
Report To:	Policy & Resources Sub Committee	Date:	2 June 2020
Report By:	Chief Financial Officer	Report No:	FIN/48/20/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	COVID-19 Financial Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Sub Committee in respect of various finance matters arising from the COVID-19 Pandemic emergency.

2.0 SUMMARY

- 2.1 The Sub Committee have been receiving regular updates in respect of the emerging financial implications of the COVID-19 Pandemic. Officers have been identifying costs attributable to the emergency as well as identifying reductions in income. A regular return has been submitted to Cosla in respect of non IJB services whilst financial information has been submitted by the IJB to the Health Directorate of the Scottish Government.
- 2.2 Appendix 1 summarises the latest estimated position in respect of one off/time limited costs associated with COVID-19. The Sub Committee are asked to note that these costs are evolving and will continue to do so over coming weeks/months. It can be seen that the latest estimated net financial impact after taking into account the Scottish Government funding announced for Inverclyde Council is currently £3.5 million.
- 2.3 Appendix 2 is the letter received from the Cabinet Secretary for Finance confirming the distribution of the £155million consequential funding from the UK Government. The letter also indicates the challenges in any further funding being allocated to meet the costs of COVID. It would therefore be prudent for the Council to plan on the basis that no further non-ring fenced funding will be forthcoming and therefore a report will be presented to the Sub Committee in the next 2 months or so to get decisions on how the net costs are to be funded and to link this to the 2021/23 Budget plans.
- 2.4 Appendix 3 provides an update in respect of the various funding streams announced by the Scottish Government. Members are asked to note that in line with other Councils, the Council will exhaust the Food Insecurity funding by the end of June. Given the recent announcement about continuing the support to vulnerable families over the summer holidays, Cosla are lobbying the Scottish Government to provide further funding to Councils.
- 2.5 The Sub Committee have also been receiving regular updates on payments to key partners/suppliers who service delivery to the Council has been affected during the COVID-19 Pandemic. Appendix 4 provides a summary update. Specifically the Sub Committee had requested an update on proposals in respect of school transport contractors and this is contained in the body of the report.
- 2.6 It is the intention to present 2 other key financial documents to Sub Committee in coming weeks namely the 2019/20 Unaudited Annual Accounts and an updated Financial Strategy. Work on both these documents is progressing to timetable.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Sub Committee note the latest short term financial impact on the Councils finances of the COVID-19 Pandemic and note the intention to present a further report to the Sub Committee regarding how these extra costs are to be funded.
- 3.2 It is recommended that the Committee agree that the Council's share of the Hardship Fund and UK Government consequentials be placed in a COVID-19 Earmarked Reserve.
- 3.3 It is recommended that the Sub Committee agree the proposed payment of 60% of contracted sums to school transport providers for the period 1st April 2020 to the 30th June 2020.
- 3.4 It is recommended that the Sub Committee note that a report on the 2019/20 Early Years Specific Grant underspend and delivery of 1140 hours will be presented to the next meeting of the Sub Committee.
- 3.5 It is recommended that the Sub Committee note that further reports will be presented in the next month in respect of the 2019/20 Unaudited Financial Accounts and the 2020/29 Financial Strategy.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Sub Committee have received various updates since late March in respect of the emerging financial implications from the COVID-19 pandemic.
- 4.2 Officers have been supplying regular updates to Cosla of estimated costs and these have been collated and presented to the Scottish Government in support of requests for increased funding. This resulted in £155million consequentials from the UK Government being allocated to Councils. Inverclyde's share of this is £2.321million.
- 4.3 The IJB have been separately submitting costs in respect of their budgets to the Health Directorate. It is currently assumed by the Chief Financial Officer that all the IJB increased costs will be fully funded by the Scottish Government and that there will be no request to the Council for increased funding. If this changes, Members will be advised.
- 4.4 The Sub Committee have been receiving regular updates in respect of increases in Scottish Government funding announced to combat a number of the expenditure pressures experienced by Councils and also updates in respect of payments being made to key partners and suppliers where service delivery to the Council has been adversely impacted by the COVID-19 pandemic.

