

## Bristol City Council May 2020 Revenue Finance Report

### 1 P2 FORECAST REVENUE SUMMARY POSITION

- 1.1 At Period 2 (May), The Council is forecasting a £76.8m overspend against the approved General Fund budget (£395.7m), of which £68.1m overspend relates to the impact of COVID 19 pandemic and the remaining £8.7m attributes to non-COVID financial cost pressures.
- 1.2 The forecasted position in relation to the ring fenced accounts is as follows:
- Public Health (PH) – reported an in year balance position at P2.
  - Dedicated Schools Grant (DSG) – currently reported no variation to budget at this stage of the year.
  - Housing Revenue Account (HRA) – a forecast balanced in-year position
- 1.3 The table below provides a summary of the current 2020/21 forecast General Fund position by directorate.

Table 1 General Fund P2 Directorate Level Forecast

GENERAL FUND (GF)	2020/21 - Full Year				
	Revised Budget	Revised Outturn	Revised Outturn Variance	Covid-19 Pressures (B)	Non-Covid19
	£000s			£000s	£000s
<b>People</b>					
<a href="#">Adult Social Care</a>	148,320	176,040	27,721	20,395	7,326
<a href="#">Children and Families Services</a>	60,418	63,100	2,682	2,517	165
<a href="#">Educational Improvement</a>	11,992	13,874	1,882	1,002	881
<a href="#">Public Health - General Fund</a>	1,623	1,729	106	106	0
<b>Total People</b>	<b>222,353</b>	<b>254,744</b>	<b>32,391</b>	<b>24,019</b>	<b>8,373</b>
<b>Resources</b>					
<a href="#">Digital Transformation</a>	11,481	10,965	(516)	0	(516)
<a href="#">Legal and Democratic Services</a>	7,190	8,190	1,000	940	60
<a href="#">Finance</a>	11,291	13,893	2,601	2,632	(30)
<a href="#">HR, Workplace &amp; Organisational Design</a>	10,368	10,703	334	0	335
<a href="#">Policy, Strategy &amp; Partnerships</a>	3,155	3,282	127	150	(24)
<a href="#">FM Services</a>	2,866	5,181	2,315	950	1,365
<a href="#">Commercialisation &amp; Citizens</a>	7,524	9,280	1,756	1,900	(145)
<b>Total Resources</b>	<b>53,877</b>	<b>61,493</b>	<b>7,616</b>	<b>6,572</b>	<b>1,044</b>
<b>Growth &amp; Regeneration</b>					
<a href="#">Housing &amp; Landlord Services</a>	12,176	17,568	5,393	4,813	580
<a href="#">Development of Place</a>	1,224	2,782	1,558	2,111	(553)
<a href="#">Economy of Place</a>	3,670	11,123	7,453	6,315	1,137
<a href="#">Management of Place</a>	43,484	60,094	16,610	18,831	(2,220)
<b>Total Growth &amp; Regeneration</b>	<b>60,552</b>	<b>91,567</b>	<b>31,014</b>	<b>32,070</b>	<b>(1,056)</b>
<b>SERVICE NET EXPENDITURE</b>	<b>336,783</b>	<b>407,804</b>	<b>71,021</b>	<b>62,661</b>	<b>8,361</b>
Levies	857	857	0	0	0
Corporate Expenditure	57,663	63,470	5,807	5,456	351
Capital Financing	405	405	0	0	0
<b>TOTAL REVENUE NET EXPENDITURE</b>	<b>395,708</b>	<b>472,536</b>	<b>76,828</b>	<b>68,117</b>	<b>8,712</b>

## 2 NON-COVID RELATED RISK OF OVERSPEND

2.1 At P2, budget managers are currently forecasting emerging risks and potential for further overspends by £8.7m with reasons NOT directly attributed to the COVID 19 pandemic. This figure is a net figure reflecting natural reductions in expenditure experienced during the early part of the year resulting primarily from reduced activity. These emerging pressures and risk are in the main aligned to the People and Resources Directorates and are summarised as follows:

### **People Directorate**

- Adult Social care (£7.33m) mainly related to undelivered savings and market pressures resulting in the need for a continuation of funding previously allocated on a one-off basis.
- Home to School Transport (0.88m): this is attributed to underlying service demand pressures which is likely to be further exacerbated with phased school reopening, potential social distancing requirements and need for additional vehicles.

