



TRAFFORD
COUNCIL



Pandemic Scrutiny 22nd September 2020 Financial Update



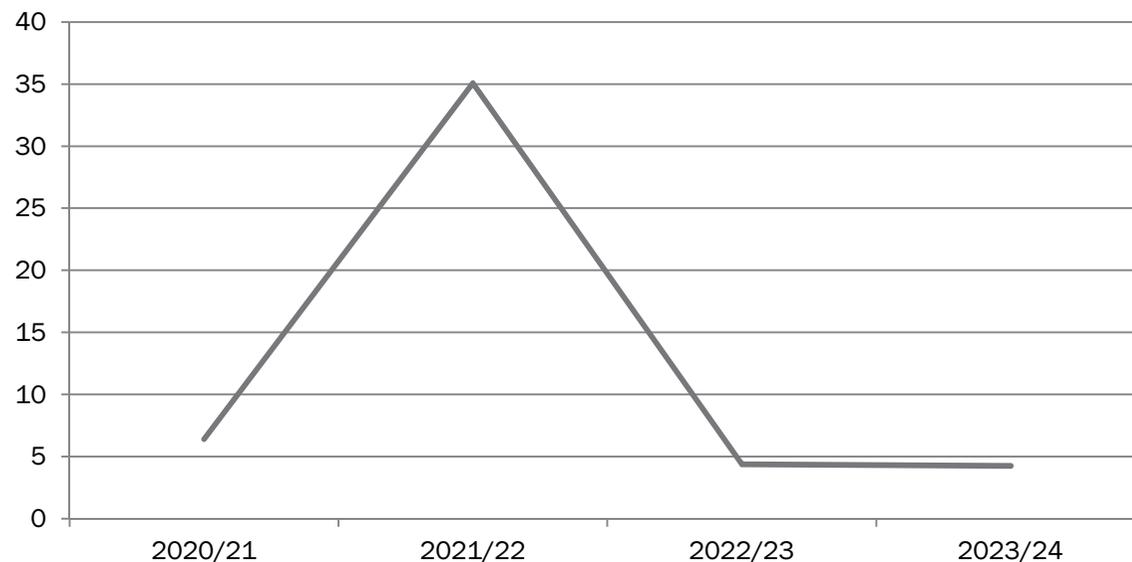
Pandemic Scrutiny Committee – 22nd September 2020

Updated Position 2020/21

	£000
Gross Covid 19 Financial Pressures (As at Period 4)	45,578
Met By:-	
Specific Government Grants (Infection Control, Test and Trace and Council Tax Hardship Grant)	(4,704)
CCG Contribution to support hospital discharges and PPE	(7,847)
Covid Support Grants (three tranches)	(13,075)
Covid Support for lost sales, fees and charges (to be confirmed)	(3,000)
Transfer of collection fund deficits to 2021/22 to 2023/24	(7,745)
Use of specific reserves	(900)
Balance of Covid Pressures	8,307
Projection of other budget savings at Period 4	(6,059)
Gap Range	£2.2m to £8.3m
Assumptions - assume no impact of second wave but also exclude use of any corporate reserves	

The Updated Budget Gap

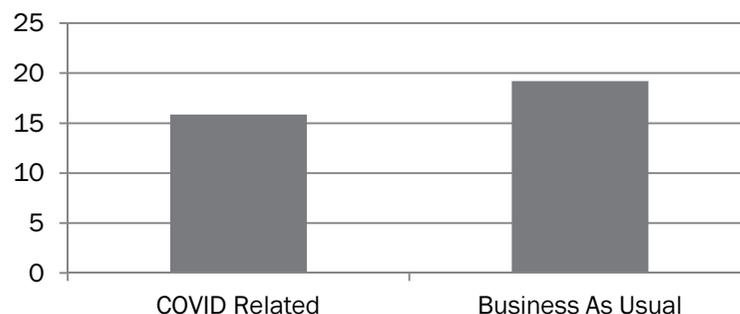
Updated Budget Gap £m



2020/21 – still potential net pressures to mitigate – next budget update report to Executive in late September

2021/22 – Gap Estimated at £35.1m (includes impact of COVID-19) – BAU £19.2m, Covid Related £15.9m

Breakdown of 2021/22 Gap
£35.1m



COVID Pressures include - the loss of the airport dividend, estimated impact on our council tax and business rate collection rates and additional pressures on care services.

Components of the BAU Gap

BAU Gap Components	2021/22 £'000
Reversal of the use of reserves from 2020/21	4,524
Commercial income repayments	3,324
Pay Inflation	2,084
National Living Wage	1,570
Contractual Inflation	2,205
Levies	1,000
Demography	2,800
Assumed increase in council tax (Gen and ASC)	(4,000)
Repayment of collection fund deficits from 2020/21	2,424
Non delivery of 20/21 savings	949
Incrdase to contingencies (pay and demand)	1,500
Other MTFP changes	840
	19,220

Ongoing Covid Pressures

Covid Recurrent Items	2021/22 £'000
Loss in Airport Dividend	5,500
PPE	120
Increased cost of childrens placements/H2S	2,000
Outdoor Media - reduced income	200
Assumed fall in CT collection rate of 2%	2,000
Council tax receipt losses LCTS	1,505
Business Rate Income - 5% fall in non retail	3,540
Additional ASC Demand	1,000
	15,865

Approach to 2021/22 and later years

	2021/22 £'000	2022/23 £'000	2023/24 £'000	TOTAL 21/24 £'000
Updated Gap	35,085	4,381	4,250	43,716
Recurrent Covid Pressures	15,865	0		15,865
Business as Usual Pressures	19,220	4,381	4,250	27,851
Gap	35,085	4,381	4,250	43,716

Recurrent Covid Pressures – At the moment we are looking at building resilience within all our reserves and provisions to provide cover for these pressures because many of them should be shorter term or one off

Business as usual pressures – This is the gap we need to look to identify savings for now.

Savings Identification

- Similar approach to previous years but a higher mountain to climb and tight timescales
- Each Corporate Director has looked at their service and identified potential savings areas
- Savings options have been presented to the Executive group for political input and decision
- Savings options will be set out in the draft budget report.
- A voluntary severance scheme and a flexible working scheme have been launched in September.
- Unions have been engaged in the development of the voluntary scheme which has also been signed off by the Employment Committee

Next Steps and Timescales

- Draft Budget report publication on 1 October
- Draft Budget Report to Executive on 12 October
- Budget Consultation (staff, service users and public) to commence in mid October/November where necessary
- Budget Scrutiny – Nov/Dec
- Spending Review announcement in November?
- Local Government Finance Settlement November / December?
- Final budget report February 2021