

# Extraordinary Council

## Agenda

### Members of the Council

Cllr K A Vincent (Chairman)	Cllr R R Foulger (Vice Chairman)
Cllr A D Adams	Cllr J Leggett
Cllr S C Beadle	Cllr K G Leggett MBE
Cllr N J Brennan	Cllr I J Mackie
Cllr D J Britcher	Cllr T M Mancini-Boyle
Cllr P E Bulman	Cllr I N Moncur
Cllr S J Catchpole	Cllr M L Murrell
Cllr S M Clancy	Cllr J A Neesam
Cllr B Cook	Cllr G K Nurden
Cllr J K Coppelstone	Cllr G Peck
Cllr A D Crotch	Cllr S M Prutton
Cllr J J Emsell	Cllr S Riley
Cllr J F Fisher	Cllr D Roper
Cllr R M Grattan	Cllr C E Ryman-Tubb
Cllr S C Gurney	Cllr N C Shaw
Cllr N J Harpley	Cllr M D Snowling MBE
Cllr D G Harrison	Cllr L A Starling
Cllr L H Hemsall	Cllr D M Thomas
Cllr S I Holland	Cllr J L Thomas
Cllr N C Karimi-Ghovanlou	Cllr S A Vincent
Cllr K S Kelly	Cllr S C Walker
Cllr D King	Cllr J M Ward
Cllr S Lawn	Cllr F Whymark
Cllr K E Lawrence	

### Date

Tuesday 30 June 2020

### Time

7.00pm

### Place

To be hosted remotely at  
Thorpe Lodge  
1 Yarmouth Road  
Thorpe St Andrew  
Norwich

### Contact

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Trevor Holden

22 June 2020

**PUBLIC ATTENDANCE** - This meeting will be live streamed for public viewing via the following link: <https://www.youtube.com/channel/UCZciRgwo84-iPyRlmsTCIng>

If a member of the public would like to attend to speak on an agenda item, please email your request to [committee.services@broadland.gov.uk](mailto:committee.services@broadland.gov.uk), no later than 5.00pm on Thursday 25 June 2020

## **A G E N D A**

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|----------|----------------------------------------------------------------------------------------------------------|----------|
| <b>1</b> | <b>To receive declarations of interest under Procedural Rule no 8 – guidance and flow chart attached</b> | <b>3</b> |
| <b>2</b> | <b>Apologies for absence</b>                                                                             |          |
| <b>3</b> | <b>Review of 2020/21 Budgets (copy of the Cabinet report attached)</b>                                   | <b>5</b> |

To consider the following recommendations from Cabinet on 16 June 2020 regarding proposals to mitigate the financial impact of Covid-19 on the Council's Budgets which need to be determined before the next scheduled Council meeting:

### **RECOMMENDED TO COUNCIL**

- The proposed changes to the 20/21 income budgets, as set out in the table at paragraph 2.2.
- The proposed changes to the 20/21 expenditure budgets, as set out in the tables at paragraph 3.3 and 3.11.
- The following request for additional funding - Hardship Payments (£150 Council Tax Support) (£100,000).
- The 20/21 estimated surplus of £62,000 is retained as a contingency for any additional spending pressures.
- The proposed in year savings, as set out in paragraphs 9.4 and 9.8.

Trevor Holden  
Managing Director

## DECLARATIONS OF INTEREST AT MEETINGS

When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.

Does the interest directly:

1. Affect yours, or your spouse / partner's financial position?
2. Relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner?
3. Relate to a contract you, or your spouse / partner have with the Council
4. Affect land you or your spouse / partner own
5. Affect a company that you or your partner own, or have a shareholding in

If the answer is "yes" to any of the above, it is likely to be pecuniary.

Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.

Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above?

