

COVID-19 Decisions taken outwith the Policy and Budget Framework

The developing nature of the COVID-19 pandemic has meant that a number of decisions have had to be made urgently due to changes in government guidance, temporary legislation and in response to needs of the local community. These decisions had to be taken due to the unprecedented crisis unfolding.

The Council has submitted a return submission identified as £22.7m, which was broken down between £13.2m expenditure and £9.5m for loss of income to the Ministry for Housing, Local Government and Communities and awaits a response. The Council has received £6,084,606 as part of the emergency £1.6billion funding for public sector organisations. This has been allocated in the most part of Adults, Children's and Public Health- the Directorates that have faced the most immediate financial challenge.

The impact can be summarised in two ways- one is additional expenditure incurred due to Coronavirus for example the purchase of equipment, additional staffing or overtime and the other being lost income from fewer customers using a service, this also includes potentially reduced dividends due to lower income from the Council's wholly owned Companies.

Loss of Income

The overall loss of income for the whole Council is forecast at £2.7m for March and April 2020. It is anticipated that for the financial year 2020/21 this will result in a total loss of £8.4m. The losses from closures of services are focussed on those directorates that benefit from fee incomes so Community and Environment, Communications and Regeneration, Governance and Partnerships and some more specialist areas in Children's Services linked to Service Level Agreements with schools. The loss of income represents the full range including services where government guidance has required services to close, where good practice has, where demand has reduced or where services have not been able to be delivered due to staffing issues. The loss of income set out by directorate below when aggregated does not total the forecast overall loss of income, as only council related issues are listed.

Additional Expenditure

There is also forecast to be £2.8m of additional expenditure in March and April 2020 due to Coronavirus. It is anticipated that this will reach a total of £12.9m over the financial year 2020/2021. The additional expenditure set out by directorate below when aggregated does not total the forecast overall additional expenditure, as only council related expenditure is listed.

Corporate

The Council has made contributions to a number of county-wide schemes - £142,000 for the county-wide food reserve and £130,000 to provide temporary additional mortuary facilities. There has also been an impact on Treasury Management returns due to changes in interest costs with a budget pressure of £431,000 reported. There is an overall pressure of £100,000 in relation to staffing due to self-isolation with increased overtime costs.

Adult Services

The challenges in Adult Services are centred on the need to continue to support the most vulnerable while dealing with the increased demand for support and staffing issues around self-isolation.

It has also been necessary to ensure that care providers are able to continue to provide care to vulnerable residents during these difficult times - the providers have additional costs relating to Personal Protective Equipment (PPE), additional sick pay and demand pressures given neighbours, family members or voluntary groups may find it harder to support vulnerable adults.

The costs to the Council in terms of the risk of care providers not being able to provide services would be significant. The Council has increased minimum payment levels to care providers and also implemented a 10% COVID premium to all rates to support provider sustainability at cost of £423,833. The Council has also increased minimum payment levels to care providers at a cost of £91,500 in March and April 2020, increased levels of activity from above the minimum which costs £525,000.

Costs are also being incurred in relation to hospital discharges, freeing up beds in acute trusts so they can cope with increased COVID admissions. The government has allocated £1.3bn for this to Clinical Commissioning Groups. These measures are forecast to cost £4.9m but no costs will sit with the Council as they will be covered by this separate funding. Cost to the Council for Adults Services are forecast at £1.1m for March and April and c. £5m for the financial year 2020/2021.

Chief Executive

The additional costs in the Chief Executive's directorate are centred on housing the homeless and allowing them to access emergency accommodation that permits social distancing, namely en-suite accommodation with individual cooking facilities. This has resulted in forecast additional costs of c. £37,000 for March and April 2020.

Children's Services

In line with Adult Services, challenges are centred on the need to continue to support the most vulnerable while dealing with the challenge of an increased demand and staffing issues around self-isolation. The directorate has also been organising a help line to help key workers identify early years provision and also organising additional child care for key workers who have previously relied upon vulnerable family members. The forecast cost in 2020/2021 for covering sickness, self-isolation and additional packages of care is circa £1.1m.

