

## **RECOMMENDATIONS FROM CABINET – 8 FEBRUARY 2021**

### **1. BUDGET MANAGEMENT 2020/21 – PROGRESS REPORT APRIL TO DECEMBER 2020**

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 December is showing a projected net overspend of £1,925,000 against the original budget, after the use of Covid19 Emergency Funding received totalling £1,808,000 (refer paragraph 28 of the Cabinet report) and after taking account of further Government funding due to be received in the remainder of the year, which is summarised in paragraph 2 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 Income Compensation Scheme for lost sales, fees and charges will help fund some of these losses and to date we have received a total of just under £842,000. Based on our latest forecast we estimate to receive a further £1,108,000 under this scheme in 2020/21. This has been included as part of the projected net overspend position highlighted in paragraph 1 above.
3. In order to transparently provide finance to support the leisure centres through the pandemic, the Cabinet is recommended to create a specific reserve to cover the costs of the repeated closing and reopening of the facilities. This will be financed by a £500k transfer from General Reserve.
4. Finally, the last Budget Management highlighted the potential change to projected financial forecasts at that time, as a result of the second lockdown that commenced on 5 November. Since then, further Government announcements lead to the district being placed in Tier 4 from Boxing Day and then in a national lockdown from 5 January 2021. This will almost certainly change the projected forecasts within this report, but further income losses will be covered by the Income Compensation scheme.

#### **Recommendations**

##### **5. That Council approve:**

- (i) **that £500,000 be transferred to a Leisure Covid Support Reserve from General Reserve as detailed in paragraph 19 of the Cabinet report;**
- (ii) **that £38,170 grant income relating to Rough Sleepers Initiative be transferred to Specific Reserve as detailed in paragraph 32 of the Cabinet report;**
- (iii) **that £76,500 grant income relating to New Burdens funding to cover the cost of administering the new Business grants in respect of Covid be transferred to Specific Reserve as detailed in paragraph 33 of the Cabinet report;**

- (iv) that £48,631 grant income relating to Local Authority Compliance and Enforcement grant be transferred to Specific Reserve as detailed in paragraph 34 of the Cabinet report;**
- (v) that £9,663 grant income relating to New Burdens funding for Housing Benefit Accuracy Award Initiative and Severe Disability Premium Gateway Initiative be transferred to Specific Reserve as detailed in paragraph 35 of the Cabinet report;**
- (vi) that £75,000 grant income relating to support in respect of Covid-19 preventative interventions delivered by Environmental Health teams be transferred to Specific Reserve as detailed in paragraph 36 of the Cabinet report;**
- (vii) that £61,418 grant income in respect of Journey to Work funding, to fund work being undertaken by the Employment Projects Co-ordinator be transferred to the Revenues and Benefits New Burdens Specific Reserve as detailed in paragraph 37 of the Cabinet report;**
- (viii) that £26,026 grant income to Implement the Test and Trace Support Payment scheme be transferred to the Revenues and Benefits New Burdens Specific Reserve as detailed in paragraph 38 of the Cabinet report;**
- (ix) the variations to the Capital Programme contained in paragraph 48 of the Cabinet report in accordance with the Council's Financial Procedure rule B3;**
- (x) that prior year debtors in respect of Horsham District Council's Contribution to the Census Partnership be written off as detailed in Appendix A of the Cabinet report.**