5.0 LATEST POSITION

- 5.1 Appendix 1 captures the latest summarised position in respect of short term/one off costs incurred by Council Services due to COVID-19. This includes a sizeable reduction in certain income streams. It can be seen from Appendix 1 that the latest gross financial impact (excluding IJB) is just over £7.6 million which reduces to £3.5 million once the Councils share of Scottish Government funding, ring fenced Education funding flexibilities and UK Government consequentials are netted off.
- 5.2 It would be proposed that a further report be presented to the Sub Committee in August as a precursor to the consideration of the 2021/23 Revenue Budget Strategy to confirm how these net costs are to be funded and the impact on the Council's Reserves Strategy.
- 5.3 Appendix 3 provides an update in respect of the various extra Scottish Government funding streams announced as part of the response to the COVID-19 Pandemic. From Appendix 2 it can be seen that the vast majority of funding to date has been allocated to support the business community in respect of one off reductions in non-domestic rates and Business Grants/Self Employed Grants. These sums are in addition to the unprecedented sums allocated to support the UK Furlough Schemes.
- 5.4 Members are asked to note that in line with other Councils, the Council will exhaust the Food Insecurity funding by the end of June. Given the recent announcement about continuing the support to vulnerable families over the summer holidays, Cosla are lobbying the Scottish Government to provide further funding to Councils.
- 5.5 Appendix 4 provides an update in respect of payments to those providers where service delivery to the Council has been adversely impacted by the COVID-19 emergency. Specifically Members agreed that they would take the decision on the level of payments to School Transport providers and the recommendation for this is detailed in section 6 below.
- 5.6 The Accountancy Team are on target to finalise the unaudited accounts for consideration by Members by the end of June and it would be the intention that these are presented to the Policy & Resources Executive Sub Committee on the 30th June.
- 5.7 As part of the accounts closure work a significant reduction in actual spend on Early Years grant has been identified. The unused grant is being carried forward and officers are seeking clarification from the Scottish Government as to how this underspend can be utilised to support the delivery of the 1140hours Policy. A report on this matter will be presented to the next meeting of the Sub Committee.

5.8 The financial impact on the Council arising from COVID-19 are without precedent in recent times and certainly since the commencement of the Financial Strategy in 2008. An update of the Financial Strategy is being prepared with an intention to present that to Members during the summer. This will form the base document for the development of the 2021/23 Revenue Budget.

6.0 RECOMMENDED PAYMENT TO SCHOOL TRANSPORT PROVIDERS

6.1 School transport contracts ceased being delivered on the 20 March and since that time there has been on going work at a national, SPT and Council level as to how much to pay Transport providers for the non-provision of contracts.

6.2 Some Councils took immediate decisions on payment levels before the UK Furlough Scheme and other supports for businesses and guidance were announced and this created an expectation in the sector as to the likely level of payments. The CMT originally proposed a 33% payment level based on access to the furlough scheme and savings in variable costs, Members asked that the final proposed payment levels be reported to the Sub-Committee for approval.

6.3 As previously agreed by Sub Committee, 100% of the April contract payments were paid in the 3rd week in May to all providers on the proviso that some basic financial information was provided. All providers supplied the information and payments were made.

6.4 The different types of the companies involved in School Transport provision and the proportion of income generated from these contracts has made consistent analysis of the information challenging. After having reviewed the previous years performance, planned profitability for the April – June Quarter pre and post COVID and factoring the proportion of turnover attributable to School Transport contracts, then officers would recommend a payment level of 60% of the contracted sum to all providers for the period April- June. Agreeing a consistent percentage payment to all providers is viewed as being the only practical solution and is in line with how other payments by the Council for the non-provision of service have been made.

6.5 In the event that the 60% payment level is agreed then a letter will be sent to all Providers from the Director of Education, Communities and OD seeking acceptance of this payment level and assurances around employee/sub-contractor payments.

7.0 IMPLICATIONS

7.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Schools	Transport	20/21	£360,000		Contain in existing 20/21 Education budget

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

7.2 Legal

There are no specific legal implications arising from this report.

7.3 Human Resources

There are no HR implications arising from this report

7.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

7.5 Repopulation

There are no repopulation issues arising from this report.

