

From: Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford
Corporate Director Finance, Zena Cooke

To: Cabinet, 3 March 2022

Subject: Revenue and Capital Budget Monitoring Report – December 2021-22

Classification: Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring position as at December 2021-22 excluding and including the impact of Covid-19.

Recommendation(s):

Cabinet is asked to:

- a) NOTE the forecast Revenue monitoring position and endorse the need to continue taking urgent action to balance the budget by the year end.
- b) NOTE the forecast Capital monitoring position and the development of the 10-year capital programme to address the level of slippage in the programme.
- c) NOTE the way we are monitoring the financial impact of Covid-19
- d) NOTE and AGREE the Capital budget adjustment.
- e) NOTE the Prudential Indicators report.
- f) NOTE the Reserves monitoring position.

1. Introduction

- 1.1 The December 2021-22 budget monitoring report being presented is the third monitoring position for 2021-22 and sets out the revenue and capital forecast position including the financial information related to the impact of Covid 19 on our resources.

2 Revenue and Capital Budget Monitoring Report – December 2021-22

- 2.1 The attached report sets out the overall forecast position as at 31 December 2021-22, which excluding Covid-19 for revenue is an overspend of +£13.9m which is a decrease of £4.7m compared to the previous reported overspend of +£18.6m. The decrease is mainly due to a £4.6m underspend now being forecast by Growth, Environment and Transport directorate most significantly in the Highways, Transport & Waste division which primarily relates to staff vacancies, additional income and favourable recycling prices. There is an underspend on capital of -£144.3m.
- 2.2 The reported COVID-19 position shows forecast spend of £36.7m. There are corporately held COVID budgets of £16.1m and the remainder of the spend is to be met from the emergency COVID reserve, resulting in us currently showing the

position as breakeven. Without the additional government funding our forecast outturn would be £36.7m higher.

- 2.2 Whilst the projected out-turn position has improved in the last quarter, continued action to address the current £13.9m overspend is critical to ensure we achieve a balanced budget by the year end. Any overspend at the year end will need to be funded from reserves and will put pressure on the 2022-23 revenue budget.
- 2.3 The level of slippage in the Capital programme has increased by £21m since the last monitoring report. The development of a 10 year programme from 2022-23 together with a new capital monitoring and reporting IT solution should ensure capital programme budgets and delivery are more realistic.

3. Recommendation(s)

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- c) NOTE the way we are monitoring the financial impact of Covid-19
- d) NOTE and AGREE the Capital budget adjustments.
- e) NOTE the Prudential Indicators report.
- f) NOTE the Reserves monitoring position.

4. Contact details

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