

## **SCRUTINY COMMITTEE 12 AUGUST 2020**

### **BUDGET UPDATE**

#### **Cabinet report June 2020**

On 3 June a report was taken to Cabinet on the impact of Coronavirus on the Council's finances. This highlighted the following:

- Overall the total estimated impact was £4.1m.
  
- The objectives in this context are:
  - Maintain core services.
  - Delivery of Council priorities; Special Projects Fund/public realm, local plan, constitutional changes, affordable housing and Climate Change.
  - Ensuring the ongoing financial viability of the Council.
  
- At that point the Council had received two tranches of Government funding; £76,000 and £1.5m.
  
- The remaining shortfall would be funded from Reserves.

#### **Quarter 1 Budget Monitoring**

The Quarter 1 budget monitoring has been completed and will be reported to Cabinet on 23 September and then subsequently to Scrutiny Committee. The key features to highlight are:

- Compared with our initial forecast of £4.1m the monitoring produced a lower figure of £3.5m
  
- The main variances against the initial forecast are:
  - Council Tax and Business Rates income higher than forecast.

- Car parking income lower than forecast as the original estimate assumed the loss was primarily in the first quarter only and now clearly the losses will be for longer.
- The biggest cost pressure is for homelessness and our original estimate of a £500k overspend is confirmed. However there is a strong possibility this will increase as tenancy protections are lifted.
- The Government has also announced further support:
  - Tranche 3 funding of £317,585.
  - New Burdens Funding of £170,000.
  - Support for lost fees & charges. This is still not fully explained.
  - Support for irrecoverable council tax and business rates.

This brings total direct Government support to £2,063,585 and the very provisional estimate on fees & charges is £500,000.

Nick Vickers

Chief Financial Officer

3 August 2020