

Budget 2020-21 – Financial Impact of Covid-19

The Reason for the Decision

To update the Budget position to inform of the financial impact of Covid-19 on the authority

Summary of options considered

This report presents proposals to the potential budget pressures arising from the Covid-19 Pandemic. This is to ensure that the Council meets its statutory duty to maintain a balanced budget position.

The budget position will be monitored monthly to ensure that the ongoing impacts of the pandemic can be identified, and corrective action taken where necessary.

Recommendations

- 1) That the report be noted
- 2) Delegate to the S151 Officer in consultation with the portfolio holder for Finance and Legal, the increasing of the expenditure budget for the Business Grants – Discretionary Scheme for small businesses by the amount of grant allocated of £1,995,000
- 3) Delegate to the S151 Officer in consultation with the Monitoring Officer and Portfolio Holder for Finance and Legal the variation of income payment terms and any associated contractual variations
- 4) Agrees that reserves are protected by not allowing carry forwards of underspend into this financial year except in exceptional circumstances
- 5) That Members review the position on a monthly basis and give

delegated authority for the S151 to release additional sums from General Fund balances to address the budget position

Financial / Resource Implications

As set out in the report.

Legal / Governance Implications

S 114 of the Local Government Finance Act 1988 requires the S151 Officer, in consultation with the Council's Monitoring Officer, to report to all the authority's Members if there is, or is likely to be, an unbalanced budget.

Community Safety Implications

None directly

Health and Safety and Risk Management Implications

The budget contains provision for the Council to discharge its obligations under health and safety legislation, and to maintain a reserve in order to manage risks.

There are also risks that the Council will not be able to operate within agreed budgetary provisions, but this can be minimised by the financial monitoring process and by the prudent policy on the level of reserves and balances.

Equality Duty considered / Impact Assessment completed

As part of the budget growth bids and savings bids process.

Wards Affected

All

The contribution this decision would make to the Council's priorities

The revenue budget is set to support the Council in achieving priorities through the Council Plan and to facilitate control of expenditure on its activities.

Is this a Key Decision

Yes

Portfolio Holder

Councillor Jim Lister
Portfolio Holder for Finance and Legal

Lead Officer

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Report Implications

Community Safety	Y	Financial	Y
Legal	Y	Partnership	Y
Social Inclusion	Y	Asset Management	N
Equality Duty	Y	Health and Safety	Y
Employment (internal)	N	Employment (external to the Council)	N

Background Papers: Revenue and Capital approved budget 2020-21, MHCLG financial returns and working papers, Government COVID-19 guidance and notifications

1.0 Introduction

- 1.1 Since the Council approved its Revenue and Capital Budgets for 2020-21 the ongoing Covid-19 pandemic has had a significant impact on the Council's finances. These impacts started to be felt before the introduction of the lockdown started on the 23rd March 2020 and will continue as the lockdown starts to ease and our local economy opens again.
- 1.2 This report will look at the latest forecast financial position for 2020-21 and identify the emerging pressures on our ability to deliver on the approved budgets.
- 1.3 It will also look at the range of financial support that is available from Central Government to assist us and our communities during the period of the pandemic.
- 1.4 The report will also assess how this crisis will affect the financial resilience of this authority and how the aftermath will affect the assumptions made in our Medium-Term Financial Strategy.

2.0 Estimated Impact on Revenue Budget 2020-21 due to COVID-19

2.1 The summary table below sets out the budget as approved by Council for 2020-21 with the estimated impacts of Covid19 against this to show an updated budget position for this financial year. The Covid19 impact is estimated for the full year based on the experience of additional spend and lost income between March and May 2020.

