

The Executive – 4 November 2020

Minutes of the meeting of **The Executive** held on **4 November 2020** when there were present:-

Chairman: Cllr S E Wootton
Vice Chairman: Cllr Mrs C E Roe

Cllr D S Efde
Cllr S P Smith
Cllr I H Ward

Cllr M J Webb
Cllr A L Williams

NON-MEMBERS ATTENDING

Cllrs Mrs D L Belton and Mrs J R Gooding.

OFFICERS PRESENT

A Hutchings	- Acting Managing Director
M Harwood-White	- Assistant Director, Assets & Commercial
A Law	- Assistant Director, Legal & Democratic
N Lucas	- Assistant Director, Resources
S Worthington	- Principal Democratic & Corporate Services Officer

186 MINUTES

The Minutes of the meeting held on 7 October were approved as a correct record and would be signed by the Chairman in due course.

187 QUARTER 2 2020/21 FINANCIAL MANAGEMENT REPORT

The Portfolio Holder for Finance introduced the quarter 2 2020/21 financial management and performance report and emphasised that the latest revenue budget for 2020/21 was £10.87 million. Changes to the original budget were due to drawdowns from reserves, as detailed in appendix 1 to the report. The forecast outturn as at quarter 2 was £10.92 million, giving a small projected overspend of £54,000, which assumed application of the Council's COVID grant allocation of just over £1 million and a further £100,000 of grant was announced just after the report was published. This did not, however, assume any payments for loss of income under the government scheme.

The COVID-19 pandemic was expected to have significant impact on the Council's financial position, both in 2021 and future years although the full impact was not clear and would depend on how quickly the wider economy recovered. The Council was incurring additional, unplanned expenditure in a number of areas such as support for leisure services, provision of homeless services and increased litter collection. It also expected to face losses across most of its income streams, most notably car parking.

The projections within the report were based upon assumptions that had a high degree of uncertainty and would therefore be subject to close monitoring and refinement over the course of the year. The Council had so far received

£1.011 million of unringfenced grant from central government to contribute towards COVID-19-related pressures and had been notified that it would receive a further £100,000. The Council was required to report monthly on the expected financial pressures relating to the COVID-19 pandemic and these returns had been shared with all Members. Central government had also announced a scheme to reimburse local authorities for an element of lost income. An initial claim of £288,300 had been made and further windows for claims would be opened later in the year. The Council would seek to mitigate any remaining overspends through in year savings as far as possible but did have reserves to draw on, if required (ideally as a last resort).

No longer term COVID-related funding beyond 2021 had yet been announced but there was a strong possibility that some of the income losses and cost pressures experienced this year could be felt into 2021/22 and beyond. The position would continue to be closely monitored over the financial year with assumptions being updated for budget-setting, as appropriate. The Council was likely to have to take difficult decisions to ensure its financial sustainability in the medium term unless significant additional ongoing resources were agreed for local authorities in the budget settlement. The Spending Review was expected to take place on 25 November with the local government settlement expected two – three weeks after that.

The original capital programme for 2020/21 was re-profiled in quarter 1 and the revised budget was £1.969 million. The forecasted outturn on the Council's capital programme as at Quarter 2 was £1.824m. The table at appendix 3 to the report summarised the projected position by service area.

A Member made particular reference to the figures set out in appendix 4 to the report on pages 7.25 and 7.26 which compared the Council's car parking income in quarters 1 and 2 in 2019/20 and 2020/21 and showed the sharp drop in income which made it difficult to balance the books this year and resulted in less income to provide statutory services for residents.

In response, the Portfolio Holder for Finance emphasised that in quarter 1 2020/21 the country was in complete lockdown due to the pandemic and there had been some limited recovery during quarter 2. There was currently a great deal of financial uncertainty on the eve of a second national lockdown.

Officers advised, in response to a Member question relating to why the sum of £40,809 had been incurred on conducting elections in quarter 2 2020/21, that a response would be provided outside the meeting.

Resolved

That the quarter 2 2020/21 revenue budget and capital position set out in sections 3 and 4 and detailed in appendices 1 to 4 of the report be noted. (ADR)

The meeting closed at 7.40 pm.

Chairman

Date

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