

**Report for:** Overview & Scrutiny Committee 7 October 2021

**Title:** 2021/22 Finance Update Quarter 1 (Period 3)

**Report authorised by :** Thomas Skeen, AD Finance

**Lead Officer:** Frances Palopoli

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:**

## **1. Describe the issue under consideration**

- 1.1 The 2021-22 Qtr 1 Finance Update report presented to Cabinet on 14 September 2021 (attached as Appendix 1) sets out the forecast financial position for the Council as at Qtr1. It focuses on the significant budget variances including best estimates of the ongoing impact of the C19 pandemic on the Council's agreed financial plans.
- 1.2 The report confirmed that the forecast £13.9m C19 pressure is still assumed to be covered by government grants including the £9.1m unringfenced grant, Containt Outbreak Management Fund and the Sales, Fees & Charges compensation scheme. Continuing to monitor the financial impact of the pandemic separately will ensure that a close check can be kept on this.
- 1.3 The report does also highlight the impact of the pandemic on both Council Tax and Business Rates collection rates which are both below pre-pandemic levels. Lower collection rates were assumed in the 2021/22 Budget/MTFS and bad debt provisions were increased however, again this is an area that needs to monitored closely.
- 1.4 At Qtr1 there is also £5.2m non-C19 related budget pressure forecast which is predominately within the People priorities. Directors have been tasked with looking urgently for mitigations to reduce these forecasts down.
- 1.5 The forecast overspend on the DSG (£6.6m) continues at a similar rate to prior year. The Council is producing a DSG Management Plan which will be coproduced with various stakeholders, and shared with the DFE and which will detail the various actions the Council is taking to manage the level of DSG overspend.

## **2. Recommendations**

- 2.1 The Overview and Scrutiny Committee are recommended to:
  - 2.1.1 Note the financial forecasts provided at Qtr1 and the assumptions surrounding them.

- 2.1.2 Note that Directors are seeking actions to bring the current non-C19 forecasts down.
- 2.1.3 Note that statutory comments are included in the original report to Cabinet.