Table 1: 2020-21 Revenue Budget

	2020-21 £000	COVID Impact £000	2020-21 Update £000
Base Budget	11,449	0	11,449
Change in salary costs - recurring	146	0	146
Recurring growth per 2020/21 original budget	1,041	0	1,041
Recurring savings per 2020/21 original budget	(396)	46	(350)
Recurring growth - COVID	0	0	0
Recurring savings - COVID	0	0	0
Recurring (base) budget	12,240	46	12,286
Change in salary costs – non-recurring	0		0
Non-recurring growth	756	0	756
Non-recurring savings	(194)	0	(194)
Non-recurring growth - COVID	0	6,665	6,665
Non-recurring savings - COVID	0	(2,992)	(2,992)
Net Expenditure	12,802	3,720	16,522
Expenditure on earmarked priorities	190	0	190
Proposed Budget (excluding parish precepts)	12,992	3,720	16,712
Parish precepts	2,458	0	2,458
Proposed Budget (including parish precepts)	15,450	3,720	19,170
Less: Planned use of earmarked balances	(190)	0	(190)
Net Budget Requirement	15,260	3,720	18,980

2.2 This indicates a potential increase in the Net Budget Requirement of £3.72 million should the impact experienced to date be continued for the full financial year.

2.3 The Table below shows how this amended budget position would be funded:

Table 2: 2020-21 Revenue Funding

	2020-21 £000	COVID Impact £000	2020-21 Update £000
Revenue support grant	199	0	199
Rural Services Delivery Grant	326	0	326
Other government grants (New Homes Bonus)	606	0	606
Other government grants (Levy Surplus)	0	0	0
Other grants	0	968	968
Council tax – excluding parish element	5,400	0	5,400
Council tax – parish element	2,458	0	2,458
Collection fund surplus/(deficit) - Council Tax	21	0	21
NNDR funding - inc s31 grants	6,112	5,541	11,653
Collection fund surplus/(deficit) - NNDR	138	0	138
Less Transfer of s31 Grant to Earmarked Reserves	0	(5,541)	(5,541)
Use of /(contribution to) General Fund Balances	0	2,752	2,752
Total funding	15,260	3,720	18,980

2.4 In order to maintain a balanced budget there would be a requirement to release £2.752 million from General Fund balances. This would drop the level of reserves available to £596,000 which is significantly below the agreed minimum retained balance of £2.7 million and is therefore not sustainable. (see section 8).

3.0 Additional Expenditure due to Covid-19

3.1 The table below summarises the additional spend the authority anticipates it will have to incur because of the pandemic.

Table 3: 2020-21 Additional Expenditure

Activity / service Area	Description	Actual April £	Actual May £	June to March £	Estimated full year impact £
Revenue & benefits	overtime costs	2,353	1,288	0	3,641
IT costs	Zoom licences	1,000	0	0	1,000
Homelessness - additional cost		12,959	22,920	25,918	61,797
Waste collection		72,000	72,000	144,000	288,000
		88,312	96,208	169,918	354,438

3.2 There has not been significant areas of increased spend yet due to Covid-19. Whilst the authority has had staff who have had to shield and self-isolate during the lockdown period, the impact of this has been minor. Spikes in demand in certain areas have been managed by flexible working and redeployment between teams. Some additional costs have been incurred for staffing and IT, but again this are not material.

3.3 One of our earliest additional spend areas has been the ongoing requirement to house homeless and rough sleepers in Allerdale from the start of the lockdown. The average number of homeless presentations accommodated before the pandemic was around 7 but following the lockdown restrictions there has been a three-fold increase in the number of people presenting requiring accommodation.

3.4 Another early concern for us was around the need to keep out Waste Services operating, and bins collected and emptied. Concerns were raised about the need to review the working arrangements to comply with the increased cleaning regimes and social distancing requirement. Should the crews be impacted by staff sickness or the need to go to Driver only in the vehicles, contingency plans have been made.

3.5 The Covid-19 crisis has disrupted our transformation and efficiency programmes and there are several planning savings built into the budget that can no longer be delivered in the original timescales. Managers are currently reviewing their service areas and drawing up recovery plans to address future working in the recovery period. As part of this review they are also identifying areas where further transformation activity can be programmed. The organisation has worked swiftly and adapted well to the challenges presented over the last few months and it is important that we can learn lessons from this crisis for our future operating model.