If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

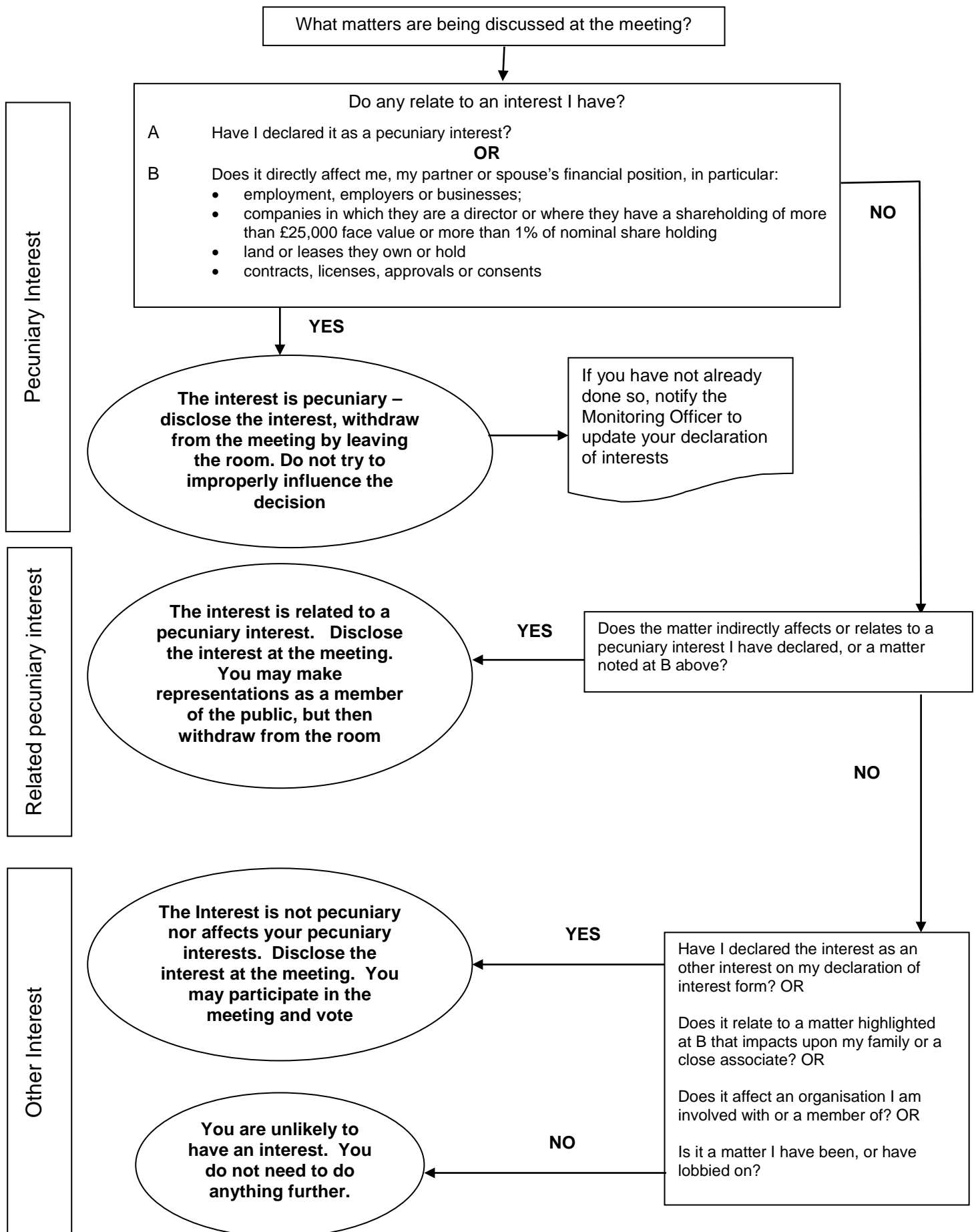
Is the interest not related to any of the above? If so, it is likely to be another interest. You will need to declare the interest, but may participate in discussion and voting on the item.

Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

**FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF**

**PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST INSTANCE**

# DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



## **REVIEW OF 2020/21 BUDGETS**

<b>Report Author:</b>	Rodney Fincham, Assistant Director – Finance t 01508 533982 e <a href="mailto:rfincham@s-norfolk.gov.uk">rfincham@s-norfolk.gov.uk</a>
<b>Portfolio Holder:</b>	Finance
<b>Wards Affected:</b>	All
<b>Purpose of the Report:</b>	This report provides information on the financial impact of Covid 19 on the Council's Budgets, and provides proposals to mitigate the impact.

### **Recommendations**

- 1 That Cabinet recommends the following to Council:
  - S2 The proposed changes to the 20/21 income budgets, as set out in the table at paragraph 2.2.
  - S3 The proposed changes to the 20/21 expenditure budgets.
  - S5 The following request for additional funding - Hardship Payments (£150 Council Tax Support) (£100,000)
  - S7 The 20/21 estimated surplus of £62,000 is retained as a contingency for any additional spending pressures.
  - S9 The proposed in year savings.
- 2 That Cabinet notes the following:
  - S4 The impact on Broadland Growth Limited.
  - S6 The impact on the Capital Programme.
  - S7 The impact on the Medium Term Financial Strategy over the longer term.
  - S8 The proposed mitigation actions.

### **1 PURPOSE OF REPORT**

- 1.1 The 'Financial Implications of Covid 19' report presented to Full Council on 21 May 2020, estimated that if the lockdown lasts until the end of July the full financial impact on this Council in 20/21 could be close to £2m. If the impacts last until the end of November, the impact could be closer to £4m
- 1.2 It is therefore prudent to review the Council's Revenue and Capital budgets and the Medium-Term Financial Strategy (MTFS).
- 1.3 Although aspects of the lockdown are easing, there is a risk of a second wave. This report therefore takes a balanced view in estimating the financial impact on the Council for the complete financial year 20/21

## **2 IMPACT ON 2020/21 INCOME BUDGET**

2.1 A key impact of Covid 19, will be on the income received by the Council.

2.2 The following table summarises the proposed changes to the gross income budgets for 20/21.

	Methodology	Original Budget £'000	New Budget £'000	Change £'000
Planning	25% reduction	980	735	<b>-245</b>
Car Parking	N/A	1	1	-
Waste Charges	25% reduction	51	38	<b>-13</b>
Land charges	25% reduction	220	165	<b>-55</b>
Housing Benefit Overpayment	25% reduction	400	300	<b>-100</b>
Council Tax recovery	25% reduction	70	52	<b>-18</b>
Licensing	No change proposed	164	164	-
Recycling credits	No change proposed	768	768	-
Green Waste	No change proposed	2,212	2,212	-
Other income and service specific grants	No change proposed	2,165	2,165	-
<b>Total</b>		<b>7,031</b>	<b>6,600</b>	<b>-431</b>

2.3 Some of these income reductions may be offset by compensating expenditure reductions. The above changes are the gross income changes.

