

## ITEM No ...12.....

**REPORT TO:** POLICY AND RESOURCES COMMITTEE – 26 APRIL 2021

**REPORT ON:** FINANCIAL IMPLICATIONS OF THE COUNCIL'S RESPONSE TO THE COVID-19 EMERGENCY AND FINANCIAL RECOVERY PLAN – UPDATE

**REPORT BY:** EXECUTIVE DIRECTOR OF CORPORATE SERVICES

**REPORT NO:** 120-2021

### 1.0 PURPOSE OF REPORT

1.1 This report provides an update on the financial implications of the Council's response to the Covid-19 emergency and the associated financial recovery plan.

### 2.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

2.1 Notes the longer-term financial implications of the response to the Covid-19 emergency, with an initial exercise by officers in late 2020 identifying on-going Covid-related costs of around £24m over the period 2021 to 2024.

2.2 Notes the updated projected surplus on the Council's overall 2020/21 Revenue Budget, after meeting the costs of responding to the Covid-19 emergency.

2.3 Notes the updated financial recovery plan, as set out in section 6 of this report, containing measures aimed at mitigating the increased costs in financial year 2020/21 to protect the Council's financial sustainability going forward.

2.4 Notes that the final outturn position for 2020/21 will be reported to the Scrutiny Committee on 23 June 2021.

2.5 Notes the current position on Dundee Health and Social Care Partnership, as set out in paragraph 5.2.

2.6 Notes the current position on Leisure and Culture Dundee, as set out in paragraph 5.3.

2.7 Notes that a report on projected Covid-19 costs and funding over the period 2021 to 2024 will be submitted to a future meeting of the Policy and Resources Committee.

2.8 Notes that the 2020/21 Covid-19 funding included support for financial insecurity and flexible funding to meet emerging needs and that this will be subject to a report in May 2021 in the context of the Council's recovery plans.

### 3.0 FINANCIAL IMPLICATIONS

3.1 Latest projections show gross additional costs of £41.569m for financial year 2020/21, in respect of the Council's response to the Covid-19 emergency. This includes £4.574m for LACD. It is anticipated that the additional costs incurred by DHSCP in addressing the Covid-19 emergency will be funded in full by the Scottish Government. After taking into account confirmed additional government funding streams, the projected funding surplus for 2020/21 is £9.050m. The financial recovery plan, as set out in section 6 of this report, contains various measures aimed at mitigating the increased costs in financial year 2020/21 to protect the Council's financial sustainability going forward. The financial recovery plan currently totals £4.200m, resulting in a projected surplus of £13.250m for 2020/21. The final outturn position for 2020/21 will be reported to the Scrutiny Committee on 23 June 2021.

### 4.0 BACKGROUND

4.1 The Covid-19 emergency has impacted on all areas of society and on all aspects of normal daily life, particularly since the implementation of the first national lock-down on 23 March 2020. These impacts have been severe and are likely to continue. The country was placed in protection level 4 lockdown (including the closure of schools) in early January 2021 and is now in the process of emerging from lockdown in line with the Scottish Government's route-map. During the crisis, all levels of government

have taken action to support and protect our most vulnerable citizens, local businesses, key suppliers and the third sector during these challenging and unprecedented times. These actions seek to maintain resilience during this crisis and ensure that people and organisations will emerge in the best possible shape when the emergency is over. The financial implications of the public sector response have been significant and have required record levels of unplanned spend.

