

Report to: **Hub Committee**

Date: **8<sup>th</sup> December 2020**

Title: **Month 7 Revenue Budget Monitoring  
2020/2021 (to the end of October 2020)**

Portfolio Area: **Performance & Resources – Cllr C Edmonds**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N/A**

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**Recommendations:** That the Hub Committee resolves to:-

- i) Note the significant forecast income and expenditure variations for the 2020/21 financial year and **the overall projected underspend of £90,000** (1.2% of the total annual Budget of £7.713 million).
- ii) Note the loss of income streams already experienced by the Council from April 2020 to October 2020 of £0.712 million in total as shown in Section 6 of the report.
- iii) Recommend to Council to transfer £220,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22, as set out in 1.8.
- iv) Recommend to Council to fund £30,000 of audio-visual equipment for the Tavistock Guildhall Heritage project and to finance this from the Business Rates Retention Earmarked Reserve, as set out in Section 7.

## 1. Executive summary

- 1.1 Covid 19 has caused financial strain for all Councils up and down the country where Councils find themselves being caught in a 'perfect storm'. Councils have to manage both the increased costs of coping with Covid19 and supporting vulnerable people in the community and the loss of key income streams such as car parking income and council tax income.
- 1.2 The factors affecting the Council's finances are issues affecting the whole Local Government sector. The Council is well-placed to meet the financial challenges arising from Covid19, due to its prudent financial management over previous years.
- 1.3 This report enables Members to monitor income and expenditure variations against the approved budget for 2020/21, and provides a forecast for the year end position.
- 1.4 The gross service expenditure budget for 2020/21 was set at £23 million (£7.713 million net). **The report identifies a projected underspend of £90,000 which is 1.2% of the overall budget set for 2020/21 of £7.713 million.**
- 1.5 This position is after taking into account the £0.826 million Government grant received for Covid-19 and the estimated £0.449 million Government funding that the Council is anticipating towards income losses on sales, fees and charges. This position is also after factoring in the one-off funding sources of £501,000, which were approved by Council on 22<sup>nd</sup> September 2020 for the Amended Budget for 2020-21.
- 1.6 The Council's level of Unearmarked Reserves currently stands at £1.086 million. The underspend reported in this report of £90,000 would be added to Unearmarked Reserves, giving a year end balance of £1.176 million. As part of the Medium Term Financial Strategy, Members have set a minimum balance for Unearmarked Reserves of £900,000.
- 1.7 The loss of income streams already experienced by the Council from April 2020 to October 2020 total £0.712 million, as shown in Section 6 of the report.
- 1.8 It is recommended to transfer £220,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22. The £220,000 is made up of the historic bank reconciliation adjustment of £69,000 and the 4<sup>th</sup> tranche of Government COVID funding received of £151,000. This will provide some funding in 2021-22, should the Council still be experiencing losses in income from COVID. The £90,000 underspend predicted in this report is the position after factoring in the transfer of £220,000 into a COVID Earmarked Reserve.

1.9 It is also recommended to Council to fund £30,000 of audio-visual equipment for the Tavistock Guildhall Heritage project and to finance this from the Business Rates Retention Earmarked Reserve.

## **2. Background**

### **2.1 Regional and national context**

2.2 The previous budget monitoring position for the end of June was reported to the Hub Committee on 28<sup>th</sup> July 2020. This report contained details on the joint lobbying with 'Team Devon' regarding the Coronavirus pandemic and its impact on the Councils' finances across Devon Councils. Local Government is a frontline service and we want to ensure our voice is heard in the calls for financial support.

2.3 On 2<sup>nd</sup> July, the Rt Hon Robert Jenrick MP announced a new comprehensive package of support for Councils, to address spending pressures and losses in income streams. There were three central pillars of support announced:-

- A new scheme to compensate Councils for losses of income, though not in their entirety (an 'income guarantee' scheme)
- An extra £500million to cover extra COVID19 expenditure costs
- To allow council tax and business rate losses in income to be repaid over the next 3 years of budget cycles, instead of just the next one year

2.4 The Government will compensate Councils for their income losses above the first 5% of their budgeted income from sales, fees and charges. Income losses above the first 5% will be compensated by the Government paying for 75 pence in every pound of the losses thereafter. This has been estimated at £449,000 for the Council for 2020-21, based on the income shortfalls to date. The first claim for £241,000 has already been paid by the Government. In the Spending Review announced on 25<sup>th</sup> November 2020, the Chancellor confirmed that the sales, fees and charges income compensation scheme will be extended to cover the first three months of 2021-22.

