
Report To:	Policy & Resources Committee	Date:	11 August 2020
Report By:	Chief Financial Officer	Report No:	FIN/63/20/AP/LA
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	Funding of Excess Covid Costs		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Committee approval for how the estimated extra costs associated with the Covid pandemic are to be funded in order that this matter can be addressed before commencing consideration of the 2021/23 Revenue Budget.

2.0 SUMMARY

- 2.1 The Policy & Resources Executive Sub-Committee has received regular updates on the developing picture regarding increased cost pressures and income reductions as a result of the Covid-19 pandemic. The extent of cost pressures and income reductions has been reduced by the extra funding to Councils from the Scottish Government. Appendix 1 shows the latest estimated gross cost for 2020/21 as being £15.1million. Within this total is approximately £3.8 million for the social care element of the HSCP and throughout the crisis the assumption has been that this cost would be fully met by either Scottish Government funding or IJB reserves.
- 2.2 Appendix 1 also shows that after the extra funding streams announced by the Scottish Government to date and the approved use of other Council budgets then the net estimated budget pressure is £5.867 million. Members have agreed that a report be presented to the August Policy & Resources Committee seeking approval as to how the net 2020/21 Covid cost should be funded prior to the commencement of the 2021/23 Revenue Budget process.
- 2.3 The options for funding the costs are as follows:
- £1.5million surplus Contingency Reserve
 - Earmarked Reserves
 - Dropping Capital projects
- 2.4 Appendix 2 is a comprehensive list of all existing Earmarked Reserves showing the balance as at 1 April 2020 and the estimated value of the Earmarked Reserve not legally committed. The Members' Budget Working Group (MBWG) has reviewed the position and has recommended write backs totalling £3.535 million as shown in the appendix.
- 2.5 Appendix 3 shows the summary position based on the proposals from the MBWG. This includes 3 funding requests included in the draft Recovery Plan due to be presented to the Alliance and Policy & Resources Committee in September. From this it can be seen that based on Appendix 2 there are sufficient proposals to fully fund the estimated net costs and the 3 proposals from the draft Recovery Plan.
- 2.6 The Committee should be aware that there are likely to remain significant budget pressures arising from the Covid 19 pandemic beyond 2020/21 and these will be factored in to the initial 2021/23 Revenue Budget. In addition the current Recovery Plans are identifying areas for continued or one off funding to assist with the area's recovery from the pandemic. These issues will however be the subject of further reports in coming months but it is important Members are aware of this when considering requests for funding.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the latest estimated financial pressure of £15.1 million for the period ending 31 March 2021 arising from the Covid-19 pandemic.
- 3.2 It is recommended that the Committee notes the assumption that all excess costs incurred by the HSCP will be contained by either Scottish Government funding or the IJB Reserves and that were this to change then this would increase the funding pressure on the Council.
- 3.3 It is recommended that the Committee approves the MBWG proposals for the write back of earmarked reserves in Appendix 2.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Policy & Resources Executive Sub-Committee has received regular updates on the developing picture regarding increased cost pressures and income reductions as a result of the Covid-19 pandemic.
- 4.2 In addition Members have been kept updated on the significant extra funding streams announced by the Scottish and UK Governments to assist the Council directly or the wider Inverclyde community in tackling this unprecedented situation.
- 4.3 Members have agreed that a report be presented to the August Policy & Resources Committee seeking approval as to how the net 2020/21 Covid cost should be funded prior to the commencement of the 2021/23 Revenue Budget process.
- 4.4 The unaudited Annual Accounts reported an increase in surplus of £1.5million from that projected when the 2020/21 Budget was approved.