4.0 Lost or Reduced Income due to COVID-19 situation

Sales, Fees and Charges

- 4.1 The current approved budget for 2020-21 includes approximately £10 million of income from sales, fees and charges. Several of these income streams have been turned off or significantly impacted due to the lockdown measures that have been in place.
- 4.2 The majority of this income is taken directly to the revenue budget and so any reduction will be an immediate pressure on the budget. Ultimately if no compensating action is taken then this will put pressure on reserves.
- 4.3 The table below summaries the estimated lost or reduced income:

Table 4: 2020-21 Lost or Reduced Income

Activity /service Area	Actual April	Actual May	June to March	Estimated full year impact
		£	£	£
Car Parks	245,710	342,629	1,362,224	1,950,563
Camping & Caravan Site	33,333	33,333	333,334	400,000
Workington Town Centre	70,000	0	142,900	212,900
Trade Waste	51,265	57,413	117,922	226,600
Recycling	67,710	27,317	0	95,027
Domestic Waste	2,531	1,960	5,545	10,036
Planning and Development	0	46,313	48,543	94,856
Building Control - Chargeable	12,914	24,238	9,627	46,779
Bereavement Services	7,000	5,000	4,000	16,000
Industrial Units	14,000	20,000	40,000	74,000
Tenanted Properties	15,250	12,000	28,000	55,250
Land Charges Service	10,500	11,345	22,690	44,535
Markets	8,338	8,338	41,234	57,910
Assistance - Housing Services	8,500	2,185	18,972	29,657
Festivals & Events	0	1,000	4,000	5,000
	547,051	593,071	2,178,991	3,319,113

- 4.4 The largest impact is on our carparks, which following government guidance were only open for key workers and essential trips and were made free. In Keswick two of the carparks were closed to assist with requirements to “Stay and Home and Protect the NHS”.
- 4.5 The Loss of income for the Camping & Caravan site is estimated at £33,333 per month which equates to a forecast loss of £400,000 for a full year. Camping sites were instructed to close by the Government in March and are still awaiting confirmation of when they can re-open.

- 4.6 Workington Town Centre rental income is paid quarterly and due to store closures, no rental income was received in April. The current forecast is that no additional rental income will be received for the remainder of the current financial year.
- 4.7 Due to the significant number of businesses that were required to close as part of the lock down rules, there has been a temporary suspension of Trade Waste collections and hence a corresponding drop in income. Recycling has also reduced during the period.
- 4.8 Where invoices are raised there may be delays in payment terms. Debtors are encouraged to call the Council as soon as possible if they are experiencing difficulties with making payments. To date, only a handful of requests, mainly from tenants in commercial properties, to spread payments over the latter part of the financial year. It is recommended that the negotiation on changes to payment terms and contractual terms is delegated to the S151 and Monitoring Officer in consultation with the relevant Portfolio Holder.
- 4.9 It is worth noting that this is still early in the financial year and there is a real potential that payments due from May and June onwards will be a more significant test of the impact.

Council Tax and National Non Domestic Rates (NNDR)

5.0 Council Tax

- 5.1 The amount of council tax income available to the Council's general fund is fixed at the level determined when the council tax is set. Based on the 2020-21 tax base of 30,905.23 the amount of Council Tax income receivable for this financial year is £5,399,762.
- 5.2 This amount is paid out of the Council's Collection Fund regardless of how much council tax is collected during the year.
- 5.3 If more council tax is collected than expected there will be a surplus on the Collection Fund. If less is collected than expected, then there will be a deficit on the Collection Fund. Any surplus or deficit must be considered in the next year's budget – ie 2021-22 financial year.
- 5.4 Council Tax collection rates are already 0.50% lower than expected in April (approximately £60k). The impacts of Covid19 are likely to see further reductions in the recovery rates as a result of payment failure and default.
- 5.5 There are also likely to be significant increases in the number of local council tax support claimants as this financial year progresses.