### **Resources Directorate**

- Facility Management services (£1.37m) – this pressure is attributed to the legacy challenge in the service of delivering a centralised service, service efficiencies and income targets, with devolved budget arrangements which are no longer aligned.
- HR overspend (0.33m) - mainly due to the reduced savings on staff annual leave top-up scheme as up take is significantly reduced for 2020/21.

2.2 This is the first officer forecast for the financial year; opportunities for recovery and delivering the needs of the service in a sustainable manner are being explored. The Council continues to operate Directorate cash limited budgets and no supplementary estimates have been approved in this regard. Executive Directors will seek to look across the divisions for opportunities to address the emerging challenges and contain both revenue and capital spending within the directorate's overall budget limit and report back to Cabinet in due course with the recovery plans for Cabinet consideration.

2.3 If during monitoring of the original budget it is considered that significant variations in either expenditure or income may result in an unbalanced budget then alternative action must be taken to bring the budget back into balance. Such action would include drawing further on reserves or reducing expenditure.

### 3 COVID 19 IMPACT AND GOVERNMENT FUNDING SUPPORT

#### 3.1 SUMMARY POSITION

3.1.1 Based on the P2 Directorate forecast the General fund Revenue funding gap due to COVID 19 (excluding collection fund) is estimated to be £68.1m in 2020/21 (see Table 1). This indicates an improved variance of £1.2m due to the potential to contain additional public health related costs within the ring-fenced budget and capitalisation of ICT additional equipment purchases to support remote working. Please note the reconciliation below comparing the management forecast to figures submitted under the MHCLG COVID Impact return and note that management forecast will form the basis of on-going funding decisions.

Table 2 Forecast Reconciliation

Reconciliation		
Division	Services	Variance
<b>P2 Management Forecast</b>		<b>68,117</b>
Public Health	Public Health	<b>909</b>
Digital Transformation	ICT Remote Working *Capitalise	<b>394</b>
Various	Other (Verified Variances)	<b>- 150</b>
	<b>Total</b>	<b>1,153</b>
	<b>Tota IMHCLG Submission</b>	<b>69,269</b>
	<i>Additional Expenditure (GF)</i>	<i>34,431</i>
	<i>Loss of Service Income (GF)</i>	<i>34,838</i>

#### 3.2 EMERGENCY RESPONSE EXPENDITURE

3.2.1 Table below sets out forecasted costs pressures by service area which in some instances such as Adult Social Care are likely to continue in a graduated manner for a large part of the financial year.

Table 3 General Fund COVID 19 Response Expenditure

Service Area	April-May	Full Year 2020/21
	£m	£m
Adult social care	8.504	19.291
Children's Social Care	1.204	2.517
Education	0.097	0.257
Highways	0.342	0.342
Public Health	0.660	1.015
Housing and Rough sleeping	2.333	4.813
Cultural & related	0.062	0.062
Environment & regulatory	1.401	2.433
Finance & corporate	1.075	1.750
Other total (excl. Hardship fund)	2.810	1.950
<b>Total General fund / PH</b>	<b>18.488</b>	<b>34.430</b>

### **Adult Social Care**

- 3.2.2 The Council has acted as system leads in responding to the crisis working directly alongside the CCG, Sirona and NHS Trusts these include:
- 3.2.3 Capacity and Demand c. £3.8 million- The Council (in partnership with NHS and voluntary and community partners) has needed to rapidly increase capacity in joint short term provision to provide support, moving the focus to pre-assessment targeted support work for those with COVID 19. Mobilising for COVID 19 pressures, managing demand and ensure capacity remains in the hospital.
- 3.2.4 Sustain Care Provider Market c. £9.2 million - ensure the local care market has sufficient capacity and of sufficient quality to meet the needs of the population and the Council direct financial support.
- 3.2.5 Targeted capacity c. £2.6 million - Increase the Council's frontline Staff Cover for short term targeted support for up to two weeks after discharge and to provide a short-term up-front response and additional capacity costs for MH services.
- 3.2.6 Additional PPE c. £0.7 million- Costs for Adult social care staff PPE, and additional costs for short term emergency supply of PPE for service providers.
- 3.2.7 Non Deliverable Savings c. £3.0 million - In addition to the direct cost of responding the Council has a "better lives" programme to improve adult social care provision and outcomes, for 2020/21 this include £6.3 million of planned efficiencies.