2.5 This Budget Monitoring report also excludes the impact of reductions in income from Business Rates and Council Tax as these do not affect the General Fund in 2020/21 (apart from the pooling gain). This is further explained in Section 6.

2.6 The Chancellor announced a Tax Income Guarantee Scheme for 2020-21 as part of the Spending Review 2020. The new reimbursement scheme, worth £762m nationally for 2020-21 local tax losses, will be launched to compensate Councils for 75% of irrecoverable losses of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. This will be paid through an unringfenced grant. Further details are awaited.

## 2.7 Financial Monitoring arrangements

2.8 The Council's financial procedure rules require that reports must be made on budget monitoring on a regular basis to the Hub Committee as part of the Council's arrangements for budget management. Revenue budget monitoring reports are normally brought to the Hub Committee on a quarterly basis. However due to the current Covid 19 pandemic and the subsequent financial pressures facing Local Authorities, it was felt more prudent to update the Hub Committee on a more regular basis.

## 3. Outcomes/outputs

3.1 **Budget overview** - Table 1 below provides an analysis of the projected variances against budget. The report is 'high level' at this early stage of the year and does not include any in-depth monitoring of the salaries budgets within each area or some of the smaller areas of expenditure. This will be done for the Quarter 2 Budget Monitoring report.

**TABLE 1: 2020/21 BUDGET FORECAST**

	2020/21 Budget expenditure /(income)	Budget variations		£000	Note
		%	£000		
	£000			£000	
<b>APPROVED BUDGET 20/21 (Amended Budget £7.713m)</b>				<b>7,212</b>	
<b>Reductions in expenditure/additional income</b>					
<b>Customer Service &amp; Delivery</b>					
COVID-19 Government grant support (the Council's share of £1.6bn allocation – 1 <sup>st</sup> , 2 <sup>nd</sup> and fourth tranche of COVID funding)	-	-	(736)		A
Savings on staff and Member travel and expenses	91	50%	(45)		B
Historic bank reconciliation adjustment	-	-	(69)		C
<b>Governance &amp; Assurance</b>					
Garden Waste income	(205)	20%	(40)		D
<b>Strategic Finance</b>					
Non-Distributed Costs – Pensions Employer Contributions (secondary rate)	430	19%	(80)		E
<b>Sub total of variations</b>				<b>(970)</b>	

	<b>2020/21 Budget expenditure /(income)</b>	<b>Budget variations</b>			<b>Note</b>
<b>Increases in expenditure/reductions in income</b>					
<b>Customer Service &amp; Delivery</b>					
COVID-19 expenditure	n/a	n/a	180		F
Homelessness - reimbursement of expenditure	(144)	10%	15		G
Investment income	(105)	67%	70		H
Licensing income	(114)	13%	15		I
Land Charges income	(95)	11%	10		J
Council Tax Collection income	(102)	54%	55		K
Housing Benefit overpayment recoveries	(135)	85%	115		L
<b>Place and Enterprise</b>					
Car parking income - assumes actual losses in April to Oct and 40% drop from Dec onwards	(1,147)	54%	620		M
Commercial Property Investment net income	(1,099)	15%	165		N
Employment Estates income	(328)	15%	50		O
Planning income	(402)	10%	40		P
<b>Other Comprehensive Income &amp; Expenditure</b>					
Business Rates Pooling gain	(135)	100%	135		Q
Provision for Bad and Doubtful Debts	n/a	n/a	140		R
<b>Sub total of variations</b>				<b>1,610</b>	
<b>PROJECTED OUTTURN</b>				<b>7,852</b>	
Government grant funding anticipated from the income guarantee scheme for sales, fees and charges				<b>(449)</b>	S
<b>Recommendation 3: Transfer to a COVID Earmarked Reserve:</b> (Fourth tranche of COVID funding of £151K and bank reconciliation adj of £69K)				<b>220</b>	T
<b>Amended Budget 2020/21 financing sources</b> (includes the third tranche of Government COVID funding of £90K)				<b>(501)</b>	U
<b>Sub-total</b>				<b>7,122</b>	
<b>PROJECTED UNDERSPEND FOR 2020-21</b>				<b>(90)</b>	

***There is projected to be an overall surplus of £90,000 when compared against the total net revenue budget set for 2020/21***

This position is after taking into account the £0.826 million Government grant received for Covid-19 and the estimated £0.449 million Government funding that the Council is anticipating towards income losses on sales, fees and charges.

