

# Agenda Item 8

From CABINET held on 1 December 2020

Council Agenda Item 8 (Minute No 72)

## **Treasury Management Mid-Year review**

**RECOMMENDED that the following be noted:**

- 1. That the Council's Treasury Management activities have remained within the Treasury Management Policy 2020/21 in the period up to 30<sup>th</sup> September 2020.**
- 2. That the actual Treasury Management indicators as at 30th September 2020 set out in Appendix A be noted.**

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# Agenda Item 9

From CABINET held on 1 December 2020

Council Agenda Item 9 (Minute No 80)

## Revenue Budget Monitoring 2020/21 (Q2) to end September 2020

### RECOMMENDED that:

- (i) **The forecast financial shortfall of between £6.1m & £12.6m across the General Fund and the Housing Revenue Account as consequence of the Covid-19 Pandemic be noted**
- (ii) **The following Revised COVID-19 Deficit Recovery Strategy be approved in the sum of £11.9m (being sufficient to cover the Council's pessimistic forecast COVID-19 related overspend of £11.8m):**
  - **Earmarking £5m of the Council's Corporate Contingency - leaving a residual £5m for all other known and unknown financial risks that may arise during the year**
  - **Earmarking £5m of the MTRS Reserve which currently holds an uncommitted balance of £8m - leaving just £3m only to fund future Spend to Save schemes and any costs of redundancies that may be required**
  - **Removal of Capital Schemes that have been funded by Revenue with a total value of £1.927m**
  - **Should any funding remain after meeting the financial impact of COVID- 19, that it be returned to the MTRS Reserve / Contingency to be available for any short-term legacy impacts of COVID-19 that continues into 2021/22**
- (iii) **In accordance with the Revised COVID-19 Deficit Recovery Strategy it is recommended that the following schemes up to the value shown are removed from the approved Capital Programme**

<b>Scheme to Be Removed From Capital Programme</b>	<b>Amount Released From Corporate Resources £</b>
<b>Children, Families &amp; Education</b>	
Tangier Road Children's Home*	2,100
Beechside Children's Home*	6,600
Enable and Improve Mobile Working	191,000
Adaptations to Carers Homes	600,000
King Richard School Rebuild 900-1000 places*	150,000

Universal Infant Free School Meal Provision*	35,100
Special Education Needs - Building Alterations*	350,000
Beacon View Primary School - Kitchen Block*	3,300
<b>Culture, Leisure &amp; Economic Development</b>	
Allotment Security Grants	3,800
Canoe Lake De-silting	25,000
Outdoor Fitness Equipment	19,400
Round Tower Improvement Works	75,000
<b>Health, Wellbeing &amp; Social Care</b>	
Shearwater House - Backup Power Supply*	9,200
Kestrel Centre Relocation to Civic Offices*	37,700
<b>Leader</b>	
Port Master System*	13,500
<b>Communities &amp; Central Services</b>	
Project Management	44,900
Ground Floor Reception Improvements	14,900
<b>Traffic &amp; Transportation</b>	
Local Transport Plan & Road Safety 3	192,000
Eastern Road Waterbridge*	21,800
Anglesea Road Footbridge*	26,800
Traffic Signal Upgrade Packages*	2,500
Western Corridor - South	102,000
<b>Total Value of Schemes to Be Removed</b>	<b>1,926,600</b>

\*Scheme is complete/substantially complete and unused resources can be released

- (iv) **The forecast General Fund outturn position, inclusive of funding Losses, for 2020/21 be noted:**
- (a) **The Base Case forecast of COVID-19 related overspending of £5,362,000 after expected government funding**
  - (b) **That the Base Case forecast overspending of £5,362,000 remains uncertain and in a pessimistic scenario could see that overspending rise to £11,800,000**
  - (c) **The COVID-19 forecasts do not currently make any provision for additional costs or losses of income / funding that may arise from the new national restrictions.**
  - (d) **Non COVID-19 related underspending of £4,094,100**
  - (e) **Taking account of the likely range of COVID-19 forecast overspends, the combined overspending for the Council is forecast to be between £1,268,100 and £7,706,100.**
- (v) **Members note that in accordance with approved policy as described in Section 8, any actual non COVID-19 overspend at year end will in the**

first instance be deducted from any Portfolio Reserve balance and once depleted then be deducted from the 2021/22 Cash Limit.

- (vi) Members note that at the time this report was prepared the Country had just entered a period of new national restrictions. Due to the wide ranging and rapidly changing implications arising from the COVID-19 Pandemic, the overall financial impact of COVID-19 over the remainder of the 2020/21 financial year and into the medium term remains very uncertain and maintaining headroom within the Revised COVID-19 Deficit Recovery Strategy is vital in order to ensure that the financial resilience of the Council is not compromised and the council continues to remain financially resilient into the medium term.
- (vii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast non COVID-19 overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2021/22 Portfolio cash limit will be managed to avoid further overspending during 2021/22.

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