

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHAIRMAN'S REPORT	FINANCE AND DEMOCRACY COMMITTEE	22 JUNE 2020	4
COVID 19 IMPACT ASSESSMENT & RECOVERY			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

This initial report provides an overview of the known and potential impact of the COVID 19 lockdown measures on the services and functions within the remit of the Finance and Democracy Committee. At this stage the information is based on the data available and government policy in place at the time of drafting the report, plans are being made across the council to revise budget forecasts and business plans in response to the changes brought about by the COVID 19 measures. Further reports will be published for the committee over the coming months to provide updates on the impact of COVID 19 measures as the nation moves out of lockdown through a phased approach.

RECOMMENDATION

1. That the impact of the COVID 19 measures on functions within remit of the committee are noted and members provide any feedback to support the recovery programme.
2. To note the current estimate of council wide impact of COVID 19 on finances included in Appendix 1

SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

REPORT

1. The Coronavirus (COVID 19) world pandemic has had an impact on society never experienced before. The necessary measures put in place through national legislation have had a direct impact on every individual and it is expected that the process of returning to some sort of normality, albeit in a different world, will take a little longer as the world comes to terms with the changes. It is in this context that officers have collated the known and estimated financial and operational impact of the COVID 19 measures on the services within the remit of the Finance and Democracy Committee.

2. The information included in this report represents the current knowledge based on known factors, such as loss of income to date or operational changes, as well forecasts from scenario planning. As society moves further away from the lockdown period towards a new norm updates on the impact outlined in this report will be provided along with details of additional impacts yet unknown. The service-based committees have received a report in respect of the services applicable to the committee, the information included in this report includes the services covered by the Finance & Democracy Committee.
3. All services prepared Business Continuity Plans and completed risk and impact assessments that included details of the activities that could be continued, and which services cannot be delivered during COVID 19. Services operating with additional demands could request additional support; whether staffing, PPE, ICT or guidance on decision making.
4. **Financial Services** – during the COVID 19 period the demand on the financial services has significantly increased resulting in demand at times outstripping resource and capacity. Additional requirements such as The Hub, business grant schemes, CTAX hardship payments and schemes and financial returns related to COVID 19, at a time when CTAX billing and the closure of accounts were also taking place, has resulted in delays to many processes and elements of the 'day job' being put on hold whilst resources have been diverted to deal with COVID related priorities supporting businesses and residents. This has been compounded by a reduced resource as a result of the COVID 19 pandemic. Whilst the direct financial cost is not significant the impact has been on the capacity of the team to close the accounts and prepare the 2019/20 financial outturn report which would ordinarily have been presented to the June F&D Committee. Consequently this report will be presented to Members at a later date, yet to be determined.
5. One of the COVID 19 reporting requirements is to identify the estimated financial impact to the council from lockdown and social distancing measures and report these to MHCG on a monthly basis. Appendix 1 is a summary of the most recent (May) submission, which showed an estimated financial impact on the council of just over £1m. Members should note that this information covers the whole council and is based on a combination of known current direct costs or losses and best estimates, it is unlikely that the full impact will be realised in the current calendar year. The request from MHCLG has been to report on the cost and / or losses as a result of COVID 19. The government have distributed compensatory COVID19 support grants to local authorities totalling £3.2bn towards offsetting the financial impacts of the pandemic, and Appendix 1 includes Fylde's share which totals £838k.
6. **Governance** – arrangements for decision making were initially transferred to delegated decisions by officers until legislation in response to COVID 19 measures was approved to allow virtual meetings. There has been limited direct cost as a result of these changes and probably some beneficial technological learning for some members and officers.
7. **Corporate Planning** – the 2020-2014 Corporate Plan was approved through a delegated decision on April 3rd, 2020 however, it has not been possible to progress the plan and the supporting service plans because of the operational displacement as a result of COVID 19. Equally, it has not been possible to maintain performance management of service delivery because so much has been disrupted. However, post COVID 19 service delivery and strategic requirements will have changed which could require an early review of the corporate plan initiatives, priorities and objectives.
8. **Mayoral Arrangements** – the COVID 19 pandemic has essentially put the Mayoral service on hold. Legislation gave the ability to roll on mayoral appointments for the current municipal year, and Group Leaders were supportive of this proposal. Councillor Jacques has therefore automatically had her period of office extended by 12 months, with Councillor Redcliffe as her Deputy. Councillor Little is now scheduled to take up the position of Mayor-Elect for the 2021/22 municipal year.
9. Functions covered by the committee such as procurement, community projects, strategic partnerships, and policy development have all been operated as and when required. The community project fund is open on a rolling basis going forward to respond to demand after several COVID 19 related community initiatives made enquiries about the fund. There has been no direct financial cost to the limited progress in these service areas but there will be delays to any pre COVID 19 projects, initiatives and deadlines.
10. Social distancing measures implemented as part of phased return to work is expected to have an impact on operations across the council for the remainder of the 20/21 financial year and possibly even longer. The