8.0 CONSULTATIONS

8.1 The contents of this report have been considered and supported by the Corporate Management Team.

9.0 BACKGROUND PAPERS

9.1 None

COVID 19 - Main Area Of Expenditure

Proposal	Estimate £'000
Health & Social Care Partnership - IJB Return (See note 1)	
Fitzgerald Centre - Suspend Day Service. Loss of income	81
Homecare Commissioned Services	300
Homelessness Service - Security Costs	54
43 TFA's	608
Bed & Breakfast Support	128
50 Care Home Beds	1,976
Additional Staffing Costs across Directorate	1,243
3.3% Living Wage uplift on Care at Home Provision	135
Criminal Justice Early Release - Rent and Set up costs 18 Flats	66
RCH Disrepair Costs	63
Other Expenditure Areas	45
Initial Scottish Government payment to IJB via Health	(785)
Gross Expenditure - Integrated Joint Board	3,914
Education, Communities & ODHR - Local Authority Return	
Inverclyde Leisure	500
Payment of School Meal Grant - Provide families who are entitled to a free School meal with £25 per fortnight.	530
Belville Community Gardens - Provide food parcels	30
Foodbank I58	20
HSCP Hot Food Provision for the Elderly	60
Loss of School Meal Income	245
Lower provision of School Meals	(200)
Loss of Wraparound income	100
Council Liability for cancelled School Trips.	115
Funding for Community Centres	191
Other Expenditure Areas	19
Supply Teachers additional costs	249
Increased cleaning costs - all buildings	500
Environment, Regeneration & Resources - Local Authority Return	
Building Services:	
Reduction in Supplies and Services	(37)
Reduction in Rev/ Capital income	171
Property Services:	
Recovery Plans - Office Works	100
Planning income - reduction in demand	348
Clyde Muirshiel Park - Loss of Income	25
Humanitarian Aid Centres	
Software Costs	15
Overtime	20
Suspension of Parking Charges, primarily to assist NHS/Key workers	
- Parking Charges	70
- Penalty Notices	70

Assumptions	Comments
Note 1	Costs reflect Government assumptions of length of extra cost period.
6 months	Loss of income due to suspension of all day services
6 months	Paying providers on planned hours, anticipated additional cost.
6 months	Additional security at Inverclyde Centre
12 months	Net cost of additional 43 flats, an increase of 20 flats since last update.
6 months	Based on an extra 7 B&B rooms each night
12 months	Purchase of 50 extra beds at gross cost of £39,500 per year.
6 months	Based on 10% across all services per Government advice. Officers reviewing
12 months	£135k is additional cost of 1.1% above what was built into budget.
6 months	Rental (offset by HB), furniture and minor costs for 18 flats
One off	Cost by RCH to carry out repairs to TFA's before lease.
6 months	Loss of income and delivery costs.
One Off	IJB Share of £50million grant
	Assumed to be funded by Health Directorate and IJB
3 months	Based on net income loss for Inverclyde Leisure after the furlough scheme.
3 months	Largely funded from additional Scottish Government COVID funding.
3 months	Largely funded from additional Scottish Government COVID funding.
3 months	Largely funded from additional Scottish Government COVID funding.
3 months	Largely funded from additional Scottish Government COVID funding.
3 months	Figures based to the end of School term.
3 months	Figures based to the end of School term. Based on a 66% reduction.
3 months	Figures based to the end of School term.
3 months	This is based on the estimate of being liable for 40% of the total £287k potential liability
3 months	Early release of GTVO grant
3 months	Loss of Library/Museum Income
3 months	Based on April's figure of £83k for the 3 months.
6 months	Allowance based n report to P&R Exec Sub
One off	1 month emergency only, 2 month restricted work Capital only
One off	£66k 2019/20 impact, Capital only 20/21
One Off	Minor works, hand sanitising units, furniture removal
6 months	Estimate 6 months with no income
6 months	Based on 30% share of £84k
One off	£5k/month software costs
3 months	minimum 622hrs
3.5 months	
3.5 months	

