

COVID-19 RECOVERY - FINANCE & RESOURCES

1. Recommendation

- 1.1 That Cabinet consider the recommendations from the Finance & Resources Recovery Task and Finish Group (FR T&FG) as laid out in section 5.

2. Purpose of the report

- 2.1 The purpose of the report is to approve and recommend some initial actions necessary now ahead of the preparation of a re-drawing of the Council's Medium Term Financial Plan, including the Emergency Budget for 2020/21.

3. Background

- 3.1 The Council has a legal responsibility to set a fully funded balanced budget. In light of the financial implications that COVID-19 will have on the Council's budget for 2020/21 the production of an Emergency Budget is necessary.
- 3.2 At its meeting in June, the Cabinet established 4 Recovery Task and Groups. One of these Task and Finish groups has a focus on Finance and members of the group have agreed on a set of initial recommendations now put forward to the Cabinet, ahead of the preparation of the detailed Emergency Budget. Section 4 of this report gives an overview of the considerations of the Finance & Resources Task and Finish Group meeting, held on 22/06/2020.

4. Finance and Resources Task and Finish Group Overview

The Task and Finish group were asked to consider and make recommendations to Cabinet on:

4.1 2020/21 Immediate Budget Actions

- Vacancy Control
- Budget Review
 - Asset Maintenance
 - Savings from 2019/20 outturn
 - Review of Capital Programme Financing and reserve transfers
 - Review of service budgets directly impacted by COVID-19
 - Utilisation of General Fund Reserve

Members of the Task & Finish Group were supportive of the actions as outlined.

4.2 2020/21 Capital Programme

- Removal of non-essential Capital Schemes that aren't otherwise programmed for Scrutiny and further Cabinet approval

Members of the Task & Finish Group were supportive of the actions as outlined.

4.3 Re-cast MTFP including Emergency Budget 2020/21

- Consider the length & strength of recovery
 - In NFDC Services
 - On collection Funds
 - In the economy
- Increased costs as result of Pay Award
- Use of Budget Equalisation Funds
- The Business Rate Reset
- Repayment Period of Reserves utilised in balancing the 2020/21 budget
- The timing of the Emergency Budget preparation and MTFP through to 2023

Members of the Task & Finish Group were supportive of the actions as outlined. A suggestion to consider an NFDC asset review in the context of the Financial Planning of the Councils was made. This would be added as an action point for the MTFP review.

4.4 Members ICT

- To consider a principle whereby members who required ICT equipment to support their democratic role will be provided with equipment on a loan basis from the Council. The use of Smarter Working Funds (Capital Programme 20/21) will be utilised as the source of funding for this equipment.

Members of the Task and Finish Group were supportive of the action, particularly in providing equal opportunity for Members to engage with the democratic process if their current personal ICT setup was causing difficulties with access.

5. **Finance and Resources Task and Finish Group Recommendations**

5.1 Implement measures to control employee costs around a Vacancy Control procedure to ensure only essential staffing posts are filled including considerations for redeployment of existing staff where roles have been impacted by Covid 19.

5.2 That the Task and Finish Group focus on an immediate review of 2020/21 budgets, including, but not limited to;

- Review of the Asset Maintenance Budgets
- Review Savings generated in 2019/20
- Review of Capital Programme Financing and reserve transfers

- Review of Service budgets like Travel & Subsistence and Fees & Charges which have been directly impacted by Covid 19

5.3 That Cabinet consider the financial basis for the re-opening of Health & Leisure Centres, avoiding further increases in net costs beyond those currently being incurred as a result of Covid-19.

5.4 The postponement of non-essential Capital schemes.

5.5 Cabinet consider utilising up to £80k of the existing £500k Smarter Working budget to support the democratic role of members.

5.6 That Cabinet note the impact that COVID-19 has had on the income generation at Dibden Golf Centre and provide guidance to the Portfolio Holder for Leisure & Wellbeing in discussions with the provider over future rents.

6. Crime & Disorder Implications

6.1 None.

7. Portfolio Holder Comments

7.1 It is important that the Council reacts in a timely manner to the exceptional circumstances arising from the financial consequences of COVID-19.

7.2 The proposals coming forward from the COVID-19 RECOVERY - Finances and Resources Task and Finish Group are proportionate and look to deliver short term savings providing the Council with the time to evaluate the long term impact and begin the remodelling process as we transition to a post COVID world.

Further Information

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Background Papers

COVID-19 Update May 20
2020/21 Budget Feb 20