

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....12th November 2020

1. Title of Item/Report

Financial Position and Update to the Medium Term Financial Plan

2. Record of the Decision

Cabinet were provided with an update on the latest financial position of the Council, including a projection for the current financial year and the emerging issues for the Medium Term Financial Plan (MTFP). The report built upon the report to Council in July 2020 which covered the impact of COVID and approved the use of balances to fund the position should this be necessary. This report updates the position, integrating the COVID impacts into the Council's overall financial position.

The Covid-19 situation had brought significant uncertainty and volatility to the financial position in 2020/21 and, as widely reported, the pandemic is having a significant financial impact on the financial position of all local authorities. The Government have recognised this and have responded with several announcements of additional funding to support the sector.

To date, Covid Emergency Grant Support amounting to £16.499m had been allocated by Government to Stockton. This is an increase of £3.684m on that previously reported, as a fourth tranche of funding was announced in October 2020.

In addition, a Sales, Fees and Charges Income Compensation Scheme had also been introduced. This income compensation scheme was currently projected to generate between £1.5m and £2.1m in 2020/21. There was no indication currently that either of these significant funding streams would continue beyond 2020/21.

The Council had also been allocated funding to support specific service areas to support the response to COVID. It was anticipated that this funding would be fully utilised by services delivering these new responsibilities:

Business Grant Administration	£170,000
Test and Trace Allocation	£1,311,000
Return to Education Funding	£28,000

Compliance and Enforcement	£110,000
Re-opening High Streets Safely Fund	£175,000

The financial position for 2020/21 was still evolving and would inevitably continue to do so as the impact of the pandemic becomes clearer. The position had been projected on best available information to the 30th September, but could however change significantly depending upon the impact of the pandemic over the next five months, the response required by the Council and any further Government funding. Since the report had been produced, the Government had announced further Business Support Scheme funding.

The overall position was detailed which incorporated the anticipated COVID pressures and current Government income. Detail was also provided of the additional funding now administered by the Council and the current Capital Programme as at the end of September.

Accepting all of the caveats outlined in the report, this indicated that the previous anticipated call on balances would not be required at this particular moment.

The position for future years however remained extremely uncertain. Not only was it unclear as to any ongoing financial implications of COVID, members were reminded that there is a one year Spending Review and Local Government Finance Settlement bringing no long term funding certainty.

RESOLVED that Cabinet note the position.

3. Reasons for the Decision

To note the latest Council financial position and the impact that Covid has had.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight Friday 20th November 2020

Proper Officer  
16 November 2020