COVID 19 - Main Area Of Expenditure

Proposal	Estimate £'000
Suspension of normal Waste Collection procedures - all waste to be collected via Residual Waste.	
- Additional Cost of Landfill	208
- Loss of external income	228
- Reduced cost of landfill from reduced external income	(116)
Roads Client:	
Reduction in income - Sales Fees and Charges	55
Roads Ops Unit:	
Reduction in Supplies and Services	(263)
Reduction in Rev/ Capital and NCI income	380
Vehicle Charges	(51)
ICT: Additional licences and equipment to support mobile working, staff overtime	260
Statutory Additions	118
Prior Years Council Tax	140
Scottish Welfare Fund	
- Crisis Grants	372
Technical Services Fees - shortfall due to suspension of Capital Programme	225
Other Expenditure Areas	30
Corporate Expenditure - Local Authority Return	
Cashflow: NDR Income	20
Cashflow: Council Tax Income	45
Council Tax, Loss of Income due to reduced collection levels	630
Reduction in Internal Resources Income due to low interest rates	180
Council Tax Reduction – Unfunded extra support	200
Council Tax - Long Term Empty Income Reduction	20
Utility Costs -	(58)
Capital - cost of inflation due to delays to Contracts, increases to insurance and contingencies.	
- Additional cost of projects currently under construction	956
- Expected cost increases of projects in development	858
Gross Expenditure -	7,578
Government Grant - Food Insecurity	(565)
Government Grant - Scottish Welfare Fund	(447)
Government Grant - Hardship Fund	(749)
Government Grant - Consequentials £155m	(2,321)
Education Flexibilities	Tbc
Net Expenditure	3,496

Assumptions	Comments
3 months	
3 months	
3 months	
3 months	Inability to earn full Capital fees for 3 month period
3 months	Emergency work only for 3 month period.
3 months	Capital only
3 months	Capital only
3 months	Reduction in Fuel and Non routine Maintenance for 3 months
One Off	£44k licences committed to date, up to £12k on additional licences and assumed overtime over the public holidays. £200k laptops.
3 months	40% reduction
3 months	£140k, 40% reduction
12 months	Funded by increased Scottish Government Grant.
3 months	Staff "offline" for over one month plus unable to do any on site work, inability to effectively earn full fees for 3 months. 30%reduction.
3 months	Loss of income/overtime and other sundry costs.
	Based on delays to annual billing.
	Downturn in Council Tax receipts.
	2% reduction in collection in 2020/21.
	50% reduction due to low interest rates and poorer cashflow.
	10% increase in CTR expenditure would cost £630k but assume anything over £200k will be funded by the Government.
	Mainly due to savings in electricity in Schools.
	Based on restricted working practices, increased length of contract and allowing for additional fees.
	Estimate based on anticipated increases as a result of restricted work practices and other cost increases from tenderers.
	Current projected spend is £640,000
	Projected spend is £372,000.
	Share of £50million Grant
	Share of £155m
	Awaiting confirmation on use for ELC Capital cost increases

Rùnaire a' Chaibineit airson Ionmhas
Ceit Fhoirbheis BPA
Cabinet Secretary for Finance
Kate Forbes MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

APPENDIX 2

Councillor Alison Evison
COSLA President
Verity House
19 Haymarket Yards
Edinburgh
EH12 5BH

Copy to Local Authority Leaders

26 May 2020

COVID-19 – ADDITIONAL FUNDING SUPPORT FOR LOCAL GOVERNMENT

Dear Cllr Evison,

I refer to Cllr Macgregor's letter of 19 May, and thank you for confirming Leaders' view that the allocation of the consequential funding for local government should be based on the normal formula distribution for the local government finance settlement.

As I have recognised previously, and I am very happy to say again, I am in great admiration of the way in which local government has mobilised to support their local communities and businesses in the crisis. I am sure that as we move forward into the recovery phase we can build on that continued support at a local level. I also hope that we can focus on working constructively together as we seek to address the significant challenges ahead.

I have made clear on a number of occasions the Scottish Government is committed to deploying the additional funding in a way that is helpful to supporting local government and the COVID-19 response. Now that the cost collection exercise has concluded, I am therefore pleased to confirm that, in line with Leaders' views, the allocation of the remaining local government consequentials will be based on the normal distribution formula Grant Aided Expenditure (GAE) plus Special Islands Needs Allowance (SINA). Details of the allocations, which will be added to the General Revenue Grants payments to local authorities as soon as possible, are set out in the Annex to this letter.

In addition to the funding and package of measures set out in my letter of 5 May that we have already committed I am sure you will recognise that this amounts to over £300 million and is a significant overall package of financial support for local government in Scotland. This package is now also supplemented by the initial funding confirmed by Ms Freeman on 12 May of £50 million to support the immediate challenges in the social care sector, which will be provided through Integration Authorities, with further work being undertaken across Partnerships to fully understand the financial implications of responding to COVID-19.