2.4 Regarding the change in the planning income budget. There has been a slowdown in construction activity, however it is currently difficult to predict the impact on planning income. Furthermore, any such income is likely to be delayed, as opposed to lost, as developers are still keen to get planning permission - The growth will still happen, but we don't yet know how long the income will be delayed for.

2.5 It is therefore proposed that the 20/21 budget will be rebased to reduce the planning income budgets by 25% for the period 1st April – 31st March. This will equate to lost income of approximately £245,000 (£82k x 25% 12 months).

**Members are requested to agree the proposed changes to the 20/21 income budgets.**

### **3 IMPACT ON 2020/21 EXPENDITURE BUDGETS**

3.1 Covid 19 will also have an effect on the expenditure of the Council.

#### **A) Emergency Response to Covid 19**

3.2 The Council is incurring additional costs in response to the Covid 19 pandemic. Primarily on:

- Additional communications to residents and businesses.
- Additional costs of ensuring all homeless persons are provided with safe accommodation.
- Additional IT costs to enable effective homeworking and video conferencing, and software to facilitate grant payments.

3.3 It is therefore proposed to increase the following budgets.

	Methodology	Original Budget £'000	New Budget £'000	Change £'000
General Allowance for Covid 19 costs	£50,000 a month for 5 months	0	250	<b>250</b>
Housing costs	£50,000 a month for 5 months	154	404	<b>250</b>

*Nb: Although the methodology is based on a monthly calculation, the intention is that these will be annual budgets to be drawn upon throughout the year.*

**Members are requested to agree the proposed changes to the 20/21 expenditure budgets.**

#### **B) Investing in the Public Realm / Supporting the Economic Recovery**

3.4 In order to support the recovery of the economy, Broadland Council is working with South Norfolk and Breckland Councils to launch Operation Beacon to provide support to businesses, one element of that is support for the High Streets.

3.5 There is therefore a need to:

- make changes to street layouts,
- provide additional hand washing facilities,
- improve seating,
- provide street marshals, and
- make other changes to the public realm.

3.6 Any changes will need to be made working with Norfolk CC and the relevant Town or Parish Council.

3.7 The Government has announced a new £50 million fund to support the recovery of our high streets The Reopening High Streets Safely Fund will help councils in England introduce a range of safety measures in a move to get people back to work and customers back to the shop.

- 3.8 Local authorities will be able to spend money on eligible activities from 1 June 2020 and claim it back from CLGU in arrears. As part of the funding agreement, the Council will need to acknowledge the ERDF on any publicity. BDC has been allocated £116,155.

**Members are requested to note the £116,115 funding. If additional resources over and above the £116,115 are needed, then a further request for funding will be made at a later date.**

### **C) Council Tax Support**

- 3.9 The cost to BDC of providing Council Tax support is £668k a year.
- 3.10 There has already been a 17% increase in claims processed, and new claims are still arriving daily.

	Apr-20	May-20
Total number of working age LCTS caseload	3,484	3,505
Total <i>expectation</i> of working age LCTS caseload	3,000	3,000
<b>Increase</b>	16%	17%

- 3.11 It is therefore proposed to increase the following budgets.

	Methodology	Original Budget £'000	New Budget £'000	Change £'000
Cost of Council Tax Support	4 months based on a 50% increase (£28k a month x 4 months)  4 months based on a 25% increase (£28k a month x 8 months)	668	892	224

**Members are requested to agree the proposed changes to the 20/21 expenditure budgets.**

## **4 IMPACT ON BROADLAND GROWTH LIMITED**

- 4.1 As the Council's jointly owned development company, Broadland Growth Limited is one element of the Council's Economic Recovery Programme, demonstrating its commitment to local growth and delivering much needed housing.
- 4.2 The company has reviewed its future plans and intends to continue with its ambition to secure land to deliver between 50 to 100 dwellings per year. In order to achieve this, it plans to utilise the £10m funding identified in the Council's five-year capital programme, agreed in February 2020, once suitable sites have been identified within the district primarily but also potentially Greater Norwich.
- 4.3 This has been taken into account in the review of the Council's current agreed capital programme to ensure it remains affordable following the potential draw on reserves to cover the additional cost and loss of income as a consequence of the pandemic.



- 4.4 In relation to the current development at Rosebery Fields a number of sales have been on hold due to the pandemic but are now being progressed. The remaining properties are being marketed with selling prices being monitored and flexed to reflect the market changes, although this is being considered within the overall profitability of the site. Currently there is interest in site viewings and arrangements are in place for those to go ahead but nationally there is great uncertainty around the impact of Covid 19 on the housing market. Should there be a longer-term problem in disposing of the remaining properties then other solutions such as renting them out for a time to allow the housing market to improve could be considered. The Development's risk register has been updated to include this risk.
- 4.5 A consequence of a decline in the housing market and fewer sales would be a delay in the repayment of the loans to both Broadland Council and NPS and the payment of more interest on those loans. In order to assist Broadland Growth Limited with its cashflow, should there be the need, the Directors of the Company could consider asking both Broadland Council and NPS to defer the collection of the interest on those loans. The interest would still be due, but it would enable the Company to retain the cash in the short term, the impact could potentially be greater on NPS as the Broadland Council Loan is due to be repaid first.