**Notes**

- A COVID-19 grant support** – The Council has received nearly £826,000 of Government grant support for the Covid19 pandemic from four tranches of Government funding. This will assist the Council to partly meet its projected loss of income streams but it is only part of the solution.
- B Savings on staff and Member travel and expenses** – due to Covid 19 it is currently anticipated that a saving of up to £45,000 could be achieved in 2020/21. These savings are due to staff and Members working from home in accordance with Government guidance.
- C Historic bank reconciliation adjustment** – There is an historical difference of £69,000 on the bank reconciliation. This results from an historic reconciling item arising from a change in software systems that should have been written off in previous years. This was reported to the Audit Committee on 13th October 2020 as part of the audit of the Accounts for 2019/20. This difference will be written off in 2020/21.
- D Garden Waste income** – this income target is expected to be exceeded in 2020/21 by £40,000.
- E Non-Distributed Costs (Pensions Employer Contributions – secondary rate)** – There is an £80,000 saving on the cash amount paid to Devon County Council for pensions employer contributions. This is an annual saving until April 2023. This is based on a 17 year deficit recovery period and the results of the last actuarial valuation in 2019. An amount of £325,000 is payable in 2020-21, rising to £350,000 by 2022-23. This payment for the secondary rate is in addition to a 14.8% primary rate set for the three years from 1<sup>st</sup> April 2020 to 30 March 2023.
- F COVID-19 expenditure** – one-off items of direct Covid 19 expenditure such as extra housing costs, ICT, waste collection and remote working and shielding costs.
- G Homelessness** – homelessness reimbursement of expenditure is currently forecast to be reduced by 10% (£15,000) due to Covid 19.

- H Investment income** – due to the historic low in interest rates (base rates are 0.1%), investment income is currently anticipated to be 67% down which equates to a shortfall of £70,000. Further options for fixed term deposits will continue to be explored with the Council's treasury management advisers.
- I Licensing income** – due to Covid-19 it is currently anticipated that licensing income could be reduced by 13% (£15,000) in 2020/21.
- J Land Charges income** – based on income to date a shortfall of 11% in land charges income is currently forecast for 2020/21 which equates to £10,000.
- K Council Tax Collection income** – summons costs recovered in respect of Council Tax and Business Rates are currently anticipated to be 54% down on the 2020/21 budget.
- L Housing Benefit overpayment recoveries** – it is unlikely that the majority of this income target (£115,000) will be achieved in 2020/21 as we expect to see fewer overpayments being created due to the introduction of DWP Real Time Information referrals. There is also an expectation that recovery will reduce year on year as collection becomes more difficult. This is partly due to Covid 19 but also reflects the outturn position for 2019/20 where this income target has not been achieved in full. The income target needs to be reduced to Nil for 2021/22 and reflected within the Medium Term Financial Strategy.
- M Car parking income** – The prediction for the year (a £620,000 reduction in income) includes the actual losses in car parking income for the first seven months and an assumption of a 90% drop in November followed by an on-going 40% drop in income levels from 1<sup>st</sup> December 2020 for the rest of the year. This would equate to an overall 54% reduction in the budgeted income for the year of £1.147 million. The actual shortfall in income from April to October is £397,000. This position will be monitored on a monthly basis.
- N Commercial Property Investment gross income** – Income from Investment properties could be impacted by tenants' ability to pay during the Covid19 pandemic. A reduction of 15% (165,000) has been modelled across the Investment property portfolio as a ballpark estimate. This is in line with estimates being made in other Councils. It is early in the year to be able to firm up this figure but this is envisaged to be a worse case scenario. A monitoring and update report on the Commercial Property Investment portfolio was presented to the Audit Committee on 21<sup>st</sup> July 2020. This report detailed the rental income position on the portfolio to the end of June.

