

## Cabinet – 10 February 2021

### Corporate Financial Performance 2020/21 and Covid-19 update

**Portfolio:** Councillor M Bird – Leader of the Council (Lead Portfolio)

**Related Portfolios:** All

**Service:** Finance – council wide

**Wards:** All

**Key decision:** No

**Forward plan:** Yes

#### 1. Aim

- 1.1 To provide the budget monitoring position for 2020/21 including an updated assessment of the impact of Covid-19 on the council's financial performance and Covid-19 Government funding to address cost pressures and income losses.

#### 2. Summary

- 2.1 The council continues to play an active role in the overall national response to Covid-19. Government has to date allocated £46.35m of funding (plus £115.15m of support to Walsall residents and businesses) to help support those costs in Walsall, as detailed in **Appendix 1**. As well as the initial costs of funding the council's response, the impact of Covid-19 includes significant loss of income following closure of services and facilities, a significant impact on the council's collection fund and delays to the delivery of approved budget savings as the council has refocused its resources on its response to Covid-19.
- 2.2 This report provides a summary position on the financial impact of known pressures, including Covid-19, on the revenue position for 2020/21, based on best available data, including:
- (i) Covid-19 - the financial impact of continued income losses and additional general Covid-19 costs, based on a prudent set of assumptions, is forecast to be c£27.7m, net of income loss grant. The Covid-19 unringfenced response fund of £27.06m is therefore considered at this point to be broadly sufficient to fund the impact of Covid-19. This excludes any further pressures as a result of the current lockdown. Further to these costs, there is further expected costs in relation to activity for which Government has provided ringfenced grants of £14.70m; A further £4.26m for support to residents, and £110.89m of support packages for businesses, which are currently expected to be fully covered by specific grants as set out in **Appendix 1**.

- (ii) Covid-19 funding requires careful management to ensure the council is not put under any financial strain, leading to uncertainty about future financial stability.
- (iii) A non Covid-19 service revenue underspend forecast of £0.26m based on the December position, after use of reserves and assuming successful delivery of corrective action plans identified to date.

- 2.3 In relation to the capital programme, the forecast for the council funded capital programme is currently expected to be a marginal underspend of £0.18m after re-phasing of £34.83m into 2021/22. This is expected to fund a further £250k required for Aids and Adaptations, resulting in a revised overspend of £70k to be managed in year. Cabinet are also requested to approve amendments to the Capital programme as summarised at 4.18.
- 2.4 This reports sets out a number of actions taking place to ensure the council outturns in line with budget in 2020/21 and to protect, as far as is possible, its general and earmarked reserves funds, which may be required to support the 2021/22 once the extent of any ongoing financial impact is known.
- 2.5 In summary, the council is able to manage the financial impact in 2020/21 providing Covid-19 cost pressures and income losses remain within the current forecast, however should cost pressures and income losses substantially exceed this, then additional actions will need to be taken.
- 2.6 Regular updates are being provided to Cabinet on the financial implications for Walsall Council, including any recommendations for additional actions to be taken to manage the evolving situation.

### **3. Recommendations**

That Cabinet:

- 3.1 Note the additional funding allocated to Walsall as set out in sections 4.4 and **Appendix 1** of this report, and that this will be sufficient to cover the additional costs of supporting the council's Covid-19 response in the short term, assuming the current position does not continue beyond current forecast levels.
- 3.2 Note the forecast impact of Covid-19 to November 2020 as set out in section 4.4 to 4.14, and that expenditure plans for all grants shown on Appendix 1 are completed to ensure spend is committed in accordance with respective grant conditions.
- 3.3 Approve £259k of additional costs in relation to vaccination centres to be funded from the Contain Outbreak Management grant, and £592k for the roll out of lateral flow testing in care homes, as set out in section 4.12.
- 3.4 Note the draft forecast non Covid-19 service position is an underspend of £0.26m.
- 3.5 Approve the write off of debt as detailed in section 4.17.

- 3.6 Approve the amendments to the 2020/21 capital programme as set out in section 4.18.
- 3.7 Note financial health indicator performance as set out in **Appendix 3**.

#### **4. Know – Context**

- 4.1 Councils have been operating in an emergency response situation which is unprecedented. The lockdowns and associated measures continue to have a significant impact on the services that the council provides to its residents and service users and how it provides them, and has required implementation of a number of new support measures.
- 4.2 A national Covid-19 Response Fund and further support packages have been made in year in relation to grant support for cost pressures and lost income, however there are still potentially substantial unknown / unconfirmed costs. Regular conversations are being held between Local Authority representative bodies and MHCLG officials to identify the issues facing council's and seeking continued Government support to fund the full cost of the current and any future response required.
- 4.3 In the meantime, the council is still legally required to operate within a balanced budget, to operate within financial controls and to deliver approved budget savings. Inevitably, in order to do this and if Government funding is not provided to fully cover Covid-19 shortfalls, then councils will need to consider other actions to address any shortfalls.

#### **Revenue Forecast 2020/21 - Summary**

##### ***Impact of Covid-19 on the Revenue Forecast 2020/21***

- 4.4 At Budget March 2020 the Chancellor announced a Covid-19 Response grant to fund local authority actions to support social care services and vulnerable people; alongside the need for the NHS to treat Coronavirus patients including maintaining staffing levels; and funding to ensure other public services are prepared and protected. The evolving position regarding government support is regularly reported to Cabinet. The full list of funding sources is provided at **Appendix 1** (£46.35m of funding plus £115.15m of support to residents and businesses).
- 4.5 Council on 27 February 2020 approved a balanced budget. This is predicated on a number of assumptions that Covid-19 has put at significant risk, including;
- Collection of £127.5m of council tax income, with a council tax base of 71,550 households, and collection of business rates income of £74.6m;
  - Receipt of £41.89m of fees and charges to directly offset the gross cost of services and reduce the cost of services to the council tax payer;
  - Delivery of £8.77m of savings through the Proud Programme;
  - A minimum level of reserves required of £13.55m.

- 4.6 Of the £46.35m specific grant identified at **Appendix 1**, a number are ringfenced grants to fund specific activity, with £27.06m of this figure being unringfenced Covid Response funds. **Table 1** overleaf summarises the financial impact of continued income losses and additional Covid-19 costs for the rest of the financial year 2020/21 against the unringfenced grant.

<b>Table 1: Covid-19 pressures</b>	<b>Forecast £</b>
Loss of income due to service closures / changes - services covered by income grant	6,129,325
Loss of income - other service closures / changes	579,220
Loss of income - bad debt provision	1,632,000
Loss of income - investment returns	1,779,600
Cabinet, Gold and Silver approvals for additional cost pressures – <b>see Appendix 2</b>	8,482,833
Forecast additional costs - subject to Gold / Cabinet approval	5,657,316
Additional costs arising from Covid-19 delay in the achievement of 2020/21 approved savings	8,022,364
<b>Total pressures to date</b>	<b>32,282,659</b>
Government grant expected for loss of income	(4,585,250)
<b>Total pressures to date net of expected grant for loss of income</b>	<b>27,697,409</b>

- 4.7 The Covid-19 Response fund and other known ringfenced grant allocations are expected to be broadly sufficient to fund the impact of Covid-19 based on current and known assumptions, however there remains uncertainty about when we will exit the current lockdown and the full cost implications of this. Covid-19 funding therefore requires careful management to ensure the council is not put under any financial strain, leading to uncertainty about future financial stability.

#### Loss Of income

- 4.8 As reported previously to Cabinet, the council is facing significant reductions in sources of income, for example from currently closed services such as leisure and car parking and traded services income. Given councils' reliance on this income, the ability to balance the budget beyond the short term is challenging, as whilst Government has made a commitment to funding some of the income losses, it is not covering all of them.
- 4.9 The Government announced a new scheme on 2 July 2020 to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the Government will cover 75p in every pound lost. The first return was submitted to MHCLG on 29 September 2020 for the period April to July 2020 – with a confirmed reimbursement of £1.27m, and the second on 21 December 2020 for £1.04m. A further claim is to be submitted for the remainder of the year. This grant has been

netted off the costs/income loss pressures to show the net pressure to be funded from the unringfenced Covid-19 Response fund grant.

