

FOI number: **HBC_FOI_20200664**
Date FOI Received: **19/11/2020**
Department: **Finance**
Title: **Coronavirus Funding**
Description: **Coronavirus Funding and Expenditure**

Request: (As Redacted sent by requestor)

1. What is your current predicted in-year expenditure increase due to Covid-19 by the end of the financial year 2020/21?
2. What is your current predicted in-year decrease in income due to Covid-19 by the end of the financial year 2020/21?
3. What is your current predicted in-year expenditure reduction made on budgeted services by the end of the financial year 2020/21?
4. How much extra money do you predict to take from reserves over the amount that was included in the pre-year budget by the end of the financial year 2020/21?
5.
 - a. How much extra money have you received from central government in Covid-specific grants since the start of the financial year?
 - b. How much extra money do you believe the government's commitment to covering 75p on the £1 of lost income (excluding the first 5% of lost income) will be worth to your council by the end of the financial year?
 - c. How much do you believe the phased repayments of council tax and business rates deficits over the next 3 years will be worth to your council by the end of the financial year?
6.
 - a. What is your current predicted funding gap by the end of the financial year 2020/21?
 - b. What is your current predicted funding gap by the end of the financial year 2021/22?
 - c. What is your current predicted funding gap by the end of the financial year 2022/23?

We have listed a number of clarifications and definitions for some of the questions below – these are guidelines, if you cannot provide the answers in this form, please provide them as close as you can and give details as to the difference.

Q1 – We would define “in-year expenditure increase” as the increase in the amount of money your council expects to spend by the end of the financial year due to Covid-19, compared to what you budgeted for at the start of the financial year. If you expect a decrease in expenditure, please mark as a minus figure. ***For example: a council budgeted £100m for the financial year, if a youth centre was closed saving £150k by the end of the year but £5m was spent by the council on PPE and other infection control measures in that time, we would class the extra money spent on PPE and infection control (£5m) as in-year***

increased expenditure due to covid-19 and the £150k saved thanks to the closure of a youth centre as expenditure reduction on budgeted services as seen in question 3.

Q2 – We would define “in-year income decrease” as the decrease in the amount of money your council expect to have received by the end of the financial year due to Covid-19, compared to what you budgeted for at the start of the financial year, if you expect an increase in income, please mark as a minus figure. ***Please do not include extra central government grants for covid-19 in this figure, that will be covered in questions 5a b and c.***

Q3 – For “in-year expenditure reductions made on budgeted services” we would define this as the amount of money saved through cuts to services by the end of the financial year as budgeted at the start of the year.

For example: for £100k budgeted for a library service, if one employee were let go saving £10k by the end of the year but £15k were spent on PPE in that time, we would class the expenditure reductions made on budgeted services as £10k. The extra money spent on PPE (£15k) will be identified by Question 1.

Q6 a-c – We define the “funding gap” as: *the increase in expenditure caused by Covid-19 + the decrease in income due to Covid-19 – the extra funding provided by central government.* We do not include savings made through cuts to services in this equation nor money from reserves used to cover any deficit.

Response: (Response as Redacted sent by service)

You can find the latest 2020/21 budget monitoring report to 30 September 2020 which was presented to the 20 October 2020 Operations Review Committee. The report explains the budget expenditure and income pressures raised in question 1 to 3:

<https://hertsmere.moderngov.co.uk/documents/s52341/201020OR%20-%206%20-%20QFM%20Report%20Q2.pdf>

The council is currently forecasted to fund the 2020/21 budget deficit from existing budgets, central government emergency funding and grants. The July 2020 Council meeting approved to set aside £290k of the 2020/21 contingency budget to fund any 2020/21 budget deficit after applying emergency government funding and specific grants. There is currently no provision to drawdown reserves to fund 2020/21 budget deficits above the reserve drawdown agreed as part of budget setting.

The table below provides a summary of the central government emergency funding received by Hertsmere and the estimated compensation claim for irrecoverable income losses:

Funding Scheme		Grant Allocation £000
Funding Allocations to Date		
Emergency Funding	Tranche 1	48
	Tranche 2	1,036
	Tranche 3	160
	Tranche 4	231
Rough Sleepers Grant		5
New Burdens Funding	Business Rate Grant Funds	130
	Test and Trace Admin Costs Funding	25
Compensation for irrecoverable income		750
Total Funding Allocation to Date		2,385

The 2019/20 to 2023/24 medium term financial plan was reported to the February 2020 Council meeting can be found in the link below:

<https://hertsmere.moderngov.co.uk/documents/s50131/20200226FC06AppC%20C2008%20Appendix%20C%20-%20Revenue%20Budget%202020-21.pdf>

The 2020/21 to 2023/24 medium term financial plan is currently being drafted and will be first presented to the Executive meeting scheduled for 13 January 2021.

If you have any queries about the processing of your request then please do not hesitate to contact me. Further information explaining the Council's process for responding to information requests together with a complaints/appeals procedure is available in our reception or via our website at:

<https://www.hertsmere.gov.uk/Your-Council/Official-Publications--Guides--Policies/Access-to-Information.aspx>

The Information Commissioner oversees the application of the Freedom of Information Act. You may contact the Information Commissioner at:

Information Commissioners Office
Wycliffe House, Water Lane
Wilmslow
Cheshire SK9 5AF
Telephone: 01625 545700
Website: www.informationcommissioner.gov.uk

Please include the above reference number on all correspondence related to this request.

Thank you for your request.

Kind regards
Information Services