

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref EK

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COVID-19 Pandemic – Financial Solutions response and recovery

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Executive Summary

This report advises Committee of the operational impact of the COVID-19 on Financial Solutions and the response and recovery to continue to support other Council services, members of the public and local businesses.

Recommendations

Members are asked to note the report.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

- 1.1 COVID-19 was declared a pandemic by the World Health Organisation on 12 March 2020. In response to the health challenges facing communities, the Scottish Government declared a lockdown starting on 23 March 2020. During the lockdown schools closed, many businesses shut down and many members of the public were required to shield to protect their health.
- 1.2 As a Council support service, Financial Solutions is not often on the front line of supporting communities in a face to face manner like would be seen in key areas such as home support, waste collection and housing. However, the service has been instrumental in supporting the Council rise to the challenges presented by COVID-19 to ensure that members of the public, businesses and other service users received the necessary support.

2. Report

2.1 Financial Solutions COVID-19 Response

- 2.1.1 Like all Council services, Financial Solutions had a number of staff isolating and / or shielding as a result of underlying medical conditions and the risks COVID-19 presented to their health. As a response, the service very quickly mobilised a move to home working for the majority of staff.
- 2.1.2 The implementation of the service Business Continuity Plans (BCPs) resulted in areas of work being postponed to ensure the workforce capacity was focused on areas of critical need. This meant that staff were temporarily redeployed to critical services areas. For example, debt recovery staff were transferred to ensure greater resilience in areas such as Creditors and Scottish Welfare Fund.
- 2.1.3 The Service has been heavily involved in the national and local response to the mitigation of the financial impact of COVID, supporting local businesses and residents during this period.
- 2.1.4 The Revenues Team along with colleagues in Enterprise and Communities delivered the small business support scheme providing financial assistance to local businesses. The scheme closed on 10 July 2020. To date the Council has made 3,870 awards totalling £41.6m in Business Support Grant for this scheme.
- 2.1.5 The Service successfully applied the Non Domestic Rates relief changes introduced by Scottish Government, essentially applying a rate poundage freeze to all Businesses and applying the Retail, Hospitality and Leisure relief scheme to all qualifying local businesses.
- 2.1.6 The Benefits Team dealt with an in year 5.6% increase in applications for Council Tax Reduction during the first four months of the year while improving the number of days taken to administer claims.
- 2.1.7 Scottish Welfare Team has assisted 3,872 residents facing financial crisis.
- 2.1.8 Council Tax recovery was suspended from April – June. The Service have recommenced recovery on this vital income stream for the Council issuing “soft reminders” to residents in arrears encouraging contact to agree payment arrangements, apply for CTRS and signposting to Financial Inclusion for additional advice and assistance.

- 2.1.9 In recognition of the move to remote working for other services, the Creditors team worked with Internal Audit to amend invoice processing procedures to ensure that suppliers could continue to be paid timeously.
- 2.1.10 The COVID-19 lockdown and move to large scale home working coincided with vital work to complete annual budgets for 2020/21 and to ensure the Council submitted draft 2019/2020 annual accounts to Audit Scotland. Despite the initial challenges with working from home, and the additional demands placed on Financial Solutions staff in the response to COVID-19, the team managed to complete the annual budgeting exercise largely in line with agreed timescales. This facilitated the vital requirement to forecast the financial impact of both the response and recovery of pandemic on financial year 2020/21 and to ensure early decision making to manage and mitigate the material financial consequences. In addition, the team completed the draft annual accounts exercise within the statutory deadline of 30 June 2020.
- 2.1.11 As Committee will be aware, the risk to financial sustainability of the Council as a result of the material financial impact of COVID-19 has been and continues to be at the forefront of Financial Solutions agenda. Therefore the service management team has been a key member of a number of key governance and resilience groups established as part of the Council's response to COVID-19 including Gold Command, Silver Command and Recovery.
- 2.1.12 Financial Solutions has also led a mid-year review of the 2020/21 revenue budget challenge facing the Council, recently discussed at full Council on 13 August 2020.. As part of this process, Financial Solutions has continued to present regular updates to CoSLA on the financial challenges facing various elements of the Council linked to COVID-19 including the costs of mobilisation, the impact of income losses and the impact on IJB finances.
- 2.1.13 The Service continues to work with Elected Members to agree solutions to manage the material forecast deficit; ensuring robust financial planning and management advice is provided
- 2.1.14 An update of the 5 year Medium Term Financial plan which will be reported to Policy and Strategy Committee 1 October, also reflects additional considerations required in relation to the recurring impact of COVID-19 on future financial plans.
- 2.1.15 In addition, the Service led a mid-year review of the Council's capital programme to reflect the challenges faced by the construction sector during COVID-19 and also to ensure the plans remain affordable, prudent and sustainable. A summary of the revised programme will be presented to the Policy and Strategy Committee in the current cycle.

3. Equality and Diversity

3.1 Fairer Scotland Duty

No impact

3.2 Equality Impact Assessment

Not Required.

4. Implications

4.1 Financial Impact

No impact

4.2 HR/Policy/Legislative Impact

No impact

4.3 Environmental Impact

No impact

4.4 Risk Impact

No impact

5. Measures of success

5.1 Financial Solutions continues to provide high quality to support to members of the public, local business and other Council services while meeting statutory deadlines and performance standards.

6. Supporting documents

6.1 Not applicable.



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