

RECOMMENDATIONS FROM CABINET – 26 JULY and 13 SEPTEMBER 2021

JULY:

BUDGET MANAGEMENT 2021/22 – PROGRESS REPORT APRIL TO MAY 2021

Summary

1. The forecast revenue outturn position for 2021/22 at the end of May is showing a projected net overspend of £468,000 against the original budget. This mainly relates to the cost of the pending unbudgeted pay award (£141,000) and the continued impact of Covid19 that has resulted in further unbudgeted Leisure centre re-opening costs (£308,000). However, all Leisure costs set out in Appendix A of this report will be met from the Leisure Covid Support Specific Reserve created in 2020/21 which will reduce the forecast overspend to £143,000.
2. Whilst the MHCLG Income Compensation scheme will also continue for the first quarter of the year and help mitigate lost income, Members are warned that, unless income levels recover as the year progresses, some draw on reserves may again be required to balance the budget by year end,. However, this should not lead to concerns over the viability of the authority in the short term, although, as mentioned before, evidently the budget over the medium term will need to be brought into a position where expenditure is not in excess of income from all sources.

Recommendations

3. **That Council approve:**
 - (i) **that £432,728 grant income relating to Homelessness Prevention be transferred to Specific Reserves as detailed in paragraphs 26 of the Cabinet report;**
 - (ii) **that £6,400 grant income relating to the Cold Weather Fund be transferred to Specific Reserve as detailed in paragraph 27 of the Cabinet report;**
 - (iii) **that £563,194 grant income relating to the Covid-19 Test and Trace Contain Management Outbreak Fund (COMF) be transferred to Specific Reserve as detailed in paragraph 28 of the Cabinet report;**
 - (iv) **that £21,215 grant income relating to Implementing Welfare Reform be transferred to Specific Reserve as detailed in paragraph 29 of the Cabinet report;**
 - (v) **that £27,618 grant income for new burdens relating to Verify Earnings & Pensions be transferred to Specific Reserve as detailed in paragraph 30 of the Cabinet report;**
 - (vi) **that £5,000 grant income in respect of a payment for Rough Sleepers be transferred to Specific Reserve as detailed in paragraph 31 of the Cabinet report;**
 - (vii) **that £2,973 grant income relating to Revenues and Benefits New Burdens be transferred to Specific Reserves as detailed in paragraph 32 of the Cabinet report;**
 - (viii) **that £166,800 grant income in respect of New Burdens Local Authority Discretionary funding be transferred to Specific Reserve as detailed in paragraph 33 of the Cabinet report;**

- (ix) that £33,632 grant income relating to Domestic Abuse Safe Accommodation funding be transferred to Specific Reserves as detailed in paragraphs 34 of the Cabinet report;
- (x) that £25,000 grant income relating to Additional Emergency Accommodation funding be transferred to Specific Reserves as detailed in paragraphs 35 of the Cabinet report;
- (xi) that £107,395 grant income relating to Admin Subsidy be transferred to Specific Reserves as detailed in paragraphs 36 of the Cabinet report;
- (xii) the variations to the Capital Programme contained in paragraph 50 of the Cabinet report in accordance with the Council's Financial Procedure rule B3.

SEPTEMBER:

BUDGET MANAGEMENT 2021/22 – PROGRESS REPORT APRIL TO JULY 2021

Cabinet considered the progress on the Revenue Budget, Capital Programme and Revenue Projects and Treasury Management for 2021/22.

Summary

1. The forecast revenue outturn position for 2021/22 at the end of July is showing a projected net overspend of £559,000 against the original budget. This largely relates to the cost of the pending unbudgeted pay award, the continued impact of Covid19 that has resulted in further unbudgeted Leisure centre re-opening costs together with reduced Town Centre rental income. However, all Leisure costs reported to date will be met from the Leisure Covid Support Specific Reserve created in 2020/21 which will reduce the forecast overspend to £277,000.
2. This overspend will reduce when a proportion of lost income is claimed from the MHCLG Income Compensation scheme which will apply to the first quarter of the year. The amended scheme has yet to be set out so it has not been possible to quantify the compensation figure. Depending upon the extent of the overspend, some draw on reserves may be necessary to balance the budget by year end.

Recommendations

3. That Council approve:

- (xiii) that £50,000 grant income received to fund the Burgess Hill Station project be transferred to Specific Reserves as detailed in paragraph 29 of the Cabinet report;
- (xiv) that £445 grant income relating to New Burdens funding for Council Tax data submissions be transferred to Specific Reserve as detailed in paragraph 30 of the Cabinet report;
- (xv) that £14,000 be reallocated to the Planning Performance Agreement Specific as detailed in paragraph 31 of the Cabinet report;
- (xvi) that £100,000 be transferred to the Gatwick DCO Specific Reserve as detailed in paragraph 32 of the Cabinet report;

(xvii) the variations to the Capital Programme contained in paragraph 39 of the Cabinet report in accordance with the Council's Financial Procedure rule B3.