- O Employment Estates income** – Income from Employment Estates properties could be impacted by tenants’ ability to pay during the Covid19 pandemic. A reduction of 15% (£50,000) has been modelled across the Employment Estates property portfolio as a ballpark estimate. This is in line with estimates being made in other Councils. It is still early in the year to be able to firm up this figure but this is envisaged to be a worse case scenario.
- P Planning Income** – Actual Planning Income is predicted to be £40,000 under the income target of £402,000 in 2020-21, mainly due to COVID.
- Q Business Rates Pooling Gain** – due to Covid 19 it is anticipated that there will be no Business Rates Pooling Gain in 2020/21. The S151 Officer and the Business Rates Specialist will continue to attend the Devon Business Rates Pooling meetings and provide quarterly monitoring information on the business rates position. A worst case scenario of no pooling gain has been modelled in this report.
- R Provision for Bad and Doubtful Debts** – A provision for bad and doubtful debts of £140,000 has been estimated for 2020/21. This provision will cover debts such as Sundry Debtors but will exclude bad debt provisions for Council Tax and Business Rates income streams.
- S Government Grant Funding for Income Losses** – on 2 July, the Rt Hon Robert Jenrick MP announced a new scheme to compensate Councils for losses of sales, fees and charges income, though not in their entirety. The Government will compensate Councils for their income losses above the first 5% of their budgeted income from sales, fees and charges. Income losses above the first 5% will be compensated by the Government paying for 75 pence in every pound of the losses thereafter. This has been estimated at £449,000 for the Council for 2020-21, based on the income shortfalls to date. The first claim for £241,000 has already been paid by the Government.
- T Transfer to Earmarked Reserves** – It is recommended to transfer £220,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22. The £220,000 is made up of the historic bank reconciliation adjustment of £69,000 and the 4<sup>th</sup> tranche of Government COVID funding received of £151,000. This will provide some funding in 2021-22, should the Council still be experiencing losses in income from COVID.

**U Amended Budget 2020/21** – The Council set an Amended Budget in 2020/21 on 22<sup>nd</sup> September 2020. The one-off funding sources identified totalled £501,000. This was £89,000 from the 3<sup>rd</sup> tranche of COVID funding and £130,000 from administering the Business Rates Grants. There was an underspend of £133,000 on closing the Statement of Accounts for 2019-20. In addition it was agreed to utilise £69,000 of funding from uncommitted New Homes Bonus (NHB) in 2020-21 and to also reduce the capital budget for the remedial works to the Tavistock Viaduct by £80,000 (this was funded by NHB).

#### **4. Review of Earmarked Reserves**

- 4.1 The Council annually undertakes a review of the level of its Earmarked Reserves as part of the budget setting process. Budgeted contributions to and from Earmarked Reserves as part of the 2021/22 Budget will also be assessed.
- 4.2 A schedule of Earmarked Reserves is attached at Appendix A, which shows Earmarked Reserves have a projected balance of £3.436 million at 31.3.2021 currently.
- 4.3 The Council's level of Unearmarked Reserves currently stands at £1.086 million. The underspend reported in this report of £90,000 would be added to Unearmarked Reserves, giving a year end balance of £1.176 million.
- 4.4 As part of the Medium Term Financial Strategy, Members have set a minimum balance for Unearmarked Reserves of £900,000.

#### **5. Prudential Indicators**

- 5.1 The prudential code indicators were approved in the Capital, Investment and Treasury Management Strategy report to Council on 28<sup>th</sup> April 2020.
- 5.2 The indicators are monitored during the year through the normal revenue and capital monitoring processes. All Treasury Management limits have been adhered to.

## 6. Income and Reserves

Income monitoring is an integral part of financial management. Below shows the current income shortfalls already experienced from April to October 2020 (**which total £712,000**). The table also shows the latest 2020/21 projections for the major streams of income.

