

URGENT BUSINESS

COVID-19 Emergency Budget 18th March 2020

PURPOSE OF REPORT

To allocate funding to the COVID-19 emergency

This report is public

RECOMMENDATIONS

- (1) That the Council allocates £2,000,000 from its reserves to help mitigate the impact of the COVID-19 emergency to residents and businesses in the District**

Introduction

1. Lancaster City Council's response to the COVID-19 Pandemic is focussed on 3 key areas-
 - Continuing to deliver our most vital services
 - Supporting local businesses
 - Supporting our most vulnerable residents

Proposal

2. It is recognised that the pandemic will have much far reaching economic and social impacts. To mitigate the very worst of these the Council is requested urgently? allocate £2,000,000 from its reserves as follows-
 - £1million to provide support to our most struggling local businesses: this will be allocated in a way that is consistent with the Council's priorities of community wealth building
 - £1million to provide support to our most vulnerable residents. This will be allocated by the Council and will support coordinated effort with our many voluntary partners and community groups
3. At this stage it is not known whether eventually the Council will be able to claim this back from the government but it is essential the Council shows

leadership in this unprecedented crisis.

LEGAL IMPLICATIONS

The Civil Contingencies Act 2004 imposes a clear set of roles and responsibilities on those organisations with a role to play in preparing for and responding to emergencies. Local authorities are a Category 1 responder under the Act, and have a key role to play in respect in discharging their duties in the legislation.

Category 1 responders are those organisations at the core of emergency response (e.g. emergency services, local authorities, NHS bodies). Category 1 responders are subject to the full set of civil protection duties. These include:

- assessing the risk of emergencies occurring and use this to inform contingency planning in the form of a Community Risk Register
- Put in place emergency plans;
- Create business continuity plans to ensure that they can continue to exercise critical functions in the event of an emergency;
- Make information available to the public about civil protection matters, and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- Share information with other local responders to enhance co-ordination;
- Co-operate with other local responders to enhance coordination and efficiency;
- Provide advice and assistance to businesses and voluntary organisations about business continuity management (Local Authorities only).

FINANCIAL IMPLICATIONS

The Council currently holds £5.488m in its General Fund unallocated reserve. An annual review of the adequacy of reserves was undertaken during the recent 2020/21 budget process. The Section 151 Officer's advice was that the minimum level of balances held in the General fund should be set at £2.5m. The remaining balance of £2.988m was considered sufficient to cover risks that give rise to unanticipated expenditure or loss of income, a circumstance which is now materialising. Taking the Section 151 Officer's advice into account sufficient capacity remains to release £2.0m to support the mitigation measures

SECTION 151 OFFICER'S COMMENTS

As part of the 2020/21 budget process the minimum level of balances held in the General Fund was recommended £2.5M. The current forecast General Fund Balance 31/03/20 is £5.5M. Releasing emergency funding of £2M from the Council's unallocated balances to address the current situation and provide support within the District over the forth coming months would still allow the recommended minimum level of balances to be retained by the Council to address any further uncertainty.

However, the s151 Officer does recommend that as it is unlikely that the current situation will be resolved in the short term, a review of current and future expenditure should be undertaken in 2020/21.

MONITORING OFFICER'S COMMENTS

This change to the Budget is a function of Full Council.

BACKGROUND PAPERS

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