

# 2020/21 Year End Revenue Monitor



**BOROUGH OF  
BROXBOURNE**

[www.broxbourne.gov.uk](http://www.broxbourne.gov.uk)

---

---

## 2020/21 Year End Revenue Monitor

### Introduction

This monitor summarises the overall year end revenue position for the Council as at the end of the 2020/21 financial year.

The main body of the monitor combines the outturns of the general fund, Broxbourne Sport and the Spotlight to provide an overview of the Council's financial position and the impact of the Covid-19 pandemic. Detailed figures and narrative for each area are contained within the appendices.

The Covid-19 pandemic dominated the financial year. As highlighted in previous monitors, the Council's response to the crisis has led to additional expenditure that was not envisaged when the budgets were set and certain income streams have been significantly impacted.

The reintroduction of national lockdown restrictions in November saw the leisure sites close and other than a short period in December when they could operate at limited capacity, they did not reopen before the end of the financial year. This had an effect on the income generated by the sites and resulted in Broxbourne Sport making a significant loss. This loss has been offset by grants received from government both in the form of general Covid-19 support funding and the income compensation scheme.

The government grant support has resulted in a surplus for the year of £279k. This surplus has been transferred to the Broxbourne Sport and Broxbourne Leisure and Culture reserve so that it can be used to support the leisure sites as they rebuild following the pandemic.

This document offers a summarised overview of the Council's finances for the current financial year. More detailed information can be made available upon request.

### Financial Overview

The following table sets out the Council's projected overall financial outturn position, taking into account the financial support received from central government during the 2020/21 financial year:

	<b>2020/21 Revised Budget</b>	<b>Actual as at 31 March 2021</b>	<b>(Under)/Over Spend</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost of Services (General Fund)	8,944,694	9,561,003	616,309
Additional income from acquisition of new investment property	0	(228,032)	(228,032)
<b>General Fund Position after additional rental income</b>	<b>8,944,694</b>	<b>9,332,971</b>	<b>388,277</b>
The Leisure Centres (Trading Position)			1,689,125
Cheshunt Park Golf Centre (Trading Position)			143,288
The Spotlight (Trading Position)			328,806
<b>Combined Overall Position</b>			<b>2,549,496</b>
Covid-19 Grant Received			(1,510,120)
Income Compensation Grant			(1,318,650)
<b>Net Position after Grant Receipt and Income Compensation</b>			<b>(279,274)</b>
Transfer to Broxbourne Sport and Broxbourne Leisure and Culture Reserve			279,273
<b>Final Outturn Position/Impact on the General Fund</b>			<b>0</b>

The combined outturn position of the general fund services, Broxbourne Sport and the Spotlight was a loss of £2.2m. This has been offset by the grant that has been received from central government to support the Council in its response to Covid-19 and the amount of compensation that the Council has received in respect of income lost as a result of lockdown and social distancing requirements.

In addition to the financial support highlighted above the Council was awarded two grants from the government's Culture Recovery Fund; £133,089 was been awarded to The Spotlight and £50,195 to Lowewood Museum. Both of these grants have been ring-fenced to support the individual facilities and their future operation and therefore are not included in the overall position shown above.

A more detailed analysis of impact the pandemic on general fund services is contained in Appendix A. Appendices B and C contain details of Broxbourne Sport and The Spotlight respectively.

---

## **Collection Fund**

The Council collects council tax on behalf of Hertfordshire County Council and the Police and Crime Commissioner as well as on its own behalf and non-domestic rates on behalf of Hertfordshire County Council, central Government and itself. These transactions are accounted for within the Collection Fund, which is a separate ring fenced account.

Covid-19 has impacted on the amount of local taxation collected, though not as severely as was forecast early in the financial year. Both council tax and business rate collection rates were around 1% lower than in the previous financial year. However, this may be a reflection of the fact that many lower income households received additional support via the government's hardship grant and businesses received 100% relief on their bills. At the end of the financial year, 96.62% of the council tax due for 2020/21 had been collected and 97.07% of business rates. The equivalent figures for the 2019/20 financial year were 97.46% and 98.41% respectively.