#### Additional Cost Pressures

- 4.10 On the expenditure side, most costs will remain. For example, the Government's Coronavirus Job Retention Scheme enabling employees to be furloughed, does not apply to Walsall as we receive "public funds" which are expected to be used to continue to pay staff. Indeed, there are significant additional costs associated with our Covid-19, including staffing, support to residents and council tax payers and businesses and support to the elderly and vulnerable particularly in relation to adult social care and children's.
- 4.11 Total approvals to date of unbudgeted costs expected to be incurred are £9.08m of which £8.48m have been committed as set out in **Appendix 2**. Of the £8.48m committed, £5.88m has been spent as at November 2020. A further £5.66m of anticipated costs are currently expected, pending approval.
- 4.12 Cabinet are asked to approve the following cost pressures:
- £260k for the establishment of vaccination centres, to be funded from Contain Outbreak Management grant. The council has been in dialogue with representatives from the NHS with a view to establishing a network of vaccination centres across the borough. Following a number of on-site visits and meetings, three locations have been identified as suitable - Oak Park Active Living Centre, Bloxwich Active Living Centre, and TJ Hughes situated at The Saddlers Centre.
  - £592k for the roll out of lateral flow testing in care homes. This is Walsall's portion of the £149m Adult Social Care Rapid Testing Fund announced by the Department of Health and Social Care in January 2021. Local authorities will be required to pass on 80% of the funding to care homes on a per beds basis, with 20% used at the council's discretion to support the care sector in delivering additional lateral flow device testing.
  - to note that officers are required to complete expenditure plans for all grants shown on Appendix 1 to ensure spend is committed in accordance with the respective grant conditions.

#### Walsall Proud Programme (WPP) Savings

- 4.13 The 2020/21 budget was predicated on delivery of £8.77m from the Proud Programme to be delivered from adopting new ways of working across the council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. Planned activities within the Walsall Proud Programme (WPP) have been reviewed in order to determine those activities which can continue and those which will be delayed as the council has focused on responding to the Covid-19 situation.
- 4.14 As part of this review, an assessment of the financial impact has also been undertaken in relation to those work streams due to deliver savings in 2020/21. The current assumption is that up to £8.02m of savings will now be delivered in 2021/22 as a direct result of Covid-19. The impact arises in the main from: a

refocus of programme resource into managing the council's Covid-19 response: inability to generate fee and charge increases due to facility closures, and an inability to commence consultation on a number of organisational redesigns.

### **Revenue Forecast 2020/21 - Service Pressures**

- 4.15 Walsall Council has a track record of managing financial pressures and action has been taken to mitigate current and future cost pressures, however demand pressures in an authority of this size will always arise. The current council wide forecast of non –Covid-19 pressures shows a forecast underspend of £0.26m to budget (as at end December 2020). Any on-going pressures identified and not addressed in year will have been included as part of the 2021/22 budget process. The forecast is summarised by directorate in **table 2** below:

<b>Table 2: forecast revenue analysis 2020/21 by directorate – non covid-19</b>			
<b>Directorate</b>	<b>Net Budget £m</b>	<b>Year end forecast £m</b>	<b>Forecast Variance to Budget (Under) / Over £m</b>
Adult Social Care	63.74	62.92	(0.82)
Children's Services	66.36	66.29	(0.07)
Economy, Environment & Communities	36.85	36.90	0.05
Resources & Transformation	27.41	26.96	(0.45)
<b>Services Position</b>	<b>194.36</b>	<b>193.07</b>	<b>(1.29)</b>
Capital Financing	17.70	17.70	0.00
Central budgets	(84.49)	(84.49)	0.00
Transfer to/from reserves (service carry forwards)	0	1.03	1.03
<b>Total council tax requirement</b>	<b>127.57</b>	<b>127.31</b>	<b>(0.26)</b>

- 4.16 A number of significant risks and pressures have emerged during 2020/21 that have required action to be taken to limit the council's exposure. These are being managed via a combination of one-off actions (use of earmarked reserves, use of one-off grant) and ongoing actions (review of existing budgets and realignments where feasible). The main pressures within services have been reported previously and an update of the main variances in each Directorate is detailed below. Work continues to mitigate these areas of pressure by year-end.

#### Adult Social Care - (£0.82m)

- £1.29m – total Procure to Pay saving carried forward from 2019/20 identified as currently undeliverable. Work to identify mitigating actions including a review of existing provider payments. This is currently offset by one-off funding and is expected to be achieved through the payment audit process in future years;

- (£1.38m) – change in projected costs for care packages;
- (£454k) - additional Walsall CCG income due to revised Section 117 charges;
- (£195k) - release of rapid response mainstream budget as a result of decreased demand within the service;
- (£151k) – mainly associated with an under spend on print and design supplies and services costs due to one-off savings from a reduction in service demand as an impact of Covid-19.

*Children's Services – (£0.07m)*

- £801k - home to school transport pressure, primarily resulting from out of borough demand;
- £217k - legal fees relating to children and young people in care;
- (£273k) - underspend within Children's Social Care, primarily relating to staffing following successful recruitment drives resulting in less agency staff being used;
- (£107k) - Early help underspend on staffing costs, due to vacant posts being unoccupied;
- (£250k) - use of alternative actions to mitigate overspends detailed above;
- (£501k) - Money, Home, Job – various underspends on salaries and supplies and services, and surplus income from housing benefits income and rents.

*Economy, Environment and Communities - £0.05m*

- (£191k) - Clean & Green - The major reason is an underspend in staffing related costs and supplies and services;
- £258k - ongoing pressure due to non-achievement of planning income (non Covid-19 related);
- £631k - the impact the senior management service redesign;
- (£70k) - NAG, Arts and Heritage staffing underspends;
- (£288k) - overachievement of income in Bereavement Services;
- (£122k) – Libraries vacant posts being held in service and the underspend from the book fund (£60k);
- (£136k) – salary underspends within Communities and Partnerships;
- (£50k) - Use of domestic abuse grant within Communities and Partnerships.

*Resources and Transformation – (£0.45m)*

- £83k Soft IFM - additional costs on Cleaning, Caretaking and Catering and under recovery of income. This is partially offset by holding vacancies within wider Soft IFM, reduced supplies and services costs within Catering;
- (£55k) Asset Management - over recovery of income;
- (£483k) – salary underspends across procurement, hard IFM, programme management, ICT and HR.

***Write off of debt***

4.17 The following write off (as it is above £10,000) requires the approval of Cabinet;

- £11,085.08 relating to residential care charges dated January 2020. This debt is recommended for write off following conclusion of the estate of the deceased prior to the invoice being raised.

### **Capital Programme 2020/21**

4.18 The capital programme for 2020/21, as reported to Cabinet on 9 December 2020 was £208.64m. **Table 3** below summarises amendments made to date, resulting in a revised programme of £212.96m. Cabinet are requested to approve these amendments.

<b>Table 3: Amendments to Capital Programme 2020/21</b>	
<b>Project</b>	<b>£m</b>
<b>Capital programme 2020/21 per Cabinet 09 December 2020</b>	<b>208.64</b>
<b>Council Funded</b>	
Aid and Adaptions	0.25
MYCIMS - Paperless Meetings	0.03
<b>Externally Funded</b>	
Pothole funding	0.07
Warm Homes Fund Gas Scheme	0.73
Challenge Fund	3.24
<b>Revised capital programme 2020/21</b>	<b>212.96</b>

**Table 4** summarises the 2020/21 capital programme and forecast outturn after the re-phasing of projects into 2021/22.

<b>Table 4: Forecast capital analysis 2020/21</b>					
<b>Directorate</b>	<b>Budget £m</b>	<b>Predicted year end forecast £m</b>	<b>Variance before Carry forward £m</b>	<b>Carry Forward £m</b>	<b>Variance Over / (Under) £m</b>
Council funded	60.28	25.27	(35.01)	34.83	(0.18)
Externally funded	152.68	87.47	(65.21)	65.21	0.00
<b>Total</b>	<b>212.96</b>	<b>112.74</b>	<b>(100.22)</b>	<b>100.04</b>	<b>(0.18)</b>

<b>Table 5: (Underspends)/Overspend 2020/21</b>	
<b>Project</b>	<b>£m</b>
Oak Park Car Park	0.08
Highways Challenge Fund Bid	(0.26)
<b>Total</b>	<b>(0.18)</b>

The underspend of £180k is to be used to fund additional Aids and Adaptations costs of £250k resulting in a revised overspend of £70k to be managed in year. The council funded element of the capital programme currently shows predicted re-phasing of £34.83m from 2020/21 to 2021/22. Re-phasing occurs for a number of reasons such as late confirmation of grant approvals, timing of projects that may fall over more than one financial year,



contract delays out of our control as awaiting funding or Government approval, etc. The scheme details relating to the re-phasing are contained with the Corporate Budget Plan 2020/21 – 2023/24 which is also on tonight's agenda.

