

Item 13 - COVID-19 Financial Impact

The attached report was considered by the Finance & Investment Advisory Committee on 8 July 2020. The relevant Minute extract is below.

Finance & Investment Advisory Committee (8 July 2020, Minute 55)

The Chief Officer Finance & Trading presented the report which outlined the financial impact of Covid-19 and the intended financial recovery plan. The report was based on the latest financial return that was provided to the Ministry of Housing, Communities and Local Government (MHCLG). The position would continue to change as ongoing financial impacts become clearer.

The financial implications of Covid-19 started in March 2020 with additional expenditure and reduced income of £178,000 in the 2019/20 financial year. This was offset by the funding received from Government meaning there was no overall impact for the 2019/20 year.

The financial impact had been much greater in the current year 2020/21. Funding from Government received so far had not offset the additional costs or reduced income. The impact currently forecast was £4.661m.

It was currently forecast that there would be £536,000 of additional expenditure incurred this financial year. This included the District Emergency Response aiming to provide support to those in most need. It was forecast that there would be £4.4m of reduced income for the year. The largest item was car parking income with low occupancy during lockdown and the suspension of charges. Other services with reduced demand during lockdown included trade waste, planning, building control and land charges. Council tax collection had also been impacted as staff had tried to support residents and businesses.

Government had provided £1.2m of funding to the Council so far and further funding had since been announced.

The 10-year budget process had put the Council in a strong financial position. The report proposed that the Council continues to use the 10-year budget process a framework for financial recovery from the impact of Covid-19. This would allow Members the opportunity to engage in the process and put forward their ideas.

In response to queries, the Chief Officer Finance & Trading advised that there was currently no impact of the leisure operator's current financial situation included in the assumptions.

In response to queries, Chief Officer Finance & Trading advised that the business rate retention scheme had a safety net which was a minimum level the Council would receive from business rates regardless of how much was collected. This was how much the Council had budgeted for, meaning there was no financial impact expected this year.

The Committee requested their vote of thanks to be recorded, to all staff in the Revenues and Benefits team within the Council, to acknowledge their hard work in distributing business grants and delivering financial relief to residents quickly during the lockdown period.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the financial impact of Covid-19 on the Council be noted; and
- b) it be recommended to Cabinet that the Council address the impact of the Covid-19 response and recovery through the thorough 10-year budget setting process as set out in the report.