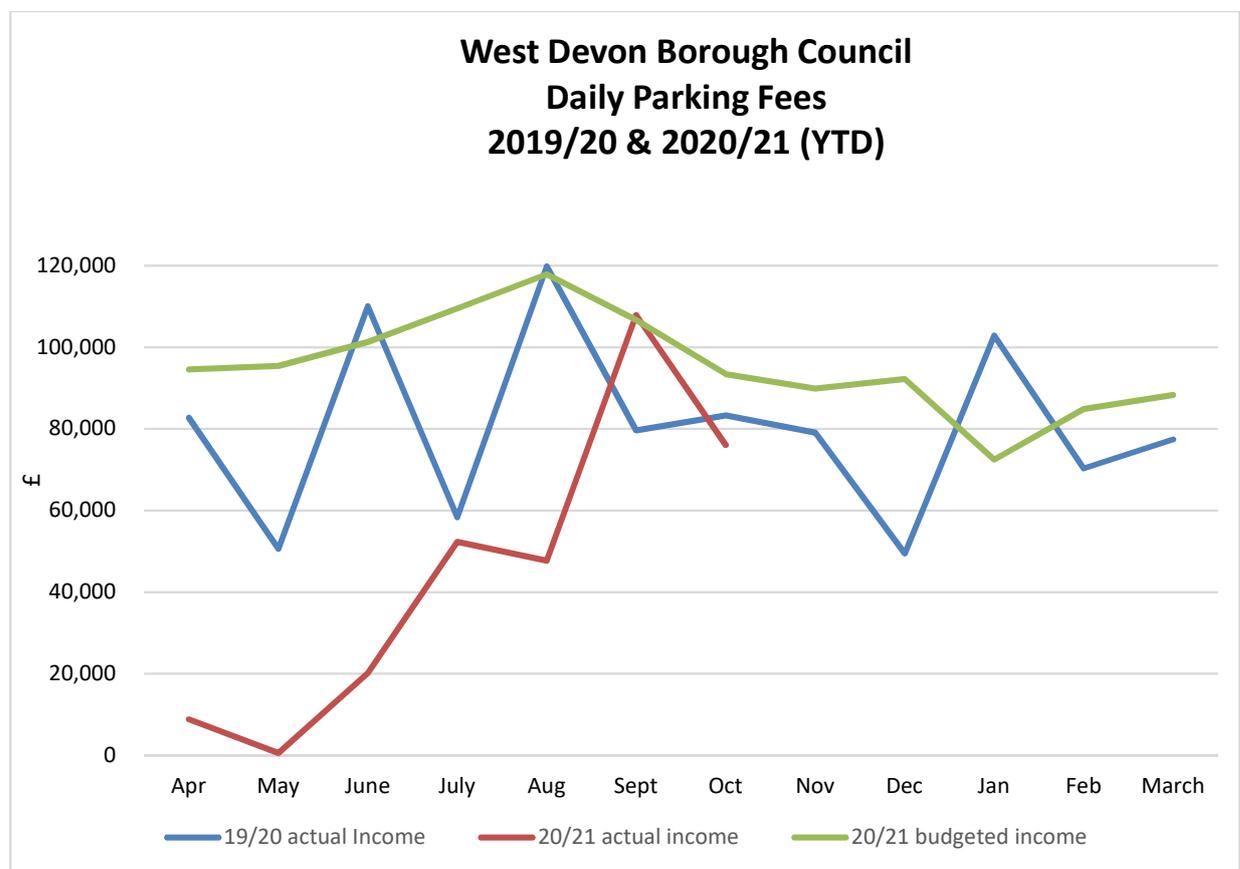
Service	Income Shortfall			Projected Income 2020/21 £'000	Income Budget 2020/21 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
	April - June 2020 £'000	July - Sept 2020 £'000	Oct 2020 £'000				
Car Parks*	254	126	17	527	1,147	620	54%
Planning	(26)	17	12	362	402	40	10%
Commercial Property *	41	41	14	934	1,099	165	15%
Employment Estates*	12	12	4	278	328	50	15%
Garden Waste	-	(12)	(4)	245	205	(40)	(20%)
Trade Waste*	-	-	-	15	15	-	-
Waste & Recycling	-	-	-	280	280	-	-
Kilworthy Park*	-	-	-	141	141	-	-
Homelessness	4	4	1	129	144	15	10%
Business Rates Pooling Gain	33	33	11	-	135	135	100%
Investment income	19	18	8	35	105	70	67%
Licensing*	21	(10)	(4)	99	114	15	13%
Land Charges	12	(5)	(4)	85	95	10	11%
Council Tax Collection	14	14	5	47	102	55	54%
Housing Benefit overpayments	10	10	10	20	135	115	85%
<b>TOTAL</b>	<b>394</b>	<b>248</b>	<b>70</b>	<b>3,197</b>	<b>4,447</b>	<b>1,250</b>	

**Note\*** N.B. It is difficult to gauge an exact income position for these services as some of the income is raised via sundry debtors. As soon as the sundry debtor invoice is raised the income is credited to the ledger in line with proper accounting practice. For these services a best judgement has been made at this stage in terms of how much debt is likely to remain unpaid. All invoices raised in excess of £5,000 have been looked at in detail to see if they have been settled as at 30<sup>th</sup> October 2020.

