

2020/21 Q3 – DEPUTY LEADER, STRATEGIC FINANCE & COVID-19 RECOVERY

Key Activities Q3

Develop and implement plans for the UK's exit from the European Union in order to minimise any negative impacts to the council and its community and also maximise the benefits of any opportunities for the Island that arise from it

Brexit risk management and response post transition will be absorbed into the Covid-19 recovery planning going forward. The group liaise with the IW Chamber of Commerce and other business organisations on the island to ensure that local businesses can be as prepared as possible to respond to impacts and opportunities.

As the government did not seek any extension, the transition period ended on 31 December 2020. Planning assumption is that we are likely to experience a 2 week period of response phase and then the Local Resilience Forum would move to the Recovery Phase. The likelihood is that the UK will leave the EU on a World Trade Organisation basis

Deliver the savings plan necessary to achieve an annual balanced budget. Ensure the council's planned expenditure is ultimately no greater than its expected income and that it has a sound approach to financial decision making. Continually review further options for efficiency savings, expenditure reductions and income growth, including a review of tax revenues as part of the budget management process.

Service Boards take place monthly within directorates to review the latest forecast financial position and summary reports are presented to the Corporate Management Team and Cabinet.

The financial position for 2020/21 has been dominated by the impact of the coronavirus pandemic.

As a result of forecasting a net pressure from Covid-19 which would not be fully addressed by government grants and the sales, fees and charges compensation scheme earlier in the financial year, a deficit recovery strategy totalling some £11.5 million was developed to provide cover for this risk and to provide potential headroom to contribute towards any legacy impact of Covid-19 that might continue into 2021/22.

Taking government grants and the compensation from the Sales, fees and charges scheme and the Local Tax Income Guarantee Scheme into account, at the end of December 2020 there is a total forecast net saving against the budget target of £0.2 million, of which an estimated £1.2 million pressure is directly related to the coronavirus pandemic but offset by non Covid-19 related variances of -£1.4 million.

There has also been an impact on the capital programme which has resulted in delays in some projects and some smaller projects being reprofiled into 2021/22.

See separate appendices for a more detailed revenue and capital budget monitor.

Strategic Risks

Brexit - Uncertainty during transition period, followed by potential legislative, funding and policy changes after the UK leaves the EU may adversely affect the council and its ability to provide services.			Assigned to: Chief Executive		
Inherent score	Target score	Current score	Previous scores		
			Sep 20	Jun 20	Mar 20 (pre-pandemic response)
16 RED	6 GREEN	12 RED	12 RED	12 RED	12 RED
No change to risk					

Lack of financial resource and the ability to deliver the council's in-year budget strategy			Assigned to: Director of Finance and Section 151 Officer		
Inherent score	Target score	Current score	Previous scores		
			Sep 20	Jun 20	Mar 20 (pre-pandemic response)
16 RED	5 GREEN	12 RED	14 RED	3 GREEN	3 GREEN
Risk score reduced					

Lack of financial resource and the ability to deliver the council's medium-term financial strategy			Assigned to: Director of finance and section 151 officer		
Inherent score	Target score	Current score	Previous scores		
			Sep 20	Jun 20	Mar 20 (pre-pandemic response)
16 RED	9 AMBER	16 RED	16 RED	16 RED	13 RED
No change to risk					