- 5.6 Both of these have the potential to increase the deficit or lower the surplus in this financial year which will then have to be considered when setting the budget next year.
- 5.7 They will also have the potential to lower the taxable capacity (tax base) of the borough thereby limiting the amount of income that can be raised through Council Tax.
- 5.8 A broader further implication is that the potential economic consequences on the house building sector may result in lower levels of growth in the council tax base in the future.

6.0 National Non-Domestic Rates (NNDR)

- 6.1 Under the business rates retention scheme, 40% of business rates (NNDR) collected is retained by the Council. The remainder is paid to Central Government (50%) and Cumbria County Council (10%). The scheme also provides that certain sums are to be treated as being outside the scheme and retained in their entirety by the Council (or by the Council and the County Council). The Council is also able to retain the growth in the local share of business rates, subject to the payment of a levy to central government, designed to prevent disproportionate increases in the Council's funding as a result of growth in business rates income.
- 6.2 The amount of business rates income available to the Council's general fund and taken into account when setting the budget, is based on an estimate made in January preceding the start of the financial year and included in the government return NNDR 1 (i.e. January 2020 for the 2020-21 Financial Year).
- 6.3 The estimate of business rates income considers any projected changes in the tax base, estimated losses due to appeals and expected collection rates. The amounts paid to the County Council and central government and the amount retained by the Council are fixed at the outset of each year (based on the estimates included in the Council's NNDR 1 return). Consequently, any difference between estimated amounts and the actual amounts receivable will result in a surplus, or deficit on the Council's Collection Fund.
- 6.4 The NNDR1 form fixes a significant portion of NNDR income available to the Council's general fund for the financial year, it does not fix the:
- levy the Council pays to the Cumbria business rates pool
 - retained levy that the Council receives back from the pool or
 - grant it receives from central government to compensate for certain business rate reliefs (section 31 grant)
 - the balance of amount payable or receivable in respect of the preceding years disregarded income (renewable energy reconciliation adjustment).

- 6.5 Amounts relating to levy payments and section 31 grant are based on the Collection Fund outturn position rather than on the estimates included in the NNDR 1 return. As a member of the Cumbria wide business rates pool, the net levy payable also considers the Collection Fund outturn positions of other pool members. Therefore, the amount of income the Council receives and pays in relation to these items is subject to change over the course of the financial year. The renewable energy reconciliation adjustment is based on the previous year's outturn position.
- 6.6 In 2020/21 the main elements of the NNDR income at risk of change are the level of section 31 grants and the Levy payable (net of reduction under pool arrangements). The former includes the increase in s31 grants receivable during the year as result of the additional and extended reliefs introduced to COVID -19 (including the increased and expanded retail scheme) of £5.541m. The amount of s31 grant will also be impacted by other changes, compared to NNDR 1 estimates, in the actual amount of reliefs awarded and for which the Authority receives compensation in the form of a s31 grant.
- 6.7 The additional s31 grant awarded to the Authority in 2020/21 to cover the cost of the extended and additional reliefs introduced in response to COVID -19 must be accounted for in the year (2020/21). However, because the demands on the collection fund in respect of business rates are fixed prior to the start of the financial year, the cost of those additional reliefs in the Collection Fund (i.e. the Authority's share of the collection fund deficit generated by the additional reliefs) will not be borne by the general fund until 2021-22. To offset the significant fall in business rates income in 2021-22 it is therefore recommended that the additional s31 grant received this year is transferred to an earmarked reserve to be released in 2021-22.
- 6.8 In addition to the impact of the additional reliefs awarded other potential, but unquantified, consequences of the pandemic include
- Changes to the growth in business rates as a result of lower economic growth
 - losses arising from non-payment
 - losses arising from empty properties
 - changes in the value of reliefs not compensated for through S31 grants