## Car Parking Income

The graph below shows car parking income to the end of October 2020. Income from car parking has been significantly below that of the previous year (2019) and below that of the budgeted income, due to the COVID19 pandemic.

The prediction for the year (a £620,000 reduction in income) includes the actual losses in car parking income for the first seven months and an assumption of a 90% drop in November followed by an on-going 40% drop in income levels from 1<sup>st</sup> December 2020 for the rest of the year. This would equate to an overall 54% reduction in the budgeted income for the year of £1.147 million. The actual shortfall in income from April to October is £397,000. This position will be monitored on a monthly basis.



## Council Tax and Business Rates Income

Reductions in Council Tax and Business Rates income are excluded from this report, as these do not affect the General Fund in 2020/21, due to the way the accounting for these income streams go through the Collection Fund. Therefore a large part of the reductions in income will affect the Council's financial position in 2021/22, although it does affect the cashflow position of the Council in 2020/21.

Reductions in the collection rate for Council Tax and Business Rates will be reflected within the Collection Fund accounting. No pooling gain for Business Rates has been assumed for 2020/21.

On 25<sup>th</sup> November 2020, the Chancellor announced a Tax Income Guarantee Scheme for 2020-21 as part of the Spending Review 2020. The new reimbursement scheme, worth £762m nationally for 2020-21 local tax losses, will be launched to compensate Councils for 75% of irrecoverable losses of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. This will be paid through an unringfenced grant.

## **7. Tavistock Guildhall Heritage project – Audio-visual equipment**

- 7.1 It is recommended to Council to fund £30,000 of audio-visual equipment for the Tavistock Guildhall Heritage project and to finance this from the Business Rates Retention Earmarked Reserve. Tavistock Town Council is the accountable body for the project and the £30,000 would be a partnership contribution to the project.
- 7.2 The Tavistock Guildhall Heritage project is *critical to positioning Tavistock as a destination*. Tavistock is the eastern gateway and 'urban jewel' of the Cornwall and West Devon Mining Landscape World Heritage Site. At its heart is the Victorian Guildhall (built in 1848), which contains one of the earliest examples in the country of a purpose-built combined courtroom and police station.
- 7.3 The Guildhall exemplifies how the Dukes of Bedford used their mineral wealth to create an outstanding example of a planned metal mining town with magnificent public buildings.
- 7.4 Put at its simplest, the project aims to conserve and repair a group of Grade 2\* Listed Buildings that has been identified as being 'At Risk' and to secure its viable long-term use.
- 7.5 However, that prosaic description belies the project's true significance to the future of Tavistock's Town Centre. It will be one of the central planks in the strategy for the Town Centre's recovery and for the promotion of the town throughout the country and internationally.
- 7.6 Equally important is the role that these buildings and spaces will play in creating a visitor experience that will support the promotion of Tavistock's heritage to the wider world. Thus, the project is a key part of West Devon Borough Council's Conservation Area Improvement programme and the recovery plan for the town centre.
- 7.7 The Guildhall will, thus, be an all-year-round centre of excellence attracting over 30,000 visitors each year.

- 7.8 These facilities will be managed by the newly formed Tavistock Heritage Trust, who will deliver a diverse but coordinated programme of experiential learning events and volunteering which will enable more people to visit the town and engage with its heritage.
- 7.9 **The Audio Visual installation** - Through interactive displays, users will learn about Tavistock's international architectural and historical significance and will be stimulated to explore the town and nearby heritage sites either on their own or by participating in one of the activities provided by the Gateway Centre staff and volunteers.
- 7.10 In addition, the Guildhall will be available for community use outside of public opening hours, for example, for talks, guided tours, lectures and performances.
- 7.11 Experience from similar complexes throughout the country indicates that the quality of the visitor experience is the key to the project's success and that the availability of high-quality audio-visual and IT facilities is central to that experience.