**Head of Finance**  
**May 2021**

## Appendix A – General Fund Monitor

This appendix provides more details on the final outturn for general fund services.

The following table sets out the general fund outturn position as at 31 March 2021:

	<b>2020/21 Revised Budget</b>	<b>Year End Outturn</b>	<b>(Under)/Over Spend</b>
	£	£	£
Cost of Services	8,944,694	9,561,003	616,309
Additional income from acquisition of new investment property (after allowance for voids and provision for bad debts)	0	(228,032)	(228,032)
<b>Forecast Outturn Position</b>	<b>8,944,694</b>	<b>9,332,971</b>	<b>388,277</b>

### Loss of Income

The principle impact of the Covid-19 crisis on the general fund was felt through a loss of income. Whilst car parking related income rallied after the first lockdown period, and was nearly back to budgeted levels, the subsequent lockdowns once again led to reduced visitor numbers in the Borough's town centres, resulting in a significant shortfall in the final level of pay and display income received compared to budget.

Invoiced commercial property rental income for commercial property rental income (excluding the income for the Pavilions shopping centre, which is excluded as it was bought part way through the financial year and therefore not included in the budget) was only £36k short of the budgeted amount (£7.8m). However, as the economic impact of the pandemic continues to be felt (particularly as government support packages such as furlough come to an end) there is a risk that a percentage of the invoices issued may remain unpaid. Therefore, a bad debt provision has been included to recognise this risk. The value of the provision has been calculated based on value and age of the outstanding invoices at 31 March 2021.

The halls at the Council's Bishops College campus were not let for the majority of the financial year, due to national lockdown and social distancing requirements, which meaning that very little of the budgeted income was received. In addition there was lost rental income from parks, notably in relation to the hire of football and all weather pitches and funfairs making use of open spaces.

The income lost from parking, markets, Bishops College halls and outdoor spaces was included in the claims the Council made to government under its Income Compensation Scheme (commercial rental income does not qualify for compensation).

The following table summarises the lost income for the financial year:

Service Area	Description	2020/21 Revised Budget	2020/21 Actual Outturn	2020/21 Income Lost
		£000	£000	£000
<b>Commercial Property</b>	Rental income (excluding investment property acquired October 2020 £228k)	(7,780)	(7,744)	36
	Bad debt provision	0	496	496
<b>Total Commercial Property</b>		<b>(7,780)</b>	<b>(7,248)</b>	<b>532</b>
<b>Parking</b>	Car parking income	(858)	(438)	420
	Commuter season tickets	(81)	(24)	57
	Penalty charge notices	(480)	(593)	(113)
<b>Total Parking</b>		<b>(1,419)</b>	<b>(1,055)</b>	<b>364</b>
<b>Markets</b>	Waltham Cross	(65)	(32)	33
	Hoddesdon	(30)	(17)	13
<b>Total Markets</b>		<b>(95)</b>	<b>(49)</b>	<b>46</b>
<b>Parks</b>	Football and all weather pitches	(59)	(18)	41
	Fairgrounds	(14)	0	14
<b>Total Parks</b>		<b>(73)</b>	<b>(18)</b>	<b>55</b>
<b>Bishops College Halls</b>	Beaufort Suite	(30)	(2)	28
	Huntingdon Suite	(22)	(2)	20
	Spanish Ambassadors	(12)	(0)	12
<b>Total Bishops College Halls</b>		<b>(64)</b>	<b>(4)</b>	<b>60</b>
<b>Land Charges</b>		<b>(107)</b>	<b>(74)</b>	<b>32</b>
<b>Total Income Loss</b>				<b>1,089</b>

In addition to the income lost as a result of lockdowns and social distancing restrictions, the Council also did not receive the budgeted income from the Hertfordshire County Council Alternative Financing Model (AFM) scheme. This means that the corresponding budgeted contribution to the Environmental Services Reserve has not been made.

