

EXTRACT FROM MINUTES OF CABINET 14 JULY 2020

Covid-19 Financial Update and Period 2 Budget Monitoring (*Treasury Management Strategy as an appendix*)

Cllr Pauline Church, Cabinet Member for Finance, Procurement and Commercial Investment presented the report which provided an updated forecast financial impact of COVID-19 and an early budget monitoring forecast position at the end of Period 2 (as at 31 May 2020) for the financial year 2020/21. The report also includes the final revenue outturn position for 2019/20, revision to the capital programme deferrals agreed at the previous Cabinet meeting (June) and the formal Treasury Management Annual Report

2019/20.

Questions were received from Chris Caswill about the Public Health and Environmental Health Teams.

The Leader acknowledged that the questions had received written responses which had been published on the Council's website prior to the meeting. He indicated that supplementary questions could be asked and these would receive a written response following this meeting.

Cllr Church reported that difficult decisions will still be required moving into the setting of the 2021/22 budget, given the reduction to the Councils base level of funding and income streams and future demand for services. However, the Councils financial position will be greatly improved with the recent announcement by the Government on a comprehensive new funding package. Although details of the allocations were still to be announced, the new funding together with the level of Council General Fund reserves, as well as the availability of earmarked reserves is likely to mean that the current forecast position for this financial year would now no longer completely exhaust all reserves held to deal with financial shocks, and no longer represent a potential section 114 notice situation.

Cllr Graham Wright, Chairman of the Wiltshire COVID-19 Response Task Group reported on the Task Group meeting held on 7 July 2020 welcomed the report to Cabinet. He noted that the financial situation was changing on a daily basis and thanked officers for their support during this time.

Cllr Ian Thorn, Leader of the Liberal Democrats asked about the Government financial commitment to recovery and commented on the section 114 situation. Cllr Church and the Leader reported that they were satisfied with the risks the Council holds and officers to mitigate these risks. They thanked officers for their help and support during this testing time. They acknowledged that financially the Council was working on a day to day basis, although current forecasts indicated that the Council will have a balanced budget.

Resolved:

1. To note:

- a. the final Revenue Outturn position for 2019/20 and the balance held in General Reserve and Earmarked Reserves;**
- b. the 2019/20 Capital Receipts Flexibilities usage for 2019/20 and delivery narrative for each project;**
- c. the Section 151 officer's summary of the impact of COVID-19 on the Council's 2020/21 budget and Medium-Term Financial Strategy;**

d. the current budget is forecast to overspend by £36.753m by the end of the financial year;

2. To approve:

a. the transfer of the final revenue outturn underspend from 2019/20 financial year of £0.356m to the General Fund Reserve.

b. the £1.378m use of Capital Receipts planned for Fostering Excellence for 2021/22 to be re-directed to transform services supporting children and young people with SEN and disabilities in 2020/21 and 2021/22.

c. that the Area Board Capital Grants element of the capital programme that was deferred to 2021/22 at the previous Cabinet meeting be reversed and brought back into the 2020/21 Capital Programme.

d. to recommend to Full Council the Treasury Management Annual report 2019/20 including the Prudential Indicators.

Reason for Decision:

To inform effective decision making and ensure a sound control environment.

To inform Cabinet on the forecast impact upon the financial position of the Council due to COVID-19 and of the Councils overall position on the 2020/21 budget as at Period 2 (31 May 2020), including highlighting any budget changes.