5.0 OPTIONS

- 5.1 Appendix 1 shows the makeup of the extra costs estimated to be incurred by the Council during 2020/21. The appendix also shows extra funding streams announced by the Scottish Government to date and from this it can be seen that after this and the approved use of some existing budgets the net estimated budget pressure is £5.867 million. This excludes £3.837 million for the social care element of the HSCP and throughout the crisis the assumption has been that this cost would be fully met by either Scottish Government funding or IJB reserves.
- 5.2 The options for funding the costs are as follows:
 - £1.5million surplus Contingency Reserve
 - Earmarked Reserves
 - Dropping Capital projects
- 5.3 After allocating the surplus £1.5million in the Contingency Reserve and using existing funds to meet some of the increased Capital Programme costs, there remains £3.355 million to be funded.
- 5.4 Appendix 2 is a comprehensive list of all existing Earmarked Reserves showing the balance as at 1 April 2020 and the estimated value of the Earmarked Reserve not legally committed. The MBWG has reviewed the position and has recommended write backs totalling £3.535 million as shown in the appendix.
- 5.5 Appendix 3 shows the summary position based on the proposals from the MBWG. This includes 3 funding requests included in the draft Recovery Plan due to be presented to the Alliance and Policy & Resources Committee in September. From this it can be seen that based on Appendix 2 there are sufficient proposals to fully fund the estimated net costs and the 3 proposals from the draft Recovery Plan.

6.0 LOOKING BEYOND 2020/21

- 6.1 Members should be aware that there are likely to remain significant budget pressures arising from the Covid 19 pandemic beyond 2020/21 and these will be factored in to the initial 2021/23 Revenue Budget. Potential areas being identified include increased cleaning capacity, ongoing support for Humanitarian Aid, ICT equipment and support for flexible/home working and increased support for key partners/providers
- 6.2 In addition, the current Recovery Plans will include areas for continued or one off funding to assist with the area's recovery from the pandemic. These issues will however be the subject of further reports in coming months. Areas for increased investment emerging from the Recovery Plans include Business Development, Employability, Digital Inclusion and Community Capacity building.

7.0 IMPLICATIONS

7.1 Finance

Cosla continues to press the Scottish Government for more funding in addition to working with the Scottish Government to lobby the UK Government for increased funding. This report is prepared on the basis of known funding. Whilst it is possible that further funding will be confirmed in coming months there remains a similar possibility that new funding pressures will emerge.

The first monitoring reports for the current financial year are being prepared and it is expected that these will identify further underspends which will help fund as yet unquantified pressures.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Covid	Various	2020/21	£5.867 million		

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 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.
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X	NO
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(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 proposals arising from this report.

8.0 CONSULTATIONS

8.1 The MBWG has been consulted and supports the proposals in this report.

9.0 BACKGROUND PAPERS

9.1 None

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Health & Social Care Partnership - IJB Return	
Fitzgerald Centre - Suspend Day Service. Loss of income	81
Hillend Respite Service- Income Loss	57
Homecare Commissioned Services	300
Homelessness Service - Security Costs	54
Inverclyde Centre	186
43 TFA's	159
Bed & Breakfast Support	128
Care Homes- Extra beds and sustainability payments	776
PPE Cots - Council	250
Providers	250
Additional Staffing Costs across Directorate	1,243
3.3% Living Wage uplift on Care at Home Provision	135
Equipment for working from home	50
Temporary Childrens Unit	66
Criminal Justice Early Release - Rent and Set up costs 18 Flats	66
Other Expenditure Areas	36
Government Grants to date	(500)
Gross Expenditure - Integrated Joint Board	3,337
Education, Communities & ODHR	
Inverclyde Leisure	800
Extended opening of Gourrock Pool	20
Payment of School Meal Grant - Provide families who are entitled to a free School meal with £25 per fortnight.	712
Other Food Fund Projects	313
Balance of Food Fund not allocated	164
Schools Digital Inclusion- Connectivity/WiFi and devices	514
Increased ICT Support (Digital Inclusion)	136
Loss of Lets income	99
Loss of School Meal Income	294
Lower provision of School Meals	(294)
Loss of Wraparound income	140
Refunds to parents of cancelled School Trips.	75
Additional School/ELC Cleaning costs	380
Additional Non-School Cleaning Costs	170
Allowance for Handsanitiser/PPE - Council Wide	150
Other Losses of income	67

