



<b>REPORT TO:</b>	COUNCIL
<b>DATE:</b>	11 <sup>th</sup> APRIL 2022
<b>SUBJECT:</b>	QUARTER 3 FINANCE REPORT 2021/22
<b>PURPOSE:</b>	TO APPROVE RECOMMENDATIONS FROM CABINET 30 <sup>TH</sup> MARCH 2022
<b>KEY DECISION:</b>	NO
<b>PORTFOLIO HOLDER:</b>	COUNCILLOR NOBLE
<b>REPORT OF:</b>	CHRISTINE MARSHALL, DEPUTY CHIEF EXECUTIVE CORPORATE DEVELOPMENT
<b>REPORT AUTHOR:</b>	SAMANTHA KNOWLES, ASSISTANT DIRECTOR FINANCE
<b>WARD(S) AFFECTED:</b>	ALL
<b>EXEMPT REPORT?</b>	NO

#### **SUMMARY**

The quarter three finance report for 2021/22 was considered by Cabinet on 30<sup>th</sup> March 2022. Within the report a recommendation to Council was made, which was to utilise the COVID Budget Pressures Smoothing Reserve to offset income pressures the Council is experiencing within the year.

#### **RECOMMENDATIONS**

- I. That Council approves that £729,000 of the COVID Budget Pressures Smoothing reserve is used to offset income pressures being experienced during the year, these relate to Car Parking, Leisure, Markets and Investment Returns.

#### **REASONS FOR RECOMMENDATIONS**

To enact recommendations made at Cabinet on 30<sup>th</sup> March 2022.

#### **OTHER OPTIONS CONSIDERED**

To not approve the use of the COVID Budget Pressures Smoothing Reserve to offset income pressures.

## **1. BACKGROUND**

- 1.1. The Quarter 3 report for 2021/22, which was considered by Cabinet on 30<sup>th</sup> March 2022, set out the council's revenue and capital position and projected forecast outturn for 2021/22.
- 1.2. The quarter 3 monitoring process highlighted that a number of income budgets were experiencing forecast reductions in income and therefore proactive measures are required to address this situation.

## **2. REPORT**

- 2.1 Since the start of the pandemic the Council has seen effects on its budget, these being increased expenditure in the short term in dealing with the initial response to the emerging situation and also longer-term effects on its income streams. As there have been a number of periods of varying restrictions in the last two years this has meant that it has been difficult to gauge the exact impact on income budgets. The government has now outlined a strategy to return life to a new normal and therefore the Council can now start to adapt to this and is starting to see public behaviours to return to a more normal pattern. During this period though some income budgets have seen shortfalls and therefore smoothing of these budgets is required.
- 2.2 As part of the assistance package offered to Local Authorities since March 2020 the Council has managed to set aside resources to assist with the effects of the pandemic. A prudent approach is now to use some of these resources to smooth the Council's budget for 2021/22 whilst leaving enough in reserves to address any issues which may be felt in 2022/23 onwards which haven't already been foreseen in the Council's Medium-Term financial strategy.
- 2.3 The main areas the Council has seen impacts are in Car Parking Income, Leisure Income, Markets Income and Investment Returns. It is therefore advised to smooth these budgets using the COVID Budget Pressures Smoothing Reserve.

## **3 CONCLUSION**

- 3.1 That Council approve the use of the COVID Budget Pressures Smoothing Reserve to address forecast income shortfalls within the 2021/22 budget.

## **EXPECTED BENEFITS TO THE PARTNERSHIP**

This report enables Boston Borough Council to manage its budget effectively and to smooth out budget pressures within 2021/22.

## **IMPLICATIONS:**

## **SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

NONE

**CORPORATE PRIORITIES**

NONE

**STAFFING**

NONE

**CONSTITUTIONAL AND LEGAL IMPLICATIONS**

NONE

**DATA PROTECTION**

None

**FINANCIAL**

As contained within the body of the report.

**RISK MANAGEMENT**

Although this addresses income budget pressures within 2021/22 there may be pressures within 2022/23 onwards which have not been addressed in the Medium-Term Financial Plan and therefore a further call on reserves may be required.

**STAKEHOLDER / CONSULTATION / TIMESCALES**

NONE

**REPUTATION**

NONE

**CONTRACTS**

NONE

**CRIME AND DISORDER**

NONE

**EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

NONE

**HEALTH AND WELL BEING**

NONE

**CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

NONE

**APPENDICES**

NONE

**BACKGROUND PAPERS**

Background papers used in the production of this report are listed below: -

<b>Document title</b>	<b>Where the document can be viewed</b>
Financial Performance Quarter 3 2021/22	Cabinet Agenda 30th March 2022

**CHRONOLOGICAL HISTORY OF THIS REPORT**

<b>Name of body</b>	<b>Date</b>

**REPORT APPROVAL**

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