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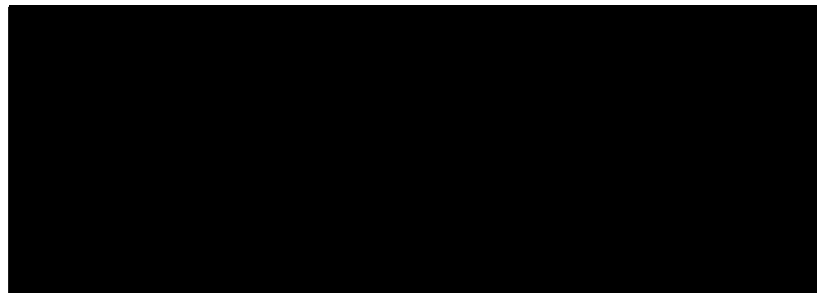


I note that COSLA view the cost collection exercise as an ongoing process. While having a full picture of the overall costs to local government will undoubtedly be helpful, I would stress again the points I made to Cllr Macgregor in our meeting on 7th May, that, we have now allocated all the additional consequential at our disposal and more.

We will of course make further representation to UKG on the need for further funding and flexibility and would welcome any support COSLA can provide in this respect, however my sense is that the provision of further resources will be limited. Indeed UKG have already said that the current consequential are estimates and may be revisited and that they will seek savings from Departments to offset some of the costs of the COVID response, which could result in negative consequential for the Scottish Government.

I am of course willing to work with you going forward on how we can address any further funding pressures, this includes any costs associated with the strategic framework for the reopening of schools and early learning and childcare provision that has been developed jointly with the Scottish Government and local government. However, if there is not further funding made available to the Scottish Government from the UK Government, it will be extremely challenging to offer further funding to local government.

I will be happy to prioritise any request for a further meeting and look forward to working constructively with you in those further discussions.



KATE FORBES

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COVID-19 – ADDITIONAL FUNDING SUPPORT FOR LOCAL GOVERNMENT

(£ million)

Local Authority	Allocation
Aberdeen City	5.448
Aberdeenshire	7.451
Angus	3.371
Argyll & Bute	2.776
Clackmannanshire	1.442
Dumfries & Galloway	4.588
Dundee City	4.307
East Ayrshire	3.532
East Dunbartonshire	3.229
East Lothian	2.991
East Renfrewshire	3.059
Edinburgh, City of	12.122
Eilean Siar	1.189
Falkirk	4.485
Fife	10.563
Glasgow City	17.347
Highland	7.357
Inverclyde	2.321
Midlothian	2.606
Moray	2.644
North Ayrshire	4.104
North Lanarkshire	9.863
Orkney Islands	1.085
Perth & Kinross	4.272
Renfrewshire	5.059
Scottish Borders	3.409
Shetland Islands	1.204
South Ayrshire	3.265
South Lanarkshire	9.234
Stirling	2.720
West Dunbartonshire	2.729
West Lothian	5.228
Scotland total	155.000

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COVID 19 – SCOTTISH GOVERNMENT FINANCIAL SUPPORT TO COUNCILS

	<u>Measure</u>	<u>Current Position- 27.5.20</u>	<u>Council position/impact</u>
1/	Non Domestic Rates (Cost £0.972 Billion)		
a)	1 Year rates holiday for all retail, hospitality and leisure properties from 1.4.20.	Government have approved a funding change reducing the Council NDR target by £6.8million and replacing this with Revenue Grant.	Cash flow impact due to delayed billing but GRG re-profiled so minimal net effect at present.
b)	1.6% relief on all properties from 1.4.20.	Relief to be applied to 2020/21 NDR Bills. Letters sent to all Ratepayers advising that Annual Billing will be delayed. Billing scheduled for late June.	The Council as a Ratepayer will have a one off saving of around £70,000 from the 1.6% relief
2/	Grants to Businesses –Ph1 (Cost £1.188 Billion)		
a)	£10,000 grant for all SBBS qualifying businesses including those which qualify for rural & Early Years relief.	Guidance finalised 30.3.20. Councils has a dedicated team removed from other duties of 8 individuals working on processing claims. As at 26.5.20, 905 applications received and 712 grants totalling £7.9 million paid.	The Revenues team are processing claims in line with the guidance which continues to be refined weekly.
b)	£25,000 grant for all businesses in retail, leisure and hospitality sector for RVs between £18,000 and £51,000.	Government paid Council £10.6 million on 1.4.20 to fund the estimated payments. Scheme expanded to include Charities in receipt of SBBS. Cost of £31million to be contained in original sum. Further expansion being considered by the Government.	Internal Audit providing support and networks flagging up any potential fraud attempts.

