

## ITEM REFERRED FROM CABINET: 21 JULY 2020 - COVID-19 FINANCIAL IMPACTS

### **RECOMMENDED TO COUNCIL:**

- (1) That Council notes the forecast impact of Covid-19 in comparison to available reserves and confirms that these reserves will be used to fund the impact. This means that an emergency budget is not required;
- (2) That Council approves that £350k is added to the Capital Programme for the resurfacing of the top deck of the Lairage Car Park, Hitchin;
- (3) That Council approves an addition to the Investment Strategy that would allow the Council to provide a loan to Hertfordshire Building Control of £65k, if it is required.

**REASON FOR DECISION:** To ensure that the financial impacts of Covid-19 are recognised and make the necessary changes to allow the Council to manage its budgets.

NB This report was considered after the Part 2 report of the same name.

The Executive Members for Finance and IT presented the report entitled Covid-19 Financial Impacts and drew attention to the following:

- Services were continuing to operate as normally as possible;
- The Government was supporting with part funding;
- Clarity was needed regarding future funding;
- Council Tax would have to increase by the maximum allowed without a referendum;
- The Council had sufficient reserves to avoid the requirement for an emergency budget.

The Executive Member for Finance and IT referred to the referral from Finance, Audit and Risk Committee including an additional recommendation that:

“a letter be sent to the relevant Government Minister and/or Prime Minister asking that the £200k forecasted spend on housing the Homeless for the entirety of the coronavirus pandemic be covered by the Government.”

The Strategic Director – Resources advised:

- The starting point was that the Council should absorb the first 5 percent of budgeted income;
- The areas of finance that would and would not be recoverable were outlined.

The following Members took part in the debate:

- Councillor Martin Stears-Handscorn;
- Councillor Paul Clark;
- Councillor Steve Jarvis;
- Councillor Judi Billing.

It was moved by Councillor Ian Albert, seconded by Councillor Martin Stears-Handscorn and:

**RESOLVED:**

- (1) That the forecast financial impact of Covid-19, but that this could be subject to significant change be noted. The budgets will be formally adjusted as part of the Quarter 1 revenue budget monitor;
- (2) That the delay of the capital spend of £2,809k to 2021/22 onwards, as detailed in table 6 be approved;
- (3) That a letter be sent to the relevant Government Minister and/or Prime Minister asking that the £200k forecasted spend on housing the Homeless for the entirety of the coronavirus pandemic be covered by the Government.

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*NB: The report and full Minutes can be viewed here:*

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2402&Ver=4>