Comments
Loss of income due to suspension of all day services
6 months
Paying providers on planned hours for 6 months. Under review
Additional security at Inverclyde Centre
12 months loss of rent due to increased voids
One off cost of additional 43 flats.
Based on an extra 7 B&B rooms each night
Purchase of 32 extra beds for 12 weeks plus SG sustainability scheme to 31.7.20
Subject to approval/funding by the IJB in August.
£135k is additional cost of 1.1% above what was built into budget.
4 months
Rental (offset by HB), furniture and minor costs for 18 flats
Loss of income and increased delivery costs.
Share of £50million, Living Wage and CSWO support grants
Assumed to be funded by Health Directorate and IJB
Based on net income loss of £1.14million for Inverclyde Leisure to 31.3.21 including £70k for the payment of the Living wage and after the furlough scheme/use of £340k from IL reserves.
Allows for Pool to remain open until the end of October.
To 28.8.20 and funded from additional Scottish Government funding.
Funded from additional Scottish Government funding.
Largely funded from additional Scottish Government COVID funding. Includes £66k vired from Playschemes
£414k funded from PEF/Attainment Fund
2 x Technicians for 24 months
Based on on going reduction for 20/21
Figures based to the end of School term.
Figures based to the end of School term.
Figures based to the start of new School term.
This is based on the worst case scenario prior to any insurance payouts.
Covers period to 31.3.21
Covers 6 month period to 31.1.21
FM co-ordinating procurement for services
Library/Museum, Breakfast Clubs

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Supply Teachers additional costs	243
Public Conveniences	52
Increased media resources to 30.9.20	11
Partner nurseries and childminders	300
Term Time staff working over the summer	165
ELC Foodbags/£25/fortnight payments	85
Increased support for Health & Wellbeing of employees	50

Comments
For 3 months & includes holiday pay.
Extra cleaning/Supervision Costs based on 6 months from August
Funded from ELC underspend in 2019/20
Funded from ELC underspend in 2019/20
Funded from ELC underspend in 2019/20
Increased staffing and Occupational Health costs

Environment, Regeneration & Resources - Local Authority Return	
Building Services:	
Reduction in costs due to income loss	(200)
Reduction in Rev/ Capital income	383
Recovery Plans - Office Works	200
Equipment for Home/Flexible working	80
Loss of Property Services Fee Income	200
Planning income - reduction in demand	304
2 x Temporary Business Development Officers	120
Clyde Muirshiel Park	25
Humanitarian Aid Centres	
Software Costs	15
Overtime	20
Suspension of Parking Enforcement:	
- Parking Charges	132
- Penalty Notices	87
Suspension of normal Waste Collection procedures - all waste to be collected via Residual Waste.	
- Additional Cost of Landfill	233
- Loss of external income	236
- Reduced cost of landfill from reduced external income	(116)
Roads Client:	
Reduction in income - Sales Fees and Charges	119
Roads Ops Unit:	
Reduction in costs due to loss of income	(672)
Reduction in Rev/ Capital and NCI income	1,000
Vehicle Charges	(51)
Increased Burial/Cremation Income	(120)
Early Prisoner Release- Payment to RCH	63
Retain HoS post to co-ordinate Covid response	114

3 month reduction in work
Minor works, hand sanitising units, furniture removal and £100k Property fees
Furniture/ICT equipment
Figure net of fees earned from recovery plans
Estimate 3 months with no income then reduced income thereafter
18 month contracts funded from existing Earmarked Reserve
Share of net loss of income
£5k/month software costs
minimum 622hrs
4.5 months no income , continued shortfall thereafter
4.5 months no income
Based on 3 month impact
Based on 3 month impact
Based on 3 month impact
Inability to earn full Capital fees for 3 month period and small amount of other income
Materials, vehicles and overtime
Capital only, largely resurfacing work
Reduction in Fuel and Non routine Maintenance for 3 months
Reflects increased number of deaths since March
Based on £3.5k/ property x 18
Based on 12 months to 31.3.21.

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
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	447
One off saving in Central Repairs during lockdown	(150)
Other minor Expenditure areas	74

Comments
£44k licences committed to date, up to £16k on additional licences and assumed overtime over the public holidays. £200k laptops.
40% reduction
40% reduction
Funded by increased Scottish Government Grant.
Allowance based on buildings being closed and contractors unavailable
ICT costs/Registrars Income reduction/ Overtime etc

