

Finance and Assets Policy Development Advisory Group
14 SEPTEMBER 2020

Present: Councillors: Ray Dawe (Chairman), Matthew Allen, Tony Bevis, Paul Clarke, Michael Croker, Brian Donnelly, Frances Haigh, Nigel Jupp, Richard Landeryou and Stuart Ritchie

Apologies: Councillors: Gordon Lindsay

Also Present:

6 **NOTES OF PREVIOUS MEETING**

The notes of the previous meeting held on 6 July 2020 were received.

7 **THE COUNCIL'S FINANCIAL POSITION**

The Head of Finance presented an update on the council's financial position post Covid-19.

The impact of the Covid-19 recession had led to the Council's income being considerably reduced - most predominantly in Parking, Leisure Services, investments, commercial rents and Planning/Building Control.

The effects of Covid-19 had also led to cost pressures, in areas such as Housing services, Leisure centres and Revenue & Benefits.

The financial impact of covid-19 on the current year 20/21 would likely result in a net deficit. One off Covid-19 funding and income loss grants from central government, along with salary and redundancy costs and lower collection of NDR and council tax, would lessen the deficit.

The Head of finance provided an overview of the net expenditure estimated for the next 4 years, including the long term covid-19 recession impact. The presentation outlined the estimated net deficit at the end of 23/24.

Several ideas for closing the gap were presented to the PDAG. This included delivering services differently, reducing services and departmental restructuring. The PDAG discussed the plausibility of using the council's reserves to help close the gap. The Head of Finance and Director of Corporate Resources outlined why this would be unsustainable and pose considerable risk.

The group noted several external variables which may improve the council's deficit and raise levels of income. These ranged from the stock market recovery, courts reopening to enable debt recovery and income recovering in key areas of the council such as Parking, Property, Development, and The Capitol & Leisure Centres.

There were several more severe internal options for closing the funding gap. These were adjusting services, cancelling major projects, selling the council's assets, increasing council tax rates and increasing garden waste collection charges.

8 **FORWARD PLAN EXTRACT FOR THE FINANCE AND ASSETS
PORTFOLIO**

Relevant items included on the forward plan were noted by the group.

The meeting closed at 6.27 pm having commenced at 5.30 pm

CHAIRMAN