## Covid-19 Related Expenditure

The Council has incurred some additional revenue expenditure as a result of Covid-19. The following table summarises the expenditure that was incurred in the 2020/21 financial year that has not been funded from a specific grant scheme (for example expenditure relating to homelessness has been claimed back from central government and costs incurred relating to the administration of business grants have been offset by new burdens funding and therefore are not included in the table below).

Description	£000
Covid-19 related customer journeys and website content	96
Social distancing measures	31
Information leaflets for residents (leaflets two and three) including delivery	25
Additional cleaning of hostel communal areas	25
Additional pool cars to support staff re-deployment	16
Other communication related expenditure	9
<b>Total 2020/21 Covid-19 Related Revenue Expenditure</b>	<b>202</b>

## Bad Debt Provisions

At the end of each financial year the Council recognises that there is a risk that outstanding debts may not be recovered. A provision for these doubtful debts is made based on the nature, age and value of the monies owed. The provision for the potentially irrecoverable debts is held on the balance sheet and each year it is increased or decreased via a contribution included in the general fund cost of services. The creation of a provision does not result in recovery action for the debts being stopped, all outstanding debts continue to be chased and are only written off once it becomes impossible for the debt to be collected (for example due to bankruptcy) or if it becomes uneconomical to continue recovery action.

## Appendix B – Broxbourne Sport Monitor

The following table shows the year end outturn position for the Laura Trott Leisure Centre (LTLC), the John Warner Sports Centre (JWSC) and Cheshunt Park Golf Centre (CPGC).

Trading operations (£000)	LTLC	JWSC	CPGC	Total	Budget 2020/21	Variance
Income	(373)	(221)	(385)	(979)	(5,191)	4,212
Employee costs	756	568	190	1,514	2,276	(762)
Furlough grant income	(247)	(246)	(20)	(513)	0	(513)
Premises costs	144	140	180	464	770	(306)
Travel costs	0	0	0	0	4	(4)
Supplies & services	186	149	114	449	762	(313)
<b>Total trading costs</b>	<b>839</b>	<b>611</b>	<b>464</b>	<b>1,914</b>	<b>3,812</b>	<b>(1,898)</b>
Trading (surplus)/deficit before management fee	480	310	83	873	(1,379)	2,252
Management fee	377	143	0	520	520	0
<b>Trading (surplus)/deficit</b>	<b>857</b>	<b>453</b>	<b>83</b>	<b>1,393</b>	<b>(859)</b>	<b>2,252</b>
Council	LTLC	JWSC	CPGC	Total	Budget 2020/21	Variance
Employee costs	4	0	0	4	5	(1)
Supplies & services	0	1	0	1	1	0
Business rates	0	40	40	80	83	(3)
Planned & preventative maintenance	68	45	15	128	131	(3)
Management fee	(377)	(143)	0	(520)	(520)	0
Miscellaneous Income	0	(38)	0	(38)	(38)	0
<b>Council (surplus)/subsidy</b>	<b>(305)</b>	<b>(95)</b>	<b>55</b>	<b>(345)</b>	<b>(338)</b>	<b>(7)</b>
<b>Combined (surplus)/subsidy before recharges &amp; depreciation</b>	<b>538</b>	<b>438</b>	<b>134</b>	<b>1,110</b>	<b>(1,197)</b>	<b>2,307</b>
Trading support service charges	173	144	65	382	393	(11)
Trading internal costs	0	0	0	0	3	(3)
Council support service charges	5	3	0	8	9	(1)
Council internal costs	72	60	26	158	158	0
Depreciation	708	161	70	939	643	296
<b>Combined trading and client subsidy</b>	<b>1,496</b>	<b>806</b>	<b>295</b>	<b>2,597</b>	<b>9</b>	<b>2,588</b>

### Income

Income for all three sites has been significantly affected by the Covid-19 pandemic. CPGC was initially closed until mid-May, whilst LTLC and JWSC did not reopen until the end of July. All three sites were again closed following the introduction of the national lockdown in November and although they could reopen briefly in December they subsequently closed again and did not reopen again during the financial year (except for the CPGC which reopened on 29 March).

