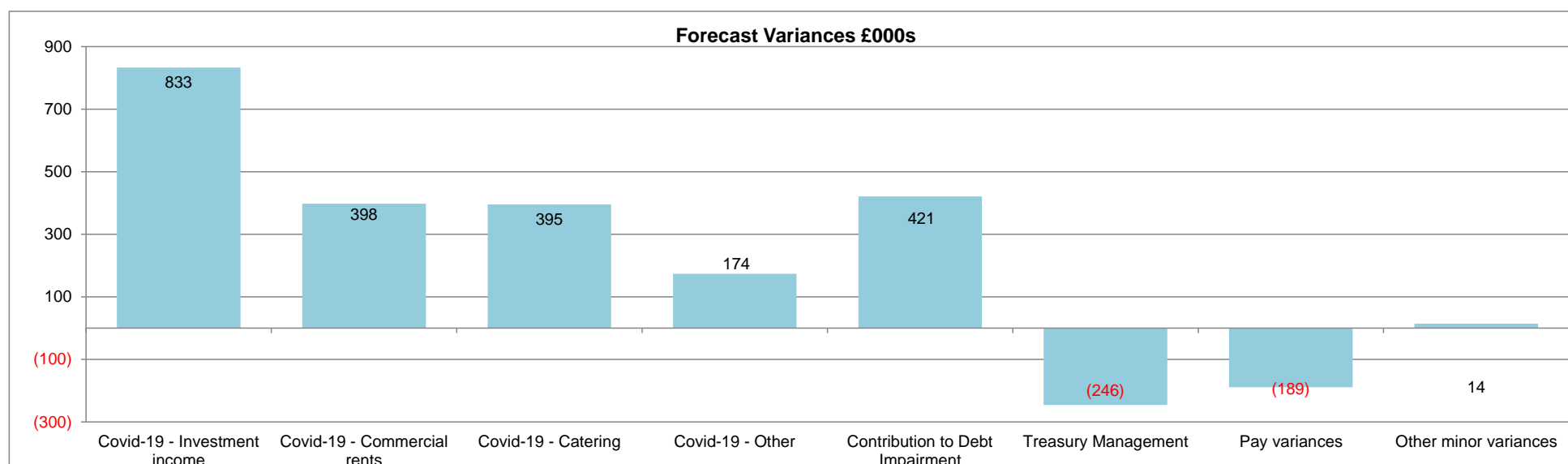


Resources Cabinet Portfolio
Financial Monitoring Position 30 September 2020 (P06)

Appendix A

2020/21 Revenue Position

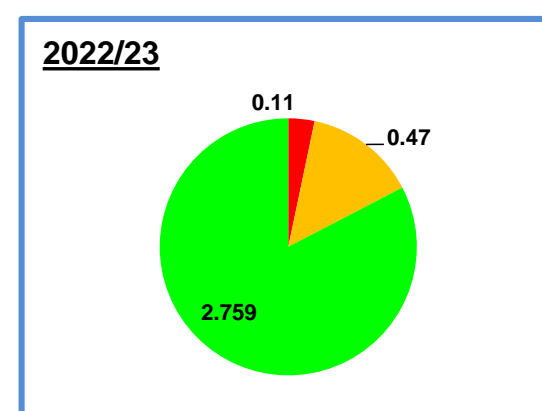
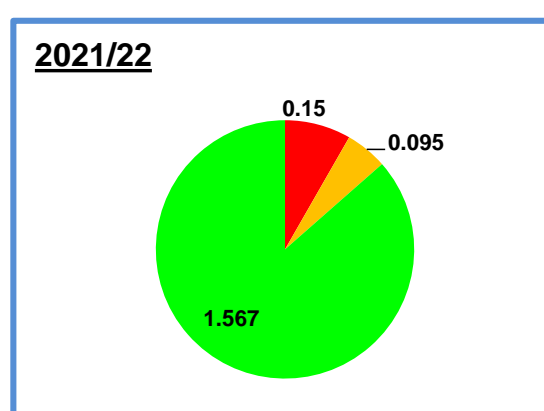
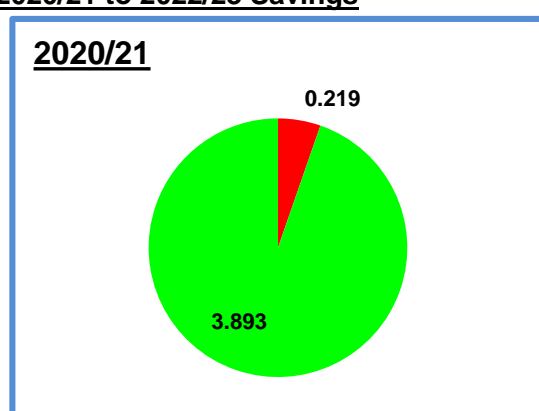
Current Forecast - £1.800m variance against a budget of £27.424m



