix)

The impact of the COVID-19 pandemic is continuing and ASC is seeing significant increases in demand for services, increased costs of packages of care and requests from providers in relation to provider business continuity. There are also significant workforce challenges as people are impacted by COVID-19 and need to isolate. This is proving particularly challenging for ASC budgets and has created significant cost pressures. For example, in the last three months £150k of payments have been made to care providers (home care and care homes) to ensure continuity of care in relation to COVID-19 pressures, and approaches by providers are increasing in relation to costs arising from:

- self-isolation issues
- increased regulations and reporting issues
- impact of mandatory vaccinations
- recruitment and retention issues
- increased cost of goods/utilities/insurance/real living wage/cost arising from Brexit
- demand pressures e.g. mental health advocacy increased cost

The extension of the Infection Control Fund (which ran until 30 September 2021) partly mitigated some of these pressures, but there is likely to be an increase in pressures going forward. A sum of £2m is being sought to mitigate provider sustainability costs and to ensure continuity of care.

COVID-19 has had a significant impact in relation to mental health services where there has been a surge in demand and increases in the average unit cost. This reflects an ongoing trend from 2020/21, with estimated additional cost pressure of £4.2m.

7.1.5 An OED has also been signed by the Deputy Mayor - Finance, Governance and Performance and the Council's S151 Officer to approve spend up to £0.35m (DWP Household Support Fund) to provide targeted support for 2 – 16+ year olds who receive Free School Meals and/or Pupil Premium over October half term, by awarding a £15 food voucher to each child that is eligible.

8. REGULATORY INCOME LOSS

8.1. COUNCIL TAX

8.1.1 Council tax (CT) including preceptor's income: Like many councils we set our Council Tax budget for 2021/22 with a 3.99% increase (1.99% for general requirements plus 2% specifically for adult social care). The Council's budgeted income from Council Tax is £236.2m and represents 56% of the net budget requirement (£424.1m).

- 8.1.2 Council tax collection is reporting a deficit of £5.8m at P6. The impact of the end of furloughing at the close of September is yet to be fully assessed.
- 8.1.3 However, following the suspension of recovery and enforcement since March 2020 the service will recommence these activities during October, incorporating additional reminder stages and focusing on supporting citizens in stabilising their existing liability before moving focus to bringing those in arrears up to date.
- 8.1.4 With regard to the Council Tax Reduction Scheme (CTR), after a significant increase in 2020/21 due to the pandemic, claims are now starting to level off, both for working age and pensioner claimants. £0.985m has been set aside for Hardship Fund payments of which to date £0.686m has been awarded.

8.2 BUSINESS RATES

- 8.2.1 Business rates (BR): The Council's budgeted BR income is £133.6m in 2021/22 (net of tariff) and represents 31.5% of the net budget requirement (£424.1m). Over £50m of grants have been awarded this year, mainly to businesses in the retail, hospitality and leisure sectors. These are in turn funded by Central Government. Following the payment holiday due to the pandemic, many businesses are liable to pay some rates from August 2021, and the ability of these businesses to bounce back after a difficult 18 months is not yet known.
- 8.2.2 A significant number of businesses have missed monthly instalments to date this year and/or have extended their instalments through to February and March 2022. Currently those missed instalments plus historic debt continues to represent a deficit of almost £10m. The service is currently reviewing its monthly targets.
- 8.2.3 The service will begin to resume some recovery activity from October. It expects a consequent increase in levels of business contact thereafter followed by an improvement to the collection position.
- 8.2.4 Note that the collection fund shortfalls will impact on the Council's cash position in 2021/22 however, because of timing differences, the budgetary impact will fall in the following year, 2022/23.