- 4.2 Report 144-2020 was approved in mid-April 2020 under the arrangements for dealing with essential Council business (article VI of the minute of the Policy and Resources Committee 24 August 2020 refers). The report advised elected members of the various actions implemented by the Council and the Scottish and UK Governments in response to the on-going Covid-19 emergency and set out the associated financial implications. The report also advised that the Council was incurring significant additional costs in delivering its response to the Covid-19 emergency and would continue to do for the foreseeable future.
- 4.3 Report 198-2020 was submitted to the Policy and Resources Committee on 24 August 2020 (article XVI of the minute of the Policy and Resources Committee 24 August 2020 refers). Report 308-2020 was submitted to the Policy and Resources Committee on 16 November 2020 (article XI of the minute of the Policy and Resources Committee 16 November 2020 refers). Report 61-2021 was submitted to the Policy and Resources Committee on 22 February 2021. These reports set out an update on the financial implications of the Council's response to the Covid-19 emergency and proposed a financial recovery plan containing a number of measures aimed at mitigating the increased costs in financial year 2020/21 to protect the Council's financial sustainability going forward.
- 4.4 This report now provides an update on the financial implications of the Council's response to the Covid-19 emergency and the associated financial recovery plan. The figures in the report reflect the impact of the current protection level 4 lockdown, including the closure of schools.
- 4.5 The Executive Director of Corporate Services, as the Council's nominated Section 95 Officer, has a statutory duty to ensure that the Council operates within the financial resources available to it and remains financially sustainable in the short, medium and long term.

## **5 IMPACT ON THE COUNCIL'S 2020/21 REVENUE BUDGET**

- 5.1 Monitoring of the additional costs of responding to the Covid-19 emergency is now embedded within the Council's established budget management processes. Latest projections show projected gross additional costs of £41.569m for Council services for financial year 2020/21. A break-down of this figure over service areas is shown at Appendix 1. Further details of the main cost / income shortfall areas are included at Appendix 2.
- 5.2 The figures in Appendix 1 do not include the financial impact of Covid-19 on Dundee Health and Social Care Partnership. The current projected outturn position for Dundee Health and Social Care Partnership (DHSCP) is an underspend of £0.324k which is a net position consisting of an anticipated overspend in Dundee City Council delegated expenditure of £2.079m offset by an underspend in NHS Tayside expenditure of £2.403m. Under the risk sharing arrangement with NHS Tayside, the net projected additional funding contribution to the IJB for Dundee City Council is £nil based on a 1/3<sup>rd</sup> share of any net overspend at the financial year end.

DHSCP has incurred significant additional expenditure in response to the Covid-19 pandemic throughout 2020/21 and this anticipated spend is reflected within the DHSCP mobilisation plan. The latest version of the plan is estimated to cost £11.940m across integrated health and social care services. The Scottish Government has allocated sufficient funding in 2020/21 to fully fund the additional costs of the mobilisation plan, therefore there is no residual risk of a shortfall in funding.

- 5.3 The figures in Appendix 1 include the financial impact of Covid-19 on Leisure and Culture Dundee. Leisure and Culture Dundee followed a phased programme of reopening and recovery during the period July to December 2020 when restrictions were eased across the country but all facilities and services closed from 26 December 2020 in line with the introduction of protection level 4 lockdown. Almost all staff were placed back on furlough (either full or flexibly) from that date and the majority continue to be on furlough, although staff have returned for the reopening of the golf courses from 1 March 2021 and to plan the reopening of other facilities and services as part of the recovery phase. The organisation will continue to claim from the Job Retention Scheme as part of the phased reopening of services and facilities as restrictions are eased over the coming months, and will continue to keep expenditure to a minimum during this period. The projected year end deficit has been reduced to £0.458m after recognising projected income of £4.116m for furloughed staff under the UK Government's Coronavirus Job Retention Schemes ie a gross deficit of £4.574m. With the increase in projected income from the Job Retention Scheme, along with reduced costs and the opportunity to

spread the payment of deferred VAT liabilities over 12 months, the cashflow position has improved and ensure the operation until the end of July 2021 at the earliest. With the extension of the Job Retention Scheme and the close management of staffing requirements, this has enabled LACD to reduce the projected deficit and thus reduce the financial support required from the Council for this financial year. The organisation will face a much more significant financial challenge in financial year 2021/22 as a result of reduced customer income as restrictions are eased.

