

## RECORD OF EXECUTIVE DECISION

Tuesday, 15 September 2020

**Decision No:** (CAB 20/21 30546)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Finance & Income Generation
SUBJECT:	Financial Monitoring for the period to end of July 2020 and COVID-19 Budget matters
AUTHOR:	Steve Harrison

### THE DECISION

#### **General Revenue Fund**

It is recommended that Cabinet:

- i. Note the forecast outturn position for business as usual activities is a £1.46M overspend, as outlined in paragraph 4 below and also in paragraph 1 and table 1 of Appendix 1.
- ii. Note the performance of treasury management, and financial outlook in paragraphs 13 to 17 of Appendix 1.
- iii. Note the Key Financial Risk Register as detailed in paragraph 20 of Appendix 1.
- iv. Note the performance against the financial health indicators detailed in paragraphs 24 and 25 of Appendix 1.
- v. Note the performance outlined in the Collection Fund Statement detailed in paragraphs 29 to 34 of Appendix 1.
- vi. Notes the allocated £4.16M from the Social Care Demand Risk reserve to address the overspend forecast in Children & Learning as set out in paragraph 3 of Appendix 1.
- vii. Notes the financial position arising from COVID-19, as outlined in paragraphs 4 to 11 of Appendix 1, with further details at paragraphs 3 to 7 of Appendix 3 and annexe 3.1, with a shortfall of £28.8M resulting as forecast at period 4 (end of July 2020). This is in addition to the 'business as usual' adverse variance reported in Appendix 1 as at the end of period 4 (July 2020) of £1.46M.
- viii. Notes and supports addressing the budget shortfall as outlined in paragraphs 8 to 16 and table 1 of Appendix 3. This means using £9.6M of corporate budgets, a £2.7M underspend at period 4, after applying £4.16M from the Social Care demand reserve to eliminate the Children & Learning overspend and £1.5M of in-year savings. This will go forward for approval at full Council.
- ix. Notes that without further funding from Government for COVID-19 costs incurred, a further £10.9M is estimated as at risk as per paragraph 10 of Appendix 3.

- x. Notes that work is on-going, following the release of the final draft on 24 August of the Government scheme on income compensation, to confirm the likely compensation due to Southampton City Council initially estimated at £4.1M. Until this amount can be confirmed, this sum as also 'at risk' and a lesser figure could mean an increase in the shortfall faced.

### **Housing Revenue Account**

It is recommended that Cabinet:

- xi. Note the forecast outturn position on business as usual activities is an under spend of £0.54M as outlined in paragraph 5 below and also paragraphs 26 and 27 of Appendix 1.

### **Capital Programme**

It is recommended that Cabinet:

- xii. Notes the revised General Fund Capital Programme, which totals £654.95M as detailed in Appendix 2 paragraph 1, table 1 and Annexe 2.5, and the associated use of resources.
- xiii. Notes the revised HRA Capital Programme, which totals £210.98M as detailed in Appendix 2 paragraph 1, table 1 and Annexe 2.5 and the associated use of resources.
- xiv. Notes that the overall forecast position for 2020/21 as at July 2020 is £194.15M, resulting in a potential underspend of £21.46M, as detailed in Appendix 2 paragraph 5 and table 3.
- xv. Notes that the capital programme remains fully funded up to 2024/25 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
- xvi. Notes that £17.60M has been removed from the programme with relevant approvals. These changes are detailed in annexe 2.1 to Appendix 2.
- xvii. Approves slippage and re-phasing as detailed in paragraph 2 & 3 of Appendix 2. Noting that the movement has zero net movement over the 5 year programme.
- xviii. Notes that a review has taken place of the capital programme in the light of COVID-19.
- xix. Notes and supports the delays to capital scheme works and the application of new funds other than borrowing to support the capital programme as outlined in paragraphs 19 to 20 of Appendix 3 and annexe 3.2, which will then go forward for approval at full Council.
- xx. Notes and supports the proposed revised General Fund capital programme to 2024/25 and its financing as shown in annex 2.5 of Appendix 2.
- xxi. Notes and supports the proposed revised HRA capital programme to 2024/25 and its financing as shown in annex 2.5 of Appendix 2.

## **REASONS FOR THE DECISION**

To ensure that Cabinet fulfils its responsibilities for the overall financial management of the Council's resources.

**DETAILS OF ANY ALTERNATIVE OPTIONS**

Not applicable.

**OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None

**CONFLICTS OF INTEREST**

None

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 15 September 2020

Decision Maker:  
The Cabinet

Proper Officer: Judy Cordell

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*