### ***Financial Health Indicators***

- 4.19 **Appendix 3** contains financial health indicator performance as at quarter 3 as at 31 December 2020. The primary purpose of these is to advise Cabinet of the current financial health of the authority in order to provide assurance to them in their role. The indicators cover a number of areas as follows:

#### *Treasury Management*

- 4.20 The indicators show the actual borrowing and investment rates for 2019/20 and the forecast for 2020/21 against set targets. Proactive and robust management of the council's debt and investment portfolios is forecast to result in positive variances against the financial health indicator targets for 2020/21.

#### *Balance Sheet*

- 4.21 This details ratios for the last 4 financial years 2015/16, 2016/17, 2017/18, 2018/19 and post-audit figures for 2019/20 which show the liquidity of the authority.

#### *Revenue performance*

- 4.22 This section shows collection rates for council tax and business rates, the average number of days to collect sundry debt and the number of days to process creditor payments for 2019/20 and the performance against profile for 2020/21. Sundry debt collection is better than the target by 4 days with performance in relation to the processing of creditor payments below target by 1 day. This target has not been achieved due to additional demand on payments relating to Covid-19. Both council tax and business rates collection are just short of the target.

#### *Management of Resources*

- 4.23 This section details the outturn position for 2019/20 (post audit) and 2020/21 year-end forecast for revenue and capital, which is based on the financial position as at 31 December 2020. The revenue forecast for 2020/21 is an underspend of £0.26m after successful delivery of corrective action plans, as outlined in **table 2** above.
- 4.24 Mainstream capital (funded from the council's own resources) as at 31 December 2020 is forecast to underspend by £35.01m, with £34.83m to be carried over in to 2021/22. Capital receipts are currently forecast to under-achieve the target as set out, which is dependent on timing and market conditions.

### **Council Corporate Plan Priorities**

- 4.25 The council's financial strategy and annual budget process is designed to ensure that resources follow council priorities as set out in the Corporate Plan. Covid-19 creates risk, in that resources may need to be redirected to support the council's response, if Government funding is insufficient to fully cover both the direct (additional costs pressures, loss of income) and indirect costs (cost of reset and costs arising from delays in savings delivery due to the need to refocus on our Covid-19 response). Regular dialogue is being held with MHCLG officials to seek full recovery of costs.

### **Risk Management**

- 4.26 Managers are required to deliver service and improvement targets on time, to standard and within budget. The resource allocation process is governed by the overarching Medium Term Financial Strategy. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential variances and risks to be identified early and addressed.
- 4.27 The council is, however, having to make decisions that have a significant financial impact without a guarantee that the costs will be fully compensated for by the Government. The short term risk of this is being managed through close management and reporting of costs, loss of income, and indirect impacts such as the delay in delivery of approved budget savings through Cabinet/Gold/Silver Control meetings as appropriate.
- 4.28 The 2020/21 budget and level of operating reserves were set following a robust financial risk assessment. The level of reserves can only be set based on a set of realistically foreseeable or predicted parameters, and was judged to be sufficient for all but the most unusual of events. Due regard is made to the strategic and operational risks facing the council. Some of these relate to the current economic condition, others to potential regulatory or national issues, which may have a local impact
- 4.29 As well as financial risk, the council maintains a register that highlights key themes of organisational risk (this is not risks to the community from Covid-19 or Reset) which is reported to Audit Committee as part of their annual work programme. The Strategic Risk Register (SRR) has been reviewed and amended to reflect the impact of Covid-19. The SRR is reported to CMT and Audit Committee. Risks to the organisation and forecast were set out in previous Cabinet reports.

### **Financial Implications**

- 4.30 The financial implications are as set out in the main body of this report. The total final cost of Covid-19 is unknown at this stage. It is currently estimated that currently forecast costs for 2020/21 will be broadly accommodated within the

Covid-19 Response funds. Monthly returns are being provided to MHCLG on cost projections.

- 4.31 In addition to the implications for the 2020/21 budget, Covid-19 may still impact on the council's reserve levels, with knock-on implications on the council's ability to set future budgets and this remains under review. Elsewhere on tonight's agenda is a separate report on the corporate budget and the implications for reserves.
- 4.32 The council has a statutory responsibility to set a balanced budget and to ensure it has an adequate level of reserves. The council takes a medium term policy led approach to all decisions on resource allocation.

### **Legal implications**

- 4.33 The council is required to set and operate within a balanced budget. Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (CFO), in consultation with the council's Monitoring Officer, to make a report under this section if it appears to him or her that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure. In practice, this is most likely to be required in a situation in which reserves have become depleted and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year. Walsall is not in this position.
- 4.34 This mechanism, however, is impractical and should be avoided, as issuing a S114 notice requires all non statutory spend to cease immediately, a situation which would just exacerbate the current situation. Assurance from Government that it will cover all direct and indirect costs of Covid-19 is therefore essential to allow council's to manage their legal obligations and maintain financial stability going forwards.
- 4.35 CIPFA's guidance to CFO's has been modified to allow councils under budgetary pressure due to Covid-19 the time and space to explore alternatives to freezing spending via a S114 notice. The temporary modifications to guidance proposed by CIPFA would mean that it should not normally be necessary for S.114 notices to be issued while informal discussions with government are in progress. There are two specific modifications:
- At the earliest possible stage a CFO should make informal confidential contact with MHCLG to advise of financial concerns and a possible forthcoming S114 requirement.
  - The CFO should communicate the potential unbalanced budget position due to Covid-19 to MHCLG at the same time as providing a potential S114 scenario report to the Council's Executive (Cabinet) and the External Auditor.

- 4.36 The council will have due regard to its statutory responsibilities in proposing any changes to service provision and its statutory responsibilities in relation to setting a balanced budget.

### **Procurement Implications / Social Value**

- 4.37 A number of goods and services, such as PPE, are currently being procured and procurement colleagues are working closely with services to ensure this is done in an agile, but compliant manner.

### **Property implications**

- 4.38 Many council premises are currently either closed or open with restricted access to essential workers.

### **Health and wellbeing implications**

- 4.39 This report is prepared with consideration of health and wellbeing implications.

### **Staffing Implications**

- 4.40 There have been significant implications for staff and how they support delivery of services. Many are having to adapt to new ways of working, particularly home working. There are opportunities to review our future ways of working as part of 'reset'.

### **Reducing Inequalities**

- 4.41 The 2010 Equality Act lays a requirement to have due regard to the equality impact when exercising its function. As a public body, the council is required to comply with the Public Sector Equality Duty (PSED), as set out in the Equality Act, 2010. The PSED requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the council being exposed to costly, time-consuming and reputation-damaging legal challenges.

### **Consultation**

- 4.42 The report is prepared in consultation with the s151 Officer, relevant managers and directors. Comprehensive consultation will be undertaken during the budget process and feedback used to inform final decisions.

## **5. Decide**

- 5.1 To approve the recommendations as set out in this report.

## 6. Respond

6.1 Following Cabinet's consideration and approval, the S151 Officer will ensure implementation of the recommendations.

## 7. Review

7.1 Regular monitoring reports will be presented to Cabinet to inform them of the impact of Covid-19 and the forecast for 2020/21, including an update on risks and impact on the budget for 2021/22 and beyond.

7.2 Budget proposals will be presented in a separate report on this agenda to Cabinet, to be implemented following approval of the budget by Full Council on 25 February 2021.

**Background papers:** Various financial working papers.

### Author:

Vicky Buckley – Interim Director of Finance, Corporate Performance Management and Corporate Landlord, ☎ 07983 604698, ✉ [Vicky.Buckley@walsall.gov.uk](mailto:Vicky.Buckley@walsall.gov.uk)

Signed:



**Deborah Hindson**  
**Interim Executive Director of Resources**  
**and Transformation (S151 Officer)**

10 February 2021

Signed:



**Councillor M Bird**  
**Leader of the Council**

10 February 2021

### Appendices: -

- 1 Covid-19 Funding.
- 2 Cabinet, Gold and Silver control approvals.
- 3 Financial Health Indicators – Qtr 3

## Appendix 1: Covid-19 funding

Unringfenced grant	Date announced	National share £bn	Walsall share £
COVID-19 Response Fund tranche 1	19/03/2020	1.600	9,609,338
COVID-19 Response Fund tranche 2	18/04/2020	1.600	7,871,766
COVID-19 Support Package tranche 3	02/07/2020	0.494	2,940,149
COVID-19 Support Package tranche 4	12/10/2020	0.919	6,643,519
<b>Total Unringfenced Grant</b>			<b>27,064,772</b>

Loss of income grant	Date announced	National share £bn	Walsall share £
Scheme to cover council's lost income <i>First claim (April – July) submitted Sept 2020, confirmed 19 Nov</i> <i>Second claim (August - November) submitted Dec 2020</i> <i>Forecast recoverable income for the remainder of the year - estimated</i>	02/07/2020		1,273,050 1,042,111 2,270,089
<b>Total loss of income Grant</b>			<b>4,585,250</b>

