



Welsh Government Emergency Funding Reconciliation of Council Finances

**Corporate Resources Overview & Scrutiny
Committee - 10th December 2020**

Purpose of the Presentation

- To update on the success of the Council in making claims to Welsh Government to the national Hardship Fund and the Income Loss Fund in support of the corporate recovery objective “to stabilise the finances of the organisation” during the emergency. We aim to maximise the recovery of additional expenditure and lost income from Welsh Government in support of this objective
- To explain how we are reconciling these claims against the £3m emergency reserve we have set aside

National Funding Announcements (1)

- Local Government and Welsh Government have worked effectively together from the very beginning of the emergency situation
- Phase 1 - Initial Hardship Fund of £110m covering additional costs for social care, homelessness, PPE and Free School Meals etc.
- Phase 1 - Income Loss Funding of £78m
- Phase 2 – Additional support for Local Government of £264m to supplement the Hardship and Income Loss Funds
- Phase 2 – A ‘top-up’ to the above of £42m from reserves
- In total (with other specific grant streams added) - £508m of funding

National Funding Announcements (2)

- Additional Cost Claims are submitted retrospectively on a monthly basis
- Income Loss Claims are submitted retrospectively on a quarterly basis
- The funds exclude the Council Tax Reduction Scheme (CTRS), and Council Tax Income collection shortfalls – these are under review for a later decision
- Welsh Government has allocated £5.4m for CTRS to meet additional demand for the first two quarters (April - Sept) - £0.147m for Flintshire
- Council Tax collection rate target for 2021/22 set at a lower rate of 98.7% due to the socio-economic factors

Hardship Fund Claims

Claims of £8.043m submitted for the period April to October. The analysis of claim approvals is set out below:

- £6.650m has been reimbursed in full
- £0.198m has been disallowed
- £0.089m reimbursed at 50% for ICT costs
- £0.974m is currently unresolved
- £0.042m for CATs has been reallocated to Income Loss claim
- £0.090m is still awaited for October Claim (awaiting feedback)

Income Loss Claims

- Claim for Quarter 1 (Tranche 1) - settled in full £1.190m
- Claim for Quarter 1 (Tranche 2) - £0.408m received from a £0.616m claim (50% reimbursed pending a future review in some areas)
- Claim for Quarter 2 - £0.420m received of a £0.783m claim
- A summary of all delayed income items will be provided by Welsh Government in January

Approved Contingency Reserve £3m

➤ Income Losses March 2020	£0.073m
➤ Disallowed WG Hardship Grant items	£0.198m
➤ IT related items (50% funded)	£0.089m
➤ Disallowed expenditure not subsequently claimed	<u>£0.024m</u>
➤ Balance if all holding claims are approved	<u>-£2.616m</u>
➤ WG Hardship Claim Holding Items (May-Oct)	£0.974m
➤ WG Hardship Claim - October outstanding	£0.090m
➤ WG Income Loss – Quarter 1 outstanding	£0.208m
➤ WG Income Loss – Quarter 2 outstanding	<u>£0.363m</u>
➤ Balance if all holding claims are not approved	<u>-£0.981m</u>