

Dear Member

**CORPORATE OVERVIEW AND SCRUTINY PANEL - THURSDAY, 25TH MARCH, 2021**

Please find attached the Financial Presentation which at the meeting of the 25 March, it was agreed that these slides would be made available to all members of the panel.

**Agenda No    Item**

5.    **Financial Update - Presentation (Pages 3 - 18)**

To receive an update on:

- the Council's Financial Position; and
- a summary of the latest Business Grants administered by the Council

Yours sincerely

**Committee Administrator**

Encs

This page is intentionally left blank

# Update on Finances

## March 21

3

- 2020/21 nfdc latest
- 2020/21 latest business support grants
- 2020/21 test and trace scheme
- 2021/22 restart grants, NNDR & welcome back fund
- 2021/22 budget re-cap
- the medium term position



# 2020/21 nfdc latest

+ General Fund Budget Set Feb 2019;	£19.194M
COVID!	
Loss in service income	+£7.500M
Additional Expenditure Pressures	+£1.500M
Reduction in Other Income	+£0.500M
Reduction in Business Rates and Council Tax	+£1.000M
Government Support:	
Government Grants	-£2.750M
Government Sales, Fees & Charges Support Scheme	-£4.400M
Furlough Scheme	-£1.060M
<b>Resources Required to re-balance the budget</b>	<b>+£2.290M</b>

# 2020/21 nfdc latest

## + Areas within Services identified to assist:

Vacancy Management Process	-£0.500M	
Removal of Non-Essential Schemes	-£0.200M	
Budget Review	-£0.483M	
Savings to 2020/21 (see April Cabinet Report)	-£0.732M	-£1.915M

## + Areas outside of Services identified to assist:

Removal of contribution to Capital Prog.		-£0.375M
--	--	----------

**Resources Identified to Re-Balance the Budget -£2.290M**

Pause here for comments & questions before moving on to: LATEST BUSINESS SUPPORT

# 2020/21 latest business support

+ A new range of mandated business support schemes launched by the Government from November administered by the Revenues and Benefits Team within NFDC:

- November 2020 Lockdown **£2.5M paid out** to 1,593 businesses
- December 2020 Tier 2 Restrictions **£750k paid out** to 851 businesses
- December 2020 Tier 3 Restrictions **£230k paid out** to 790 businesses
- December 2020 Tier 4 Restrictions **£635k paid out** to 1,592 businesses
- December Wet-led Pub Support **£62k paid out** to 62 businesses
- January 2021 Lockdown Restrictions **£15M paid out**

**Total winter/spring payments of over £19M**

**Total business support grants of over £60M**

# 2020/21 latest business support

- + A new Discretionary business support fund **totalling £5.2M** received by the Council administered by the Economic Development Team within NFDC:
- + Scheme designed to support businesses unable to access rates based financial support
- + Awards based on fixed premises costs including home based business

## **Additional Restrictions Grant Issue 1 (covering period 5/11/20 -1/12/20):**

Grants between £750 - £3,000

£516,000 issued to 485 unique businesses

61% of these grants issued to home-based businesses

Included Limited Companies and trades businesses

# 2020/21 latest business support

## - **Additional Restrictions Grant Issue 2 (covering period 2/12/20 - 15/3/21):**

- £2.52M issued to a further 233 unique businesses
- Grants between £2,375 - £10,500
- Priorities broadened to include engineering, manufacturing & childcare
- Included further payment awarded to recipients of Issue 1

∞ To date: £3m issued to 720 unique businesses across Issue 1 & 2.

