



# EXECUTIVE

## REMOTE MEETING

Tuesday 8<sup>th</sup> December 2020 at 6.30 pm

### 61. Revenue Budget Monitoring Q2 2020/21

#### PURPOSE

To report the forecast outturn position for the year as at 31 March 2021 based upon actual spending and income to 30 September 2020.

#### REASONS FOR RECOMMENDATION

- (1) To give consideration to the level of revenue spending and income in 2020/21 as part of the effective governance of the Council and to ensure that appropriate management action is taken to ensure a balanced financial position.
- (2) To create a specific Covid-19 reserve to provide budget support around the introduction of any additional restrictions, whether localised or national, which may result in a further loss of income and additional expenditure. The reserve will also ensure funding is available to assist the future recovery programme.
- (3) To reflect the reduced usage of the Service Level Agreement with the Leisure Trust due to the coronavirus pandemic and the majority of their staff being placed on furlough due to the mandated closure of leisure facilities and their heavy involvement in the response work to the pandemic within the borough.

#### DECISION

The Executive resolved to:

- (1) Note the projected revenue budget forecast position of a net overspend of £1.2m (excluding potential collection fund losses). An estimated £1.1m is to be received through the sales, fees and charges income compensation scheme which would reduce the forecast net overspend to £118k, as summarised in Table 1 and detailed in Appendix 1.
- (2) Note that the in-year collection fund losses will not impact on the current financial year, but will be spread over the next three financial years (2021/24) in line with the Government's proposed change to legislation. Burnley's share of the current in year collection fund loss is estimated at £1.2m.
- (3) Note that Officers are continuing to work on a number of options to mitigate the potential financial impact and bring forward options for decision as appropriate.
- (4) Note that the Council, along with other District Council's and industry groups continue to lobby Central Government for additional funding. The Executive is also asked to seek approval from Full Council for:
- (5) The latest revised net budget of £15.693m as shown in Table 1,
- (6) The transfer of the unallocated Tranche 4 Government funding of £0.86m into a newly created Covid-19 Reserve that can be called upon when required and to delegate authority on the use of the reserve to the Head of Finance and Property and the Executive Member for Resources.

- (7) The proposal to waive the current year Service Level Agreement charge to Burnley Leisure of £257k, and
- (8) The net transfers to earmarked reserves of £1.217m as shown in Appendix 2.