**Members are requested to note the impact on Broadland Growth Limited.**

## **5 REQUEST FOR ADDITIONAL FUNDING / SUPPORT**

- 5.1 The Council has received £1.352m of additional funding from Government, to help address the pressures being facing in response to the Covid-19 pandemic across all service areas.
- 5.2 This funding is intended to cover the Council's additional operating costs and offset the Council's lost income.
- 5.3 However, there is pressure to allocate funding to meet new schemes, and details of these are detailed below.
- 5.4 When considering these, Members need to bear in mind that any new funding that is agreed will increase the need to draw on reserves or make additional savings to balance the budgets. Any changes could also have an impact on the affordability of the capital programme.

### **A) Hardship Funds**

- 5.5 To ensure residents are able to continue to work, or come back to the workplace quickly, we need to ensure they are housed, safe and not making poor choices regarding borrowing, choices that will restrict their options for a long time to come. By utilising our discretionary funds, we can quickly intervene and provide overall stability, especially regarding their housing

#### **Hardship – Direct Payment Payments**

- 5.6 At present the Council has allowed £100k to cover direct hardship payments to residents during the Covid 19 pandemic. This budget is considered to be adequate at present.

#### **Hardship Payments - £150 Council Tax Support**

- 5.7 The Government provided £637,216 in hardship funding, primarily to cover the cost of awarding £150 council tax support to all working age Council Tax Support claimants.
- 5.8 So far, the Council is predicting to award £442,000 under this scheme, and has top sliced £100,000 to fund the Direct Payment Scheme. This leaves £95,000, which is sufficient for c650 more claims.
- 5.9 There are however concerns that as we have a requirement to award £150 discounts to new all new working age claimants, the remaining balance will not be sufficient to cover these costs. At present we are processing c70 new claims a week. At this rate we will us up our remaining funds in about 9 weeks.
- 5.10 **It is therefore recommended that an additional £100,000 is set aside to cover this cost pressure.**

#### Discretionary Housing Payment (DHP)

- 5.11 In 20/21 DWP is providing a grant of £158,116 to allow the payment of DHP. Government allows local authorities to award up to 2.5 times this amount, but any costs over the grant amount fall on the local authority.
- 5.12 The current embargo (anticipated to end in June) on evictions means that that current DHP claim rate is only slightly above normal. However, all indicators lead us to believe that there are people who are now in unaffordable accommodation who will need assistance to move. Any move takes time and DHP allows us to help prevent people getting into significant and unsustainable debt. As the embargo on evictions lifts, we are therefore expecting a surge in support needs.
- 5.13 To ensure residents are able to continue to work, or come back to the workplace quickly, we need to ensure they are housed. By using DHP we can quickly intervene and provide stable housing.
- 5.14 Officers will continue to monitor DHP spend, and lobby Government to increase the DWP allowance. **If additional resources over and above the £158,116 are needed, then a further request for funding will be made at a later date.**

#### B) Bure Valley Railway (BVR)

- 5.15 The BVR is a much-valued business and is important to our leisure / tourism offering in Broadland. It also provides added positive social benefit to the volunteers and friends of the railway.
- 5.16 The BVR pays £30,000 rent a year to BDC, and officers have agreed to defer any rental payments until July, as the Railway has had to be closed due to Covid 19.
- 5.17 BVR have since approached the Council to ask if the rent could be waived for the whole of this financial year.
- 5.18 BVR would have paid Business Rates of £22,455 in 2020/21. However, it has received full relief this year, so does not have anything to pay. Additionally, as a small business it received a £25,000 Business Support Grant. It has also furloughed some of its staff.
- 5.19 **Prior to considering any request for funding, is it recommended that the Economic Recovery team look to assist BVR to develop a re-opening plan.**

### **C) Broadband**

- 5.20 The Covid Crisis has meant we have all had to quickly adapt to a new online world, and the 3% of businesses and private households without any fibre Broadband solution planned are disadvantaged.
- 5.21 Although the Government have a gigabit voucher scheme available, often the cost of connecting the most isolated homes is high and unobtainable for those households in rural poverty.
- 5.22 Furthermore, many school children in our rural areas who do not have access to Broadband are being disadvantaged as their education whilst isolated at home is increasingly difficult.
- 5.23 The Council has made significant contributions to the Better Broadband for Norfolk.
- 5.24 Members are asked to consider whether the Council should make a bid to the CIL infrastructure fund, to further invest in Broadband.**

### **D) Payments to Town / Parishes**

- 5.25 The Secretary of State for Housing, Communities and Local Government wrote to all town and parish councils on 30 April  
<https://www.gov.uk/government/publications/coronavirus-covid-19-letter-to-town-and-parish-councils>
- 5.26 In this letter he said:  
*As Local Government Secretary I want you to know that I am behind you and will support the vital work that you are doing in your communities. That is why I have made £3.2 billion of additional funding available to councils, with the latest tranche of £1.6 billion including a larger share for lower tier councils. **If you have questions regarding funding I would encourage you to speak with your principal council***
- 5.27 As yet no Town or Parish Council has approached us for funding, and the general approach in Norfolk to date is that this would only be considered in exceptional circumstances, after the Town or Parish Council has exhausted its Reserves.
- 5.28 Furthermore, Town and Parish Councils do not, unlike this council, have any constraints on their ability to raise additional income through their precepts. Thus, loans to help cashflow could be offered if necessary, until the Town or Parish Council was able to increase its precept.

