

CABINET
29 October 2020

REVENUE BUDGET MONITORING 2020/21

1. Summary

1.1 To update Members on financial performance against the 2020/21 budget to date for the General Fund and Housing Revenue Account.

2. RECOMMENDATION

2.1 That Members note that the overall level of spend and income for the year is expected to be within the parameters of the budget.

3. Background and Discussion

3.1 The revenue budgets for 2020/21 were approved by the Council on 24 February 2020. This is the third of several monitoring reports, which will be submitted throughout the year.

3.2 Budget monitoring reports are submitted to Cabinet, in narrative form, concentrating on the key financial risks. The key risks account for a large part of the Council's General Fund Budget. Appendix A gives a commentary on these areas and includes a short commentary on the Housing Revenue Account.

3.3 Additional key risk items have been reflected into this year's report given the ongoing COVID-19 crisis. A separate report on the estimated financial effect of COVID-19 was reported to Members in June. This outlined that there was likely to be additional expenditure in year plus loss of income.

3.3 This report is based on information available up to the end of September 2020 and discussions with Spending Officers. It is too early in the year to be able to confidently predict the year-end outturn.

3.4 The picture is mixed with extra spending due to COVID-19 mostly covered by government grants. Loss of income is still expected due to the crisis but some grant compensation will be applied against this. In contrast in some areas there is reduced spend or increased income due to changes in operations or behaviour.

3.5 Both the Business Rate and Council Tax Collection Funds are of significant concern. Whilst income loss will not be felt in year due to collection fund accounting rules, delayed payments and increased numbers receiving Council Tax Support are likely to result in a deficit in the funds. These deficits will be collected in 2021/22. Appropriate amounts will be allocated to reserves in order to fund the required deficit payments.

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3.6 Overall, at this stage, officers expect that services will be delivered within the overall budget after an adjustment to the planned contribution to reserves.

4. Relationship to the Corporate Plan

Regular monitoring and reporting of the Council's financial position is key to maintaining a sound financial strategy. This is an important element of the Council Performing Strongly theme.

5. Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	Despite some pressure areas officers currently expect that services will be delivered within the overall budget but monitoring will continue throughout the year.
Legal Implications	None
Staffing Implications	None
Administrative Implications	None
Risk Assessment	Without effective monitoring, the risk of not being able to meet the Council's objectives within the approved budget would increase, but regular budget monitoring and swift action to correct budget failures significantly reduces this risk.

6. Appendices

Appendix A General Fund and Housing Revenue Account Commentary

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date</u>	<u>File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
Budget Monitoring papers			Tim Sams 01322 343148	Financial Services/ Internal Services	N/A