

**5b REFERRAL FROM FINANCE, AUDIT AND RISK COMMITTEE: 7 SEPTEMBER 2020 – FIRST QUARTER REVENUE MONITORING 2020/21**

**RECOMMENDED TO CABINET:**

- (1) That the report entitled First Quarter Revenue Monitoring 2020/21 be noted;
- (2) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £1.468million increase in net expenditure, be approved;
- (3) That the changes to the 2021/22 General Fund budget, as identified in table 3 and paragraph 8.2, a total £186k increase in net expenditure, be noted. These will be incorporated in the draft revenue budget for 2021/22;
- (4) That the write-off of debtor invoices totalling £17,442.64 raised to Hitchin Markets Limited, as explained in paragraphs 8.3 and 8.4, be approved.

**REASON FOR DECISIONS:** Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

The Service Director – Resources presented the report entitled First Quarter Revenue Monitoring 2020/21, including:

- The table at Paragraph 8.1 on page 81 within the report and advised that Service Managers were responsible for monitoring their expenditure and income against their working budget. Table 3 highlighted areas where there were forecast to be differences;
- The Financial Impact of Covid-19 Report brought before Members in July 2020 was intended to illustrate a realistic bad case impact. However, despite this, the outcome showed that an Emergency Budget would not need to be set as the Council's reserves were sufficient;
- This report took a less severe approach as it reflected what had happened thus far;
- Further information was provided in relation to the income guarantee as detailed at Paragraph 8.16 on page 90 of the report and advised that the Council was able to decide the income streams to apply it to. The Income Guarantee only related to sales, fees and charges impacted by a reduction in demand;
- Two areas not covered by the income guarantee were the garden waste service and income from recycled materials;
- The latest forecast at the end of August showed that the income recovery was better than forecasted; and
- The Service Director – Resources drew Members' attention to Paragraphs 8.3 and 8.4 on page 87 within the report.

The following Members asked questions:

- Councillor Sam Collins.

In response to questions, Councillor Ian Albert, as Executive Member for Finance and IT, advised as follows:

- A lot of the Government's estimates were predicated on the notion that the situation could only improve. However, this may not be the case;

- A number of things were being looked at including a budget challenge group and working closely with the Local Government Association in order to continue to lobby the Government as Local Authorities were running short of money;
- The Council's financial position was better than that of a lot of other Councils;
- There was no need currently for an emergency budget; and
- Another Lockdown could have a serious impact on the Council's finances.

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*NB: The report considered by Finance, Audit and Risk Committee at the meeting held on 7 September 2020 can be viewed here:*

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=146&MId=2454&Ver=4>