Ringfenced grant	Date announced	National share £bn	Walsall share £
Covid-19 Support Package - for Asylum seeking children	02/07/2020	0.006	10,000
Test and Trace support payments - grant for admin of scheme	30/09/2020	0.010	42,841
Extension of the scheme until 31 January 2021	11/01/2021	0.001	5,967
Local Authority Emergency Assistance for food & essential supplies	10/06/2020	0.063	420,523
Emergency fund for rough sleepers to self isolate (£3.2m)	01/04/2020	0.003	4,501
Infection Control Fund – care home support	15/05/2020	0.600	2,288,564
Infection Control Fund 2 – care home support	23/09/2020	0.546	2,342,514
Test and trace services	22/05/2020	0.300	1,650,559
Reopening High Streets Safely Fund	24/05/2020	0.050	253,601
New Burdens Funding (£0.45m) Business rates admin	29/05/2020	0.000	170,000
Further funding announced by MHCLG	14/12/2020	0.000	45,441
Emergency Action Travel Fund	29/05/2020	0.200	255,000
Next Steps Accommodation Programme (interim accommodation & support) - Rough sleepers - <i>Walsall has not submitted any bids due to additional homelessness funding</i>	24/06/2020	0.100	0
(long term accommodation) - Rough sleepers	20/05/2020	0.161	157,794
Home to school and other transport funding	08/08/2020	0.040	223,000
Wellbeing for Education funding	12/08/2020	0.008	40,416
Local authority compliance and enforcement grant	08/10/2020	0.030	184,093
Contain Outbreak Management Fund			
Local restriction tier 2 £3/head	12/10/2020		856,434
Local restriction tier 3 £5/head			1,427,390
Local restrictions tier 3 from 2 December (part of Winter Support Plan)	23/11/2020	0.900	
Local restrictions - 2 - 29 December 2020	06/01/2021		1,141,912
Local restrictions - January 2021			TBC
Council Leisure Centre Support	22/10/2020	0.100	0
Winter support package	08/11/2020	0.170	1,134,746
Administration of fixed penalty notices	10/11/2020		TBC
Community Testing	30/12/2020		302,400
Extra Covid protection for rough sleepers	08/01/2021	0.010	TBC
Adult Social Care Rapid Testing Fund	17/01/2021	0.149	592,364
Workforce Capacity Fund - Social Care Sector funding to boost staffing levels	17/01/2021	0.120	715,912
Community Champions	25/01/2021	0.024	432,500
<b>Total Ringfenced Grant</b>			<b>14,698,472</b>

<b>Total unringfenced and ringfenced grants for Walsall (excluding support to businesses)</b>			<b>46,348,494</b>
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Support for residents	Date announced	National share £bn	Walsall allocation £
Hardship Fund		0.500	3,879,239
Test and Trace support payments	30/09/2020		
National payments - cost of payments to applicants		0.025	153,500
Discretionary payments		0.015	92,107
Extension of the scheme until 31 January 2021 - National payments	11/01/2021	0.010	72,000
Extension of the scheme until 31 January 2021 - Discretionary payments	11/01/2021	0.010	58,393
<b>Total Support for Residents</b>			<b>4,255,239</b>

Support for businesses	Date announced	National share £bn	Walsall allocation £
Grants to Businesses			53,554,000
Expanded retail discount			26,824,481
Nursery discount			109,168
Local Restrictions Support Grants (Closed) for businesses forced to close during lockdown 5 Nov - 2 Dec 2020	05/11/2020		3,952,404
Additional Restrictions Support Grants (Open) for businesses open but impacted on national restrictions			319,118
Additional Restrictions Support Grant for discretionary grants to businesses			5,709,560
Additional Restrictions grant – top up	14/01/2021		2,535,916
Local Restrictions Support Grants (Closed) Addendum – tier 4 restrictions	22/12/2020		5,928,606
Christmas grant for 'wet led' pubs	01/12/2020		108,800
Further lockdown grants to support businesses	05/01/2021	4.600	11,853,000
<b>Total Support for Businesses</b>			<b>110,895,053</b>
<b>Walsall Council Funds (including support to residents and businesses)</b>			<b>161,498,786</b>

- **Covid-19 Response Fund / Support Package** (£27.06m) – a package of support to Local Government, announced over 4 tranches, to address Covid-19 related pressures for 2020/21. The total allocation for Walsall over 4 tranches is £27.06m.

In recognition of the acute cost pressures that a small number of local authorities are facing with regard to Unaccompanied Asylum Seeking Children, the Department for Education will use £6m of the £500m 3<sup>rd</sup> tranche to provide targeted support to a small number of councils. Children's Services have submitted a claim for £10k.

- **Grant for reimbursement of lost income** (£4.58m) - announced on 2 July 2020 to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the Government will cover 75p in every pound lost. The first return was submitted to MHCLG on 29 September 2020 for the period April to July 2020 – with confirmed reimbursement of £1.27m, and the second on 21 December 2020 for £1.04m. The expectation is for a further claim to be submitted for the remainder of the year, estimated at £2.27m.
- **Local Authority Emergency Assistance for food and essential supplies** (£420k) - Funding for councils in England of £63m was announced on 10 June. This is to help those who are struggling to afford food and other essentials due to Covid-19. The funding is a one-off contribution for the

2020/21 financial year. This funding has been used to fund food parcels, essential supplies, shielding and help to those with no recourse to public funds.

- **Emergency fund for rough sleepers to self isolate** (£4k) - Rough sleepers, or those at risk of rough sleeping will be supported by £3.2m of initial emergency funding if they need to self-isolate to prevent the spread of coronavirus. The funding is available to all local authorities in England for the cost of providing accommodation and services to those sleeping on the streets to help them successfully self-isolate.
- **Infection Control Fund (ICF)** (£4.63m) – Funding announced by Department of Health and Social Care over 2 tranches. 75% of initial funding has been passed directly to care homes for use on infection control, the remaining 25% is also be used for infection control but LA's can allocate based on need. Local authorities should also publish on their websites their rate uplifts and other extra funding they are making available to care providers e.g. cash flow support etc.

ICF 1 allocation was £2.29m – 75% (£1.72m) to residential and nursing providers, and 25% (£573k) to share across domiciliary care providers based on their number of packages at a given point, in accordance with the relevant grant conditions.

The Health Secretary announced an extension to the ICF on 17 September. ICF 2 allocation was £2.34m. It is to be spent based on 'per bed' and 'per user' basis as registered with Care Quality Commission (CQC) as at September 2020. 80% is required to be passported to care homes within the LA area on a 'per bed' basis, and to CQC regulated community care providers within the LA area on a 'per user' basis, including to social care providers with whom the LA does not have existing contracts. 20% must be spent by the LA on the funding of support to the care sector on other Covid-19 infection control measures.

- **Test and trace services** (£1.65m) - On 22 May the Government announced £300m additional funding for local authorities to support them to develop and action their plans to reduce the spread of the virus in their area as part of the launch of the wider NHS Test and Trace Service. This funding is to enable local authorities to develop and implement tailored local Covid-19 outbreak plans through for example funding the recruitment of additional staff where required. Cabinet on 17 June delegated authority to the Director of Public Health to manage this as part of the Walsall Outbreak Plan.
- **Reopening High Streets Safely Fund** (£250k) - On 24 May the Government announced a Reopening High Streets Safely Fund to prepare for the reopening of non-essential retail. This funding is intended to support a range of practical safety measures including new signs, street markings and temporary barriers. Local authorities will also be able to use this money to



develop local marketing campaigns to explain the changes to the public and reassure them that their high streets and other commercial areas are safe.