Explanations for Revenue Variances over £50k

Risk Area	Variance £000s	Comments
Covid-19 - Investment income	833	Allowance for loss of dividend income.
Covid-19 - Commercial rents	398	Estimate of risk against collectable commercial rents.
Covid-19 - Catering	395	Net impact on service of £1,172k, offset by furlough income of £438k and estimated loss of income claim of £339k.
Covid-19 - Other	174	Other Covid-19 related variances.
Contribution to Debt Impairment	421	Potential contribution based on current accounts receivable debt.
Treasury Management	(246)	Savings from a review of financing arrangements across the Council's Debt portfolio.
Pay variances	(189)	Underspends due to vacancy management.
Other minor variances	14	Total of other net minor variances.
Total	1,800	

2020/21 to 2022/23 Savings



2020/21 Capital Position

	Approved Budget £000s	Forecast Outturn £000s	Forecast Variance £000s	Comments
Facilities and Asset Management				
Property Services Programme	4,090	4,090	-	
Corporate ICT				
ICT Agile, Infrastructure & Projects	1,787	1,787	-	
ICT Social Care System	1,083	1,083	-	
ICT Oracle Cloud	1,413	1,413	-	
Other				
Catering	63	50	(13)	Assumes annual budget of £50k sufficient, brought forward sum not required.
Democratic Services - AV Equipment	54	54	-	
Total	8,490	8,477	(13)	

Risks and Opportunities

Area	Current Forecast Details
Treasury Management	A contribution of £2.000 million from the Treasury Management reserve is budgeted to meet 2020/21 MTFS savings. The current forecast for 2020/21 is a surplus of £2.441million, giving a net contribution to reserves of £0.441 million. The increase of £0.309 million from the last reported position is mainly as a result of borrowing contributions being received from a number of service areas.
Business Rates	The current forecast for 2020/21 is an in-year deficit of £4.848m, but the 2019/20 outturn position was £0.499m better than budgeted, resulting in a net adverse variance against the MTFS of £4.349m. In addition the windfall income is now expected to be £4.274m lower than originally forecast. These figures are based on assumptions around potential reliefs and appeals in the current climate and also a delay in anticipated growth. The forecasts will be kept under constant review given the scale of the variances and also the sensitivity of the underlying assumptions. As part of the government's approach to managing the costs associated with Covid-19, local authorities will be able to spread the cost of business rates deficits over a three year period, rather than having to be fully funded in 2021/22. This would reduce the cost of the net projected 2020/21 deficit to be funded in 2021/22 to £1.450m. This will be considered further as part of the update of the MTFS. There may also be a possibility that losses from business rates as a result of Covid-19 may be covered by the government and this forms part of the monthly return to MHCLG.
Council Tax	The current forecast for 2020/21 is an in-year deficit of £1.446m. There is also a lower than budget surplus in 2019/20 of £0.309m, giving an accumulated figure of £1.755m. This is an adverse variance against the MTFS of £2.404m. This is mainly due to a large increase in the cost of CTRS along with an expected increase in the impairment allowance as a result of the temporary halting of recovery action. The increase in CTRS excludes the hardship fund payments (which are outside of the Collection Fund). As with business rates, local authorities can now spread the cost of council tax deficits over three years, which would reduce the cost of the deficit to be funded in 2021/22 to £0.585m. This will be considered further as part of the update to the MTFS, alongside a more detailed assessment of the impact of Covid-19 on the cost of the CTRS.

Reserves

	1st April 2020 £'000s	Forecast (Contributions)/Use			Forecast Balance at 31st March 2023 £'000s	Forecast (Contributions)/Use beyond 2022/23 £'000s	Proposed as part of 2023/24 MTFS £'000s	Forecast Remaining Balance £'000s
		2020/21 £'000s	2021/22 £'000s	2022/23 £'000s				
Service Reserves	(10,927)	1,704	1,445	400	(7,378)	46	0	(7,332)
Corporate/ Technical	(6,261)	623	865	2,258	(2,515)	1,403	750	(362)
Total Resources	(17,188)	2,327	2,310	2,658	(9,893)	1,449	750	(7,694)