

URGENT DELEGATED DECISION

Date: 23 April 2020

Request to the Head of Paid Service to exercise delegated authority as per Responsibility of Functions in Part IV, page 28 of the Constitution.

“to determine any matter within the referred or delegated powers and duties of a committee / sub-committee / board / working which is so urgent that a decision must be made before the next meeting of that committee / sub-committee / board / working group is due to be held.”

Limits on delegation: -

- Before making a decision using this delegated power, The Head of Paid Service shall consult with and take cognisance of the views of the Chairman (or in his absence the VC) of the relevant Committee / Sub-Committee etc; and
- Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision taken.

Usual Decision Maker: -

This decision would have been taken by Corporate Policy and Resources Committee but all Committee Meetings have been suspended due to the COVID-19 situation.

Call-in does not apply.

Background

The background to this decision is as detailed in the report titled Budget and Treasury Monitoring – Period 4 2019/20 is published [here](#).

Reason for Urgency and Rationale for use of urgent Delegated Decision

In light of the current COVID 19 situation, an urgent decision is required in order to agree updates and changes to revenue, capital and treasury management activity from 1 April 2019 to 31 March 2020.

The rationale for the decision is contained with the report

Notes of Consultation Relevant to the Decision

- N/A

Decision

- To accept the forecast out-turn position of a £1,380k net contribution to reserves as at 31st March 2020 (see Section 2 of the report).
- To accept the Revenue budget carry forwards of £815k approved in year (Appendix 4 of the report)
- To approve the future use of General Fund Balances up to £100k to support any financial impact of the depot once operational, if required (2.2.4 of the report)
- To accept the use of Earmarked Reserves during the quarter approved by the Chief Finance Officer using Delegated powers (2.5.1 of the report)
- To approve the use of Earmarked Reserves of £126.9k (2.5.2 of the report)
- To approve a contribution of £419k to the Valuation Volatility Reserve as per the nontreasury investment strategy (2.5.3 of the report).
- To approve the other contributions to Earmarked Reserves during the quarter totaling £234k (2.5.3 of the report)
- To approve the amendment to the fees and charges schedule for the Crematorium (2.4.4 of the report), to be effective immediately.
- To approve the amendment to the fees and charges schedule for Civil Penalties (2.4.5 of the report), to be effective from 1st June 2020.
- To approve the capital budget carry forwards of £4.654m (Appendix 4 of the report).
- To accept the Delegated Decisions implemented in response to the Covid-19 pandemic (2.6 of the report).
- To accept the Treasury Management and Prudential Indicators.

Financial Detail and Implications

The draft revenue forecast out-turn position for 2019/2020 is currently reflecting a net contribution to reserves of £1,380k as at 31st March 2020 (£914k as at 31st December 2019).

This is after taking account of approved carry forwards of £815k, as detailed at Appendix 4.

£419k of the forecast contribution to reserves relates to the saving on borrowing interest costs as a consequence of utilizing our cash balances (internal borrowing). To ensure sustainability, capital investments funded from borrowing are assumed to require PWLB borrowing and therefore the base budget includes the cost of interest at 100% of prudential borrowing. This committee have previously approved that any net surplus, generated through Treasury activity be set aside at the year-end to the Valuation Risk Reserve.

£149k of the forecast contribution to reserves relates to the Commercial Contingency budget. £200k was built into the 2019/20 base budget to mitigate a number of commercial risks, including investment properties, and demand led service generated income. It is proposed that £51k is utilised to offset the forecast pressure on crematorium income and the balance be set aside to the Valuation

Risk reserve.

Summary of Out-turn Position 2019/20

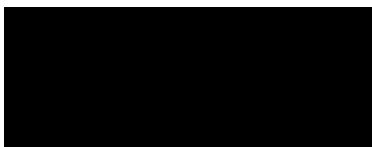
Summary of Out-turn Position 2019/20		
	£ 000	
FORECAST OUTTURN AS AT 31.03.20	(2,196)	BEFORE CARRY FORWARDS
CARRY FORWARDS:		
BASE BUDGET-APPROVED IN YEAR	223	ALREADY APPROVED
USE OF EARMARKED RESERVES	290	ALREADY APPROVED
SUB-TOTAL:	(1,683)	
SERVICE CARRY FORWARD REQUESTS	303	APPROVED BY MANAGEMENT TEAM 30.03.20
NET CONTRIBUTION TO RESERVES:	(1,380)	
TO VALUATION VOLATILITY RESERVE - COMMERCIAL CONTINGENCY	149	
TO VALUATION VOLATILITY RESERVE - TREASURY MANAGEMENT	419	
NET CONTRIBUTION TO GENERAL FUND BALANCES:	(812)	

The items with significant variances are contained within this report at 2.1.

The capital out-turn position for 2019/20 is £18.029m, this is a 20.64% reduction on the current revised budget (original budget + carry forwards + approvals in year). The slippage on capital schemes is detailed in 3.1.2.

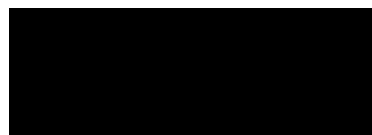
The Treasury Management activities during the reporting period are disclosed in the body of this report (Section 4).

There have been no breaches of Treasury or Prudential Indicators. The overall weighted average interest rate on all treasury investments for the year is 1.655% and has generated circa £0.267m in investment interest.



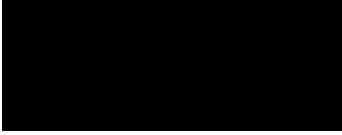
Ian Knowles
Head of Paid Service

As the Chairman of the Corporate Policy and Resources Committee I have been fully consulted on this matter



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Leader of the Council

As the Chairman of the Prosperous Communities Committee I have been fully consulted on this matter



.....
Chairman of the Prosperous Communities Committee

As the Leader of the Opposition I have been fully consulted on this matter



.....
Leader of the Opposition.

Date all Members were notified of the decision 29 April 2020.