- **New Burdens funding** (£170k) - MHCLG recognises that implementing new business rates measures will place some additional burden on billing authorities and confirms that it will provide New Burdens funding to cover matters such as IT costs, additional staff costs and rebilling.
- **Emergency Action Travel Fund** (£260k) - On 29 May the Government issued allocations for local authorities of the Emergency Active Travel Fund across England - £17.23m to be allocated to West Midlands Combined Authority (£3.45m in tranche 1 and £13.79m in tranche 2). TfWM announced on 26 June that the West Midlands were successful in their application for Tranche 1, with an allocation of £3.85m being granted from DfT for our ambitious emergency active travel programme. The funding is being used on a wide range of rapid schemes, including pop-up cycle lanes and pavement widening, as well as on activation and communication activities. Walsall's element was confirmed in a funding offer letter on 7 July 2020.
- **Next Steps Accommodation** (£160k) – in May, the Secretary of State announced £161m for 2020/21 (as part of an overall £433m for the lifetime of this parliament) to deliver 3,300 units of longer-term, move-on accommodation. The fund was open to bids from local authorities and on 20 October 2020 we received notification from MHCLG that following the assessment and moderation of our submission that the bid of £158k revenue (and £92k) capital is minded to be supported by MHCLG to progress to a further stage of due diligence.
- **Home to school and other transport funding** (£220k) - On 8 August, the Department for Education and the Department for Transport announced £40m funding for transport authorities (West Midlands Combined Authority for Walsall) to provide new dedicated school and college transport in the Autumn term. This will provide an alternative to public transport, supporting the Government's policy for children and young people to return to full time education in September 2020 whilst allowing for social distancing measures. Allocations are made on the basis of numbers of children and young people in the area and how far they have to travel. Local authorities will also be asked to work with providers to support 16-19 year olds.
- **Wellbeing for Education funding** (£40k) - On 12 August, the Department for Education announced £8m of grant to support the Wellbeing for Education Return project which seeks to better equip education settings to support pupils and students' wellbeing and psychosocial recovery as they return to full-time education this autumn. Walsall's allocation is £40k based on the number of state-funded education settings in the local authority area. The Department anticipates that local authorities will use the funding provided to:
  1. Adapt the Wellbeing for Education Return training package, which will be shared with local authorities in September, to include local context and information about local services.

2. Make accessible, and deliver, the adapted Wellbeing for Education Return training package to all state-funded education settings in their area in the first half of autumn term 2020.
  3. Provide ongoing support to all state-funded settings in their area, on promoting and supporting mental health and wellbeing over the next 6 months.
- **Local authority compliance and enforcement** (£180k) - On 25 September, as part of the Winter Economy Plan, the Chancellor announced £60m funding for enforcement and compliance including Covid-19 marshals. This followed the latest regulations which require councils to enforce the requirements for businesses in respect of Test and Trace.

On 8 October, the equal split of this funding between police and local authorities, £30m each, was announced. The funding is ringfenced for the purpose of compliance and enforcement of measures to control the spread of Covid-19. Activities include support to encourage and aid compliance for the public and businesses, to aid awareness and understanding of the regulations, and other activities associated with enforcement (e.g. issuing prohibition notices, fixed penalty notices, or bringing legal proceedings).

- **Contain Outbreak Management Fund (COMF)** (£3.42m) - Upper tier Local Authorities in England will receive a one-off payment of £8 per head, worth £465m overall (including a £20m supplementary fund), to support local test, trace and contain activities as well as wider measures to protect public health and local economies. Where councils have already received some funding from the COMF this is increased to the maximum of £8 per head of population. Walsall will receive £2.28m at £8/head based on ONS UK mid-year estimate population figures 2019 of 285,478.

In January 2021, MHCLG announced that Upper Tier Local Authorities (UTLA) will receive £4/head per 28 days for the duration of the highest level restrictions (Tier 3, Tier 4 or National Lockdown). This will be calculated on a pro-rata basis, reflecting any time during a 28 day period that they were subject to Tier 3, 4 or National Lockdown measures. Any time during that period that a UTLA was subject to Tier 2 restrictions will be funded at £2 per population head per 28 days.

This funding can be used to fund local coronavirus response public health activities, such as additional contact tracing, testing for hard-to-reach groups, and public health communications.

The Department of Health, on 6 January 2021, confirmed that we will receive £1.14m from the COMF. This has been calculated based upon the time the authority has spent in each respective tier between 2 December 2020 and 29 December 2020 inclusive and paid early January. Funding will be subject to a review in January 2021.

- **Council Leisure Centre Support** (TBC) - Department for Digital, Culture, Media and Sport confirmed on 22 October 2020 that £100m will be used to introduce a new fund which will support council leisure centres most in need.

Funding excludes internally provided leisure services. Walsall will not be eligible for additional funding.

- **Winter Support Package** (£1.13m) - New winter package to provide further support for children and families – announced on 8 November by the Department for Work and Pensions.

£170m Covid-19 Winter Grant Scheme to support children, families and the most vulnerable over winter. The indicative allocation is £1.13m for Walsall, subject to Treasury approval. The funding will be ring-fenced, with at least 80% earmarked to support with food and bills, based on population, weighted for deprivation, and will cover the period to the end of March 2021. Local Authorities will receive the funding at the beginning of December 2020. It will allow councils to directly help the hardest-hit families and individuals, as well as provide food for children who need it over the holidays. Local councils understand which groups need support, and are best placed to ensure appropriate holiday support is provided – which is why they will distribute the funds, rather than schools, who will continue providing meals for disadvantaged children during term-time.

Holiday activities and the food programme is to be expanded, covering Easter, Summer and Christmas in 2021. This has provided healthy food and enriching activities to disadvantaged children since 2018, and will be expanded across England next year, at a cost up to £220m. It will be available to children in every local authority in England, building on previous programmes – including this summers, which supported around 50,000 children across 17 local authorities.

Healthy Start payments are set to rise from £3.10 to £4.25 a week from April 2021. This scheme supports pregnant women or those with children under four who have a low income and are in receipt of benefits to buy fresh fruit and vegetables. This will help people boost the long-term health of their children.

The Government has also pledged additional funding of £16m for food distribution charities, with conversations with FareShare and others ongoing as to how this is allocated.

- **Administration of fixed penalty notices** (TBC) - (announced 10 November) - The ACRO Criminal Records Office have been designated by the Government to administer fixed penalty notices issued by police officers to members of the public under the stay-at-home measures intended to minimise the spread of infection. In line with the Regulations, ACRO will transfer the payments they receive to the respective, appropriate local authority where each fine is issued. Due to the way the Regulations have been drafted this will be to 'Tier one' authorities – unitary authorities, metropolitan districts, London boroughs and county councils.
- **Community Testing** (£300k) – announced by the Department of Health on 30 December 2020. The purpose of the grant is to provide support to the Local

Authority towards expenditure lawfully incurred or to be incurred in relation to community testing in response to the Covid-19 outbreak.

The grant shall be payable in 3 instalments from when the local authority commences its community testing programme. Allocations of £302k (£100k payment 1 and £202k payment 2) have been notified and will be paid in the form of a s31 ringfenced grant for the period to 31 March 2021.

- **Extra Covid-19 protection for rough sleepers and renters (TBC)** - announced on 8 January by MHCLG. Councils will work closely with local health partners to ensure those sleeping rough are able to access the Covid-19 vaccine in line with the priority groups outlined by the Joint Committee on Vaccination and Immunisation. No allocations have been published.
- **Adult Social Care Rapid Testing Fund (£592k)** - On 23 December 2020, the Government announced an extra £149m to support the rollout of lateral flow device testing in care homes. Guidance and allocation were published on 17 January 2021 by the Department of Health and Social Care – Walsall allocation of £592k.

The main purpose of this funding is to support additional rapid testing of staff in care homes, and to support visiting professionals and enable indoors, close contact visiting where possible. This includes adult social care providers with whom the local authority does not have a contract. Local authorities will be required to pass on 80% of the funding to care homes on a per beds basis, with 20% used at the local authority's discretion to support the care sector in delivering additional lateral flow device testing.

- **Workforce Capacity Fund - Social Care Sector funding to boost staffing levels (£716k)** – £120m announced on 17 January 2021 by the Department for Health and Social Care. Walsall's indicative allocation announced on 19 January is £716k. The funding can:
  - provide additional care staff where shortages arise;
  - support administrative tasks so experienced and skilled staff can focus on providing care;
  - help existing staff to take on additional hours if they wish with overtime payments or by covering childcare costs.
- **Community Champions (£433k)** - £23.75m announced by MHCLG on 25 January 2021. Walsall's allocation is £433k. Whilst all funding does need to be committed before 31 March 2021, delivery of projects and activities can extend beyond that date.

The Community Champions: Local Authority Fund aims to support a range of interventions to build upon, increase or improve existing activities to work with residents who are most at risk of Covid-19; helping to build trust and empower at-risk groups to protect themselves and their families. The broader aim is to reduce the impact of the virus on all communities, beyond just the target areas that we will work with through this scheme.

Funded projects are expected to:

- Build residents' confidence to integrate and engage more widely in their local communities and mix with people from different backgrounds;
  - Adopt approaches to engagement that supports social connection to the local area and builds confidence to use local amenities and services;
  - Provide practical solutions to overcome barriers, such as supporting those experiencing digital exclusion;
  - Be targeted using the best available national and local sources of evidence of need;
  - Exhibit good governance and the collection of robust evidence to enable measurement of progress in achieving the Funds aims;
  - Deliver genuine value for money with robust programme management.
- **Hardship Fund** (£3.88m) - £500m Hardship Fund for local authorities to support hardship in their local area. The guidelines state that the Government expects each local authority to reduce the council tax liability of each working age council tax claimant by £150, or to zero if the total liability is less than £150. Walsall has allocated this funding to reduce council tax liability for working age claimants.
  - **Test and Trace Support Payments** (£424k) – On 30 September 2020, the Government announced that people will be required by law to self-isolate from 28 September 2020, supported by a payment of £500 for those on low incomes who cannot work from home and have lost income as a result, and who meet the criteria of the scheme. These payments are administered on top of any benefits and statutory sick pay (SSP) that they currently received. Walsall received an allocation of £288k.

