

REPORT OF THE  
**Cabinet**  
PART I

**1. FINANCIAL UPDATE AND BUDGET SETTING AND PROVISIONAL CASH LIMITS 2021/22**

- 1.1. At its meeting on 24 November 2020 the Cabinet considered an update on the financial position for the County Council, including a mid-year report on treasury management activity.
- 1.2. Cabinet noted the impact of the Covid-19 pandemic on the overall financial position as well as the medium-term impact on areas such as social care. It was recognised that significant additional funding was still required from Government if the County Council was to continue to be financially viable for the medium term and remain in a strong enough position to address the financial pressures it already faces now and into the future.
- 1.3. An update on business as usual financial monitoring and the Transformation to 2019 and 2021 programmes was received and a proposed timetable for the future savings programme to 2023 was also considered.
- 1.4. The full report considered by Cabinet is attached as Annex 1 to this Council report.
- 1.5. In addition to a number of recommendations to Council, set out below, Cabinet resolved to:
  - i. Note the latest Covid-19 financial position for the current year as at the end of September compared to that reported to Cabinet in September, which was as at the end of August.
  - ii. Note the latest Medium Term forecast arising from Covid-19 as at the end of September and the County Council's response to it.
  - iii. Note the latest position in respect of the business as usual financial resilience monitoring for the current financial year.
  - iv. Approve the mid-year report on treasury management activity at Appendix 1 and note the action to be taken should we encounter negative interest rates as set out in paragraphs 83 and 84 of the report.
  - v. Note the additional government funding of £1bn announced on 12 October of which the County Council will receive £8.8m.

- vi. Approve the revised baseline position for the Transformation to 2019 and Transformation to 2021 Programmes as outlined in Section G of the report.
- vii. Approve funding of £3.82m to meet the critical one-off health and safety priorities identified in Section I.
- viii. Approve the provisional cash limits for 2021/22 set out in Appendix 3 of the report.
- ix. Note the announcement of a one-year Spending Review and the impact on the County Council's medium term financial planning and therefore the timeline for the next successor savings programme.
- x. Note that the 2023 savings programme will need to be delivered in full by 1 April 2023.
- xi. Approve the capital guideline amounts for the next three years set out in paragraph 139.

The report to Cabinet can be found at the following link:

[Cabinet – 24 November 2020](#)

## **RECOMMENDATIONS**

With reference to the report annexed to this Council report, Council is recommended to:

- a. Note the updated position for the impact of Covid-19 in this year and for the medium term.
- b. Approve the addition of the schemes detailed in Appendix 4 to the Economy, Transport and Environment Capital Programme.
- c. Approve the updated departmental savings targets for a successor savings programme, as set out in paragraph 149.
- d. Approve the updated timetable for a successor savings programme, as set out in paragraph 150.