- 5.4 Tayside Contracts has also been significantly impacted by the Covid-19 emergency, with many areas of service provision unable to operate during the lock-down periods. If those services were not being provided then Tayside Contracts would have minimal income, but would still retain most of its cost base in the form of staff and fixed overheads. As an interim measure, and to protect Tayside Contract's short-term cash-flows, it was agreed that the 3 partner Councils would use their existing budgets for catering, cleaning, road maintenance, street lighting etc to continue make payments to Tayside Contracts to cover their fixed costs. Some of the Council's existing budgets for road maintenance and street lighting are capital, rather than revenue. Audit Scotland have advised that it would not be appropriate to meet payments from capital budgets that do not result in an asset being created. As no specific work was done by Tayside Contracts in exchange for the interim payments, it will not be possible to fund any element of these payments from capital budgets. Accordingly, all of these payments will require to be met from revenue budgets and this has resulted in an additional revenue cost pressure of £1.691m. This revenue cost pressure is included in the City Development figures shown in Appendices 1 and 2.
- 5.5 The revenue monitoring position for the period to 28 February 2021 is presented separately in report 113-2021. This report shows a projected underspend of £9.568m for General Fund services for financial year 2020/21, excluding the costs associated with Covid-19. This projected underspend can be used to help offset the financial impact of Covid-19.
- 5.6 The figures in Appendix 1 include additional Covid-19 related costs for the Housing Revenue Account totalling £3.407m (including standby / retainer payments to Construction Services of £2.979m). The revenue monitoring position for the HRA for the period to 28 February 2021 shows a projected underspend of £4.598m for financial year 2020/21, excluding the costs associated with Covid-19. This projected underspend can be used to absorb the financial impact of Covid-19 on the HRA. The figures in Appendix 1 also include additional Covid-19 related costs for the capital programme totalling £0.771m. The additional capital costs in 2020/21 associated with Covid-19 were included in the the Capital Plan 2021-2026 that was approved by the Policy and Resources Committee on 22 February 2021 (report 55-2021 refers).
- 5.7 The Council has received confirmation of additional funding allocations totaling £36.578m from the Scottish Government to help meet the additional costs incurred in 2020/21 in the response to the Covid-19 pandemic. Details are shown in Appendix 3. Most of this additional funding was paid over in March 2021 and will require to be accounted for in the 2020/21 financial year, including funding originally intended for the 2021/22 financial year. Given the timing of this funding, it is inevitable that there will be a large underspend in 2020/21 and, consequently, a temporary increase in overall General Fund balances at 31 March 2021. These underspends will, however, require to be carried forward and ear-marked to fund Covid-related costs in 2021/22. It is estimated that £5.204m of identified funding will require to be carried forward and ear-marked to fund specific Covid-related costs in 2021/22.

In addition to the above, the Council has been allocated funding of £0.861m (mainly capital) for the purchase of digital devices and connectivity solutions to tackle digital exclusion amongst children and young people. The Councils allocation has been taken up in full.

- 5.8 The UK Government's Coronavirus Job Retention Scheme (CJRS) was due to close at the end of October 2020 but has now been extended to the end of September 2021. During the Covid-19 crisis, the Council has furloughed a small number of income-generating staff in areas such as car parking, architectural services, engineering services and construction. Successful applications have been made to the CJRS and funding totaling £1.350m is expected to be received in 2020/21. In addition, LACD are anticipating funding totaling £4.116m from the CJRS.
- 5.9 Taking all of the above into account, the projected funding surplus for 2020/21 is £9.050m (see Appendix 4).

## 6.0 FINANCIAL RECOVERY PLAN 2020/21

6.1 In light of the projected funding surplus for 2020/21, only the committed elements of the financial recovery plan have been retained, as follows:

### 6.1.1 Use of Ear-marked Reserves and Balances

A review of the Council's ear-marked reserves and balances has been undertaken to identify any scope for releasing some of these to help offset Covid-19 costs. Whilst all of these reserves are ear-marked for specific purposes, it is considered that in the current circumstances some re-prioritisation would be appropriate. Accordingly, the following amount can be released and included in the financial recovery plan:

General Fund – 2019/20 carry forwards £2.000m

### 6.1.2 Use of Existing Service Budgets to Offset Internal Charging Income Shortfalls

The Covid-19 crisis has had a significant impact on the financial operating position of Construction Services. Unlike other Council services, Construction Services receives no direct funding through a budget allocation from the Council or Scottish Government, rather it must operate on the income it generates. During periods of lock-down all construction work is being suspended, except for emergency repairs. This means that Construction Services has been unable to generate income to cover its fixed costs and also provide for the surplus assumed in the 2020/21 revenue budget. At the same time, however, there are corresponding property maintenance budgets in City Development and Housing that have not been used due to the suspension of construction work. It is considered appropriate that these budgets should be used to help mitigate the significant deficit that has been accruing in Construction Services. Effectively, City Development and Housing would be paying a retainer to ensure that their key supplier remains financially sustainable and is still able to provide services going forward. This treatment ties-in with the support that is being provided to Tayside Contracts by the three local partner Councils. It is also in line with Scottish Government procurement guidance which promotes engagement and support of key suppliers to ensure service continuity and appropriate transition to restart. Some of the Council's existing budgets for property maintenance are capital, rather than revenue. Audit Scotland have advised that it would not be appropriate to meet payments from capital budgets that do not result in an asset being created. As no specific work was done by Construction Services in exchange for the retainer payments, it will not be possible to fund any element of these payments from capital budgets. The value of existing revenue budgets that can be used to support Construction Services is estimated at £3.939m and this amount is already reflected in the figures shown in Appendices 1 and 2.

### 6.1.3 Scottish Government Funding Flexibilities

Significant amounts of ring-fenced Scottish Government funding are made available to Councils for children's services, mainly through Pupil Equity Fund, Scottish Attainment Challenge and Early Years and Childcare Expansion. In recognition of the financial and other resource implications of maintaining critical provision for children and families at this time, the Scottish Government has relaxed the rules around the use of ring-fenced funding, as follows:

- relax current guidance on Pupil Equity Funding in order that headteachers can support our most vulnerable children;
- apply flexibility to schools and Local Authorities in receipt of Challenge Authority and Schools' Programme funding;
- relax grant conditions in respect of funding for Regional Improvement Collaboratives, allowing resource linked to this initiative to be repurposed to the Covid-19 response; and,
- allow Local Authorities to deploy early learning and childcare funding flexibly to deliver critical provision for children and families.

Whilst some of this funding will already be committed for 2020/21 (mainly for staff costs) there remains an opportunity to reprioritise spend in line with the flexibilities outlined above and therefore help offset the significant Covid-19 costs in children's services. It is considered that £2.200m of ring-fenced funding can be reprioritised and included in the financial recovery plan. Most of the £2.200m of available flexibilities arises from the carry forward of funding from previous financial years for Early Years and Childcare Expansion.

### 6.1.4 Further Funding Flexibilities

Discussions have been on-going between COSLA and the Scottish and UK Governments around further funding flexibilities that could be made available to Councils to help mitigate (or at least defer) the financial impact of Covid-19. The following flexibilities have recently been agreed:

- 1) Capital Receipts Received - dispensation for both 2020/21 and 2021/22 through Statutory Guidance to allow Councils to place capital receipts in the Capital Grants and Receipts Unapplied Account and then used to finance Covid expenditure (revenue).
- 2) Credit Arrangements (eg PFI / PPP Schemes) - at present Councils are required by statutory guidance to charge the debt element of service concession arrangements to their accounts over the contract period. A change to the accounting treatment will allow the debt to be repaid over the life of the asset rather than the contract period, applying proper accounting practices. Councils will have the flexibility to apply this change in either 2020/21 or 2021/22. This approach will apply to all credit arrangements going forward.
- 3) Loans Fund Principal Repayment Holiday - the flexibility being offered is a loans fund repayment holiday which will permit a Council to defer loans fund repayments due to be repaid in either 2020/21 or 2021/22 (but not both).

Further details have been issued by the Scottish Government for items 1 and 3 above, in the form of Statutory Guidance and a change in Statutory Regulations respectively, with discussions still on-going regarding item 2 above. Given the projected surplus outlined above, it is not planned to use the additional financial flexibilities made available by the Scottish Government in 2020/21. Officers will make recommendations in due course regarding 2021/22, if considered appropriate.

