

Ashford Borough Council

Decisions taken by the Cabinet on 25 June 2020

Minute No	Topic	Decision
428	Financial Monitoring - Two Monthly Report	<p>The Portfolio Holder introduced the report which was the second budget monitoring report of the financial year and updated the forecast outturn for 2020/21, reported at the last Cabinet meeting, based on information available at the end of May 2020. He also drew attention to the Tabled Paper which included the missing Table 3 - Reserves Position from page 18, paragraph 49 of the report. He re-emphasised that some of the figures in the report were 'sobering' and these unprecedented times had placed considerable risks to this forecast and the Council's financial standing as the long term economic impact became clearer. Forecasting had identified a £1.893m deficit to this year's budget having applied the £1.359m COVID grant awarded by Central Government. A further £2m pressure was forecast as Business Rates and Council Tax collection rates were lower than anticipated, however due to accounting purposes this would be reflected in next year's budget. The overall pressure of £3.893m was within the allocation of reserves earmarked at the last Cabinet meeting to mitigate the financial impact of COVID-19. The HRA was reporting increased spend in its overall position, which included forecasting a £1.3m reduction in rent. The Housing team had reworked the capital programme to reduce spend this year, allowing the loss in rent to be mitigated.</p> <p>The Deputy Leader welcomed the report and said it was also now very important that the Council sent out the message that Ashford and Tenterden were now back open for business. Members wanted to stress their thanks to Officers, particularly from the Finance and Economic Development teams, for getting out the relevant grants to businesses in such a timely fashion, which would undoubtedly have helped a significant number of businesses and put them in a position to recover.</p> <p>In response to a question about whether it would be more prudent to borrow to aid the recovery, rather than using up all of the Council's reserves, the Director of Finance and</p>

		<p>Economy advised that there were strict rules over what Local Authorities were allowed to borrow for. They could not borrow to cover day-to-day expenditure and most of the pressure highlighted in the report was in this category. However, there may be opportunities around borrowing for capital projects where they delivered an asset, and that would continue to be examined alongside using reserves, to ensure the right balance in delivering projects.</p> <p>Resolved:</p> <p>That (i) the forecast outturn position for the General Fund and the Housing Revenue Account be noted.</p> <p>(ii) the Treasury Management position be noted.</p>
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