### **Children Social Care**

- 3.2.8 Workforce Capacity £0.113 million - Short term increase in the workforce capacity to support Child Protection and domestic abuse cases and recruitment/ support to in-house foster carers recruited specifically to provide additional support and respite as a result of COVID 19.
- 3.2.9 Residential Care and foster carers £1.1 million - Increase anticipated in the number of young people coming into care (5%) and also an 5% increase on contract pricing due to associated costs such as infection control measures, and reduced occupancy in residential settings, and additional supports were provided Care Leavers and Children in Need (0.3m).
- 3.2.10 Delays in Savings Delivery c.£1.0 million – part of the £2m Strengthening families transformation and savings programme which includes a re provision of our in house children's homes.

### **Education**

3.2.11 Special Educational Needs and Disabilities £0.257 million – the provision of general additional support required for parents carers and children with SEND as a result of COVID 19

### **Public Health**

3.2.12 The largest area of spend is attributed to the increasing demand for domestic abuse services currently being experienced, support and accommodation both exasperated due to the COVID 19 Pandemic.

### **Housing and Rough Sleeping**

3.2.13 The Council are currently housing just under 300 rough sleepers in temporary accommodation. In total the Council have supported nearly 400 individuals with over 70 now in permanent accommodation. The Council has also provided 2 sites and sourced suitable water/waste/sanitary provision for up to 50 van dwellers who are in accommodation in which is difficult to self-isolate (in line with the directive from MHCLG on 26 March).

### **Environment & Regulatory Services**

3.2.14 During normal operation our mortuary is at or near capacity. We expanded the amount of resting places and staff capacity to accommodate the anticipated increased number of deceased from the pandemic.

3.2.15 Waste management services £ 1.7 million and additional cost pressures incurred and estimate include increases in residential residual waste and recycling volumes, market price volatility for waste disposal, and additional measure introduced for social distancing.

### **Finance & Corporate Services**

3.2.16 Citizens Services and Strategic Communications £0.250 million – in response to huge increase in city-wide demand for information and communication for residential and businesses communities.

3.2.17 Additional administrative burden £1.06m – huge increase in staffing for the administration of Council tax and business rates in the revenue and benefits team.

3.2.18 There has been a redirection of commissioned / traded TWS resource (£0.1m) to support schools in responding appropriately to the pandemic and administration.

3.2.19 ICT/Remote Working/Virtual Public Meetings £0.3m (to be capitalised) – Over 1,200 piece of additional IT hardware such as phone, laptops, headsets to ensure all newly deployed and existing front line staff have the equipment required.

3.2.20 To date the Government funding received and announced has offset to a large extent the in-year COVID 19 related financial pressures in 2020/21; however a £12.7m in-year budgetary gap still remains due to the pandemic. The table below illustrates the government funding allocation that can be utilised to offset the in-year revenue gap.

### 3.3 LOSS OF SERVICE INCOME

3.3.1 The forecasted loss of service income remains in line with earlier forecast and total loss of service income for the year is forecast to be £34.8m.

Table 4 Loss of Service Income

Loss of Service Income	April-May	Full Year 2020/21
	£m	£m
Highways and Transport	3.52	12.418
Cultural & Related	1.9	4.521
Planning & Development	0.924	2.289
Other	3.263	10.337
<b>Sales, Fees &amp; Charges losses sub-total</b>	<b>9.607</b>	<b>29.564</b>
Commercial Income losses	1.882	5.274
<b>Non collection fund losses sub-total</b>	<b>11.489</b>	<b>34.838</b>

#### Highways and Transport

3.3.2 Income from transport breakdown into different streams; Off-Street car parks, On street parking, resident parking schemes, parking charge notices etc. Occupancy has reduced significantly during April and May in the multi-story car parks.

#### Cultural and Related

3.3.3 The Council run 7 museums which are general free to visit however do generate income for the Council as they do run some fee charging exhibitions, cafes and shops. We also run fee paying services within our parks and green spaces.

3.3.4 All these are currently closed and whilst some costs may be covered by furloughing relevant staff this doesn't cover all the lost income. These activities will take a long time to return to pre-COVID income levels as capacity will be reduced for the foreseeable future as a result of infection control and social distancing measures.

#### Planning and Development

3.3.5 Due to reduced volumes of property transactions there has been a reduction in planning income and land charges income. Some developments and work will simply be put on pause and create a small amount of "catch-up". However there is only a limited capacity within the market to progress developments, planning applications,

searches etc. Therefore it is anticipated that there won't be 100% "catch-up" and that this will take several months to return to regular levels even before expecting any "catch-up" from delayed works.

