

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 8th September 2020

PUBLIC REPORT: Yes

EXEMPT REPORT: No

Report Title	2020/21 Revenue and Capital Monitoring – Quarter 1					
KEY DECISION	No					
Report Author	Carolyn Bland					
Purpose of Report	<ul style="list-style-type: none"> To provide Cabinet with a forecast outturn position based upon the period 1 April to 30 June 2020. 					
Reason for Decision	<ul style="list-style-type: none"> This report is for noting, no decision making is required. 					
Portfolio (holder)	Councillor James Hallam; Finance					
Corporate Priorities	<table border="1"> <tr> <td colspan="2">YOUR COUNCIL: innovative, proactive and efficient</td> </tr> <tr> <td>CO 10</td> <td>Deliver Financial Sustainability for the future</td> </tr> </table>		YOUR COUNCIL: innovative, proactive and efficient		CO 10	Deliver Financial Sustainability for the future
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CO 10	Deliver Financial Sustainability for the future					
Financial Implications	<ul style="list-style-type: none"> The report gives a forecast outturn position for the Council's 2020/21 revenue and capital budgets. 					
Risk Management Implications	<ul style="list-style-type: none"> It is important to monitor the position against budget regularly in order to ensure any issues can be addressed appropriately and in a timely manner. 					
Environmental Implications	<ul style="list-style-type: none"> None 					
Legal Implications	<ul style="list-style-type: none"> The Council is legally required to set and manage a balanced budget. The Quarter 1 monitoring indicates that the Council financial commitments are being managed within the resources approved by the Council. 					
Equality Implications	None					
Data Protection Implications	None					
Consultation	Consultation has been undertaken with Portfolio Holder..					
Options	<ul style="list-style-type: none"> None 					
Background Papers	None					
Appendices	<ul style="list-style-type: none"> Appendix A .1 Financial Outturn Q1 by Portfolio Appendix A-2 – Financial Outturn Q1 by Chief Officer Appendix B – Variances over £25,000 by Portfolio Appendix C – Capital Qtr 3 Appendix D - Estimated Covid 19 financial impact 					

REPORT 1

Recommendation	<p>2.1 To note that as at 30 June 2020 the revenue budget is forecast to be overspent by £1.021m as shown in Appendix A.1.</p> <p>2.2 To note the analysis given in Appendix B for cost centre variances over £25k.</p> <p>2.3 To note the actual expenditure to 30 June 2020 incurred on the Capital Programme as shown in Appendix C.</p> <p>2.4 To note that as at the 30 June 2020 the Capital Programme is forecast to underspend by £10.672m, as outlined in Appendix C, and that this underspend may be required to be carried forward into 2021/22 as slippage.</p>
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Financial Performance Monitoring Suite June (Quarter 1) 2020/21

Executive summary

This report sets out the financial forecast for Quarter 1, based on information at the end of December, for revenue and capital. The headlines are:

Revenue: Service and Covid-19

The forecast outturn is an estimated overspend of £0.858m when compared to the approved budget of £13.281m. Excluding Covid 19 impact of £0.915m for 2020/21 there is a small service underspend of £57k.

Appendix B provides the variances by service and where variances are +/- £25,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

Capital Programme – the forecast outturn is an estimated net underspend of £10.293m. Several schemes are now requiring a re-phasing of their expenditure profiles and this is expected to move £10.672m of expenditure to 2021/22. See **Appendix C**.

Revenue: Covid-19 – the main financial impacts of Covid-19 have been met by the Council during 2020/21. However the government is currently indicating that some elements of the local government support/compensation process will be extended into future years.

To date, the gross CV-19 expenditure/income losses total £2.812m; this is currently split as follows:

- £2.142m in respect of services
- £0.670m in respect of estimated Collection Fund losses.

The Council has received direct government support totalling £1.227m; split as follows:

- £1.074m; Emergency Funding
- £71k; Income Support Scheme
- £83k; Town Centre Support

This gives a total net impact on the Council of £1.585m. In respect of the:

- Services related CV-19 expenditure/income losses, the current forecast net cost is £915k; unless savings are found in year it is likely that this in-whole or in-part will have to be met from reserves.
- Collection Fund losses of £670k, the government is currently indicating that this will be able to be spread over the next 3 years

The actual and forecast spend is shown at **Appendix D**.

Business Grants Scheme - In respect of the Business Grants Scheme, members will recall that Local Government has been administering 3 grants schemes for the government. As at Mid-August, for the:

- Small Business Rates & Retail, Hospitality and Leisure Schemes; the Council received £19.1m and has distributed £20.5m (107%) to 1,635 businesses. The Council has been fully reimbursed for the amount distributed that exceeds the original grant received.
- Discretionary Grants Scheme; the Council received £1m and to date has distributed £438k to 92 businesses. The Council had received 115 applications, 16 have been rejected and the Council awaits further information from 7 applicants. It should be noted that over the last couple of weeks the Council has opened up the scheme to include Child-Care Day Nurseries; it is expected that this will bring into the scheme a further 14 businesses.

MTFS – Members will recall that when it set its 2020/21 budget, it did not approve an MTFS. However, the 2021/22 budget setting process has now started in earnest and when members come to see the draft budget later in the year, this will also include a draft MTFS. It is anticipated that the MTFS will cover the period from 2021/22 through to 2024/25 and will include a:

1. 'service' funding statement; this will illustrate any budgeted surplus or deficit for each financial year of the MTFS. This will reflect net annual service spend, reserve contributions and grant receipts; balancing to the net Council Tax Requirement.
2. reserves statement; this will demonstrate how the Council is managing both its general fund (unallocated) reserves and earmarked reserves to support ongoing services and/or transformational activity.