

**DECISION MADE UNDER THE URGENT
SCHEME OF DELEGATION**

31st March 2020

Report of the Head of Corporate Finance & Commercial Procurement

Finance Update

Summary including Reason for this Decision

This paper sets out some of the known financial implications and asks for decisions on the HRA rent increase and payments to some suppliers.

Reason: To support our residents and suppliers through the Covid-19 outbreak.

Background

Members will be aware of the almost daily announcements from government on the financial support being made available to residents and business.

As well as offering 100% business rate for retail, hospitality and leisure grants of £10k or £25k (depending on rateable value) are also being paid. A government hardship fund has also been announced to support existing Council Tax Support schemes. In addition, a general Covid-19 support grant has been awarded of £4.7m. This is a non ring-fenced grant that can be used to cover any additional costs or loss of income.

To date, we have received just under £10m from government with a further £45m due to be received by the end of this week.

A summary of the financial support available to business and residents is set out in the table below.

Scheme	Estimated value £m	Funded by
Business rate relief	65.6	Government
Small business grants	48	Government
Hardship Fund	0.9	Government
Emergency fund for residents (enhanced YFAS)	1.1	CYC
Emergency Fund for SMEs	1	CYC
Emergency Loans Fund for suppliers and partners	1.4	CYC
TOTAL	118	

Decisions

Following the report and decisions discussed last week, 2 further issues are brought to your attention for discussion.

Payment to Learning Disability Supported Living Providers

A scheme has already been agreed to ensure cash flow is maintained for our suppliers, including making payments in advance, continuing to pay for services that are not being delivered (eg Home to School transport) and paying on planned rather than actual service (eg concessionary fares). It is further proposed that providers of Learning Disability Supported Living Schemes are paid an increase of 5% from 1st April rather than the 2% agreed in the February budget report, at a total cost of £125k. This increase is to cover additional costs of COVID in agency costs etc. that providers are incurring and will be funded from the Covid-19 support grant.

Housing Revenue Account Rent Increase

It was also agreed that the increases in fees and charges agreed in the February to take effect from 1st April 2020 would not be implemented. However, given where we are in the financial year, the housing rent increase has already been implemented on the rents system and will require a software change in order to reverse it. This could take a number of weeks to implement and would require consultancy support costing some £1.5k per day.

All tenants have already been notified of their increase and housing benefit uplifted accordingly. The average increase is £2.09 per week.

We have 1885 tenants on full HB, 1010 on partial HB and 4608 full rent payers. As there is enhanced resident financial support available through YFAS and we are not undertaking any debt recovery activity, it is therefore proposed that the rent increase goes ahead as planned.

The alternative to this is that either no rent at all is taken for April or that credits are processed on to individual rent accounts to reduce the increase.

Implications

Financial

Work is ongoing to try and understand the overall financial impact on the council. Government has repeatedly assured us that all costs will be covered. The decisions set out in this paper can be funded from the Covid-19 support grant.

Human Resources (HR)

No implications

Equalities

No implications.

Legal

No implications should the recommended decision be agreed.

Crime and Disorder, Information Technology and Property

No implications.

Risk Management

There are a number of risks including the potential for fraud and increased rent arrears that will take some time to recover.

Author responsible for the report:

Chief Officer responsible for the report:

Debbie Mitchell

Ian Floyd

Interim Head of Paid Service

Report Date /2020
Approved

Specialist Implications Officer(s):

Wards Affected: *List wards or tick box to indicate all* All

For further information please contact the author of the report

Background Papers: None