**Members are requested to endorse this approach.**

## **6 IMPACT ON CAPITAL BUDGET**

- 6.1 **Appendix 1** details the current 20/21 and 21/22 Capital Programme. It includes comments on each project regarding the effect of Covid 19.
- 6.2 No changes are proposed to the Capital Budgets.

Members are requested to discuss any required changes to the Capital Programme.

## 7 **MEDIUM TERM FINANCIAL STRATEGY (MTFS) UPDATE SNC MTFS at present**

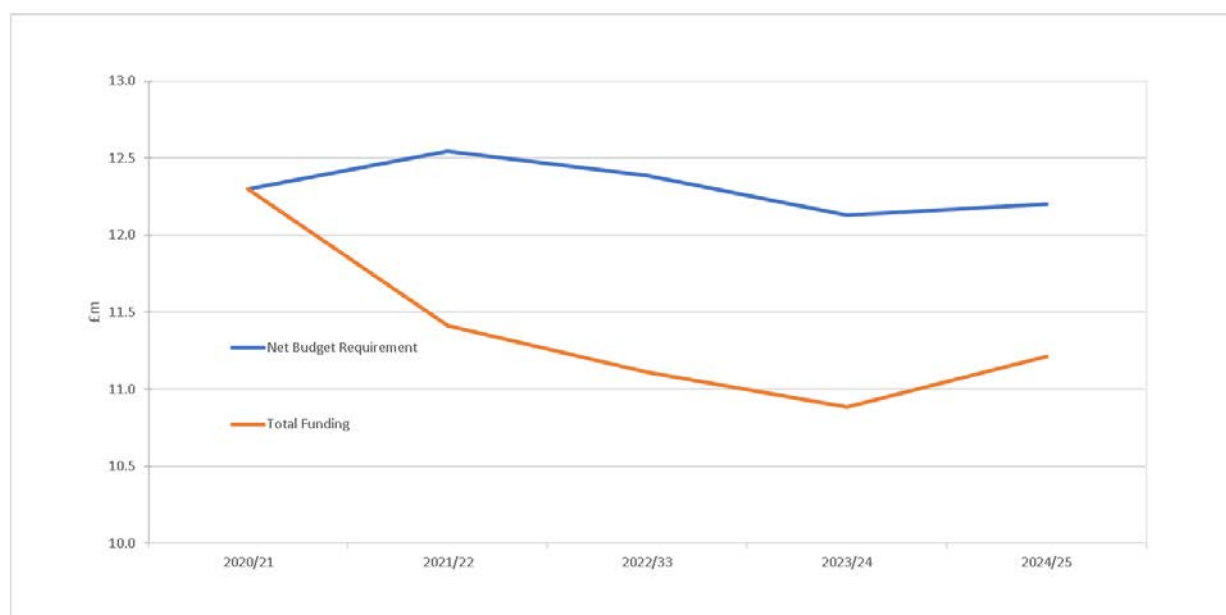
7.1 This section of the report provides an update on the MTFS.

### **A) MTFS - As Presented in Feb 20**

7.2 The 'Revenue Budget and Council Tax 2020/21' report presented to Cabinet on 11 February 2020, included a MTFS.

7.3 This reported a balance budget in 20/21, followed by a funding gap of approximately £1m in future years as follows.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Net Budget Requirement</b>	<b>12,300</b>	<b>12,545</b>	<b>12,389</b>	<b>12,130</b>	<b>12,203</b>
<b>Total Funding</b>	<b>12,300</b>	<b>11,415</b>	<b>11,110</b>	<b>10,886</b>	<b>11,211</b>
<b>Funding Gap</b>	<b>0</b>	<b>1,130</b>	<b>1,279</b>	<b>1,244</b>	<b>992</b>



### **B) MTFS – Update**

7.4 The MTFS assumptions have now been reviewed and the following changes made.

#### **Impacts on Net Budget Requirement**

- £360k per year has been included for the likely increase in the MRF gate fee (12,000 tonnes x £30). There is only a half year impact in 20/21.
- Lost income of £431k in 20/21 has been assumed.
- £500k has been included as a one-off pressure in 20/21. This is made up of £250k general Covid 19 spending pressures and £250k additional homelessness costs.
- £224k has been included for additional Council Tax Support costs in 20/21, reducing to £168k in 21/22, before dropping back to current levels in 22/23.

- An additional £100k has been allowed for additional hardship support along with in year savings of £265k.

