



# Health & Wellbeing Board

Finance Update June 2020



# Main Points

- Covid-19 Funding
- Financial Pressures
- Next Steps



# Covid-19 Funding Allocations

- Council has been allocated a number of different grants to support the response to the Covid-19 crisis. Main ones are: -

Income Stream	£m
Council Tax – Hardship Relief	4.547
Small Business Grants	73.036
Care Homes – Infection Control	2.876
Emergency Funding – Tranche 1	12.495
Emergency Funding – Tranche 2	9.083
<b>Total</b>	<b>102.037</b>

- Only the emergency funding tranches (total £21.578m) is unringfenced and can be used to fund the range of pressures being faced e.g. support to care homes in addition to infection control.



# Financial Pressures

- Monthly returns submitted to MHCLG – last on 15<sup>th</sup> May – assumed return to normal from end of July.
- Next one (expected tomorrow) – we will be expected to ‘use judgement’.
- Total pressures approx. £23m of which £11m is additional expenditure and £14m is loss of income - **£2m shortfall.**
- Lots of assumptions e.g. non payment of commercial rent income, Council Tax and Business Rates and level of support that will be required by care homes.
- ‘Principles of Grant Allocation’ agreed corporately BUT letter received from MHCLG setting out government priorities – ‘shared burden’ messages – could affect this.
- Largest expenditure pressure - Adult Social Care but based on assumptions of level of support care homes will require as this will be on case by case basis.
- Largest income pressure - Council Tax and Business Rates but assumption is reduced collection rate continues for full year.
- Big concern – unachievable planned savings and existing budget pressures – increases shortfall to **approx. £7m.**



# Next Steps

- Completion of 2019/20 closedown and confirmation of level of reserves.
- Quarter 1 Budget Monitoring – end of June – projection of position for end of year.
- Review and update of Medium-Term Financial Strategy to reflect the impact of Covid-19 – will require assumptions to be made about funding for 2021/22 as government timeline is still autumn (winter!) for settlement.
- Business Planning and budget strategy will need to be more closely linked than ever before and this will be done through the Reset and Recovery Board.
- Continuing support of regional lobbying to government on sufficient funding for local government based on ‘4 buckets framework’.

