

**5b ITEM REFERRED FROM FINANCE, AUDIT AND RISK COMMITTEE: 20 JULY 2020  
- FINANCIAL IMPACTS OF COVID-19**

**To be considered with Item 12 on the agenda**

***RECOMMENDED TO CABINET:***

- (1) That the forecast financial impact of Covid-19, but that this could be subject to significant change. The Budgets will be formally adjusted as part of the Quarter 1 revenue budget monitor, be noted;
- (2) The delay of the capital spend of £2,809k to 2021/22 onwards, as detailed in Table 6, be approved;
- (3) That a letter be sent to the relevant Government Minister and/or Prime Minister asking that the £200k forecasted spend on housing the Homeless for the entirety of the coronavirus pandemic be covered by the Government.

That Cabinet recommend to Council:

- (1) The forecast impact of Covid-19 in comparison to available reserves and confirms that these reserves will be used to fund the impact. This means that an emergency budget is not required, be noted;
- (2) The £350k is added to the Capital Programme for the resurfacing of the top deck of the Lairage Car Park, Hitchin, be approved;
- (3) An addition to the Investment Strategy that would allow the Council to provide a loan to Hertfordshire Building Control of £65k, if it is required, be approved.

***REASON FOR DECISIONS:***

To ensure that the financial impacts of Covid-19 are recognised and make the necessary changes to allow the Council to manage its budgets.

**Members considered the Part 1 Report after the Part 2 Report**

As Executive Member for Finance and IT, Councillor Ian Albert introduced the report entitled Financial Impacts of Covid-19 and advised Members of the Committee that the report was to provide assurance to the Committee, Cabinet and Council on the current Covid-19 financial situation. He informed Members that the Service Director – Resources' report was based on the reports that had been sent regularly to the Ministry of Housing, Communities and Local Government.

Councillor Ian Albert stressed that Council services had continued to operate under the circumstances despite being faced with shortfalls.

After hearing the Part 2 Report, the Service Director – Resources presented the report entitled Financial Impacts of Covid-19 and drew Members' attention to the following:

- Paragraphs 8.13-8.14 on page 107 within the report and the contents in Table 2;
- It was only possible to estimate the extent to which the income guarantee would cover losses. The Council had to fund the first tranche of losses up to 5%;

- The contents in Table 7 as detailed at paragraph 8.35 on page 113 within the report; and
- The Investment Strategy detailed how the Council would invest its cash, which included loans for service purposes, as detailed at paragraph 8.39 on page 114 within the report.

The following Members asked questions:

- Councillor Sam Collins;
- Councillor Sam North;
- Councillor Kate Aspinwall;
- Councillor Adem Ruggiero-Cakir; and
- Councillor Morgan Derbyshire.

In response to questions, the Service Director – Resources advised that:

- Thus far, £5,000-£10,000 had been received from the Government in relation to housing the Homeless during the coronavirus pandemic;
- A local lockdown financial impact modelling would only provide an estimate and would be difficult to forecast costs;
- The cost of resurfacing the Lairage Car Park, outlined in Table 7 on page 113 within the report, was an estimated cost a tender had not taken place;
- £350,000 was not the final price for the resurfacing work of the Lairage car park;
- It was important to start the resurfacing work on the Lairage car park as overtime the water could cause the concrete to fail which would result in longer term problem;
- In relation to Recommendation 2.4 and asking Council to approve the £350k resurfacing work on the Lairage car park, there was no requirement to use the Emergency Powers to start the work sooner. The resurfacing work could wait until after Council meet on 7 September 2020.

In response to the Member's point regarding Bim Afolami's letter relating to offering residents free parking in NHDC car parks in Hitchin, Councillor Ian Albert stated that the Council would need to be convinced that this was the best way to spend money. However, he welcomed the MP for attending the Hitchin Committee to discuss the proposal.

Members discussed the financial cost of Homelessness, detailed at paragraph 8.18 on page 109 within the report. It was proposed by Councillor Sam Collins and seconded by Councillor Sam North that a letter be sent to the relevant Government Minister and/or Prime Minister asking that the £200k forecasted spend on housing the Homeless for the entirety of the coronavirus pandemic be covered by the Government.

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