Corporate Expenditure	
Cashflow	10
Council Tax, Loss of Income due to reduced collection levels	630
Savings in Loans Charges due to reduction in interest rates	(180)
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	40
Utility Costs -	(58)
Allowance for costs/income reductions not identified to date	218
Capital - cost of inflation due to delays to Contracts, increases in tendering returns and contract delivery costs .	2,994
Gross Expenditure -	11,741
Government Grant - Food Insecurity Ph1	(565)
Government Grant - Food Insecurity Ph2	(558)
Government Grant - Scottish Welfare Fund	(447)
Government Grant - Hardship Fund	(749)
Government Grant - Consequentials £155m	(2,321)
Government Grant- Registrars Overtime	(9)
Government Grant- Schools Return £100m	Tbc
Gross Income-	(4,649)
Net Expenditure	7,092
Other Funding	
Early Years Grant Underspend	(550)
Education Flexibilities (PEF/SAC)	(414)
Directorate Resources:	
Schools Budget to fund School Trips	(75)
Summer Playschemes Budget to fund Food Insecurity	(66)

Based on delays to NDR annual billing, reduction in Council Tax income etc.
Based on a 5% reduction in in-year collection in 2020/21 leading to a 2% increase in Bad Debt.
Offsets cost below
50% reduction due to low interest rates and poorer cashflow.
5% increase in CTR expenditure would cost £320k but assume anything over £200k will be funded by the Government.
Based on policy relaxation to 31.8.20
Mainly due to savings in electricity in Schools.
Originally £300k
Based on restricted working practices, increased length of contract and after allowing for additional fees.
Also increased in ICT and Vehicle costs due to global demand
Costs to 30.6.20 .Projected spend is £631,000
Use of balance to be approved August P&R
Use of balance to be approved August P&R
Share of £50million Grant
Share of £155million Grant
Share of £0.6million Grant
Awaiting confirmation of share of Grant and Conditions
2019/20 Underspend - Approved P&R Exec 16/6
Schools Digital Inclusion - Approved P&R Exec 16/6
Approved Emergency Powers July 2020
Approved P&R Exec June 2020

COVID 19 - Main Area Of Expenditure/Income loss to 31 March, 2021- Position 24.7.20

Proposal	Estimate £'000
Use of EMR to fund Business Development Posts	(120)
Total from existing Council Budgets	(1,225)
Balance to be Funded	5,867

Comments
2 Posts for 18 months

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Communities

Appendix 2
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<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u>
School Estate M P	Eddie Montgomery	668	668	0	All of SEMP funding will be used in 2021.	0	
Community Fund	Tony McEwan	159	154	5	£89k of the c/f to 20/21 is currently committed for funding PB. Feb P&R approved use of £65k for temp CLD 18 month resource. This leaves £5k uncommitted.	0	
ASN Placements/Transport/ Resources	Michael Roach	211	0	211	This funding is for a smoothing reserve which is under pressure.	0	
Beacon Arts Recovery Plan	Tony McEwan	87	0	87	Given the impact of Covid on the Theatre sector it is recommended that this sum be retained to assist the Beacon with budget pressures over the next year whilst the medium term future becomes clearer	0	
Major Events 19/21	Steven McNab	140	0	140	A number of projects which were due to comence have been halted due to COVID 19. Funding was focussed on supporting events as part of the year of coasts and waters 2020 which has been moved to 2021 by Visit Scotland. Tourism sector recovery expected to include support for events to stimulate local economy and encourage visitors as part of repopulation ambitions moving out of covid-19 restrictions.	80	Reduces the sum available for any future events which would be the subject of a report to Committee
Year of Young People Legacy Fund	Tony McEwan	80	0	80	No money has been committed this year	0	
Incorporate 'Equally Safe'	Steven McNab	7	0	7	Not committed	0	
Autism Friendly	Tony McEwan	189	16	173	Largely uncommitted	0	
2019/20 Early Years 1140		2,043	1,707	336	This is the carry forward of unspent specific grant and has to be fully utilised therefore no scope to write back.	0	
Total Category A		668	668	0			
Total Category B		211	0	211			
Total Category C to E		2,705	1,877	828		80	
Total CFCR		0	0	0			

