

## **RECOMMENDATIONS FROM CABINET – 14 February 2022**

### **BUDGET MANAGEMENT 2021/22 – PROGRESS REPORT APRIL TO DECEMBER 2021**

#### **Summary**

1. The forecast revenue outturn position for 2021/22 at the end of December is showing a projected net overspend of £1,191,000 against the original budget which is a worse than previously reported position. This latest net overspend includes the cost of the pending unbudgeted pay award (£171,000) and the continued impact of Covid19 that has resulted in further unbudgeted Leisure centre re-opening costs (£900,000). However, Leisure costs reported to date, as detailed above and including the leisure sports consultancy costs (£17,000), will be partially met from the Leisure Covid Support Specific Reserve created in 2020/21 of £500,000 which will reduce the forecast overspend to £691,000.
2. We anticipate that this overspend will reduce as a result of the final claim for lost income from the Department for Levelling Up, Housing and Communities (DLUHC) Income Compensation scheme which applied to the first quarter of the year. This claim was submitted in October 2021 and if it is successful, we estimate to receive £377,000, which allowed for the 5% deductible rate as in previous claims for 2020/21. However, unless the position improves for the remainder of the year, a draw on reserves forecast to be at least £314,000 and maybe more (depending upon leisure centre performance and energy costs) will be necessary to balance the budget by year end.

#### **Recommendations**

3. **That Council approve:**
  - (i) **That the use of the JE/Redundancy Specific Reserve be amended as detailed in paragraph 26 of the Cabinet report;**
  - (ii) **That £200,000 be transferred to the Efficiency Specific Reserve as detailed in paragraph 27 of the Cabinet report;**
  - (iii) **that £11,193 grant income relating to New Burdens LA Data Sharing Programme and the Housing Benefit Award Accuracy Initiative be transferred to Specific Reserves as detailed in paragraphs 28 of the Cabinet report;**
  - (iv) **that £63,409 grant income relating to Self Isolation Administration costs be transferred to Specific Reserves as detailed in paragraphs 29 of the Cabinet report;**
  - (v) **that £100,500 grant income relating to Discretionary Self Isolation be transferred to Specific Reserves as detailed in paragraphs 30 of the Cabinet report;**
  - (vi) **that £25,000 grant income relating to Rough Sleeping RSI 4 be transferred to Specific Reserves as detailed in paragraphs 31 of the Cabinet report;**
  - (vii) **that £100,100 grant income relating to New Burdens 4 Restart and Additional Restrictions Covid-19 be transferred to Specific Reserves as detailed in paragraphs 32 of the Cabinet report;**

- (viii) that £18,600 grant income relating to New Burdens 5 Post Payment Assurance, Reconciliation and Debt Recovery be transferred to Specific Reserves as detailed in paragraphs 33 of the Cabinet report;**
- (ix) that £59,093 grant income relating to Covid-19 Test and Trace Contain Management Outbreak Fund (COMF) be transferred to Specific Reserves as detailed in paragraphs 34 of the Cabinet report;**
- (x) that £70,000 grant income relating to Economic Recovery Fund be transferred to Specific Reserves as detailed in paragraphs 35 of the Cabinet report;**
- (xi) the variations to the Capital Programme contained in paragraph 44 of the Cabinet report in accordance with the Council's Financial Procedure rule B3.**