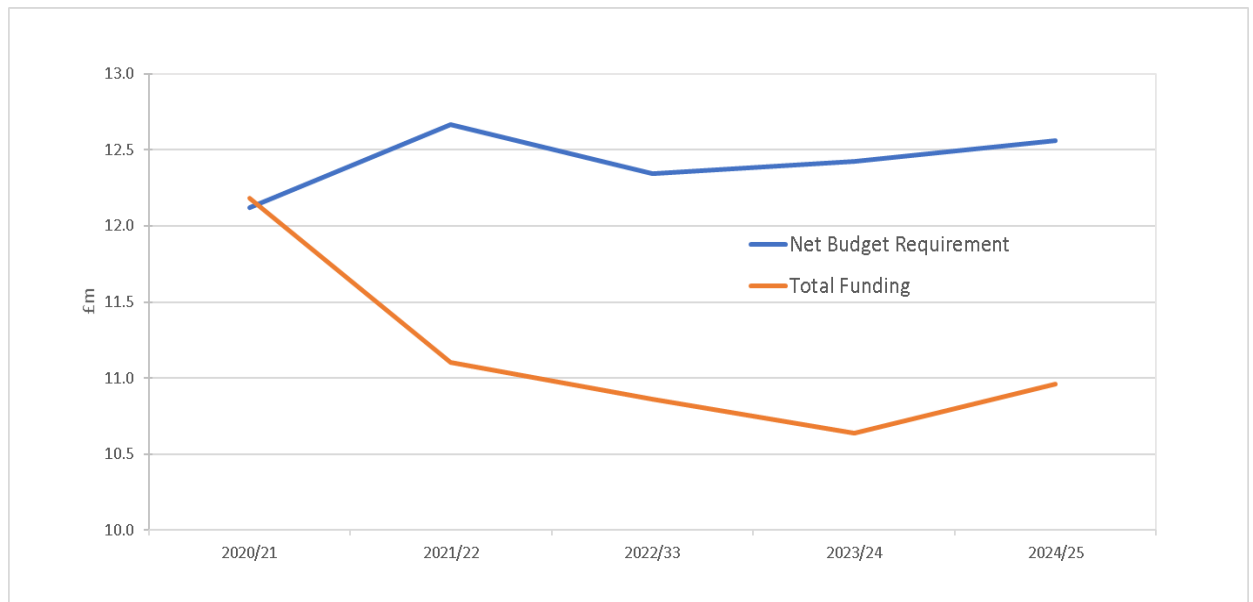
### Impacts on Funding

- Additional Covid 19 Government grant of £1.352m.
- Reductions in Council Tax collection rates totalling £120k in 20/21 and £60k in 21/22. Representing a cut in the collection rate of 2% / 1% respectively.
- An ongoing cut of £250k in the likely amount of business rates growth retained.
- No change has been made to income from New Home Bonus, as the original MTFS already assumed this was being phased out.

7.5 Further details are shown in **Appendix 2**.

7.6 The updated MTFS now shows that the 2020/21 is still in balance. However, the future funding gap has grown to approximately £1.5m a year.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Net Budget Requirement</b>	<b>12,118</b>	<b>12,668</b>	<b>12,344</b>	<b>12,422</b>	<b>12,563</b>
<b>Total Funding</b>	<b>12,180</b>	<b>11,105</b>	<b>10,860</b>	<b>10,636</b>	<b>10,961</b>
<b>Funding Gap</b>	<b>-62</b>	<b>1,563</b>	<b>1,484</b>	<b>1,786</b>	<b>1,602</b>



7.7 The following table shows how the funding gap has changed.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
<b>Original Funding Gap / (Annual Suplus)</b>	<b>0</b>	<b>1,130</b>	<b>1,279</b>	<b>1,244</b>	<b>992</b>
<u>Impacts on Net Budget Requirement</u>					
Collaboration savings		-405	-405	-68	
Recycling Gate Fee	180	360	360	360	360
Lost Income	431				
COVID 19 - Spending Pressures	500				
Additional Council Tax Support	224	168			
Requests for additional funding	100				
Measures to reduce in year spend	-265				
<u>Impacts on Funding</u>					
COVID 19 - Government Funding	-1,352				
Reduction in Council Tax Collection Rates	120	60			
Reduction in assumed Business Rates Growth		250	250	250	250
New Home Bonus					
<b>New Funding Gap / (Annual Suplus)</b>	<b>-62</b>	<b>1,563</b>	<b>1,484</b>	<b>1,786</b>	<b>1,602</b>

### **C) Summary**

7.8 The key point to note is that that the updated MTFS is showing that:

- The additional Government grant has helped offset the spending pressures and lost income in 20/21.
- The longer term financial outturn has got worse by approximately £0.5m.

7.9 It should also be noted that progressing with savings from the collaboration with South Norfolk Council, still remains an important element in the MTFS.

**Cabinet is recommended to request Council note that the 20/21 budget remains in balance and that the small surplus of £62,000 is retained as a contingency for any additional spending pressures. Measures to address the longer term funding gap will be considered as part of the normal budget setting cycle later in the year.**

## **8 MITIGATION ACTIONS**

8.1 The following actions have occurred, or are proposed, to help mitigate the impact of Covid 19 on the Council's finances.

### **A) Staff Redeployments**

8.2 As at mid-May, across BDC and SNC, we have redeployed a total of 97 staff to directly support COVID19 work. Whilst the bulk of this resource came from the SNC leisure centres, we have also redeployed staff from areas such as Chief of Staff, Waste Services, Customer Support, Planning and CNC Building Control.

8.3 The ability to redeploy staff across BDC and SNC, has been a real benefit in allowing the Council to respond appropriately. Without the One Team in place responding to the needs would have been more difficult.