## Other

3.3.6 The other sources of income the Council are experiencing reductions in are set out in table below. We expect that most of this will be one-off irrecoverable losses in year.

Table 5 Loss of Other Income

Other Service Income	April-May	Full Year 2020/21
	£m	£m
Licensing	0.682	2.726
Events Registrars and Markets	0.322	1.12
FM Cleaning & Security	0.125	0.35
Trading with Schools income (including services transferred to Education)	0.25	0.945
Collection of debt	0.767	3.306
Adult Social Care -Self-Funders income	0	1.805
Garden Waste	0.085	0.085
<b>Total</b>	<b>2.231</b>	<b>10.337</b>

## Commercial Income

3.3.7 Commercial income includes rent receipts from commercial properties, dividend receivables and interest charges on various loans and investment (excluding the Council's own companies). This is in a high risk category where forecast shortfall (c£5.3m).

3.3.8 It is also expected that commercial property rental income will also experience up to 25% reduction base on ONS statistics on national business insolvency risk and intelligence from the Council's own property agents who estimates these losses across a national mixed commercial portfolio.

## 3.4 REGULATORY INCOME LOSS

3.4.1 The estimated total income loss on collection fund is £32.9m. Please note that the collection fund shortfalls will impact on the Council's cash position in 2020/21 however the budgetary impact will fall in the following year 2021/22. Recent Government announcement indicates they will be bringing in changes to enable Councils to spread collection fund tax deficits over 3 years rather than all being met in 2021/21. These changes however will not solve the problem but rather buying more time to introduce measures to mitigate the on-going gap.

### Council Tax

- 3.4.2 Council tax (CT) including preceptor's income: Like many councils we set our Council Tax budget for 2020/21 with a 3.99% increase (1.99% for general requirements plus 2% specifically for adult social care). The Council's budgeted income from Council Tax is £226.1m and represents 57% of the net budget requirement (£395.7m).
- 3.4.3 For Bristol reductions in Council Tax income is the largest single income loss which is estimated to be £22.3m by March 2021 (same level in April forecast). The reduction mainly due to increase in Council Tax reduction scheme (CTRS) for working age adults, reduction in collection rate and delays in housing growth.

### Business Rates

- 3.4.4 Business rates (BR): The Council's BR income is £136.7m in 2020/21 represents 35% of the net budget requirement (£395.7m). Assuming all tax-breaks for businesses are funded by Central Government we estimate a reduction c8% (£10.6m consistent with previous estimate) of business rate income as a result of unavoidable business insolvencies and reduction on debt collection rate within the Bristol area.
- 3.4.5 Note that under the business rates retention scheme, the Government currently operates and levy and the safety net system where BR income is guaranteed at the safety net level for local authorities. However Bristol's safety net entitlements is calculated to be £116.2m for 2020/21, this would mean that the safety net mechanism will not be triggered before income losses reach £20.5m.

## 3.5 GOVERNMENT COVID FUNDING, GF RESIDUAL GAP AND MITIGATIONS

### Government Funding

- 3.5.1 To date the Council had received two tranches of emergency funding support from the Government totalling £26.4m, and £0.5m of which was utilised against the COVID 19 financial impact in 2019/20. This report seeks approval to utilised these funding streams to support mitigate the reported COVID 19 financial pressures.

Table 6 GF Government Emergency Funding and Residual Gap

<b>Government COVID Response Funding</b>	<b>National</b>	<b>Bristol Share</b>
	<b>£m</b>	<b>£m</b>
Emergency Funding Tranche 1 (excl. 0.5m utilised in 19/20)	1,600	13.044
Emergency Funding Tranche 2*	1,600	12.906
infection control in care homes*	600	4.025
Rough Sleepers*	3.2	0.074
Rough Sleepers - Housing Benefit Subsidy	n/a	0.300
COVID 19 Emergency Funding - Third Tranche (Indicative)	500	4.000

COVID 19 Funding for Fees and Charge Income Loss (Indicative)	n/a	21.064
<b>Total Offset to GF Revenue Pressures</b>		<b>55.413</b>
<b>P2 Forecast COVID Financial Pressure</b>		<b>68.117</b>
<b>General Fund Residual Gap</b>		<b>12.704</b>

- 3.5.2 The approval is sought under this report to incorporate the highlighted funding allocations totalling £17m (Table 6) into the 2020/21 Budget.
- 3.5.3 On 2 July 2020 a new funding package was announced by Government providing further help to councils to address COVID 19 cost pressures and to cover a proportion of the loss of fees and charges income experienced by councils during the pandemic, final amount still to be confirmed, an indicative estimate shows £25.0m for Bristol.
- 3.5.4 In addition to the above the Government has allocated further funding to the Council in dealing with potential local out-break and help to transition to reopening the economy. The cost related to these are not included under the £68.1m overspend above. This report seeks approval to incorporate the highlighted funding allocation totalling £3.4m into the 2020/21 Budget and to retain the £3.0m track & trace local outbreak funding in a earmarked reserve to be utilised in line with the local Outbreak Management Plan.