On 11 January 2021, the Dept of Health confirmed a further allocation of £20.4m for the extension of the scheme until 31 January 2021, divided between the costs of main and discretionary payments and administrative costs as below:

- £9.5m for funding the £500 Test and Trace support payments, for people who meet the standard eligibility criteria. This is subject to reconciliation for the duration of the scheme; Walsall's allocation is £72k.
- £900k for funding administration costs. Reasonable costs of administration will be covered for the duration of the scheme; Walsall's allocation is £58k.
- £10m for funding the £500 discretionary payments, for people who do not meet the standard eligibility criteria, which is a fixed amount. Walsall's allocation is £6k.

The Government have also confirmed that the scheme will be extended further to 31 March, but are currently working on the eligibility criteria.

- **Business rates grants** (£53.55m) - a cash injection of £10k to businesses that are currently eligible for small business rates relief and grants of up to £25k to retail and leisure business operating in premises with a rateable value between £15k to £51k. The council has received a grant of £53.55m. The Government has also stated that it recognises that implementing this new measure will place some additional burden on billing authorities and confirms

that it will provide New Burdens funding for this, however the mechanism for this has not yet been published.

- **Expanded retail / nursery discount** (£26.93m) additional reliefs announced January and March 2020 as part of the Covid-19 support package to businesses.
  1. Expanded retail discount - provides a 100 per cent business rates discount for hereditaments occupied by all businesses that are classified as in retail, leisure and hospitality sectors, regardless of rateable value and which are subject to business rates in the year 2020/21.
  2. Nursery discount - a 100% business rates discount for hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21. There will be no rateable value limit on the relief.
- **Local Restrictions Support Grants** (£18.45m) - Guidance was announced on 5 November 2020 by the Department of Business, Energy and Industrial Strategy for local authorities on paying grants to support businesses during the November to December 2020 national lockdown and periods of local restrictions.

**Local Restrictions Support Grants (Closed) Addendum.** These schemes are to support local businesses during the 5 November to 2 December 2020 national lockdown and during periods of local restrictions. Walsall's allocation is £3.95m. For 5 November – 2 December, a 28-day payment cycle will be applied. Grant funding is issued to Local Authorities at the beginning of the 28-day payment cycle, which is the first day widespread restrictions come into force nationwide. This funding will be provided on a rolling 28-day basis for as long as national restrictions apply. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided. Local Authorities who triggered the Local Restrictions Support Grant (Open) between 1 August and 4 November will still receive their payments for that period. Local Authorities are only eligible to receive funding once in the 2020/21 Financial Year, but the funding can be used in Financial Years 2020/21 and 2021/22. There is a further allocation of £319k for Walsall for those business that remained open but impacted by restrictions.

This funding allocations is 90% of the estimated grant funding requirement, that was calculated using Valuation Office Agency (VOA) data, based on the categories of business relevant to the closures imposed by Government. Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

Thresholds:

- a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15k or under on the date of the commencement of the widespread national restrictions will receive a payment of £1,334 per 28-day qualifying restriction period;

- b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15k and less than £51k on the date of the commencement of the widespread national restrictions will receive a payment of £2,000 per 28-day qualifying restriction period;
- c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51k or above on the commencement date of the widespread national restrictions, will receive £3,000 per 28-day qualifying restriction period.

**Backdated cash grants for businesses in Local Alert Level 2 (High) and 3 (Very High) areas.**

Businesses in hospitality, leisure and accommodation sectors that have been suffering from reduced demand for a while will receive backdated grants at 70% of the value of closed grants up to a maximum of £2,100 per month for this period. The funding will run from 1 August, to the start of the new national restrictions on 5 November.

This will allow councils to make grants to hospitality, leisure and accommodation businesses worth the following amounts:

- a) For properties with a rateable value of £15k or under, grants to be £934 per four weeks;
- b) For properties with a rateable value of over £15k and below £51k, grants to be £1,400 per four weeks;
- c) For properties with a rateable value of £51k or over grants to be £2,100 per four weeks.

**Additional Restrictions Support Grant.** On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. This is funding for local authorities to support businesses in their local economies. This support will take the form of a funding scheme in Financial Year 2020/2021 and can be used across Financial Years 2020/21 and 2021/22. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England.

Under the Additional Restrictions Grant, Local Authorities will receive a one-off lump sum payment amounting to £20 per head when LCAL 3 or widespread national restrictions are imposed. Walsall's allocation is £5.71m. Local authorities can use this funding for business support activities. We envisage this will primarily take the form of discretionary grants, but LAs could also use this funding for wider business support activities. A further top up of £2.54m was confirmed on 14 January 2021.

**Additional Restrictions Support Grant.** On the 19 December 2020 the Prime Minister announced that a number of Local Authority areas would be subject to Tier 4 restrictions.

In Tier 4, in addition to Tier 3 business closures covering hospitality, leisure, accommodation and tourism businesses, non-essential retail and beauty

services are required to close. This is the same set of businesses that were required to close during national lockdown between 5<sup>th</sup> November and 2<sup>nd</sup> December. During national lockdown, guidance and grant allocations with respect to Local Restrictions Support Grant (Closed), Local Restrictions Support Grant (Open) and Local Restrictions Support Grant (Sector) were suspended and replaced by Local Restrictions Support Grant (Closed) Addendum.

The same approach will be taken for Tier 4 areas: with Local Restrictions Support Grant (Closed) Addendum Tier 4 guidance and payments taking effect. The difference with national lockdown guidance is that Local Authorities will be paid in 14-day payment cycles rather than 28-day cycles. An allocation of £5.93m was confirmed on 14 January 2021.

- **Christmas grant for ‘wet-led’ pubs** (£109k) - Announced by the Prime Minister on 1 December 2020, a one-off £1,000 grant for pubs that predominantly serve alcohol rather than provide food (referred to as ‘wet-led pubs’) across tiers 2 and 3 in lieu of Christmas trade. The payment will be a one-off for December and will be paid on top on the existing £3,000 monthly cash grants for businesses. This will cover those in tiers 2 and 3 forced to reduce their operations as a result of the latest regional measures put in place to contain transmission of the virus. Eligible wet-led pubs across these tiers are invited to apply through their local authority who will be responsible for distributing the grants. The payment will be made once per business for the month of December only. Walsall’s allocation is £109k.
- **Further lockdown grants to support businesses** (£11.85m) - HM Treasury announced £4.6bn on 5 January 2021 in new lockdown grants to support businesses in the retail, hospitality and leisure sectors worth up to £9,000 per property (dependent on rateable value) to help businesses through to the Spring. This is to be provided in addition to the existing Local Restrictions Support Grant. An allocation of £11.85m was confirmed on 14 January 2021.



