

Special Urgency Decision Cabinet (Resources) Panel

Report title	Capital Outturn and Treasury Management Annual Report 2019-2020 and Monitoring Quarter One 2020-2021	
Decision Maker	Special Urgency Decision	
Cabinet member with lead responsibility	Councillor Cabinet Member for Resources Deputy Leader	
Wards affected	(All Wards);	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
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Report considered by	Cabinet	8 July 2020

Recommendation(s) for action or decision:

That the Leader of the Council, two cabinet members, and the Chair and Vice Chair of Scrutiny Board formally agree that, in the absence of a Council meeting, the decisions below take effect on behalf of the Council under the special urgency provisions as detailed in the Council's Constitution namely paragraphs 6.10 and 6.11 of article 6 namely:

Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021

1. Approves the revised medium term General Revenue Account capital programme of £380.8 million, an increase of £2.0 million from the previously approved programme, and the change in associated resources.
2. Approves the revised Housing Revenue Account (HRA) capital programme of £462.2 million, a reduction of £20,000 from the previously approved programme, and the change in associated resources.

Treasury Management – Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021

1. Delegates authority to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the two credit rating agencies, due to the unprecedented impact of Covid-19 on the economy.
2. Notes the Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2019-2020.
3. Notes that revenue underspends of £440,000 for the General Revenue Account and £273,000 for the Housing Revenue Account (HRA) were generated from treasury management activities in 2019-2020.
4. Notes that revenue underspends of £1.5 million for the General Revenue Account and £434,000 for the HRA are forecast from treasury management activities in 2020-2021.
5. Notes that due to receipt of grants from Central Government in response to Covid-19 the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account. The temporary increase of the limit to £32.7 million was approved by the Director of Finance under the authority delegated by Council and was in place for the period 1 April 2020 to 9 April 2020.

This is agreed by the following:

Leader of the Council

Cabinet Member

Cabinet Member

Chair of Scrutiny Board

Vice Chair of Scrutiny Board

Dated

1.0 Purpose

- 1.1 The purpose of this report is to provide an update on the outturn position for 2019-2020 of the General Revenue Account and HRA capital programmes, along with providing a revised forecast as at quarter one for 2020-2021 to 2024-2025 and recommending revisions to the current approved budgets over this period. The report also provides the results of treasury management activities carried out in 2019-2020, together with a monitoring and progress report on activity for the first quarter of 2020-2021 including performance against Prudential Indicators previously approved by Council for both years. Ordinarily these matters would be considered by Council, however a Council meeting is only possible on a fully remote basis and therefore, it has been agreed that any Council decisions would proceed by way of Urgent Decision.

2.0 Background

- 2.1 On 8 July 2020 Cabinet considered the reports 'Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021' and 'Treasury Management – Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021'.
- 2.2 Copies of the reports have been supplied to Councillors and can also be accessed online on the Council's website [here](#).

Councillors are asked to refer to the report when considering the recommendations from Cabinet.

- 2.3 Cabinet recommended to Council that it:

Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021

1. Approves the revised medium term General Revenue Account capital programme of £380.8 million, an increase of £2.0 million from the previously approved programme, and the change in associated resources.
2. Approves the revised Housing Revenue Account (HRA) capital programme of £462.2 million, a reduction of £20,000 from the previously approved programme, and the change in associated resources.

Treasury Management – Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021

1. Delegates authority to the Director of Finance to lower the minimum sovereign rating in the Annual Investment Strategy, in the event of the UK's credit rating being downgraded by the two credit rating agencies, due to the unprecedented impact of Covid-19 on the economy.

2. Notes the Council operated within the approved Prudential and Treasury Management Indicators, and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2019-2020.
3. Notes that revenue underspends of £440,000 for the General Revenue Account and £273,000 for the Housing Revenue Account (HRA) were generated from treasury management activities in 2019-2020.
4. Notes that revenue underspends of £1.5 million for the General Revenue Account and £434,000 for the HRA are forecast from treasury management activities in 2020-2021.
5. Notes that due to receipt of grants from Central Government in response to Covid-19 the Council temporarily exceeded the limit of £10.0 million to be held in the Council's bank account. The temporary increase of the limit to £32.7 million was approved by the Director of Finance under the authority delegated by Council and was in place for the period 1 April 2020 to 9 April 2020.

3.0 Reasons for Special Urgency

3.1 In the light of the current situation involving Covid-19 the Council has, as a result of the Government's decision on restriction of movement, taken the decision to cancel all physical meetings until the rules allow these to be carried out. Whilst currently remote meetings are possible and the Council has used these for a number of Committees including Planning, Scrutiny Board and Licensing Committee and Cabinet meetings, it has decided that a fully remote Council meeting would be challenging and as such it has been decided that until a mixed remote/physical meeting is permitted under the law, the Council will use its urgent action powers for any decisions that must be taken by Council.

3.2 These powers are to be used sparingly and the guiding principles for any decisions are:

Only those decisions that have to be made (i.e. as a result of Covid-19 or related matters, including support of businesses in this difficult time or as a result of an immovable deadline) will be made.

The decisions will be made or endorsed (where the decisions have to be made very urgently) using the Urgent Action powers.

The decisions will be made available on a regular basis to Councillors through the daily update to Councillors and in any event through a weekly roundup of the decisions made through the relevant pages on the Council's website so that the Public can access them.

The relevant powers under the Constitution are:

Council Decision

6.10 Urgent Decisions outside the Budget or Policy Framework

An urgent decision which is contrary to the Policy Framework or budget adopted by the Council may be taken by the Cabinet if the Chair of the Scrutiny Board agrees that the decision is urgent. If no such Chair is available (or willing) then the Mayor or in his/her absence the Deputy Mayor may agree that it is urgent before a decision is taken.

6.11 Cabinet Decision

Where an urgent decision on a matter delegated to the Cabinet is required but it is not feasible to arrange a meeting of the Cabinet, the appropriate Director, in conjunction with the Head of Paid Service is authorised to take the appropriate urgent action provided that the action shall have first been discussed with and approved in writing by the Leader (or in the Leader's absence, the Deputy Leader) and two other Cabinet Members and the Chair and Vice-Chair of the Scrutiny Board or their nominees.

In this case a decision is needed that the decision of Cabinet shall now take effect in the absence of a Council meeting, it is considered that the decisions are urgent on the basis that the budget either needs to be amended to allow contracts to be entered into or to ensure that important legal obligations (by the Council or other organisations) can be made.

These proposed decisions fall into the criteria for urgent decisions set out above.

4.0 Reasons for decisions

4.1 The reasons for the decisions are detailed in the Cabinet reports of 8 July 2020.

5.0 Evaluation of alternative options

5.1 The evaluation of alternative options are detailed in the Cabinet reports of 8 July 2020.

6.0 Financial implications

6.1 The financial implications are detailed in the Cabinet reports of 8 July 2020.
[SH/16072020/N]

7.0 Legal implications

7.1 The legal implications are detailed in the Cabinet reports of 8 July 2020.

8.0 Covid Implications

8.1 The Covid implications are detailed in the Cabinet reports of 8 July 2020.

9.0 Schedule of background papers

9.1 Cabinet 8 July 2020 - Capital Budget Outturn 2019-2020 including Quarter One Capital Monitoring 2020-2021

9.2 Cabinet 8 July 2020 - Treasury Management – Annual Report 2019-2020 and Activity Monitoring Quarter One 2020-2021