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

Project	Lead Officer/ Responsible Manager	Total Funding	Committed Funding	Uncommitted Funding	Lead Officer Update	Proposed Write Back	Impact of Write Back
		2020/21	2020/21	2020/21			
		£000					£000
Riverside Inverclyde	Scott Allan	126		126	Sums required for completion of Sculpture		
Whinhill Golf Infrastructure	Gerard Malone	125	0	125	Building condition is rated C (Poor) in recent externally commissioned surveys with substantial backlog maintenance / lifecycle works required. Works would also include element of alteration / improvement to align with ILT business plan.		
Renewal of Clune Park Area	Martin McNab	2,294	80	2,214	Current contract extant for dangerous buildings surveys approx £80K remaining. We are currently negotiating contracts for other survey work including Tolerable Standard, Rot and Economic viability plus there are also have legal costs arising from the current appeal against a demolition order to progress the regeneration of Clune Park to a conclusion.		
Asset Management Plan - Replacement Depot	Gerard Malone	168	168	0	Funding needed to complete the Depot AMP		
Youth Employment	Stuart Jamieson	455	442	13	Largely committed		
Winter Maintenance	Steven Walker	451	0	451	Essential funds used to smooth earlier savings delivered in Winter budget and allocated to provide safe Winter Operations in the event that existing Winter budget becomes exhausted.		
Vehicle Replacement Programme	Jim Bradley	178	0	178	Balance of the Vehicle AMP model		
Repopulating/Promoting Inverclyde/ Group Action Plan	Scott Allan	530	330	200	Action plan that was approved as follows: . Inverclyde and encouraging tourism £160k Growing the housing market £100k Growing local jobs and enabling infrastructure £120k Encouraging opportunities for all people £60k Increasing opportunities for employment in culture and leisure sector £40k		
Employability Initiatives	Stuart Jamieson	454	325	129	If reduced officers would be unable to support a number of clients in time of maximum need		
Town and Village Centre Environmental Improvements	Scott Allan	63	63	0	All committed		
Business Development	Stuart Jamieson	300		300	Proposed to fund temporary Business Development officers to assist with the Covid recovery plan		
Demolish Redundant Buildings	Scott Allan	150		150	No uptake to date	150	No interest in take up despite promotion of the scheme

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

Project	Lead Officer/ Responsible Manager	Total Funding	Committed Funding	Uncommitted Funding	Lead Officer Update	Proposed Write Back	Impact of Write Back
		2020/21	2020/21	2020/21			
		£000				£000	£000
City Deal	Stuart Jamieson	1,026	1,026	0	Balance required to fund the current planned projects		
Allocation for a Safer Streets Initiative	Gail MacFarlane	250	0	250	No commitments		
Seed Funding for active travel within Inverclyde	Gail MacFarlane	50	0	50	No commitments		
Establish a conservation area and listed building grant	Stuart Jamieson	76		76	No uptake to date	76	No impact as no uptake
Repaint and carry out essential repairs to the Comet	Gerard Malone	42	0	42	No further commitment beyond initial report. Impact if taken would be dependent on what the overall plan for the Comet is which will potentially require significant additional funding.		
Resilience & Insurance Claims - Health & Safety	Gerard Malone	400	0	400	Funding to provide a lift in Watt Institute Gallery - this is currently an Equality Act / DDA issue as part of the building is not accessible for those with mobility issues. Remaining budget will address improvements to Customhouse Square area with cobbled roads being first priority as they have been subject of recent claims through Insurance section due to poor condition.		
Climate Change	Stuart Jamieson	500		500	Not allocated at this stage	200	
Promotion and Tourism	Stuart Jamieson	50	0	50	Prior to Covid-19 the funding was planned to update the now out-of-date tourism strategy and align it with the new Scottish tourism strategy, launched in early March 2020.		
Feasibility Studies	Gerard Malone	110	0	110	Feasibility budget to identify / prioritise future capital projects which was created following proposals by the MBWG.		
Resilience & Insurance Claims - Black Start Equipment	Martin McNab	25	0	25	For the provision of a back-up generator for Pottery Street in the event of a widespread loss of power.		
Resilience & Insurance Claims - Training	Steven McNab	25	0	25	Training and equipment to reduce future claims		
Provision of a Dog Park	Martin McNab	20		20	Location has been identified but no committed spend to date		
Murdieston/Thom Street Dam Area	Gail MacFarlane	25		25	Not programmed or committed currently		
Roadside Trees	Gail MacFarlane	100	0	100	no commitments		
Barrs Brae Steps	Gail MacFarlane	40	0	40	Not committed		
St Ninians Site - Parking/Landscaping	Gail MacFarlane	75	0	75	Not Committed		
Overton Play Park surrounds	Gail MacFarlane	40	0	40	Not committed		

