

## RECOMMENDATIONS FROM CABINET – 23 NOVEMBER 2020

### 1. BUDGET MANAGEMENT 2020/21 – HALF YEAR PROGRESS REPORT

Cabinet considered the progress on the Revenue Budget, Capital Programme and Revenue Projects and Treasury Management for 2020/21.

#### Summary

1. The forecast revenue outturn position for 2020/21 at the end of September is showing a projected net overspend of £1,790,000 against the original budget, after the use of Covid-19 Emergency Funding received totalling £1,708,000 (refer paragraph 28 of the Cabinet report) and after taking account of further Government funding due to be received in the second half of the year, which is summarised below.
2. As previously reported, the level of overspend is unprecedented for Mid Sussex, but is not uncommon for shire districts this year as a direct result of the Covid pandemic adversely affecting all sources of income. However, the Local Government Income Compensation scheme for lost sales, fees and charges will help fund some of these losses. Based on our latest forecast we estimate to receive £1,937,000 (to the nearest £'000) in Government funding in 2020/21. This has been included as part of the projected net overspend position highlighted in paragraph 1 above.
3. In addition, on 22 October, further Central Government funding allocations for Local Authorities were announced, providing an additional £100,000 in Tranche 4 Covid 19 Emergency grant for MSDC. Although this grant was not due to be received until 16 November 2020, it has been included in the net overspend to provide Members with the most up-to-date year-end forecast position for the Council. Other recent announcements in October of specific grant support for all Local Authorities in Tiers 1-3 are yet to be quantified for this Council and will be reported in the next Budget Management Report to Cabinet.

#### Recommendations

4. **That Council approve:**
  - (i) **that £3,862 grant income relating to Rough Sleepers Initiative be transferred to Specific Reserve as detailed in paragraph 36 of the Cabinet report;**
  - (ii) **the variations to the Capital Programme contained in paragraph 53 of the Cabinet report in accordance with the Council's Financial Procedure rule B3.**