<p>3/ a) b)</p>	<p>Business Support- Ph2 (£220million)</p> <p>£120million to extend the current Business Grant Scheme for multiple property owners/rate payers</p> <p>£100million to protect newly self –employed and viable micro/SME Businesses</p>	<p>Scheme provides 75% funding to all subsequent eligible applications above those covered by Point 2 above.</p> <p>As at 26.5.20 58 applications received and 13 grants paid totalling £0.199million.</p> <p>Government advised that they are not intending to allocate any of the £120million to Councils due to the large sum left in Phase 1.</p> <p>Councils to administer the self-employed element at an estimated cost of £34million on the basis of a simple application form. Implemented from end of April.</p> <p>As at 25.5.20 52 applications received and 38 grants paid totalling £76k.</p> <p>SE to administer SME funding (£66million)</p>	<p>Web Site and Forms updated.</p> <p>Being managed by the Business Development Team. Form on the website and applications being processed.</p>
<p>4/</p>	<p>Hardship Fund (£50 million)</p> <p>Flexible funding for Councils to meet extra costs not covered in other UK or SG supports.</p>	<p>Letter confirming Council funding received 20/3/20.</p>	<p>Council receiving £749,000 towards costs in Appendix 1 which greatly exceeds to sum allocated.</p>

5/	<p>Scottish Welfare Fund (£45 million)</p> <p>Funding on top of the annual £35 million SWF funding.</p>	<p>Government have advised that £22million is being distributed at this time and £23million to be allocated where need is demonstrated.</p> <p>Council currently increasing awards by 20% and have increased the SWF team to meet demand.</p>	<p>Council share is £447k giving a total SWF grant budget of £1.278million for 20/21.</p> <p>Crisis Grant claims up by around 100% in the first 7 weeks but demand now reduced to 2019 levels.</p>
6/	<p>SSSA Benefits & Council Tax Reduction (£50 million)</p> <p>Split to be confirmed.</p>	<p>Have moved to phone based application process.</p> <p>Government have advised that the first £10million of increased CTR costs should be met by Councils as CTR is currently “over funded” in the settlement.</p> <p>No details on SSSA Benefits as this will not be administered by the Council.</p>	<p>Increased workload for Benefits & Customer Services. Backlog in CTR processing greatly reduced.</p> <p>Estimated share of the £10million cost is £200k and included in Appendix 1.</p>
7/	<p>Supporting Communities Fund (£40 million)</p> <p>To address social isolation, distancing and to go to Community Groups.</p>	<p>£10million released in mid-April to Community Anchor organisations. Cosla lobbying for Councils to have a role in distributing the remaining £30million.</p> <p>Stage 1 Community Wellbeing grant awards announced. £149k for Inverclyde</p>	<p>Officers liaising with CVS.</p>

8/	<p>Food Fund (£70 million)</p> <p>For organisations to address food insecurity, especially older people and families who may not be able to rely on free school meals. To be partly administered by Councils.</p>	<p>Government have advised that £30million is to go to Councils at this time for FSM/Holiday Hunger plus support for the vulnerable. Cosla raising funding pressure with the Government given recent announcement re continuing support until schools return</p> <p>£30million for food to Shielded Group being administered by Government and £10million for national organisations eg Fareshare.</p>	<p>Council share of the £30million in £565k.</p> <p>FSM payment numbers have increased for Early Years/ASN.</p> <p>Approx 3300 direct payments to bank accounts, operating smoothly.</p>
9/	<p><u>3rd Sector Partners Fund (£50 million)</u></p>	<p>These will not be administered by the Council</p>	<p>No role for Council but may reduce requests from 3rd sector for support.</p>
10/	<p><u>Scottish Crown Estates (£7.2million)</u></p>	<p>Government announced that 2019/20 funding could be used flexibly to support communities impacted by COVID.</p> <p>Cosla pushing for early clarification of 2020/21 funding.</p>	<p>Negligible impact in Inverclyde as the Council received under £3.5k in 2019/20.</p>
11/	<p><u>Consequential -20 April (£155million)</u></p>	<p>Funding derived from £1.6billion support for English Councils announced on the 20 April.</p> <p>Letter received 26.5.20 allocating funding to Councils but indicating little scope for further funding.</p>	<p>The Council received £2.321million. Letter attached as Appendix 2.</p>

