

Ref:

Called in

Yes/No

THE THANET DISTRICT COUNCIL

RECORD OF DECISION OF CABINET

Cabinet Member

Councillor Rob Yates

Relevant Portfolio:

Cabinet Member for Finance, Administration and Community Wealth Building

Date of Decision:

19 November 2020

Subject:

Budget monitoring No.2, 2020-21

Key Decision

No

In Forward Plan

Yes

Brief summary of matter:

Cabinet considered a report providing a 2020-21 budget monitoring updated for General Fund revenue and capital, reflecting the latest forecasts in light of Covid-19.

Decision made:

Cabinet agreed the following:

1. To approve the transfer of £200k of the Covid Shortfall Reserve to the Equalisation Reserve (see paragraph 3.4 of the cabinet report);
2. To the updated General Fund capital programme as set out in Section 4 and Annex 1 to the report.

Reasons for decision:

The previous report to Cabinet suggested the overall projected shortfall amounted to £3m, comprising £5.6m losses less Government funding of £2.6m. It was then agreed that this will need to be funded from reserves.

Some £1.6m of the £3m reserves identified to fund the estimated net overspend was found from the Equalisation Reserve, which accommodates fluctuations in Council Tax and Business Rates.

As part of the budget strategy for next year, some £200k has been identified as required to ease the pressure on this reserve, given the challenges of collecting Council Tax and Business Rates next year. This would have the effect of using some of the Covid Shortfall reserve, which has benefited from the additional £1.1m of Government funding, to contribute to these losses by reducing the use of the Equalisation Reserve to £1.4m.

Overview and approval of the updated capital programme is required as part of robust financial management.

Alternatives considered and why rejected:

Not to make the transfer, this was rejected because it would put further pressure on the 2021-22 budget.

Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:

None

Author of Officer report:

Tim Willis, Deputy Chief Executive & S151 Officer

Background papers

Budget Monitoring No.2, 2020-21 Final.docx - Google Docs
Annex 1 - GF capital prog Q2 2020-21

Statement if decision is an urgent one and therefore not subject to call-in:

None

Last date for call in: 3 December 2020