## Appendix 2: Cabinet, Gold and Silver Control Approvals

Date	Approval	Additional Costs Approved £	Spend to Nov £	Forecast spend £
<b>Cabinet approvals</b>				
19/05/2020	Shielding and support to voluntary sector hubs to support vulnerable people and families at risk of harm of Covid-19. Total £1.033m approved, but £11k spent in 2019/20. Approved by Gold 11/05/20. £242k additional spend expected to be funded from the £420k grant for Emergency Assistance for food and essential supplies.	1,022,000	629,76 2	690,861
19/05/2020 & 09/12/2020	Adult Social Care provider payments, and additional supplier relief for contracted and non-contracted providers. Continuation of 'payment by plan' (except where there is no evidence of care having taken place) for domiciliary care services until the 31 March 2021, with delegated authority to the Executive Director of ASC approved 09 Dec. £1,359,324 - £318,900 approved by Cabinet on 19 May.	1,359,324	1,385,7 09	1,852,36 4
04/06/2020	Infection Control Fund – Urgent decision taken by Leader to delegate authority to the Interim Director of Adult Social Care for allocation of the full £2,288,564 – 75% (£1,715,930) to residential and nursing providers, and 25% (£572,634) to share across domiciliary care providers based on their number of packages at a given point, both in accordance with the relevant Grant conditions.	0	0	0
17/06/2020	Emergency Personal Protective Equipment. There are currently 164 different Care Providers that the local Hub at Goscote is supporting - 58 of those are Residential/Nursing homes in Walsall, and 107 are providers delivering a selection of extra care, supported living and domiciliary care provision. In addition to this the hub supports volunteers requiring PPE, internal workforce delivering a range of personal care and front facing work with vulnerable people, direct payment recipients and carers who may require PPE to support people at home. Following approved by Gold 22/04/20, and Cabinet report approved by the Leader 23/4/20, a rolling monthly sum of no more than £660k over 3 months (£1.98m) was agreed – <i>permission has been given by NHS England to charge PPE costs to Walsall CCG - this is assumed to be net nil cost to the councils as at despatch date. Cabinet approved for the continuous ordering of urgent local supplies of PPE via the Council's Adult Social Care Provider Hub, continuing to work with the Corporate Procurement team.</i>	0	0	0
17/06/2020	Walsall Local Outbreak Plan – Governance and Delivery Arrangements, established to provide political ownership and public-facing engagement and communications for outbreak response. It is proposed that the Health and Wellbeing Board (or subcommittee) act as the "Local Outbreak Engagement Board" and revised Health protection Forum act as the local operational oversight and is responsible for the production of the Outbreak Plan. Funding by £1,650,559 ringfenced Test and Trace allocation with delegated authority to the Director of Public Health	0	0	0
15/07/2020	ICT to enable business continuity - total cost £550,764 less £154,374 funded 2019/20, £184,975 approved by Gold on 22 April, £39,600 funded from track and trace grant, and £171,815 approved by Gold 3 July.	356,790	326,13 2	355,627
15/07/2020	Extension to community response by 3 months initiative to support shielded vulnerable residents who do not meet the criteria for support.	64,939	24,000	64,939
12/08/2020	Adult Social Care provider payments, and additional supplier relief for contracted and non-contracted providers – further allocation to that approved by Cabinet on 19 May 2020.	500,000	348,79 5	900,000
28/10/2020	Adult Social Care Infection Control fund ring-fenced Grant – Round 2 - £2,342,515 based on 'per bed' and 'per user' basis as registered with Care Quality Commission Sept '20. 80% (£1,874,011) is required to be passported to care homes within the LA area on a 'per bed' basis, and to CQC regulated community care providers within the LA area on a 'per user' basis, including to social care providers with whom the LA does not have existing contracts. 20%, £468,503 must be spent by the LA on the funding of support to the care sector on other COVID-19 infection control measures.	0	0	0
28/10/2020	To provide funding of £108,000 for 4 community hubs from the £420,523 grant for Local Authority Emergency Assistance for food & essential supplies. A support programme has been set up with Adult Social Care to provide telephone contact and support through the Making Connections Walsall Hubs for those that are vulnerable and shielded.	0	0	0

Date	Approval	Additional Costs Approved £	Spend to Nov £	Forecast spend £
04/12/2020	Co-mingled waste – additional costs to landfill following restrictions on number of caseloads that can be delivered from May 2020 – Revised allocation of £698,616 - £87,073 approved by Gold on 23/06/20 and £206,413 approved by Gold on 24/07/20. Leader approval granted due to timing within Committee cycle.	405,130	81,026	405,130
09/12/2020	Additional costs for looked after children placements	2,490,000	1,357,072	2,035,617
<b>Total Cabinet approvals to date</b>		<b>6,198,183</b>	<b>4,152,496</b>	<b>6,304,538</b>
<b>Gold Control approvals &gt;£50k</b>				
06/04/2020	Use of Computerised Tomography (CT) equipment for digital autopsies – to be reviewed after initial 6 month period (April– Sept)	95,200	21,420	49,420
17/04/2020	Provision of a temporary site to accommodate people from Gypsy, Roma and Travelling communities (20 April–17 May)	30,000	30,000	30,000
24/04/2020	Temporary mortuary at Birmingham Airport.	1,200,000	566,838	566,838
04/05/2020	Support for rough sleepers, victims of domestic abuse and complex young people requiring rehousing (13 weeks)	136,485	102,222	136,484
22/05/2020	Extension of Family Safeguarding delay in implementation of the Social Care locality model to 31 August (further to Silver approval on 20/04/20 below)	61,619	47,698	47,698
29/05/2020	Delay in FDAC programme grant – funding of 6 months of contract April – September 2020.	77,119	77,119	77,119
23/06/2020	Co-mingled waste – additional costs to landfill following restrictions on number of caseloads that can be delivered from May 2020 – May only (further requests may be required from June onwards)	87,073	87,073	122,470
17/07/2020	Delayed closure of Birchills Children’s Centre by 4 months (Sept – Dec 2020). Further to the approval by Silver on 15/05/20. Cabinet on 15 July approved the closure by end of December 2020.	12,000	16,000	24,000
24/07/2020	Co-mingled waste – additional costs to landfill following restrictions on number of caseloads that can be delivered from May 2020 – Revised allocation of £293,486 - £87,073 approved by Gold on 23/06/20 above	206,413	206,413	206,413
16/10/2020	Local authority compliance and enforcement grant – specific ringfenced grant allocation of £184,093 – for appointment of Covid Marshalls, lead officer to deliver community champion initiative incl. 4 co-ordinators and admin, plus awareness project funding	0	0	0
16/10/2020	Environmental Health food safety resources – 3 additional officers to manage the councils statutory obligations as a result of high complaint and proactive interventions due to Covid-19	99,000	0	99,000
02/11/2020	Social distancing measures, signage etc	77,910	0	0
27/11/2020	Issue of penalty notices for non-school attendance – loss of income as a result of no charges being levied in 2020/21	70,000	38,997	70,000
04/12/2020	Rental concessions due to lockdown and reduction in footfall to trade for period March ‘20 – April ‘21	90,455	68,142	90,455
04/12/2020	Loss of income from closure of Walsall Market, Arboretum and Arboretum Visitor centre that cannot be claimed from income grant	144,931	218,723	277,531
<b>Total Gold approvals to date</b>		<b>2,388,205</b>	<b>1,480,645</b>	<b>1,797,428</b>

<b>Silver Control approvals &lt;£50k</b>				
<b>Date</b>	<b>Approval</b>	<b>Additional Costs Approved £</b>	<b>Spend to Nov £</b>	<b>Forecast spend £</b>
15/04/2020	Cemeteries – increase in burial standby payments, additional diggers and call out payments – April to June 2020 (13 weeks)	27,143	8,208	8,208
20/04/2020	Family Safeguarding – delay in the implementation of the Social Care locality model over 2 months (04/05/20 – 01/07/20)	30,150	31,282	31,282
15/05/2020	Delayed closure of Birchills Children’s Centre by 4 months (Sept – Dec 2020). Further £53k funded within Children’s.	42,667	32,001	42,667
20/05/2020	Garden waste – resources required for first 2 weeks of resuming collections (15-26 June)	12,283	12,283	12,283
22/05/2020	Increased take up of free school meals as more meet low income eligibility criteria. Based on 100 eligible children for 10 wks from 18 May to 21 July.	15,000	0	15,000
22/05/2020	One Source Programme Management Support to support implementation as a result of home working – Sept-Dec ‘20	36,900	16,650	36,900
29/05/2020	Foster care – one off £200 to 189 fostering households for additional expenses for the period April – September 2020.	37,800	37,800	37,800
03/06/2020	Mental Health first aid training and support to 130 schools and 10 providers for the period 15 June – 31 August 2020	21,000	4,350	4,350
19/06/2020	Interpreter costs in Children’s Services to engage with vulnerable families – April to September 2020.	20,000	20,000	20,000
24/06/2020	Legal - One off costs for the provision of external legal support (specifically on safe reopening of schools including health and safety, risk assessments, liability – both civil and criminal, PPE requirements, business closure regulations and advice generally on the Covid Act 2020) March-June ‘20	8,875	8,875	8,875
10/07/2020	Environmental Depot – reset and service continuity in order to continue to provide key front line services, staff safety and welfare – April 2020 to March 2021.	30,400	30,400	30,400
10/07/2020	Opening of Walsall play areas and outdoor gyms – 2 agency staff for each of three sites operating 10am-6pm Monday to Sunday for 6 weeks of summer holiday.	26,500	0	0
07/08/2020	One off costs for the elongation of the implementation period for the council’s early payment scheme for council suppliers (entered into in January 2020) due to Cabinet Office PPN02/20 & PPN04/20 requirements.	12,000	0	12,000
07/08/2020	Support to Shop Happy Programme for Walsall Town (£12,000), and staff details and costs associated with supporting the Business Rates Grant Programme in assessing and processing the individual payments associated with applications (£11,673) – April / May 2020.	23,673	4,000	4,000
26/08/2020	Reopening of recycling centres – introduction of traffic management system until 21 June and live feed web cam	38,300	38,300	38,300
06/11/2020	Communication - radio and instream adverts. 2 new campaigns across the region over a 10 week period. 1 – Wear a mask, 2 – Pushing out messaging about lockdown.	12,066	0	0
20/11/2020	Short breaks – cost of sending 2 children to external providers due to closure of Bluebells (Apr – Dec)	16,582	0	0
27/11/2020	To provide the Education Health and Care assessment team the increased capacity to manage the increased statutory requests for EHC needs assessment. 3 Special Educational Needs Case Work Officers for period 23 Nov – 31 Jan 2021.	48,802	5,423	48,802
27/11/2020	Taking account of the current limitations of public transport and the desire to encourage the Boroughs residents and workers to “shop local”, free parking in Council owned car parks will be promoted throughout December, resulting in a loss of income.	30,000	0	30,000
<b>Total Silver approvals to date</b>		<b>490,141</b>	<b>249,572</b>	<b>380,867</b>
<b>Total Cabinet / Gold / Silver approval for additional cost pressures</b>		<b>9,076,529</b>	<b>5,882,713</b>	<b>8,482,833</b>