7.0 Financial Support available to Allerdale BC from Central Government

- 7.1 The additional financial support from central government can be broken down into three areas of support:
- additional funding to support Allerdale BC
 - Cash flow
 - Grant funding to support businesses
- 7.2 Table 5 below sets out a summary of the additional funding to support Allerdale:

Table 5: Additional Funding

Measure	Amount £	Relates to which year	Additional or to offset	Date received
Covid -19 emergency funding	64,382	2019/20	Additional	27/03/2020
Covid -19 emergency funding - tranche 2	967,863	2020/21	Additional	11/05/2020
Council Tax Hardship Fund	910,462	2020/21	Additional	03/04/2020
Homelessness Funding	6,001	2019/20	Additional	
Reopening High Streets Safely Fund	86,416	2020/21	Additional	
Local Authority Discretionary Grant Fund (LADGF)	1,995,000	2020/21	Additional	01/04/2020
Extended and Additional Business Rates Reliefs (billing authorities only)	5,541,000	2020/21	Offset	Instalments commenced May 2020
Total	9,571,124			

- 7.3 Covid19 Emergency Funding - The first tranche of funding announced on 19 March was primarily to meet the increased demand for and enable additional support across adult social care; meet the additional costs of providing children’s social care; provide additional support for the homeless and rough sleepers; support those at higher risk of severe illness from COVID-19; and meet pressures across other services.
- 7.4 The second tranche of funding, announced just over 4 weeks after the first announcement, is aimed at getting rough sleepers off the streets, supporting clinically vulnerable people and providing assistance for the public health workforce. It is also to reflect financial pressure being felt by councils resulting from lower use of fee-paying services (e.g. car parks and leisure facilities).
- 7.5 Council Tax Hardship Fund –As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. Allerdale Borough Council has been allocated £910,462.

The Government expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

Allerdale Borough Council will provide all recipients of working age local council tax support(‘LCTS’) during the financial year 2020-21 with a further reduction in their annual council tax bill of up to £300, using our discretionary powers to reduce the liability of council tax payers outside of our formal LCTS scheme design.

Allerdale Borough Council do not require any recipient of LCTS to make a separate claim for the reduction under this part of the scheme. We will identify who is eligible for support from the hardship fund and automatically rebill those council taxpayers.

Additionally, some of the funding will be allocated to deliver increased financial assistance through other local support mechanisms, such as the Community Resilience and Welfare groups.

- 7.6 Homelessness Fund - To meet the cost of providing accommodation and services to rough sleepers, and those at risk of rough sleeping, who are suffering from or at risk of coronavirus.
- 7.7 Re-opening High Streets Safely Fund -To prepare for the reopening of non-essential retail. This funding is intended to support a range of practical safety measures including new signs, street markings and temporary barriers. Local authorities will also be able to use this money to develop local marketing campaigns to explain the changes to the public and reassure them that their high streets and other commercial areas are safe.
- 7.8 Extended and Additional Business Rates Relief - Additional section 31 grant to compensate the Authority for the loss on business rates income arising from expansion of the retail discount scheme (relief increased to 100% and scheme extended to cover occupied retail, leisure and hospitality properties in the year 2020-21, nursery discount and reinstatement and extension of pub relief . Total additional cost of the expanded retail scheme and bursary scheme is estimated at £13,557,177. The cost of the extended pub relief is £285k. The Authority's share of these additional and extended reliefs - funded by s31 grant is estimated (40%) to be £5,541k.

7.9 Table 6 below sets out the support to assist the cash flow position:

Table 6: Cash flow

Measure	Amount £	Relates to which year	Additional or to offset	Date received
2020/21 BR s31 advance	2,298,326.00	2020/21	Cash flow measure only	27/03/2020
Deferment of central share of Business rates	3,769,155.00	2020/21	Cash flow measure only	3 month deferral
	6,067,481.00			

- 7.10 Business Rate S31 advance - Advance payment of the S31 grant amounts calculated on NNDR 1 2020-21 Part 1C, which were due for payment during 2020-21 to ease local authority cash flows. The grant amounts have been

paid in an upfront lump sum. These would normally be paid in instalments over the course of the 2020-21 financial year.