8.4 We have redeployed people to support the following service areas:

- 68 people to the Communities (Help Hub) to either take or make calls to vulnerable residents, or work out in the community delivering food/prescriptions etc.
- 13 people to SNC Waste Services working as drivers, loaders and logistic support.
- 12 people to Non-Domestic Rates (Business Rates) to either take calls from businesses (to release capacity to process grant applications) or to make calls to businesses who are potentially eligible but are yet to claim grants.
- 1 person to Council Tax to process work items and applications and release core staff to deal with increased demand.
- 1 person to Housing Options to release core staff to deal with increased demand.
- 1 person to HR to support high priority work.
- 1 person to facilities to support Caretakers at the Lodge as backfill for vulnerable staff.

8.5 It should also be noted that a number of people have picked up additional work to support COVID19 work whilst remaining with their core service. These are not within the numbers above but include Economic Growth staff who have also been supporting Business Rates work and our reception staff who have supported Housing Benefits.

8.6 We have also released a very small number of our staff, who we were unable to directly redeploy, to work with food banks and the NHS.

### **B) Increased Marketing Activity and Promotion of Other Services**

8.7 When appropriate, we will carry out an active marketing campaign to encourage take up of our chargeable services, for instance Garden Waste Bins and Bulky Waste Collections.

### **C) Commercialisation and Supporting the Local Economy**

8.8 Officers are investigating charging for optional services, where possible, to mitigate the impact of the loss of income. Where feasible these charges will focus on areas which also support the local economy.

8.9 The Council will also look to procure goods and services locally, wherever feasible, and ensure payment is made as quickly as possible to assist businesses with cashflow.

### **D) Working with Partners**

8.10 The Council will also continue to work closely with the other public bodies in Norfolk to deliver both savings from economics of scale, and better outcomes for our residents. This could include expansion of shared service arrangements in certain areas.

**Members are requested to note the proposed mitigation actions.**

## **9 IN YEAR SAVINGS**

9.1 This section of the report provides various in year saving for members to review.

### **A) Holding Vacancies**

9.2 As at 30<sup>th</sup> April 20 there were 65.6 FTE vacancies across both Councils which had yet to progress to offer stage. The annual cost of these posts is c£2.2m.

9.3 Assistant Directors have reviewed all these vacancies to determine whether we should:

- Continue to recruit
- Freeze the post for a while
- Delete the post.

9.4 The result of the review is shown in the table below.

	Comment	No of FTEs	Salary Saving BDC £'000	Salary Saving SNC £'000
Posts to be deleted	Full year saving	1.5	27	32
Posts to be frozen	Six months saving	14.1	67	147
Posts to be frozen	Covered by redeployments	4.0	-	-
Posts to be recruited	Three months saving	41.0	148	199
Posts to be recruited	No saving as agency costs	5.0	-	-
<b>Total</b>		<b>65.6</b>	<b>242</b>	<b>378</b>

*The savings are higher for SNC as a number of the vacancies are / leisure / waste.*

**Members are requested to note the proposed mitigation savings.**

### **B) Training Budgets**

9.5 There is a total training budget in 20/21 across the two Councils of £300k. During the lockdown, training has either been deferred or carried out online. This budget therefore needs to be reviewed

9.6 However, any reduction to this budget would reduce the amount of training and would be counter to the One Team approach of investing in our staff and members.

9.7 The recent staff survey has indicated a need to invest heavily in both our staff to drive forward the one team culture and our Managers to ensure they provide their staff with the support they need. There is also a need to embrace the new agile way of working.

**9.8** However, the ability for staff to attend training in 20/21 has been affected by the social distancing restrictions. Therefore, a one-year temporary pro-rate reduction of £50,000 to this budget would be a reasonable reflection on the current situation.  
**The impact on Broadland budgets is a reduction of £22,500 (45% as per the collaboration agreement).**



## **10 ISSUES AND RISKS**

- 10.1 Resource Implications – This paper provides an update on the financial implications of Covid 19 on the Council. We are still at an early stage, and the numbers in this report are therefore subject to significant variation.
- 10.2 The Council currently has £14m in general reserves and £8m in earmarked reserves.
- 10.3 The Council also has limited capital reserves (c£3m) However, in general capital reserves can only be used to fund capital expenditure and are not permitted to be used to fund revenue deficits.
- 10.4 The key risks / issues raised in this paper are:
- There could be a second wave of infections, which could require a second full lockdown incurring further costs and income losses to the Council.
  - There is uncertainty over whether Government will provide any more funding to help deal with the financial implications.
- 10.5 Legal Implications – The Council has a legal duty to ensure its financial position remains robust.

## **11 RECOMMENDATIONS**

- 11.1 That Cabinet recommends the following to Council:
- The proposed changes to the 20/21 income budgets, as set out in the table at paragraph 2.2.
  - The proposed changes to the 20/21 expenditure budgets.
  - The following request for additional funding - Hardship Payments (£150 Council Tax Support) (£100,000)
  - The 20/21 estimated surplus of £62,000 is retained as a contingency for any additional spending pressures.
  - The proposed in year savings.
- 11.2 That Cabinet notes the following:
- The impact on Broadland Growth Limited.
  - The impact on the Capital Programme.
  - The impact on the Medium Term Financial Strategy over the longer term.
  - The proposed mitigation actions.

