**COVID-19 UPDATE : 1st May 2020**

At the end of another week please see the update below on COVID related issues and also some more general issues.

COVID related issues:

·         As I’m sure you are all aware, the allocations of the £1.6bn were released on Tuesday 28th April and the announcement was welcomed as significantly better for districts. However, the funding is still very unlikely to be sufficient and SDCT will continue to lobby and provide evidence to MHCLG of the income and expenditure pressures that we face. There is some concern still that the scale of income pressures are not fully appreciated by the Secretary of State so we will continue to provide evidence of this and DELTA forms will also be important here. There will be a need to monitor council tax and business rate collection very closely over the coming weeks. The County Councils Network has commissioned a study into this which certain districts will be part of alongside their county council. LG Futures are also offering a similar piece of work. The challenge will be to demonstrate what are actual permanent losses in collection and what will be delayed payments. The likely increase in CTS numbers, together with a slowdown in the housing growth and a potential impact to collection rates could impact on the 21/22 Council Tax base.

·         We are also starting to discuss economic recovery issues with MHCLG and suggesting government actions which may help – lower PWLB rates for regeneration schemes for instance

·         MHCLG have also requested information on capital and Housing Revenue Account pressures related to COVID and SDCT has been collating some case studies and information for this. We have also suggested that the DELTA form should include some specific fields on HRA costs and income pressures.

·         A further COVID data form will be released on DELTA next week (likely to be Thursday 7th May) with a return date around 15th May. There may be some guidance on assumptions to use for council tax and NNDR collection, with some flexibility for local circumstances. The LGA has asked if authorities can share a copy of their DELTA forms with using lgfinance@local.gov.uk.

·         Government has also confirmed that the Fair Funding Review and move to 75% business rates retention will be deferred again as a result of the current situation, although no timescales have been released. It is important to note that at this stage no decision has been made about the business rates reset and how to treat accumulated growth. SDCT will be pushing for a ‘roll-over settlement’ again or possibly ‘roll-over plus’ to reflect current pressures.

* CIPFA is still updating the S114 guidance to take account of the current issues and is discussing this with MHCLG. I’d encourage any district that is considering a S114 notice to let me know and also contact MHCLG directly to discuss your situation.

Other issues:

·         The fundamental review of Business Rates announced in the Queen’s Speech last year will still go ahead as planned

·         SDCT will be submitting a response to the PAC Call for Evidence into local authority commercial activity ( closing date 6th May) and also a response to the PWLB consultation. This was due to close on 4th June  but is now likely to be delayed. We will share draft responses as soon as possible.

·         Audit issues – it was noted that the Statement of Accounts timetable has been pushed back to 31st August for draft accounts and 30th November for audited accounts.

* It has been announced this afternoon that BEIS are extending the grant scheme for Businesses that weren’t eligible under either the SBRG or RHLGF and guidance on how this new fund will operate will be available next week – initially authorities are to use the balances from the SBRG and RHLGF.

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