

Special Urgency Decision Cabinet (Resources) Panel

Report title	2020-2021 - Capital Programme Quarter Two Review and Treasury Management Mid Year Review and other urgent matters and other urgent matters	
Decision Maker	Special Urgency Decision	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council Leader of the Council	
Wards affected	(All Wards);	
Accountable Director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	Claire Nye	Director of Finance
	Tel	01902 550478
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Report considered by	Cabinet 11 November 2020 (for Capital Programme and Treasury Management only)	

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 Programme 2020-2021 to 2024-2025 Quarter Two Review

1. Approves the revised medium term General Revenue Account capital programme of £299.9 million, an increase of £11.4 million from the previously approved programme, and the change in associated resources.

Treasury Management Activity Monitoring – Mid Year Review 2020-2021

2. Notes that a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2020.

3. Notes that revenue underspends of £1.8 million for the General Revenue Account and £682,000 for the Housing Revenue Account (HRA) are forecast from treasury management activities in 2020-2021, arising as a result of re-phasing of the capital programme and lower interest rates forecast on borrowing due to the impact on the economy of Covid-19.
4. Notes that two of the three credit rating agencies have downgraded the UK's credit rating. If the remaining credit rating agency follows suit the Director of Finance will lower the minimum sovereign rating in the Annual Investment Strategy in line with the delegated authority approved by Council on 17 July 2020.

Appointment of Director of Adult Social Services(DASS)

5. That the Council appoints Emma Bennett as the interim Director of Adult Social Services pending a review.

Extension of Regional Mortuary Provision

6. That the Council agrees to the extension of the Regional Mortuary Provision from March 2021 to August 2021 and delegates authority to the Director of Governance to carry out the appropriate tasks in relation to amendment of the existing contract.

This is agreed by the following:

Leader of the Council - Councillor Ian Brookfield

Cabinet Member – Councillor Dr Mike Hardacre

Cabinet Member – Councillor Steve Evans

Chair of Scrutiny Board - Councillor Paul Sweet

Vice Chair of Scrutiny Board - Councillor Jonathan Crofts

Dated: 20 November 2020

1.0 Purpose

1.1 The purpose of this report is

- To provide an update on the 2020-2021 financial performance of the General Revenue Account and HRA capital programmes, along with providing a revised forecast as at quarter two for 2020-2021 to 2024-2025 and recommending revisions to the current approved budgets over this period.
- The report also provides a monitoring and progress report on treasury management activity for the second quarter of 2020-2021 as part of the mid-year review, in line with the Prudential Indicators approved by Council in March 2020.
- To agree the appointment of an Interim Director of Adult Social Services following the departure of the current postholder
- To agree the extension of the regional Mortuary provision from March to August 2021

1.2 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 11 November 2020 Cabinet considered the reports 'Capital Programme 2020-2021 to 2024-2025 Quarter Two Review' and 'Treasury Management Activity Monitoring – Mid Year Review 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 recommend to Council that it:

Capital Programme 2020-2021 to 2024-2025 Quarter Two Review

1. Approves the revised medium term General Revenue Account capital programme of £299.9 million, an increase of £11.4 million from the previously approved programme, and the change in associated resources.

Treasury Management Activity Monitoring – Mid Year Review 2020-2021

1. Notes that a mid-year review of the Treasury Management Strategy Statement has been undertaken and the Council has operated within the limits and requirements approved in March 2020.

2. Notes that revenue underspends of £1.8 million for the General Revenue Account and £682,000 for the HRA are forecast from treasury management activities in 2020-2021, arising as a result of re-phasing of the capital programme and lower interest rates forecast on borrowing due to the impact on the economy of Covid-19.
 3. Notes that two of the three credit rating agencies have downgraded the UK's credit rating. If the remaining credit rating agency follows suit the Director of Finance will lower the minimum sovereign rating in the Annual Investment Strategy in line with the delegated authority approved by Council on 17 July 2020.
- 2.4 The Council is required to have a Director of Adult Social Services and the Council's constitution reserves the appointment to that role to Council. Following the departure of the postholder to take a post at another authority it is intended to appoint the current Director of Children's Services to undertake this statutory function whilst a review is undertaken.
- 2.5 The Council has been a party to a regional mortuary contract as a result of the Covid-19 pandemic – it is intended that the contract is extended to August 2021 (from the current expiry of March 2021) to allow for additional contingency if needed. The cost for this extension is estimated to be less than £10,000 for this authority. The Council will explore options for a regional approach going forwards which would be the subject of a separate discussion.

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. The other matters are also urgent and fall within the categories listed above.

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 11 November 2020 and as set out above in paragraph 2.

5.0 Evaluation of alternative options

- 5.1 The evaluation of alternative options are detailed in the Cabinet reports of 11 November 2020. It is a statutory requirement to have a DASS and there is therefore no other viable alternative. In terms of the mortuary it is felt prudent to ensure that the contingency space is kept available in case it is needed in the light of the current Covid challenges rather than the alternative of not having the additional space available.

6.0 Financial implications

- 6.1 The financial implications on the Capital Programme and Treasury Management are detailed in the Cabinet reports of 11 November 2020.
- 6.2 There is no additional cost for the decision in relation to the interim DASS, the cost of the additional provision for the mortuary is estimated to be less than £10,000 and would be met from the Covid-19 Emergency Grant funding.

[AS/20112020/P]

7.0 Legal implications

- 7.1 The legal implications on the Capital Programme and Treasury Management are detailed in the Cabinet reports of 11 November 2020.
- 7.2 In relation to the interim DASS role it is a legal requirement to have a DASS and it is an appointment reserved to Council and therefore needs to be made through this decision whilst Council is not meeting.
- 7.3 In relation to the extension of the mortuary arrangement this will need a slight amendment to the existing contract which will be addressed by the Council's legal team to ensure the Council's position is protected.

[DP/20201120/A]

8.0 Covid Implications

- 8.1 The Covid implications on the Capital Programme and Treasury Management are detailed in the Cabinet reports of 11 November 2020. The Covid implications for the interim DASS and mortuary extension are that both are needed to ensure that the Council has a robust approach to dealing with the challenges caused by Covid.

9.0 Schedule of background papers

- 9.1 Cabinet 11 November 2020 - Capital Programme 2020-2021 to 2024-2025 Quarter Two Review
- 9.2 Cabinet 11 November 2020 - Treasury Management Activity Monitoring – Mid Year Review 2020-2021