Communications and Regeneration

There is a limited additional expenditure at present in this directorate. This is predicted to increase as the freeze on construction working will start to have an impact on the delivery of key regeneration projects.

There are a number of small losses of income such as loss of room hire income in relation to events at Libraries, as Libraries have been closed since 20 March 2020 in line with government advice.

There is the potential within the directorate for increased loss of income as a number of future events have already been cancelled.

Known event cancellations and postponements include:

- Pride Blackpool 2020 (due to be held over the weekend of 5-7 June)
- The European Dance Championships (original dates 10-12 April, rescheduled to 15 – 17 October) at the Winter Gardens
- The Blackpool Junior Dance Festival (original dates 16 - 19 April. Ballroom, Latin and sequence events rescheduled to 31 August – 4 September. Formation events rescheduled to 19 - 20 September)
- Blackpool Dance Festival (original dates 16 - 29 May, rescheduled to 25 August - 6 September)

The annual USDAW conference in April has been cancelled along with the International Fitness Exhibition. The GMB union conference in June has also been cancelled. All were due to be held at the Winter Gardens.

A further £100,000 is forecast to be lost from advertising revenues in March and April 2020, together with loss of commission from sales of the report pass, and a significant reduction in planning income. The full year 2020/2021 impact of these income shortfalls is forecast to exceed £580,000.

Community and Environmental Services

There is very limited additional expenditure in this directorate which is restricted to items such as costs of additional cleaning.

The biggest loss of income to the directorate has been the closure of the Council's Leisure Centres which came into effect on 20 March 2020. The forecast loss of income to the Council for March and April 2020 was £188,000 for refunds of membership fees to direct debit customers and £177,000 relating to the reduction in income for casual hire of the facilities. All Council Leisure Services staff have been redeployed to critical services.

There are smaller losses of income in relation to Waste Services, particularly the cessation of Green Waste collections and the cessation of the Bulky Waste service during the pandemic. The closures were as a result of a range of pressures, notably staffing issues, and the need to avoid too much demand on the service. The lack of Bulky Waste income and the refunds of Green Waste collection fees lead to a forecast budget pressure of £36,000 for March and April 2020.

School closures have also led to forecast pressures in the Catering service of £71,000 in March and April 2020 due to the loss of income from school meals.

Further, in March and April 2020 there is a forecast loss of income of £45,000 in relation to the Road and Street Works Act (RASWA) as less works are undertaken whilst lockdown arrangements are in force.

Governance and Partnerships

There is a limited additional expenditure at present in this Directorate. The majority of the budget pressures here have come from reductions in income.

The area which has been most affected by a loss of income is Life Events with a projected £66,000 loss from the Registrars service for the first three month period of the pandemic. Since changes in government advice on the 23 March 2020 - all Citizenship ceremonies, all birth registrations and all weddings have been suspended.

Public Health

Public Health have led on a project to set up 12 community hubs at an estimated cost of £108,000.

Resources

There are additional identified costs of £100,000 in April and March for extra ICT equipment and software licensing.

There are also the costs in the set-up of a dedicated helpdesk to support local businesses during the coronavirus pandemic to maximise uptake of government assistance.

The helpdesk helps businesses to understand and access the £330 billion package of rescue measures announced by the chancellor – including temporary loans, rate relief, grants and other help to small businesses and self-employed. The helpdesk was set on Friday 20 March 2020.

Budgets outside cash limit

There are a number of significant areas where income has been reduced, notably car parking, where Foxhall and Seaside Way car parks have been closed due to reduced demand and the opening hours at Talbot Road Multi-Storey car park have been reduced- decision 113 on the COVID-19 decision log refers. The decision to close car parks was in response to falling demand but there remains a forecast shortfall in income of approximately £945,000 in March and April 2020.

Further reductions in income are expected in 2020/2021 in respect of lost rentals and dividends from Council wholly-owned subsidiary companies.