

COVID-19 SUPPLEMENTARY ESTIMATES

Council - 21 April 2020

Report of Chief Officer - Finance and Trading

Status: For consideration

Also considered by Cabinet - 16 April 2020

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Matthew Dickins

Contact Officer Adrian Rowbotham, Ext. 7153

Recommendation to Cabinet: Cabinet support the recommendation to Council.

Recommendation to Council: That Members agree to supplementary estimates of £758,000 for the suspension of car parking charges and £100,000 to support vulnerable people and communities funded from the Budget Stabilisation Reserve.

Reason for recommendation: Sound financial governance of the Council.

Introduction & Background

- 1 Following the outbreak of Coronavirus / COVID-19 it has been necessary to make amendments to the budget agreed by Council on 25 February 2020.
- 2 Further to reporting procedures set out in Appendix D (Financial Procedure Rules) 2(d) paragraphs 2.32 and 2.33 of the Council's Constitution, when expenditure has been agreed by the Chief Executive and S151 Officer/Chief Officer - Finance & Trading a report is required on whether or not the expenditure can be met from within the current budget framework.
- 3 As noted in a previous report on this agenda, three decisions have been made using the above Financial Procedure Rules.

- 4 Two of the three decisions, ‘Temporary Suspension of Car Parking Charges’ and ‘Allocation of funding to support vulnerable people and communities’ have an adverse impact on the revenue budget.
- 5 Details of the three decisions are detailed below.

Temporary Suspension of Car Parking Charges

- 6 The following actions have been put in place for three months from 23 March 2020:
 - Suspension of on-street parking charges.
 - Suspension of off-street parking charges.
 - Suspension of car parking season tickets.
 - Parking restrictions will continue to be enforced (e.g. time limits in car parks)
- 7 Season ticket holders have been contacted and signage has been placed in car parks and on parking machines.

Financial Impact

- 8 The potential loss of income for three months is £758,000.
- 9 The above figures are based on April 2019 income levels. However, it should be noted that actual usage of available parking has significantly reduced over recent weeks so the actual income that is likely to be received if these actions were not implemented would be significantly less.

Expanded Retail Discount Scheme

- 10 On 27 January 2020 the Government increased the existing Retail Discount for 2020/2021 from 33% of the net rates bill to 50% and extended the scope of the discount to include cinemas and live music venues.
- 11 In response to the coronavirus, In the budget on 11 March 2020 the Government further increased the Retail Discount for 2020/2021 from 50% to 100% and extended the scope of the discount to encompass the leisure and hospitality sectors.
- 12 On 17 March 2020 the rateable value limit of £51,000 which was previously in place was lifted to allow any occupied qualifying business to receive the discount, regardless of rateable value.
- 13 It is for individual billing authorities to adopt a local scheme and to determine in each individual case when, having regard to the guidance issued on 18 March 2020, to grant relief using discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended).

- 14 It is imperative that we deliver much needed support to the business community in the form of rate relief to preserve the local economy

Financial Impact

- 15 Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rates retention scheme.
- 16 The cost of relief is initially shared between central government (50%) and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%. However, due to the complexities of business rates retention, the actual impact is likely to be significantly lower.
- 17 Central government will fully reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in the guidance set out at
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875613/Expanded_Retail_Discount_Guidance_25.03.20.doc.pdf.
- 18 Reimbursement will be by way of a grant under section 31 of the Local Government Act 2003.

Allocation of funding to support vulnerable people and communities

- 19 The Ministry of Housing, Communities and Local Government (MHCLG) has directed for COVID-19 community co-ordination hubs to be urgently established to provide targeted support for those most at risk during the coronavirus outbreak. This is being led by Kent Resilience Forum's 'Vulnerable People and Communities Cell', who are working with the 12 borough and district councils across the county.
- 20 The hub will manage and co-ordinate the re-deployment of staff, community volunteers and resources to meet that demand, on behalf of the public sector. It will also pass on general offers of help and will work alongside existing voluntary and community groups to help maximise support for our local communities.
- 21 The hub aims to match people who can offer their time and specific skills with those who have been advised to self-isolate.
- 22 The Chief Officer - People and Places has requested investment of £100,000 to be made available to support the district's vulnerable people and communities, including the emergency set up and delivery of community co-ordination hubs.
- 23 The funding will:
- Support the establishment of local community hub(s), which will be set up as the main spokes across the district, including support such as:

- Direct funding to hubs;
 - Volunteering directory;
 - Staff resources;
 - Free parking permits to key workers, volunteers and health professionals;
 - Printing facilities (inc. ID badges, passes etc) to support local communications needed in our local community hubs;
 - Vehicles and drivers to support critical activities;
 - Warehousing and storage capacity; and
 - Community supplies.
- Provide funding to the voluntary and community sector, where a critical needs or gap in service provision to the community is identified. This will assist them to mobilise frontline services.

Financial Impact

- 24 £100,000 has been made available to support the district’s vulnerable people and communities, including the emergency set up and delivery of community co-ordination hubs.

Key Implications

Financial

The decisions made will have the following impact on the Council’s revenue budget over 2019/20 and 2020/21:

	£
Temporary suspension of car parking charges	758,000
Expanded retail discount scheme	-
Support vulnerable people and communities	100,000
Total	858,000

It is proposed that £858,000 will be removed from the Budget Stabilisation Reserve to fund these items.

The Budget Stabilisation Reserve is used to support the balanced 10-year budget. By reducing this reserve, further budget decisions may be required as part of the next annual budget setting process to ensure that the Council continues to have a balanced 10-year budget.

The financial implications for each decision are set out elsewhere in this report. This report complies with the reporting procedures set out in Appendix D (Financial Procedure Rules) 2(d) paragraphs 2.32 and 2.33 of the Council’s Constitution.

Legal Implications and Risk Assessment Statement.

