

CORPORATE OVERVIEW AND SCRUTINY PANEL – 19 NOVEMBER 2020

NEW FOREST FINANCIAL SUPPORT OVERVIEW

1. RECOMMENDATIONS

1.1 It is recommended that members of the panel note the content of the report.

2. INTRODUCTION

2.1 This report details the financial support schemes that have been made available to the Council during the 2020/21 financial year. The funds received / available can be summarised as;

- Support to the Council with new expenditure pressures and income losses suffered during the pandemic (appendix 1)
- For the Council to administer financial support to businesses situated within the district (appendix 2)
- For the Council to administer financial support to New Forest residents impacted by the pandemic (appendix 3)
- Other (appendix 4)

2.2 The headline figures throughout the report quote the value of support earmarked to the New Forest. As covered by the narrative and as documented through the appendices, it has not always been possible to fully utilise the values received.

3. SUPPORT TO THE COUNCIL - £6,863,908

3.1 The revised budget set and adopted by the Council in September included a range of support funding measures received by the Council, intended to directly support the Council.

3.2 Un-ringfenced Support: £2,507,348 (all received)

3.2.1 The Council has received 4 payments totalling £2,308,569 from the UK government as part of a support package worth £4.6bn across England.

3.2.2 The Council has been required to administer various support schemes during the COVID period. In recognition of this, the Council has received New Burdens Funding totalling £198,779.

3.3 Ringfenced / Claimed Support: £4,356,560 (£1,356,560 received)

3.3.1 During the initial lockdown (late March), the Council was required to shut its 5 Health & Leisure centres. The Furlough scheme was announced shortly afterwards, and the scheme allowed for Local Authorities to utilise the scheme where the usual source of funding for staffing was income generation. As a result of second national lockdown (November) the centres have once again been required to close, and the employees have once again been placed on furlough. The value of income received through Furlough for the period April – Sept was £1.1M.

- 3.3.2 In July the Government announced the Public Sector Sales, Fees and Charges (SFC) Income Compensation scheme, applicable to the 2020/21 financial year. Councils are required to cover the first 5% of Sales, Fees and Charges income variations within effected services. The loss beyond this 5% is then shared with 75% reimbursed by the government and 25% to be covered by the Council. Any amounts already claimed through Furlough to offset income losses are netted off against the government share of the SFC claim. The first claim covered the period April – July with the value of the government 75% share totalling £1.399M. The overall value of claim is anticipated to be £4M. Nothing has been received to date although the first instalment is expected towards the end of November.
- 3.3.3 The Council successfully bid for £256,500 of funding to assist in the costs of accommodating rough sleepers from 1 July to 31 March 2021.

4. SUPPORT TO NEW FOREST BUSINESSES - £92,073,842

4.1 Business Support Grants: £57,850,000 (received, although a proportion to be returned)

- 4.1.1 A full report was presented to the panel in September detailing the awards made by the Council under the initial Business Support Schemes. Payments made under these initial 2 schemes totalled £43,335,000. As detailed in the September report, the Council was never going to be in a position to award the full value as the grant received by NFDC included ineligible properties.

4.2 Expanded Retail and Nursery Business Rate Discount Scheme: £27,012,024 (expected end Nov)

- 4.2.1 The original discount scheme was due to cost the government £1.526M across the new Forest. The expanded scheme now includes more business categories with no cap on the Rateable Value. The benefit of the new scheme within the New Forest is worth over £27M to business within the District.

4.3 November 20 Business Support Scheme: £7,211,818 (expected 13/11)

- 4.3.1 The Council has been allocated two sums to support businesses impacted by the November lockdown; one to cover the costs of a central statutory business support scheme (£3,511,098), and the second is for the administration of a local discretionary scheme (£3,601,720). At the time of writing, initial preparations had begun, but full guidance was awaited (expected w/c 9/11).

5. SUPPORT TO NEW FOREST RESIDENTS - £1,115,048

- 5.1 The Council has received funding to administer support to residents impacted financially by the pandemic. Funding, as outlined in appendix 3, includes support with Council Tax, Essential Supplies and with a one-off payment when required to self-isolate (where this results in a loss of income).
- 5.2 Although not a grant/fund so not included in the appendices, the Council has also seen an increased case load in working age Council Tax Reduction, with current recipients being c400 higher than what we would usually expect. This C£400k reduction in

Council Tax Income is shared by the Council, Hampshire County Council, the Police and Crime Commissioner for Hampshire and Hampshire Fire and Rescue Authority.

6. OTHER FUNDING

6.1 As shown in appendix 4, some other funding has been claimed for, announced and awarded to this Council or announced but the distribution method is through the County Council. Officers remain vigilant to all funding opportunities that are made available to the Council.

7. CRIME AND DISORDER / EQUALITY AND DIVERSITY/ENVIRONMENTAL IMPLICATIONS

7.1 There are no Crime & Disorder, Equality & Diversity or Environmental implications arising directly from this report.

8. CONCLUSION

- 8.1 The Council has received a share of central government support measures to assist in re-balancing the Council's financial position as a result of the Coronavirus pandemic.
- 8.2 The Council has successfully administered several support schemes to businesses and residents of the New Forest since April.
- 8.3 Where the Council has acted as an intermediary (or an 'Administering Authority'), our target has been to distribute funding to eligible bodies as swiftly as possible whilst ensuring ineligible or fraudulent claims are withheld.
- 8.4 The Council has managed these tasks, including the various reporting requirements within existing resources and with a workforce who have largely been working remotely.

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