## **8. Management Actions**

- 8.1 It is best practice as part of Budget Monitoring reports, for the Council to state whether there are any corrective actions that need to be taken for the variances identified in the report.
- 8.2 The Recovery and Renewal Plan, as the Council's response to Covid19, sets out Financial Stability as a Recovery and Renewal Theme.
- 8.3 The management actions for this Budget Monitoring report are as set out below:-
- To complete monthly Government returns on COVID costs and loss of income
  - To continue lobbying with 'Team Devon' for further Government financial support in light of the impact of Covid 19
  - Monthly budget monitoring reports, to including monitoring reserves
  - A review of statutory versus discretionary expenditure
  - A continual review of the Council's Capital Programme
  - A comprehensive review of all Earmarked Reserves and contributions to Earmarked Reserves
  - The Medium Term Financial Strategy has been revised in October
  - To lobby Government for a change in some of the 'rules' for Councils (such as to change the accounting rules for capital repayments on borrowing and capital receipts flexibility)
  - To lobby for fair funding for rural Councils
  - Assess options for further investment

## 9. Options available and consideration of risk

9.1 At this early stage it is important to note that these forecasts can change over the course of the year. Managers can seek out opportunities to reduce any budget shortfalls, whilst considering the risk of any adverse impact on the customer experience.

## 10. Proposed Way Forward

10.1 Revenue budget monitoring will continue on a regular basis and further reports will be brought to the Hub Committee during the current Covid 19 situation.

## 11. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Statutory Powers that apply to this report are the Local Government Act 1972 Section 151 and the Local Government Act 2003 Section 28.
Financial implications to include reference to value for money	Y	<p>The report identifies a <b>projected underspend of £90,000 which is 1.2% of the overall budget set for 2020/21 of £7.713 million.</b></p> <p>This position is after taking into account the £0.826 million Government grant received for Covid-19 and the estimated £0.449 million Government funding that the Council is anticipating towards income losses on sales, fees and charges. This position is also after factoring in the one-off funding sources of £501,000, which were approved by Council on 22<sup>nd</sup> September 2020 for the Amended Budget for 2020-21.</p> <p>The loss of income streams already experienced by the Council from April 2020 to October 2020 total £0.712 million, as shown in Section 6 of the report.</p> <p>It is recommended to transfer £220,000 into a COVID Earmarked Reserve, to protect against future COVID losses in 2021-22. The £220,000 is made up of the historic bank reconciliation adjustment of £69,000 and the 4<sup>th</sup> tranche of Government COVID funding received of £151,000. This will provide some funding in 2021-22, should the Council still be experiencing losses in income from COVID. The £90,000 underspend predicted in this report is the position after factoring in the transfer of £220,000 into a COVID Earmarked Reserve.</p>

		It is also recommended to Council to fund £30,000 of audio-visual equipment for the Tavistock Guildhall Heritage project and to finance this from the Business Rates Retention Earmarked Reserve. As set out in Appendix A, the Business Rates Retention Earmarked Reserve would have a remaining balance of £554,000 at 31.3.2021.
Risk	Y	<p>1) <b>Budget variances</b> – continual <b>monthly</b> budget monitoring at all levels within the Council ensures early identification of variances. Reporting to the Hub Committee provides an opportunity for Members to identify and instigate remedial action where appropriate.</p> <p>2) <b>Resource Planning</b> – the Hub Committee takes into account any significant issues when developing the Council’s Medium Term Financial Strategy. These are identified in the Management Actions section of the report (Section 7).</p>
Supporting Corporate Strategy		The budget monitoring process supports all six of the Corporate Strategy Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
<i>Comprehensive Impact Assessment Implications</i>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

### **Supporting Information**

Appendix A – Schedule of Reserves (Earmarked Reserves and Unearmarked Reserves)

**Background Papers:**

Council – 22<sup>nd</sup> September 2020 – Amended Budget 2020-21

Hub Committee – 28 July 2020 – Month 3 Revenue Budget Monitoring 2020/2021

Hub Committee – 30 June 2020 - Month 1 and 2 Revenue Budget Monitoring 2020/2021

Finance Community of Practice budget monitoring working papers.

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/A</b>