

**BUDGET AND
PERFORMANCE PANEL**

6.10 P.M.

20TH JULY 2020

PRESENT:- Councillors Adrian Duggan (Chair), Tim Dant (Vice-Chair), Roger Dennison, Debbie Jenkins, Jack O'Dwyer-Henry, Anne Whitehead, David Whitworth and Jason Wood

Also Present:

Councillor Erica Lewis, Leader of the Council and Councillor John Reynolds, Cabinet Member with responsibility for Finance

Apologies for Absence:

Councillors Joanna Young

Officers in attendance:

Daniel Bates	Director of Corporate Services
Mark Davies	Director for Communities and the Environment
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Stephen Metcalfe	Principal Democratic Support Officer

7 MINUTES

It was proposed by Councillor Jason Wood, seconded by Councillor Roger Dennison and agreed that the minutes of the meeting held on 17th June 2020 be agreed as a correct record.

It was noted that the minutes would be signed by the Chair when the minute book was available.

8 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR

There were no items of urgent business.

9 DECLARATION OF INTERESTS

There were no declarations of interest.

10 COVID-19 FINANCIAL IMPACT (JUNE)

In accordance with Overview and Scrutiny Procedure Rule 15, the Chair advised that he had invited the Leader of the Council and the Cabinet Member with responsibility for Finance to the meeting in order to inform the Panel and answer questions on this item.

The Chief Finance Officer provided the Panel with an update on the current financial position in line with the Council's June's MHCLG submission.

A briefing presented to Cabinet on 30th June 2020 was appended to the report. This provided details of the potential effect of the COVID-19 pandemic on the financial position of the Council in line with June's MHCLG submission and set out scenarios (worse and best case), together with their potential implications for Council's finances in 2020/21.

A number of tables were contained within the briefing, these were:

Table 1 - General Fund Revenue Budget Projections 2020/21;

Table 2 – Reconciliation between June and May's MHCLG returns with commentary on the movements;

Table 3 – Impact on the Council's Reserves;

Table 4 – Impact on Reserves 2021/22;

Tables 5 and 6 – Business Rates and Council Tax.

The Chief Finance Officer concluded his briefing by informing that although the recent Government announcement provided some clarification, predicting what the final impact of COVID-19 on the Council's finances might be was extremely difficult. This was dependent on numerous factors and variables the majority of which were out of the Council's control, or influence.

The largest factor impacting the Council's finances was the significant exposure to loss of income from fees and charges. Whilst it appeared that Salt Ayre Leisure Centre will remain closed for a while longer it was hoped to see a significant improvement in other key income areas such as car parking. The next few months would be crucial for the Council given the recent easing of restrictions it should be able to get a better understanding of how fast, or slow any recovery would be and how that would impact on the Council's finances.

The Panel was asked to consider the Cabinet briefing and attachments in line with their Terms of Reference within the Constitution relating to the monitoring and review of the council's performance.

Panel Members asked several questions regarding the report, including the following:

- Detailed impact on fees and charges;
- Deferring of reserve expenditure;
- Recent changes received from the Government;
- Process to re-visit the minimum level of reserves;
- How many years it has taken to build up our current level of reserves;
- Government green/renewable energy initiatives and rateable values;
- Funding the future initiative;
- Consequences of struggling businesses and business rates and appeals;
- Business rates safety net;
- Government grants;
- Pandemic and no deal Brexit issues;
- Planned spends and deferment of spends;
- Bringing forward expenditure projects;
- Aiding the District's recovery.

The Cabinet Member with responsibility for Finance informed the meeting that a review was currently ongoing of expenditure projects, with some projects being brought forward

in order to aid the District's recovery. The Council's up-to-date position would be reported in the Autumn.

The Chair advised that the next meeting of the Panel was scheduled to be held on 18th August 2020. However, in order to align meetings of the Panel with COVID reporting to Cabinet it was noted that the next meeting of the Panel would be re-arranged to a date later than Cabinet's meeting on 15th September 2020.

Resolved:

- (1) That the details of the report outlining the potential impact on the Council's finances resulting from the COVID-19 pandemic be noted.

.....
Chair

(The meeting ended at 7.30 p.m.)

**Any queries regarding these Minutes, please contact
Stephen Metcalfe, Democratic Services - email sjmetcalfe@lancaster.gov.uk**