Medium-Term Financial Strategy (MTFS) and service delivery plans will be reviewed to take account of the financial and operational impact of COVID 19. The next revision of the MTFS will be published in November.

IMPLICATIONS	
Finance	This report provides a general commentary of the financial impact to the Finance and Democracy Committee operations of the Covid-19 lockdown measures. These estimates are subject to change as the situation develops. In due course an updated Financial Forecast will provide a more accurate assessment of income loss and additional costs.
Legal	None from this report
Community Safety	Social distancing measures will be in place for the foreseeable period and have impact on service delivery
Human Rights and Equalities	None from this report
Sustainability and Environmental Impact	None from this report
Health & Safety and Risk Management	None from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Allan Oldfield	Allan.oldfield@fylde.gov.uk 01253 658500	June 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
COVID 19 Lockdown Measures	March – May 2020	https://www.gov.uk/coronavirus?gclid=EAlaIQobChMIlKCymb-f6QIVNoBQBh0WqQCIEAAYASAAEglbR_D_BwE

Attached Documents

Appendix 1 - Summary of May 2020 MHCLG return on estimated financial impact of COVID19

Summary of May 2020 MHCLG return on estimated financial impact of COVID19

Appendix 1

FBC Income / Cost Heading - working estimates for May return to MHCLG		20/21 Full Year Estimate £	Assumption for May 2020 MHCLG return:	Estimated impact on 20/21 £
MOT Tests		-23,000	Equivalent of 4 months lost	7,667
Car Parking		-680,000	Equivalent of 4 months lost	226,667
Concessions / Rental Income / License Fees - initial 3 month rent free period	-23,575 pcm	-282,912	Equivalent of 4 months lost	94,304
Leisure Income - (Fairhaven Lake, Bowling, Allotments etc)		-148,176	Equivalent of 4 months lost	49,392
YMCA - additional subsidy			One off additional cost	100,000
Lytham Festival - lost income		-60,000	income for 20/21	60,000
Planning Application income	-56,250 pcm	-675,000	Assume 50% lost income for	168,750
Building Control income	-17,625 pcm	-211,500	Assume 50% lost income for	52,875
Refuse Collection - additional agency labour costs - April 2020 £17.5k		75,000	Assume additional costs for 4 months of	70,000
Trade Waste		-423,500	Assume 50% lost income for	105,875
Additional Cem and Crem Costs			Include additional costs	19,000
Public conveniences		-25,000	Assume £6k lost income for the	6,000
Community Hub (including B&B)			Assume £35k additional cost	35,000
Land Charges Income		-75,000	Assume 50% lost income for	18,750
TOTAL		-2,529,088	TOTAL	1,014,279

Additional Government Funding to Fylde to offset lost income and additional costs :

	£
Initial tranche of funding:	34,085
Further tranche of funding - allocations announced on 28/04/2020:	803,687
TOTAL	837,772