



Cabinet Member Report for Finance

Northampton Borough Council

Monday 20th July, 2020

Finance

The Finance Teams continue to finalise the draft Statement of Accounts for 2019-20, whilst still working with the Auditors (due to return in October 2020) on the Accounts for 2018-19.

Whilst the Finance Team will not be building a budget for NBC for 2021-22 they will be part of the new West Northants Council resource to construct the first budget for the new council, in respect of the elements that will be moving across from this council.

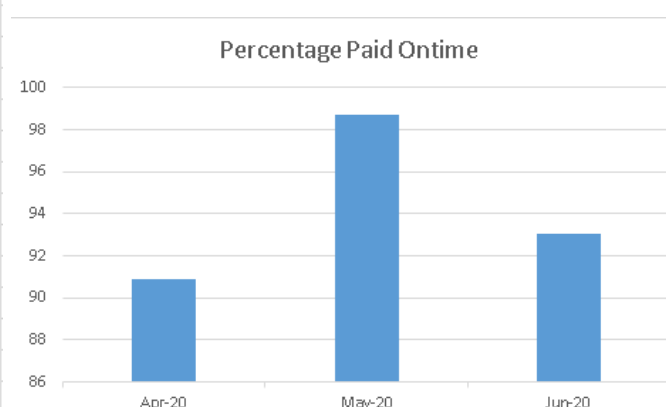
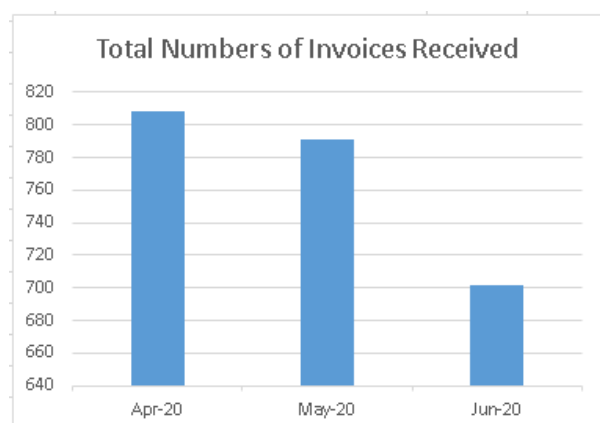
Cabinet received a report on 27 May 2020 on Covid Finance impacts. We continue as a Cabinet and in conjunction with the Corporate Management Board to regularly review the costs incurred, income lost and grant funding available. A further update will be given at Cabinet on 22 July 2020.

At the time of writing we have been made aware that there will be further Government funding made available, either as a general grant to support us, or ring-fenced grants to assist with specific services, with a possible contribution to income lost from normal Council activities (fees and charges).

In addition to the funding for NBC, we will be receiving a grant of £31,645.92 to be passported across to the two Northampton BIDs (£14,876.92 to the Town Centre and £20,769.00 to Brackmills) to support their activities and risk to funding.

NBC currently has £3.839M of debt, this is a growth from the end of 2019-20, which will in part due to the fact NBC has, in accordance with Government Guidance not sought to actively pursue debt during the initial three months of the pandemic. Soft reminders are now being processed during July and normal processes and action will recommence in August.

Although the Accounts Payable/Receivable Team have suffered from reduced resources as a result of the pandemic, they continue to operate a good service and seek to pay invoices on time, despite the complexities of remote working and new processes.



Revenues & Benefits

This service area is perhaps one of the most affected within my portfolio in respect of working to support the Covid19 solutions.

Council Tax collection remains volatile, at present the core collection rate has not dropped materially, however our forecasts suggest that once the furlough schemes come to an end, we can anticipate an increase in benefit claims and a reduction in Council Tax payments received.

BEIS Business Grants Scheme One – NBC was initially provided with £37M, which after review is likely to be around £35M in terms of need for Scheme One, with £1.7M of the £37M now designated as being for BEIS Scheme Two – Discretionary Fund. The two schemes continue to run, with the majority of funds for Scheme Two having been paid. We are actively seeking to engage further with the remaining c200 'premises' that may be eligible under Scheme One.

At the time of writing I am pleased to advise that our teams have distributed c2,600 grants to business in our Borough, with a value of over £32.5M. We continue to seek out the remaining businesses that may qualify for this grant.

We launched our second scheme on 1st June 2020 and have at the time of writing, distributed over 180 grants with a value of £1.1M. Although this scheme will just be for £1.7M it will provide much needed support to another group of businesses.

This is addition to the £34M of Business Rates relief across the Small Business, Retail, Hospitality, Leisure and Nurseries sectors. Cancelling and adjusting all of these bills has consumed more of this service resource.

In respect of collection rates and debt management, the Management Board and service have complied with Government Guidance and sought to actively support those that cannot pay or are having difficulty paying, through moving payments schedules from 10 instalments to 12, signposting to benefits and use of the hardship fund in extreme cases. We are mindful that with the Furlough Scheme being phased out, there may be an increase in job losses leading to an increased activity in benefit claims and a reduction in Council Tax collected.

We will recommence soft reminders in July to those that should be paying but may have forgotten to.

Facilities Management

The Facilities Team like many businesses, have suffered income loss for bookings etc. With the lockdown easing, there is a revival of enquiries and with some future bookings being taken.

The teams continue to work hard to support all services with deep cleaning, installed new security doors in the Guildhall, protective screens in the One Stop Shop, maintaining the full post room service, where scanning documents for electronic use is even more critical than normal.

Wider CFO Team

The wider teams continue to actively support the wider front-line services in respect of HR matters, Wellbeing, Health & Safety, ICT and general financial support.

Councillor Brandon Eldred
Cabinet Member for Finance