The income lost by the leisure sites was included in the claims the Council made for compensation from the government's Income Compensation Scheme.

## Costs

Wherever possible, steps have been taken to reduce costs to offset the income losses. When the sites first closed in March, the majority of staff were redeployed or furloughed. Although staff did return when the facilities reopened they were subsequently placed back on furlough when the sites closed again.

Reduced utilities costs as a result of sites being closed and savings in supplies and services due to stock purchases not being necessary have assisted in mitigating against the income losses. However, additional costs were incurred in making the sites safe for customers and staff including the installation of screens in the reception areas at all three sites and the bar area at CPCG.

## Memberships

Unsurprisingly, membership levels at all three sites have been impacted at the pandemic as customers have either faced their own financial difficulties or have been reluctant to pay for the reduced facilities available as a result of social distancing requirements.

The following table shows the changes in membership levels from the end of the 2018/19 and 2019/20 financial years and at 31 March 2021.

	<b>March 2019</b>	<b>March 2020</b>	<b>March 2021</b>	<b>Total % Loss</b>
Laura Trott Leisure Centre	3,839	4,088	2,019	51%
John Warner Sports Centre	1,518	1,715	860	50%
Cheshunt Park Golf Centre	257	235	219	7%

## Appendix C – The Spotlight Monitor

The following table shows the year end outturn for The Spotlight.

Trading operations (£000)	Spotlight	Budget 2020/21	Variance
Income	0	(1,121)	1,121
Employee costs	157	471	(314)
Furlough grant income	(41)	0	(41)
Premises costs	27	76	(49)
Travel costs	0	3	(3)
Supplies & services	75	679	(604)
<b>Total trading costs</b>	<b>218</b>	<b>1,229</b>	<b>(1,011)</b>
Trading (surplus)/deficit before management fee	218	108	110
Management fee	0	0	0
<b>Trading (surplus)/deficit</b>	<b>218</b>	<b>108</b>	<b>110</b>
Council	Spotlight	Budget 2020/21	Variance
Business rates	23	23	0
Planned & preventative maintenance	10	27	(17)
<b>Council (surplus)/subsidy</b>	<b>33</b>	<b>50</b>	<b>(17)</b>
<b>Combined (surplus)/subsidy before recharges &amp; depreciation</b>	<b>251</b>	<b>158</b>	<b>93</b>
Trading central recharges	110	122	(12)
Trading internal costs	0	1	(1)
Council support service charges	1	2	(1)
Council internal costs	26	19	7
Depreciation	270	202	68
<b>Combined trading and client subsidy</b>	<b>658</b>	<b>504</b>	<b>154</b>

Due to the Covid-19 pandemic The Spotlight closed at the end of March 2020 and has not yet reopened.

The income lost by The Spotlight as a result of not being open has been included in the claims the Council made for compensation from the government's Income Compensation Scheme.

As previously reported, once it became clear that The Spotlight would not open during the current financial year all except two employees were made redundant (three of the affected staff members were redeployed to other roles within the Council). The costs of the redundancies are have been funded from the Personnel Reserve and are not included in the table above.

Although the site is closed, some unavoidable costs have still been incurred, and these are reflected in the projections shown above.

Work is continuing on the plans for reopening The Spotlight during 2021/22 and these will be brought forward once they are finalised.

Whilst the site is closed, work is being undertaken at the site. The cost of this work is being funded from the Capital and Building Works Reserve and, as it will be capital expenditure, it is not shown in the above table.

The Council has been awarded a grant of £133,089 from the government's Culture Recovery Fund. This grant will be ring-fenced to support the preparations for reopening in 2021 and making the venue Covid-19 secure. Therefore, it is not included in the trading position shown above.