7.11 Deferral of payment of central share of NNDR -The 9% due on each of 30 April, 19 May and 22 June in respect of the Central Share of business rates will be paid at a date to be determined, later in the financial year.

7.12 Table 7 below sets out the grant funding to support Allerdale businesses:

Table 7: Funding for grants administered by the Authority

Measure	Amount £	Relates to which year	Additional or to offset	Date received
Grant Funding schemes SBGF and RHLGF – and Discretionary fund	42,194,000.00	2020/21	N/A	01/04/2020
	42,194,000.00			

7.13 Grant Funding Schemes - The government initially announced two grant funding schemes. The first is for small businesses claiming small business rate relief (SBRR) and they are eligible for a grant payment of £10k. The second scheme is for those businesses with property in the Retail, Hospitality and Leisure sectors. The grant is £10k for those where the rateable value is up to (and including) £15k and if the rateable value is over £15k but less than £51k then the grant is £25k. The allocation awarded was £42,194,000 of which £1,995,000 was subsequently reallocated by government to support the Local Authority Discretionary Grant Fund (LADGF) - see above. In administering these grants, the Authority is acting as agent for the Department for Business, Energy and Industrial Strategy (BEIS). Neither the s31 grant nor the grant paid to eligible businesses are therefore included in the Authority's Income and expenditure account (or general fund). New burdens funding, which will be income to the Authority has yet to be announced.

7.14 Discretionary Grant Fund – On 1st May 2020 the Government announced a discretionary funding scheme, administered by Local Authorities, to support businesses affected by COVID19. Allerdale has been allocated £1,995,000. To administer the grant effectively a Local Authority Discretionary Grants policy has been approved.

The policy outlines the Council's intention to consider grants based on the Government's priorities and the additional inclusion of supply chain businesses affected by the mandated closure of businesses due to COVID19 (tourism, hospitality and retail) and manufacturing businesses. These two

sectors have been added having been identified within the Council's Business Growth strategy as key sectors and in consultation with other local authorities and business support organisations. The policy has been developed in consultation with other Cumbrian local authorities as per the Government guidance.

The guidance from Government allows the Council to use discretion in terms of the criteria. Several options were considered by the Council but after consultation it has been determined that the initial focus should be on the Government's priorities and the two additional areas of supply chain businesses to those businesses mandated to close and manufacturing.

The Council has been unable to quantify the level of eligible businesses in the planning of this programme, however based on numbers of rateable properties, business census and number of people declaring themselves as self-employed the number could exceed 1,000. It is for this reason that the Council has reserved the right to give consideration to the levels of funding awarded in the first round of funding and the potential for future funding rounds. The level of funding received from Government would enable the Council to award 80 grants of £25,000. The policy therefore recommends that the maximum grant to be considered is £10,000. This would mean the Council was able to support a minimum of 199 businesses.

8.0 Impact on the Reserves and Balances

- 8.1 General Fund (GF) balances are a part of our risk management process and are retained to protect the authority in the event of major unforeseen events as well as provide a buffer against future financial risks in the medium term. Holding the appropriate level of reserves enables the organisation to manage the demands placed on us in these circumstances.
- 8.2 The current approved minimum level of General Fund (GF) balances has been set at £2.7 million, based on the assessment of anticipated risks and uncertainty around the future of local government funding. The risk assessment did not factor in the potential of a national lock-down due to a worldwide pandemic.
- 8.3 Based on the worst-case example of the impacts of the lockdown lasting for the full financial year then as set out in section 2 above, then a further £2.752 million would be required to be released from reserves.
- 8.4 The opening position on GF Balances can be seen in the table below:

Table 8: Estimated General Fund balances - per original 2020/21 budget

	2019-201 £000	2020-21 £000	2021-22 £000	2022-23 £000
Opening Balance at 1 April	3,890	3,357	3,348	1,376
Add: transfer (to)/from Earmarked Reserves	678	0	0	0
Less: Use to finance 2019-20 Capital Programme	(129)			
Less: budgeted use of GF to support 2019-20 Revenue Budget	(1,082)			
Forecast revenue Outturn variance				
Less: Use to fund 2020-21 Revenue Budget		0	0	0
Less: Use to fund 2020-21 Capital Budget		(9)	0	0
Less: Projected Revenue Surplus/(Deficit) per MTFP		0	(1,972)	(1,791)
Projected Balance at 31 March	3,357	3,348	1,376	(415)
Less Retained - Minimum Balance	(2,700)	(2,700)	(2,700)	(2,700)
Available for use	657	648	(1,324)	(3,115)

8.6 Table 9 below, updates the GF balances position should £2.752 million have to be released to cover the financial impact of Covid-19. This indicates that by the end of 2020-21 the balance will fall to £596k which is significantly below the minimum retained level of £2.7 million. The impact of using these balances in 2020-21 also means that there is no cushion available to cover the already forecast shortfall in the budget anticipated from 2021-22 onwards.

Table 9: Updated GF Balances following Covid19 impact

	2019-20 ¹ £000	2020-21 £000	2021-22 £000	2022-23 £000
Opening Balance at 1 April	3,890	3,357	596	(1,376)
Add: transfer (to)/from Earmarked Reserves	678	0	0	0
Less: Use to finance 2019-20 Capital Programme	(129)			
Less: budgeted use of GF to support 2019-20 Revenue Budget	(1,082)			
Forecast revenue Outturn variance				
Less: Use to fund 2020-21 Revenue Budget		(2,752)	0	0
Less: Use to fund 2020-21 Capital Budget		(9)	0	0
Less: Projected Revenue Surplus/(Deficit) per MTFP		0	(1,972)	(1,791)
Projected Balance at 31 March	3,357	596	(1,376)	(3,167)
Less Retained - Minimum Balance	(2,700)	(2,700)	(2,700)	(2,700)
Available for use	657	(2,104)	(4,076)	(5,867)

9.0 Next Steps

- 9.1 Monthly returns are being completed to MHCLG on the estimated financial impact that this pandemic is having on local authorities and officers will continue to monitor the financial position on a monthly basis.
- 9.2 The Account and Audit regulations have now extended the deadline for the preparation of the accounts from 31st May 2020 to 31st August 2020 and the deadline for the audited accounts to be approved pushed back from 31st July 2020 to 30th November 2020.
- 9.3 It is expected that Council's outturn position will be reported to Executive next month which will detail the requests for carry -forwards of budget from 2019-20 to 2020-21. As there is significant potential to call on GF balances this year, which is unsustainable after this financial year, we must protect these reserves wherever possible. For that reason, it is recommended that carry forward of underspent budgets are only approved in exceptional circumstances.

10.0 Conclusion

- 10.1 This report recognises the exceptional circumstances that this pandemic has caused the authority and the seriousness of the financial impact it is having on both the organisation and our residents and businesses as well as the wider national and global impact.
- 10.2 The full impact on our budget will emerge as the restrictions are lifted and the timing and scale of any further central government funding is announced. The timing and scale of central governments support to local authorities is crucial to our ongoing financial health.
- 10.3 As well as the financial implications for the Council's budget position, there are going to be long term implications for our local economy, and this makes future financial planning very difficult and significantly more uncertain at this stage.
- 10.4 Although we are faced with uncertainty and challenging times ahead, it is important that we learn from the crisis and particularly from the way we have had to adapt and find new ways of delivering our services in the future.

Catherine Nicholson
Head of Financial Services (s151 officer)