

Budget Management Update

Cabinet

Date: 3rd March 2021

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Corporate Director of Finance and Assets

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents the 2020/21 revenue budget forecast out-turn.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management helps ensure that the Council consistently makes the best use of all available resources as well as providing focus for the Council's improvement programmes.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the 2020/21 revenue budget forecast out-turn for each service area set out in Table 1 and Appendix 1.

3. Detail

Forecast Out-turn for 2020/21

General Fund

- 3.1 The forecast position is that the General Fund is anticipated to be on budget at the year end.
- 3.2 The current forecast is after the application of the COVID-19 emergency funding from the Government of £16.7m, and is based on the COVID-19 pressures during the remainder of the financial year continuing to be offset by government support.
- 3.3 The significant changes since the last report are:
 - 3.3.1 Children Services are forecasting a reduction in costs of £1.3m. This is mainly due to reductions in the assumed levels of demand for placements along with underspends on staffing due to staff turnover and recruitment challenges.

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3.3.2 Adults are forecasting a reduction in costs of £0.9m. This is primarily due to a reduction in placements and costs across Learning Disability, Memory & Cognition and Physical & Sensory Support.

3.4 The budget and out-turn by Department is set out in Table 1 below and the full details are contained in Appendix One.

Table 1 – Revenue Budget Forecast

Department	Budget 2020/21	Forecast	Variance	Movement since last report
	£'000	£'000	£'000	£'000
Adults	66,567	68,476	2,139	(790)
Children Services	47,229	49,104	1,875	(1,412)
Operations	23,303	28,815	5,512	244
Enabling	16,180	16,917	737	61
Economy & Development	2,577	4,708	2,131	(43)
Finance & Assets	(6,782)	(3,272)	3,510	1,179
Sub-Total	149,074	164,978	15,904	(761)
COVID-19 Grant Funding		(16,665)	(16,665)	0
Budget Risk Contingency set aside for 2021-22 budget		761	761	761
Total General Fund	149,074	149,074	0	0

Dedicated Schools Grant (DSG)

3.5 The forecast overspend on the DSG has increased by £674k to £3.167m since the last report. This is due to further pressures relating to Early Years as a result of costs of supporting providers and a reduction in income due to a fall in numbers.

3.6 This pressure increases the cumulative deficit on the DSG to £4.8m. Work is underway on the deficit recovery plan and an update on this will be provided to Cabinet in July.

Housing Revenue Account

3.7 HRA Budget Managers are currently forecasting a net underspend of £279k. This has reduced by £44k since the last report due to pressures on staff cost recovery due to the

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pandemic. This is been largely mitigated by reduced contract, materials and staff costs across the service.

4. Alternative Options

4.1 None as this is for information only.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 The General Fund is forecasting to be on budget for the current financial year after the application of the COVID-19 emergency funding from the Government of £16.7m. However, should there be a residual overspend, this would be a call on the Council's reserves.

5.2 The DSG is forecasting a cumulative deficit of £4.8m. Work is underway on the deficit recovery plan and there will be an update on progress to Cabinet in July.

5.3 The HRA is currently forecasting an underspend of £279k. The HRA is ring-fenced and therefore any variances at year end will be managed within the HRA.

Legal and Human Rights Implications

5.4 None as this is for information only.

Climate Change Impact

None as this is for information only.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.5 There are no such direct implications.

Diversity Impact Assessment

5.6 A Diversity Impact Assessment (DIA) has not been done as this report is reporting on past performance and does not make any recommendations to reprioritise the future funding of services.

Risk Management

5.7 None other than those highlighted in the body of the report.

6. Consultees

6.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

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7. Background Papers

7.1 None

8. Appendices

8.1 Appendix 1: Forecast Out-turn by Directorate 2020/21

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for March 2021.