## **APPENDIX 1: IMPACT ON 2020/21 CAPITAL BUDGET**

	Team	Provisional Projects	Estimate 2020/21 £	Estimate 2021/22 £	Comments re Covid 19 effect
Disabled Facilities Grants	Housing		900,000	900,000	No change
Minor Improvement Grants	Housing		30,000	30,000	No change
Warm Homes Fund	Housing		59,800		No change
Depot Refurbishment / Replacement	Waste	Y		1,000,000	No slippage in project timescales, expenditure profile dependent upon outcome of waste review
Vehicles - Waste and Streets	Waste	Y		5,600,000	No slippage in project timescales, expenditure profile dependent upon outcome of waste review
Brown Recycling Bins	Waste		24,000	24,000	No change budget is for purchase of new and replacement bins
Domestic Waste Bins	Waste		67,800	67,800	No change budget is for purchase of new and replacement bins
Street Lighting	Economic Growth		37,500	34,600	No change, work will be carried out as originally planned
Historic Blgs Grants/ Blgs at Risk	Planning		15,000	15,000	Grants likely to be given, so please retain for both years
Bure Valley Railway	Economic Growth	Y	220,000	90,000	No change, work will be carried out as originally planned
Contribution to Food Hub Project	Economic Growth	Y	870,000	990,000	No change, work will be carried out as originally planned
Thorpe Lodge Refurbishment	Facilities		167,000	84,000	Spending the £167k for 20/21 Thorpe Lodge Refurbishment works (£70k toilets, £50k heating and cooling, £20k EV charging points and £27k lift works) will much depend on the outcome of the proposed Accommodation Review
Information Technology	ICT and Digital		666,700	100,000	No change, work will be carried out as originally planned. It should also be noted we are intending to commit a further £200,000 during 2020/21 which is current contained within the ICT Reserve at BDC.
Investment Borrowing	Finance	Y	5,000,000	5,000,000	No change – Reliant on proposals from Broadland Growth.
<b>Total</b>			<b>8,057,800</b>	<b>13,935,400</b>	

## APPENDIX 2: MEDIUM TERM FINANCIAL PLAN (MTFP)

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Comment
Base Net Expenditure	12,225	12,405	12,425	12,269	12,347	
<u>Recurring Adjustments:</u>						
Inflationary Pressures		245	249	246	241	2% annual increase
Collaboration Savings		-405	-405	-68		Based on 45% of latest figure from cost and savings tracker
Waste contract				-100	-100	No allowance for expansion of food waste, or increased disposal costs
Recycling Gate Fee	180	180				£30 per tonne extra x 12,000 tonnes. Half year effect 20/21.
Base Net Expenditure for following year	12,405	12,425	12,269	12,347	12,488	
<u>Lost income</u>	431					
<u>Non Recurring Adjustments</u>						
COVID 19 - Spending Pressures	500					One off cost 20/21.
Investing in the Public Realm	0					Initial costs covered by grant
Additional Council Tax Support	224	168				20/21 50% increase. 21/22 reducing to 25%. Then back to current levels.
Requests for additional funding	100					Hardship Payments - £150 Council Tax Support
Measures to reduce in year spend	-265					eg freezing vacant posts
COVID 19 - Government Funding	-1,352					One off income 20/21.
Investment Income - General	-207	-207	-207	-207	-207	Assume remains stable over time
Investment Income - Loans to companies	-75	-225	-300	-300	-300	Assume income from Broadland Growth covers interest payable
Interest Payable	75	225	300	300	300	Financing costs for £10m investment to Broadland Growth
Internal Drainage Board Precept	252	252	252	252	252	Assume remains stable over time
Transfers to / (from) Earmarked Reserves	30	30	30	30	30	Assume remains stable over time
<b>Net Budget Requirement</b>	<b>12,118</b>	<b>12,668</b>	<b>12,344</b>	<b>12,422</b>	<b>12,563</b>	
<b>Funded by</b>						
Council Tax - District Element	5,828	6,133	6,444	6,762	7,087	
Reduction in Council Tax Collection Rates	-120	-60				20/21 2% cut. 21/22 1% cut. Then back to current levels.
Council Tax - Special Expenses	141	141	141	141	141	Assume remains stable over time
NNDR (Business Rates)	3,983	3,983	3,983	3,983	3,983	Assuming maintain current level of income
Reduction in assumed Business Rates Growth		-250	-250	-250	-250	Amount of funding from growth likely to be scaled back in future.
RSG	30					
New Homes Bonus	2,318	1,158	542			Falling in line with figures in 20/21 provisional finance settlement
<b>Total Funding</b>	<b>12,180</b>	<b>11,105</b>	<b>10,860</b>	<b>10,636</b>	<b>10,961</b>	
<b>Funding Gap</b>	<b>-62</b>	<b>1,563</b>	<b>1,484</b>	<b>1,786</b>	<b>1,602</b>	
<b>Council Tax Calculation</b>						
Council Taxbase (Homes)	46,430	46,987	47,551	48,122	48,699	1.2% annual increase
Council Tax	125.52	130.52	135.52	140.52	145.52	£5 annual increase
Broadland's share of precept (£000)	5,828	6,133	6,444	6,762	7,087	
<b>New Homes Bonus Calculation</b>						
2017-18	511					
2018-19	616	616				
2019-20	542	542	542			
2020-21	649					
	2,318	1,158	542	0	0	