

Report of Head of Democratic Services

Report to Scrutiny Board (Strategy and Resources)

Date: 22 July 2020

Subject: Impact of Coronavirus COVID-19 upon Leeds City Council's 2020/21 Financial position and on the forecast budget position for 2021/22

Are specific electoral wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):		
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:		
Appendix number:		

1. Purpose of this report

1.1 The purpose of this report is to provide Board Members with details of the impact COVID-19 has had on the Council's financial position both in the current financial year and looking ahead into 2021/22.

2. Background information

2.1 Whilst the substantive financial impact of the COVID-19 pandemic will fall in 2020/21 and 2021/22 and potentially further into the future, there was an initial pressure from the loss of income and additional expenditure of £2.64m on the 2019/20 revenue budget, which was covered by COVID-19 Support Grant funding.

3. Main issues

3.1 Details of the Impact of Coronavirus COVID-19 upon Leeds City Council's 2020/21 Financial position and an update on the forecast budget position for 2021/22 is provided as Appendix A for member's consideration. In addition a more detailed look at the impact of COVID-19 on the financial health of the authority in the current financial year is provided through the Month 2 Financial Health Monitoring report at Appendix B, which was considered by Executive Board at it's meeting on 20 July 2020.

3.2 It is clear that COVID-19 creates an extremely challenging financial environment for the Council. The report to the Executive Board meeting on 24 June 2020 set out an overall overspend of £197.6m linked to COVID-19.

3.3 Appropriate senior officers have been invited to the meeting to discuss the attached reports and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

4.2 The two Executive Board reports attached as appendices to this report are factual reports and are not subject to consultation.

4.3 Equality and diversity / cohesion and integration

4.3.1 The Council's revenue budget for 2020/21 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26 February 2020.

4.4 Council policies and the Best Council Plan

4.4.1 The 2020/21 budget targeted resources towards the Council's policies and priorities. This report comments on financial performance against this budget in support of the Best Council ambition of offering value for money through being an efficient and enterprising organisation.

Climate Emergency

4.4.2 Since this is a factual report detailing the Council's budgetary position for 2020/21 and 2021/22 there are no specific climate implications.

4.5 Resources, procurement and value for money

4.5.1 All financial implications are detailed in the main body of the Executive Board reports.

4.6 Legal implications, access to information, and call-in

4.6.1 There are no legal implications arising from this report.

4.7 Risk management

4.7.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget action plans was in place for 2019/20.

5. Conclusions

- 5.1 The two appended Executive Board reports set out the financial challenge posed by the COVID-19 pandemic in Leeds and also set out the challenge nationally in terms of the public finances. It seems reasonable to conclude that this will be the dominant issue in terms of both setting the Council's budget and financial health monitoring for the months and years ahead.

6. Recommendation

- 6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board reports and agrees any specific scrutiny actions that may be appropriate.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.