

ANGUS COUNCIL

RECAST OF THE REVENUE BUDGET 2020/21 - BUDGET REVISIONS - INCREASED COSTS/REDUCED INCOME

SERVICE:- INFRASTRUCTURE

MOBILISATION COSTS - Additional costs that have or are anticipated to be incurred as a direct result of COVID-19, including actions taken to mobilise resources and deal with impacts of the crisis

LOST INCOME & OTHER COSTS - Income loss and other additional costs that have occurred as a result of COVID-19, including building closures, arrears, decreased tourism and behaviour changes due to social distancing measures.

RECOVERY COSTS - Costs which will occur during exit from lockdown due to service redesign and/or reconfiguration to align with long-term social distancing measures. They should reflect the additional costs associated with reconfiguring and redesigning services in order to align with Scotland's route map through and out of the crisis as well as the relevant national guidance for the service area.

Description of Budget Revision/Issue	Budget Revision-Full Year Impact Estimate 2020/21 £000	Mobilisation Costs £000	Lost Income & Other Costs £000	Recovery Costs £000	Budget Revisions Funding Proposed (please identify whether all or part of the budget revision sought can be self-funded by adjusting other budgets)	Budget Re-alignment Proposal Value 2020/21 £000	FTE staff Impact (net change in FTE posts)	Budget Revision Estimated Net Impact 2020/21 £000
Increased costs for roads related construction operations being undertaken to meet COVID-19 requirements, e.g. social distancing.	139	0	0	139	Part of this Budget Revision can be funded by a projected reduction in staff travel costs. Remainder will be managed with reduction in overall provision of service. LOST OPPORTUNITY COST.	139	0.0	0
Tayside Contracts Support payments for Construction Division (Apr-July ONLY) (4 * £627k pm)	2,508	0	2,508	0	Part of this Budget Revision can be funded by refunds from Furlough scheme (£305K currently identified from Apr-July). Costs shown may reduce once reconciliation exercise of actual costs incurred by Tayside Contracts has been completed	305	0.0	2,203
Reduction in income from car parking whilst some fixed costs remain c. £270k / DPE c. £89k (1st Oct return assumed for calculation purposes only at this time and Sept return respectively) and Arbroath Harbour berthing c. £5k.	364	0	364	0	This cannot be self-funded unless budgets for Core Maintenance and other activities are cut to compensate	0	0.0	364
Forecast under-recovery on targeted fee income of £450k due to drop in Capital expenditure in recent years and reductions in 'fee earning' staff numbers. This is increased by £80k change programme saving taken for professional services and only partially offset by £300k staff slippage, which is to be retained in service.	230	0	230	0	This is a long-standing base budgetary issue that has been managed by over-recovery elsewhere in Infrastructure Services and staff slippages over recent years, which is no longer sustainable, and is exacerbated by saving taken by Change Project. No provision can be self-funded. This would result in an additional reduction in spend on Core Maintenance and other activities and LOST OPPORTUNITY COST.	0	0.0	230
Loss of income for Road Opening /Skips /Scaffold /NRSWA /Tables and Chairs permits etc	25	0	25	0	No provision can be self-funded. This would result in an additional reduction in spend on Core Maintenance and other activities and LOST OPPORTUNITY COST.	0	0.0	25
Temporary Assets staff extended for 4 months due to project delays (1 Architect posts affected).	17	17	0	0	Additional funding required partly offset by reduction in travel expenses.	7	0.0	10
Additional servicing costs from Assets Maintenance Programme budget.	12	12	0	0	£12K for additional schools legionella testing. There are other items which may be additional but currently we are catching up with outstanding servicing.	11	0.0	1
Loss of income due to rental holiday in 20/21 provided to tenants during lockdown	2	0	2	0	Repayments are due to start in September for 12 months. Reduced rental income in 20/21 should be offset by repayments in 21/22.	0	0.0	2
Re-charge from FM Support for additional PPE costs covering specific items in relation to Covid costs. (Estimate based on FM Support information).	1	1	0	0		0	0.0	1

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Under recovery of Assets fee income due to projects not commencing on site over 3 months - Fees are being reviewed based on updated General Fund Financial Plan once available. Anticipate review carried out in August, current assumption is best estimate at this time	350	0	350	0	The loss of income may be partially offset by staff slippage however any reduction in staff also affects ability to generate fees.	0	0.0	350
	3,648	30	3,479	139		462	0.0	3,186

TO BE CONSIDERED AS PART OF THE FALL-BACK FUNDING OPTIONS IN SECTION 6 OF REPORT

Roads & Transportation budget balancing exercise as previously reported.					Budget impact on Infrastructure could be partially offset by A) releasing funding through revenue works (£780k identified (1/ utilise surface dressing c/cr £500k funding for Tayside Contracts standby payments and fund surface dressing from general carriageway capital budget 2/ agreement to fund c. £280k of pothole repairs to general carriageway capital budget and therefore further releasing revenue budget to contribute towards standby payments) but will have LOST CAPITAL BUDGET OPPORTUNITY COST and SPECIFIC APPROVAL TO REALLOCATE CAPITAL IN THIS WAY); B) by reduction in 2020/21 Capital project budgets to enable possible capitalisation of TC Support costs (£723k identified. THIS WOULD REQUIRE SPECIFIC APPROVAL TO SPEND CAPITAL IN THIS MANNER.); C by reduction in A92 Unitary Charge payments due to less traffic (saving in traffic volume element of UC charge) (£234k identified - but carries risk); D drawdown from Car Park Reserve Fund (£254k identified but will have LOST OPPORTUNITY COST ie monies not spent on car park improvements); E Drawdown R&R De mimimis (£100k identified. THIS WOULD REQUIRE SPECIFIC APPROVAL.)	2,091	0.0	(2,091)
Additional proposal for funding to Roads & Transportation budget balancing exercise as previously reported.					Use £300k of additional £500k budget approved at Budget setting in February 2020 to offset additional costs due to COVID across Infrastructure Services.	300	0.0	(300)