## - **Further Issue 3 ARG Schemes to launch in March specifically for**

- Taxi Drivers
- Further payments to existing applicants beyond 13/3 date
- Opened again to new applicants

Further £1.9M allocated against this Issue 3

Pause here for comments & questions before moving on to: TEST AND TRACE SCHEME



# 2020/21 test and trace support payments

- + A government funded mandated support scheme to assist individuals required to self-isolate
  - Eligible Claimants receive £500 one-off payment
  - £67,000 paid to 134 applicants to date; scheme runs until end June 2021
- + A government funded discretionary support scheme to assist individuals required to self-isolate who suffer financial hardship as a result
  - Eligible Claimants receive £500 one-off payment
  - £22,500 paid to 45 applicants to date; scheme runs until end June 2021
- + New eligibility from 8 March 2021

Pause here for comments & questions before moving on to: RESTART GRANTS, NNDR & WELCOME BACK FUND

# 2021/22 restart grants

- + One-off grant from 1 April to business ratepayers
- + Must be engaged in business activity and trading 1 April 2021
- + Approx 1,600 business eligible
- + Two types - value depends on rateable value
  - Non-essential retail - £2,667 to £6,000
  - Hospitality, leisure, accommodation, personal care and sports/gym - £8,000 to £18,000
- + Application process → pre-payment checks
- + Funding and payments

# 2021/22 business rates reliefs

- + Expanded retail discount
- + Retail, hospitality, leisure and childcare sectors
- ⇒ + Business Rates holiday extended to 30 June 2021
- + From 1 July 2021 to 31 March 2022 - 66% discount
- + Discount applied to circa 1,500 accounts - £21M
- + Letter with annual bills

# 2021/22 welcome back fund

- + One-off grant to NFDC; 'Support to High Streets'
  - To boost the look and feel of the high street, examples include; Street Planting, parks, green spaces and seating areas
  - Run publicity campaigns and prepare and hold events like street markets and festivals to support local businesses
  - Install signage and floor markings to encourage social distancing and safety
  - Improve high streets and town centre by planting flowers or removing graffiti
  
- + A Task & Finish Group will be established to act as the sounding board for proposals to make the most of the funding across the District

Pause here for comments & questions before moving on to: 2021/22 BUDGET RE-CAP

# 2021/22 budget re-cap

+ Start at Original 2020/21 Budget £19.194M

## Funding Movements

Reduced Business Rates and Council Tax -£1.759M

New one-off Grants to 2021/22 £0.413M

£5 Council Tax Increase £0.358M

**Net Funding Reduction: -£0.988M**

# 2021/22 budget re-cap

+ Funding Reduction	+£0.988M
+ Additional Costs to Contend with:	
Pay and Inflation	+£0.640M
New Additional Budget Requirements	+£0.527M
Net COVID costs (after Grants) *	+£1.332M
<b>Savings Requirement:</b>	<b>+£3.487M</b>

\* Includes assumed cost pressures of £360k + net income reductions

# 2021/22 budget re-cap

**+ Savings Requirement** **+£3.487M**

**+ Identified Savings / Budget Adjustments**

Vac. Mgmt, Cont. to Cap. & Bud. Review -£1.348M

Removal of Reserve Transfers -£1.062M

Alternative Finance for ICT Strategy -£0.604M

Alternative Finance for Community Grants -£0.100M

Additional Property Strategy Income -£0.235M

**TOTAL IDENTIFIED -£3.349M**

Use of Reserves to Balance the shortfall: £0.138M

Pause here for comments & questions before moving on to: MEDIUM TERM FINANCIAL POSITION

# The Medium Term Budget Deficit

	22/23 £'000	23/24 £'000	24/25 £'000	Cumulative £'000
Funding Reduction (-) / Growth (+) (before CT Increase)	-1,914	-3	181	-1,736
Pay & Inflation	650	650	650	1,950
HCC Waste Review	400			400
Other Net Adjustments	-23	20	-37	-40
COVID Recovery	-929	-590		-1,519
<b>Overall Shortfall in Budget</b>	<b>2,012</b>	<b>83</b>	<b>432</b>	<b>2,527</b>



# Options Identified

	Option Adopted £'000	Option Identified £'000	by 24/25 £'000
Property Investment Income		650	650
Leisure Delivery Partnership	400		400
<b>Efficiency Programme</b>		<b>1,000</b>	<b>1,000</b>
Boundary Review (to 48 Councillors)		80	80
£5 Council Tax Increase		1,089	1,089
<b>Total of Options Identified</b>	<b>400</b>	<b>2,819</b>	<b>3,219</b>
<b>Overall Shortfall in Budget</b>			<b>2,527</b>
<b>Headroom (options or re-investment)</b>			<b>692</b>

**END**