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u> <u>£000</u>
Town Centres	Scott Allan	700		700	Not allocated at this stage		
Play Area Strategy	Gail MacFarlane	400	0	400	Initial internal discussion undertaken to determine locations of play area improvement works. Not committed		
Sea Walls/Retaining Walls	Gerard Malone	100	0	100	Only initial scoping / discussion internally to date. Failure of these assets can lead to health and safety issues and impacts on adjacent public infrastructure.		
		0	0	0			
		0	0	0			
		0	0	0		426	
		0	0	0			

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u>
Early Retiral/Voluntary Severance Reserve	Alan Puckrin	3,113		3,113	Is going to be required in coming years in order to release employees to balance projected budget gaps. Write back not recommended.	281	Reduces sum available for future VER but substantial sum remains
Voluntary Severance Reserve - HR Support	Steven McNab	65	65	0	Employees in post and funds to be spent by 31.3.21.		
Equal Pay	Steven McNab	821	0	821	Write back leaving an amount for future legal etc costs.	621	No impact expected as most due to be written back on 31 March, 2021
Digital Strategy	Alan Puckrin	338	88	250	£200k new funding agreed as part of the 2020/21 Budget and not allocated yet. However, in light of lessons learned throughout Covid it is anticipated this funding will be needed to support remote/flexible working and continuing to develop on line service delivery.		
Welfare Reform - Operational	Alan Puckrin	186	96	90	Funding is used annually to support extra resources with the CSC which has maintained service levels.		
Cloud Technology	Alan Puckrin	1,000		1,000	Nothing committed to date but a proportion of this funding was to be used for the roll out of cloud technology linked to savings already agreed and the balance will support increased ICT investment post-Covid. Recognised that some could be used to fund the purchase of extra laptops to support the increase in home/remote working	400	Project will be sized accordingly
Revenue Contingency	Alan Puckrin	63	20	43	Remaining contingency balance. Only budget for appeals one off gifts etc.		
Anti-Poverty Fund	Alan Puckrin	1,090	490	600	This is linked to the August P&R Report on Poverty & Deprivation and as such write back would not be recommended.		
Loan Charge EMR - To meet spike in loan charges from 2016/17	Alan Puckrin	4,150		4,150	Latest Financial Strategy indicates there is scope to reduce this balance by £1million.	1,000	No impact provided interest rates remain as projected
GDPR	Gerry Malone	60	0	60	Needed to deliver the actions , including the implementation of a information governance system and associated corporate training.		

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u> <u>2020/21</u> <u>£000</u>	<u>Committed Funding</u> <u>2020/21</u>	<u>Uncommitted Funding</u> <u>2020/21</u>	<u>Lead Officer Update</u>	<u>Proposed Write Back</u> <u>£000</u>	<u>Impact of Write Back</u>
Revenue Budget Smoothing Reserve	Alan Puckrin	3,000		3,000	Financial Strategy assumes that this is used over 2021/23 to meet budget gap including on going Covid related costs/income reductions . Write back not recommended.		
Spend to Save	Alan Puckrin	477		477	Was created to encourage services with spend to save bids. Little activity and therefore write back of up to £300k is possible	477	No impact in the medium term as other funding routes exist if projects are developed.
Peter Stanton Trust	Alan Puckrin	25	25	0	Sum transferred therefore no scope to write back.		
2020/23 Capital Programme	Alan Puckrin	4,858		4,858	£300k from SEMP to fund whiteboards refresh. £8k from AMP Office. £350k from AMP Depot. Further £3.6m from free reserves and £0.6m SWIFT Any write back would require specific projects/budgets to be removed from the 2020/23 Capital Programme	250	No Vehicle Replacement programme inflation allowance
						3,029	

Funding Projected 2020/21 Excess Covid Costs		APPENDIX 3
	£000	£000
Funding Gap Net of Scottish Government Support		5,867
Increased Capital Programme Costs to be met from Existing Funding	1,007	
2019/20 Increase in Surplus	1,505	-2,512
Gap to be met by Reserves		3,355
Appendix 3 - Options		
Education & Communities	80	
Environment & Regeneration	426	
Policy & Resources	3,029	
	3,535	
Recovery Plans Short Term Funding Identified		
Remembrance Programme	40	
Preparation of Economic Case	60	
Recovery Cultural Events	80	
	180	
AP 27/7/20		