### Appendix 3: Financial Health Indicators – Quarter 3

<b>Treasury Management</b>	<b>2019/20 Actual</b>	<b>2020/21 Target</b>	<b>2020/21 Actual</b>
Average Interest Rate (Borrowing)	3.74%	3.35%	3.40%
- Excluding OLA	3.86%	3.53%	3.49%
- Including OLA			
Gearing Effect on Capital Financing Estimates	3.92%	5.00%	3.53%
Net Borrowing Costs / Council Tax Requirement and NNDR contribution	3.78%	12.50%	4.50%
Capital Financing Requirement (£m)	381.564	380.886	380.886
Authorised limit for external Debt (£m)	458.391	472.173	472.173
Investment Rate Average (excl Property fund)	1.20%	1.11%	0.6%

<b>Balance Sheet Ratios</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Current Assets : Current Liabilities	1.77	1.86	1.03	1.68	2.39
Useable Reserves : General Revenue Expenditure	0.57	0.63	0.65	0.72	0.73
Long Term Borrowing : Tax Revenue (Using both council tax and NNDR for tax revenue)	1.45	1.41	1.20	1.36	1.43
Long Term Assets : Long Term Borrowing	2.29	2.29	2.34	2.05	1.86
Total School Reserves : Dedicated School Grant	0.07	0.05	0.05	0.06	0.05

<b>Revenues Performance</b> % collected for financial year	<b>2018/19 Actual Collected in total @ 31.12.20</b>	<b>2019/20 Actual Collected in total @ 31.12.20</b>	<b>2020/21</b>	
			<b>Profiled 2020/21</b>	<b>Actual 2020/21</b>
Council tax %	97.0%	95.6%	75.4%	75.1%
Total Council Tax collected (£m)	£127,668,649	£133,353,933	£106,400,000	£106,070,644
National Non Domestic Rate %	98.5%	97.6%	74.7%	72.9%
Total NNDR collected (£m)	£71,317,797	£72,254,925	£36,775,000	£35,895,185

<b>Debtors and Creditors Performance</b>	<b>2019/20 Actual</b>	<b>2020/21</b>	
		<b>Target</b>	<b>Actual</b>
Sundry Debtors Collection – Average number of days to collect debt	25 days	30 days	26 days
Average number of days to process creditor payments*	10 days	14 days	15 days

<b>Management of Resources</b>	<b>2020/21</b>		
<b>Service Analysis</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Children's Services	66,362,433	66,294,656	(67,777)
Economy and Environment	36,848,760	36,899,347	50,587
Adult Social Care	63,741,499	62,921,264	(820,235)
Resources and Transformation	27,411,726	26,962,313	(449,413)
Council Wide	25,369,795	25,369,795	0
Transfer to / from reserves (service carry forwards)	0	1,031,000	1,031,000
NNDR/Top Up	(92,168,077)	(92,168,077)	0
<b>Total Net Revenue Expenditure</b>	<b>127,566,136</b>	<b>127,310,298</b>	<b>(255,838)</b>
General Reserves	<b>Minimum £6.2m Maximum £15.5m</b>	<b>N/A</b>	<b>N/A</b>
Council Funded Capital Expenditure	60,284,518	25,272,486	(35,012,032)
External Funded Capital Expenditure	152,679,827	87,470,025	(65,209,802)

<b>Total Capital Expenditure</b>	<b>212,964,345</b>	<b>112,742,511</b>	<b>(100,221,834)</b>
Capital Receipts	3,262,622	681,038	(2,581,584)

<b>Management of Resources</b>	<b>2019/20</b>		
<b>Service Analysis</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Children's Services	74,413,853	75,564,514	1,150,661
Economy and Environment	59,391,898	59,513,597	121,699
Adult Social Care	63,323,488	63,500,820	177,332
Resources and Transformation	20,325,485	19,813,516	(511,969)
Council Wide	(6,188,857)	(7,417,927)	(1,229,070)
NNDR/Top Up	(89,892,422)	-89,892,422	0
<b>Total Net Revenue Expenditure</b>	<b>121,373,443</b>	<b>121,082,098</b>	<b>(291,347)</b>
General Reserves	<b>Minimum £6.2m Maximum £15.5m</b>	<b>(14,410,205)</b>	<b>N/A</b>
Council Funded Capital Expenditure	36,143,094	14,739,594	(21,403,500)
External Funded Capital Expenditure	96,525,661	53,174,730	(43,350,931)
<b>Total Capital Expenditure</b>	<b>132,668,755</b>	<b>67,914,324</b>	<b>(64,754,431)</b>
Capital Receipts	1,869,868	107,246	(1,762,622)

### ***Notes to Management of Resources***

The figures for 2019/20 represent the actual budget and spend for each area within the authority. This will include all internal recharges such as office accommodation, central support services, and accounting adjustments for pension liability in line with FRS17 and capital charges. Capital charges and pension liability year end transactions can change substantially at year end as this is when revaluations of assets and figures from the actuary are received and budgets updated to reflect any changes.

## What this tells us

<b>Treasury Management</b>	
Average Interest Rate (Borrowing)	The average interest rate we are paying on the money we have borrowed compared to our target.
Gearing Effect on Capital Financing Estimates	Shows how a 1% increase in interest rates would affect the total interest cost to the council.
Net Borrowing Costs / Tax Requirement	Borrowing not financed by a grant from government, as a proportion of our Net Revenue Expenditure
Capital Financing Requirement (£m)	How much money we currently borrow to finance our capital programme.
Authorised limit for external Debt (£m)	The maximum amount of debt we should have at any one time
Investment Rate Average	The average interest rate we are receiving on the money we have invested.

<b>Balance Sheet Ratios</b>	
Current Assets : Current Liabilities	Our ability to meet our liabilities
Useable Reserves : General Revenue Expenditure	If our reserves are adequate to meet potential future variations.
Long Term Borrowing : Tax Revenue <small>Using only council tax for tax revenue</small>	The effect of long term borrowing on our budget.

Using both council tax and NNDR for tax revenue	
Long Term Borrowing : Long Term Assets	This allows us to understand the relationship between the money we borrow and the assets we have as they both change over time.
Total School Reserves : Dedicated School Grant	If schools reserves are at an appropriate level.

<b>Revenues Performance</b>	
<b>% Collected for Financial Year</b>	As a percentage the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that its related to, but this won't be included in this figure
Council Tax (%)	
National Non Domestic Rate (%)	As a percentage the amount of Business rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it related to.
Total Council Tax Collected (£m)	This tells us the amount of council tax we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Total NNDR Collected (£m)	This tells us the amount of Business Rates we collected during the financial year that runs from 1 April – 31 March. We collect council tax after the year that it relates to, but this won't be included in this figure.
Sundry Debtors Collection	How long on average it takes us to collect money owed to us.
Average number of days to collect debt	
Average number of days to process creditors payments	How long on average it takes to pay our bills.

<b>Management of Resources</b>
<b>Service Analysis</b>



<p>Children's Services  Economy and Environment  Adult Social Care  Resources and Transformation  Council Wide</p>	<p>Shows our forecast for how much we will spend on these services compared to what we planned and compared to how much we spent in the previous year.</p>
<p>General Reserves</p>	<p>Our forecast year end position on reserves against our opening balance.</p>
<p>Contingency</p>	<p>How much we have set aside and for unplanned expenditure, and how much we have left to spend.</p>
<p>Capital Expenditure</p>	<p>Forecast of our spend on capital programmes against our target</p>
<p>Capital Receipts</p>	<p>Forecast of how much money we expect to receive from selling some of our assets, against our target.</p>