

Report to Council – 14 July 2020

Report of Cabinet – 6 July 2020

Cabinet met on 6 July 2020. The minutes are published on the Council's website.

The following Members were present at the meeting:

Present: Mayor Taylor (Chair)
Councillor Collett (Deputy Mayor and Portfolio Holder for Community)
Councillor S Johnson (Portfolio Holder for Property and Housing)
Councillor Sharpe (Portfolio Holder for Regeneration and Development)
Councillor Watkin (Portfolio Holder for Resources and Customer Service)
Councillor Williams (Portfolio Holder for Client Services)

Also present: Councillor Bell, Labour Group Leader
Councillor Parker, Chair of Overview and Scrutiny Committee
Councillor Turmaine, Chair of Finance Scrutiny Committee
Councillors Khan and Ezeifedi

Officers: Managing Director
Interim Director of Finance
Group Head of Democracy and Governance
Group Head of Place Shaping
Group Head of Corporate Strategy and Communications
Group Head of HR and Organisational Development
Head of Housing
Head of Community Protection
Housing Strategy Officer
Senior Licensing Officer (AY)
Mayor's Political Assistant
Democratic Services Manager

The following included recommendations to Council.

13. 2020/21 Revenue Budget and Capital Programme

Cabinet received a report of the Director of Finance setting out the latest forecast of the impact of Covid-19 on the council's finances. It also set out proposed actions to rebalance the budget and fund recovery activity during the remainder of the year.

Councillor Watkin introduced the report. He said that the version before Cabinet was slightly different to the one presented to Finance Scrutiny Committee. He explained the projected loss of income and increase in costs. The officers had identified savings to put against the net increase. The shortfall of £1 million would be taken from the economic reserve.

The Mayor noted that it was an evolving situation and the council was still waiting to hear the details of the Government's announcement made the previous week.

Councillor Turmaine, Chair of Finance Scrutiny Committee, commented that the scrutiny committee had received the budget report. It had been recognised the significant impact Covid-19 had had on the council's finances. The scrutiny committee would be closely monitoring the budget over the coming year.

The Director of Finance advised that there were two key risks that had still to be considered; financial implications related to the leisure centres and commercial income. The council had started to receive June quarter rents, however some had approached the council to ask for rephrasing.

Councillor Bell thanked the Director of Finance for her response to his email. He enquired when officers would have an indication of the shortfall from Council Tax collection. In addition he asked how the money added to the recovery fund would be spent.

The Director of Finance advised that she was aware people had requested changing payment dates. Once the statistics for June had been collated officers would have a better understanding. In respect of business rates there had been an impact in April but it was slowly recovering. However, she cautioned members that it may be some time before the council knew the full impact.

The Managing Director explained that £1.2 million added to the recovery reserve would support activities set out in the Road to Renewal item, with a focus on our businesses and community.

RESOLVED –

1. that the financial impact of Covid-19 and the work being done to balance the budget be noted.

2. that Cabinet recommends to Council that the Director of Finance be authorised to make the necessary adjustments to individual budgets to reflect the expenditure and loss of income arising from Covid-19 contained in the report, including the expenditure savings set out in Appendix 1 and the capital programme changes set out in Appendix 2.
3. that Cabinet recommends to Council the use of Earmarked Reserves as set out in Appendix 3 in order to create a Recovery Fund and that Council delegates the approval of expenditure from the Fund to the Managing Director in consultation with the Mayor.