**Table 7 Government New Burden Funding**

<b>Government COVID New Burden Funding</b>	<b>National</b>	<b>Bristol Share</b>
	<b>£m</b>	<b>£m</b>
Track and Trace / Local Outbreak*	300	3.033
Reopening High Streets Safely Fund*	50	0.416
Local welfare assistance (Indicative)	63	0.500
Emergency Active Travel Fund (WECA Share)		3.075
<b>Total New Burden Funding</b>		<b>7.023</b>

- 3.5.5 The government also provided pass-through funding which has been utilised to support local businesses and residents. This report seeks approval for the highlighted funds totalling £99.3m received by the council, temporarily held for the provision of grant support to local businesses.

Table 8 Government COVID Pass-through Funding

Government COVID Pass-through Funding	National	Bristol Share
	£m	£m
Hardship Fund	500	5.005
Small Business and Retail, Hospitality & Leisure Grants Fund*	12,300	94.560
Discretionary Business Grants	617	4.728
Additional Business Rate Relief	9,700	74.922
Local bus networks	167	
<b>Total Pass-through Funding</b>		<b>179.215</b>

### General Fund Residual Budget Gap and Mitigation

3.5.6 As illustrated under Table 4, Government emergency funding support (should it materialise at the expected level) will help to close the in-year forecast financial funding gap to a large extent; however £12.7m COVID pressure still remains for 2020/21. In order to balance the in-year this report proposes the following mitigation:

Table 9 GF COVID Proposed Mitigation

COVID Mitigation Plan	£m
<b>Residual GF Financial Gap due to COVID 19</b>	<b>12.704</b>
Estimated Furlough Income	-1.700
Capital Financing (various)	-5.752
Use of general reserve above £20m	-3.100
Use of resilience reserve	-2.152
<b>Balance</b>	<b>0</b>

### Utilising CJRS Furlough Scheme

3.5.7 The Council has utilised the Government's CJRS schemes and as at 31 May 2020, 362 staff from General Fund services paid for from traded income had been furloughed through CJRS. This scheme is open until 31 October 2020 assuming a phased return. Should the Council continue to furlough staff in line with this phased approach, it is estimated that £1.7m funding support could be received based on a 20% per month phased return assumption.

### Capital Financing In-Year Savings

3.5.8 The Capital Financing fund is proposed to be reduced to reflect, changes in interest rates, restructuring financing options for capital investment, such as those in Bristol Waste fleet and Revolving Infrastructure Fund, to create greater liquidity and release of funds. There were also significant slippage in the capital programme in 2019/20

and the delays of current in-flight projects as construction may have been paused temporarily or timescales extended will also naturally reduce the borrowing that was planned for 2020/21. Bank of England also made an immediate cut in interest rate from 0.75% to 0.1%, so any borrowing that is required is expected to be at a more favourable rate. Taking these measures and opportunities to optimise liquidity, an initial in-year reduction in capital financing costs of around £5.7m can be utilised to close the funding gap.

### **Use of Reserves**

3.5.9 This report proposes to utilise the balance of £3.1m in General Reserves (above the policy limit of £20m) to support the in-year budget pressure. The £3.1m was a result of £2.341 received in Section 31 Grant attributed to 2019/20 government business rates reconciliation and £0.7m due to an improved 2019/20 outturn position comparing to the initial P10 forecast which meant a reduced level of draw-down required from the general reserve in 2019/20.

3.5.10 This report also propose to utilised £2.152m from earmarked resilience reserve (part of £3m set aside for local government funding variations) to support the in-year budget gap. It must be noted that the use of reserves is one-off: once they are gone they are gone. They provide a temporary stop gap only to fund one-off spend.