COVID 19 – Supplier/Community/Provider Support

Appendix 4

<u>Organisation/Sector</u>	<u>Request from Supplier/Sector</u>	<u>Position – 25.5.20</u>	<u>Cost £000</u>	<u>Contained in budget £000 Y/N</u>
School Transport Providers	Continue payments to the end of the summer term	<p>Councils requested to consider paying providers subject to local review.</p> <p>Payment for April (paid mid May) were at 100% of contract rate whilst officers reviewed financial information provided. Following review the officer proposal is that payments to April-June are 60% of the contracted level.</p> <p>Reported to Sub-Committee 2.6.20</p>	April- June quarter £360k	Yes
Early Years Providers	Continue with SLA payments	<p>Scottish Government guidance issued asking Councils to consider paying contracted payments in full to Providers.</p> <p>Officers have paid 100% for April/June to all Partner providers and Child Minders.</p> <p>HMRC advice is that it expects that public funded payments will continue and furlough payments can only be applied for privately funded income.</p>	£70-80k/month	Yes Government Ring Fenced Funding
Beacon	Continue with SLA payments	<p>Beacon closed. BAC have applied for other supports (80% furlough scheme etc)</p> <p>Creative Scotland have confirmed payment of their contracted £50k whilst the facility is closed.</p>	£50k/quarter	As things stand Yes

		Cashflow position reported to the Beacon Board and currently able to manage in this way until September provided 80% furlough scheme continues.		
Inverclyde Leisure	Extra support above Management Fee & Free Swimming subsidy	<p>SLA payments continuing.</p> <p>IL partly mitigating the £400-450k a month income loss and have applied to the furlough scheme. A funding gap of around £150k/month remains.</p> <p>Currently deferring IL reimbursing Council for 2 months payroll costs pending an open book review of the impact once it is clearer when IL will be able to commence operating.</p>	<p>£120k/month in the budget</p> <p>Up to £150k/month for loss of income</p>	<p>Yes</p> <p>£150k/month, No</p>
Elderly Care Day Centres: Muirshiel and Crown Care	Continue SLA payments whilst service delivery is redirected to support HSCP COVID response	Agreed by CMT 9.3.20	No net extra cost	Yes
Home Care Providers	Continue to honour contracted visits and potentially meet extra agency costs	<p>Agreed to pay based on Planned hours rather than actual. This adds about £50k/month to the cost.</p> <p>3.3% Living Wage cost increase to Providers will add a further cost to the IJB but will be included in Local Mobilisation Plan costs it is hoped will be met by Government</p>	Extra cost of £50k/month excluding the Living Wage uplift	No.

E4i PPP Schools	Continue to pay monthly UC	e4i are continuing to make schools available and will be delivering other parts of their contract whilst the schools are closed and as such payments should continue.	£850k / month	Yes
Ind & Commercial Tenants	Rent Holidays/Deferrals	Based on a comprehensive round robin of Councils the position nationally is to treat each case on its merits and to be sympathetic re time to pay but no rent holidays. Many businesses have received support from the SG Business Grants, have no or limited NDR liability in 20/21 and could access the UK 80% wage subsidy fund.	No net extra cost	Yes
Supported Living Service	Treat the same as Home Care Providers ie pay on planned rather than actual hours	Different market from Home Care as involves some very big organisations. CMT agreed to pay average of last few months.	£600k/ month	Yes
Community Transport Organisations	Continue current funding levels	IVCSS and Port Transport have been supporting the transport and delivery of meals/food and are invoicing for mileage incurred charged to the COVID budget. Potential for early release of 20/21 Grants to Voluntary Organisations payment if required.	No net extra cost	Yes
Self-Managed Community Centres	Confirm 2020/21 Grant funding level	Officers are requesting similar information to that sought from Early Years providers. Recognised that there has been a drop off in income but also that other funding streams may be available. Payment made and position to be reviewed over the summer and reported to Sub Committee	£127k/ quarter	Yes

Sheriff Officers	Increase Commission per clause in the contract	At the request of the Council the Sheriff Officer has suspended new enforcement action and this has had a material impact on income levels. No extra payments required to date.	Up to £2k/month for 2 to 3 months	Yes