

Report of	Meeting	Date
Deputy Director of Finance	Council	

## COVID-19 RESPONSE: BUDGET

### PURPOSE OF REPORT

- To seek approval of the establishment of a budget to support the Council's response to the Covid-19 pandemic.

### RECOMMENDATION(S)

- That Council approve the creation of the Covid-19 Response budget in the sum of £1m to enable the support of businesses and residents in the borough.

### EXECUTIVE SUMMARY OF REPORT

- The Covid-19 Pandemic has had an unprecedented impact on the United Kingdom, affecting businesses, individuals and in particular the most vulnerable in society.
- This Government have set out a suite of support measures including financial support. However, this Council recognises the importance of a speedy response to issues that arise particularly for those with health issues or on low incomes. While the national schemes are welcomed, local support will also be required. The proposed budget will enable the Council to set up local support schemes quickly to ensure help is given to those who need it quickly.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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### CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy homes and communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

### BACKGROUND

- Covid-19 and the subsequent move to Delay has had significant impacts for residents and businesses in the borough. The direction to stay at home and socially distance, the closure of shops and businesses which is a consequence of this directly effects the social, health and economic well-being all of society.

7. Given the scale of the pandemic it is understandable the Government is giving a measured response, however, it has to be recognised that there is an urgent need at local level which is not being met. Chorley Council recognise that whilst these responses are comprehensive there are gaps and we are best placed to identify appropriate local levels of support.
8. The council obligations to quickly support its community and businesses are apparent and in order to do this it is proposed to create a £1m Covid-19 Response Budget. This will be used to establish schemes and initiatives that support those in need where other forms of support are inadequate or do not exist.

## **SCHEMES AND INITIATIVES**

9. These will be identified and brought forward for approval. They are likely to be grant based support schemes and investment in community support but also recognise where decisions impact on council resources (the waiving or deferring of income receipts for example).
10. All schemes and proposed uses of the fund will be presented for approval to the Executive Leader.

## **FUNDING OF THE RESERVE**

11. If approved, the £1m reserve will be funded by transferring £1m from the general fund to the response fund. This will leave £3m in the general fund reserve.
12. The general fund will then be reimbursed with any future funding the council may receive for its discretionary interventions.
13. To date the council has received £51k new burdens grant funding to support its residents through the Covid-19 pandemic. This can be utilised by the council as it sees fit to best support its residents.
14. Other funding from government announced to date is to support specific government initiatives such as the grants to small businesses and additional funding for residents in receipt of council tax support.
15. Members are assured that the Council will seek to recover monies spent from this budget from Government where appropriate.

## **IMPLICATIONS OF REPORT**

16. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

17. The Council are establishing this budget under their general power of competence to support the social, health and economic wellbeing of residents and local businesses. There is a risk however, that some of the sums expended will not be recovered from central government under the Covid -19 response. The risk is financial. There is a further risk of "double compensation" but this can be addressed in any grant/ scheme terms established.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

- 18. The £1m reserve will be transferred from the general fund leaving £3m remaining in the general fund reserve. I am satisfied that in the immediate future this is enough to help the council manage the risks to its budgets posed by the pandemic. This will be under continual review.
- 19. The council holds other earmarked reserves that can, if needs be, be utilised to support council services and its residents. Such reserves include income equalisation reserves and business rates reserves. Use of these reserves must be considered alongside other risks to the council’s budget including changes to future business rates systems and the future impact of the Covid-19 pandemic on the local economy.
- 20. The council will seek to recover monies spent from this fund from Government.

**COMMENTS OF THE MONITORING OFFICER**

- 21. The proposed budget is lawful and sits within the Council’s general power of competence.

James Thomson  
DEPUTY DIRECTOR OF FINANCE

Report Author	Ext	Date
Chris Moister/ James Thomson	5025	27/03/20

Decision taken by the Chief Executive pursuant to the delegation contained at Appendix 2 Responsibility for Functions, Part C paragraph 1.3, urgent and emergency situations.



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GARY HALL  
CHIEF EXECUTIVE

In consultation with



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CLLR ALISTAIR BRADLEY  
EXECUTIVE LEADER



CLLR PETER WILSON  
DEPUTY EXECUTIVE LEADER