

COUNCIL 22nd July 2020

UPDATE TO REPORT ON MEDIUM TERM FINANCIAL PLAN – OUTTURN MARCH 2020 and CURRENT YEAR UPDATE 2020/21

Reason for Update

Following publication of the Cabinet and Council reports the local authority has now received confirmation of an additional allocation of Covid support grant funding. It is therefore necessary to update the report and recommendation to Council to reflect this additional funding.

Updated Recommendation

1. Note the draft outturn position for the year ended 31 March 2020
2. Council approve the use of General Fund Balances of up to £4.2m to supplement the Government funding to resolve the financial pressures summarised in paragraph 28 of the main report.

Changes to Body of Report

Paragraph 14

Add:

On Thursday 16th July local authority level allocations were announced from the national £500m additional support fund. The allocation for Stockton is £1.792m. This further allocation increases the total support funding allocation in 2020/21 from £11.023m to £12.815m.

Paragraph 28

The table is revised as below to reflect the increase in grant funding:

Area	£'000
Adult Social Care	4,000
Children's Social Care	3,500
PPE and other Direct Covid Costs	800
Tees Active Support	2,000
Waste	1,000
Reduction in income	4,000
Capital Scheme - Globe	1,200
Capital Scheme – Ingleby Barwick Leisure Centre	500
Total	17,000
Covid Grant	(12,815)
Net Position	4,185

The above table indicates that the current pressures and costs exceed the grant available and that there will be a financial pressure of around £4.2m.

The final sub paragraph is amended to the following:

If the funding is not sufficient to cover the pressures, it is recommended that this is funded from general balances. Based on a worst case scenario of no additional funding, this would mean that general fund balances would reduce from £7.732m outlined in paragraph 9 to £3.532m. The level of balances would need to be replenished in the 2021/22 budget back to the £7.4m level at a cost of £3.868m.

Paragraph 30

The third bullet point is amended to:

- We will need to plan to replenish balances by up to £3.868m and fund the deficit on the collection fund.