3.5.11 Please note these are provision allocations to balance the budget. The Council is required to ensure that it has a balanced financial plan after taking into account deliverable cost savings and/or local income growth strategies as well as useable reserves. On-going monitoring of the COVID financial impact will be required as any volatility in forecast spends will impact on the overall position and resilience

## **4 RINGFENCED FUNDS**

### **4.1 HRA**

4.1.1 HRA is currently reporting a balanced position in 2020/21.

4.1.2 HRA is a ring-fence budget, any COVID pressures may be offset by in-year vacancies due to delays in recruitment plans, repair and maintenance programme and capital programme. HRA reserve is also available which will enable the budget to be delivered with any in-year emergent pressures.

4.1.3 The forecast COVID impact on HRA ring fenced account is £5m in 2020/21

Table 10 HRA COVID Impact

HRA	April-May	Full Year 2020/21
	£m	£m
Response Expenditure	0.190	0.941
Loss of Income	2.042	4.088
<b>TOTAL</b>	<b>2.232</b>	<b>5.029</b>

4.1.4 Rent in arrears: since the beginning of the government's social distancing measures, the Council had seen a marked increase in the level of rent and service charge arrears, as well as an increase in the number of claimants for Universal Credit. The % rent in arrears has been at the rate of 3.4% increase week on week.

4.1.5 Not included in the figures above is the impact on the Council's new homes delivery programme. The delay in construction, the disruption of the global supply chain and the social distancing measure on site after reopening will all impact on the building speed. It is estimated that a slippage of the programme around £9m for the year is to be expected. As Development of New Homes utilises Right to Buy (RTB) receipts to part fund (30%) their costs. A £9m reduction in development cost would put £2.7m of receipts at risk of having to be repaid to MHCLG if the receipts are not utilised within a certain time-frame.

4.1.6 For the time being no in year adjustment of spend for 2020/21 is required for HRA related budgets although this position will be monitored in the context of the issues raised above. Forecast overspends if they materialise will be charged against the HRA reserve.

## DSG

4.1.7 DSG had also seen additional emergency expenditure in supporting key-workers and vulnerable children. This include costs incurred in setting up a local Free School Meal voucher scheme to bridge the gap (£0.4m) before the national scheme was in operation, but it is anticipated that these costs are reimbursed by ESFA.

4.1.8 DGS challenges will remain in 2020/21, whilst pressures are not forecasted in this early stage of the year, we commence the year with a deficit of £3.5m on the High Needs budget, which will continue to have challenges. It is expected that the pandemic could exacerbate the issues and the early year sector is also experiencing some challenges due to the pandemic. These needs to be closely monitored in 2020/21 along with the delivery of the education improvement programme.

## **4.2 Public Health**

- 4.2.1 Public Health is anticipated to be contained within the £37.5m approved budget, however should there be additional cost attributed to COVID 19 or other pressures, a draw-down from ring-fenced reserve (available balance £3.8m) should enable the services to be delivered.

## **5 COVID 19 BUDGET ALLOCATION PROPOSAL**

- 5.1 It is proposed that the COVID funding identified above including Government funding and list of mitigations totalling £68.1m will be retained in an earmark reserve for COVID 19 in order to provide a central funding route for current and future COVID related costs when required.
- 5.2 The accounting treatment where funds are earmarked as eligible for COVID funding, transfers payments or subsequently invoices will be coded directly to the relevant service cost centres. Where an associated draw down from the central COVID reserve is assumed, budget holders must ensure the draw down is included in the 2020/21 forecasted outturn and clearly identified in the monitoring reports.
- 5.3 In recognition that the financial position of service may change in year due to reduced levels of spend, vacancy management and natural attrition, therefore the actual central funding for COVID payments will be determined at year-end based on provisional outturn figures; and the release of central funding for COVID payments will require the approval of the S151 officer.
- 5.4 It is currently estimated that the 2020/21 provision will be fully utilised but the Council will propose to carry forward any unspent and uncommitted balance of the central COVID provision from 2020/21 to reduce the level of allocation required from expenditure limits for 2021/22 and beyond.

## **6 Future Actions**

- 6.1 Clearly the Council's financial challenges will be long lasting and a longer term view of the Councils operating model and service readjustment will be required as we go forward. Planning for the new norm will be an integral part of the budget setting process which would normally commence around August of each year for preparing for consultation through to December with Council agreeing the budget in February.
- 6.2 The strategic thinking in relation to recovery has already commenced and work will be undertaken over the coming months which will feed into the refresh of the Medium Term Financial Plan, Business and Service Planning and the 2021/22 Budget.