- 6.2 The elements of the financial recovery plan set out in paragraphs 6.1.1 and 6.1.3 above currently total £4.200m, resulting a total projected surplus of £13.250m for 2020/21 (see Appendix 4). This surplus will be carried forward as part of General Fund balances and ear-marked to fund Covid-related costs generally in 2021/22 and beyond. The final outturn position for 2020/21 will be reported to the Scrutiny Committee on 23 June 2021.

## **7.0 LOOKING FURTHER AHEAD**

- 7.1 The national response to the Covid-19 epidemic has seen the UK Government incur unprecedented levels of expenditure, both in terms of measures to contain and fight the spread of the virus and to deal with the impact on the economy. The devastating economic impact has seen a record fall in GDP levels, leading to significant reductions in taxation revenues which in turn has necessitated record levels of government borrowing. This position is clearly unsustainable into the medium / longer term, where the resultant level of government debt will require to be addressed and managed down. This will be an enormous challenge for the public finances and is likely to have significant implications for the levels of government grant support that are available to Councils. This will be at a time when vital Council services will be required to deal with the social and economic aftermath of the epidemic, and when other sources of income available to Councils will be under severe pressure.
- 7.2 The Chancellor's UK Spending Review announcements on 25 November 2020 saw Covid-19 related funding for Scotland set at £1.3bn for 2021/22, compared with the guaranteed minimum amount of £8.2bn in 2020/21. As part of the Scottish Budget announcements on 28 January 2021, the Cabinet Secretary for Finance advised that local government will be allocated a further £259m of non-recurring Covid-19 funding for 2021/22. The Council's share of this additional funding has since been confirmed as £7.173m. In a budget update statement to the Scottish Parliament on 16 February 2021, the Cabinet Secretary for Finance announced further Covid-related funding of £160 million for Councils in 2021/22. The allocation of this further funding between Councils has still to be advised.
- 7.3 An initial exercise by officers in late 2020 identified on-going Covid-related costs of around £24m over the period 2021 to 2024. Despite the additional funding announced for 2021/22 (and the carry forward of grants and additional General Fund balances from 2020/21) it is still likely that a budget deficit will arise going forward due to Covid-19. At this point it is being assumed that this deficit can be funded by applying one or more of the three financial flexibilities that will be made available by the Scottish Government. It is emphasised that the financial flexibilities are only available over the 2020/21 and 2021/22 financial years. Accordingly, it may be necessary to identify savings in later years revenue budgets in order to fund any on-going cost pressures related to Covid-19. A separate report on projected Covid-19 costs and funding over the period 2021 to 2024 will be submitted to a future meeting of the Policy and Resources Committee.
- 7.4 The Council's longer-term financial projections and strategies will require to be revisited and updated to reflect the post-Covid situation and reports will be brought forward to the Policy and Resources Committee once more clarity emerges.

## **8.0 POLICY IMPLICATIONS**

8.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

## **9.0 CONSULTATIONS**

9.1 The Council Management Team have been consulted on the content of this report.

## **10.0 BACKGROUND PAPERS**

10.1 None.

**ROBERT EMMOTT**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**16 APRIL 2021**

**Covid-19: Gross Additional Costs By Service Area**

	<b>£000</b>
Children and Families	8,514
City Development	12,230
Neighbourhood Services	1,962
Chief Executive	674
Corporate Services	5,071
Construction Services	4,016
Miscellaneous	350
LACD	4,574
Housing Revenue Account (HRA)	3,407
Capital (General Services / Housing)	771
	<hr/>
	<b>41,569</b>
	<hr/>

<b>Covid-19: Main Cost Areas</b>	<b>£000</b>	<b>£000</b>
<u>Children and Families:</u>		
Free school meal payments	2,308	
Additional NQT teachers (including supply cover) and support staff	1,592	
Personal protective equipment / additional cleaning	1,429	
Children services (LAC placements / additional staff / transfer)	1,716	
Key worker costs (nursery placements)	421	
School meal lost income	656	
		8,122
<u>City Development:</u>		
Car Parking lost income	4,140	
Architects / Engineers fees lost income	2,573	
GAM lost income	841	
Property costs including costs associated with bringing all lock down properties back into operation	581	
Standby / retainer payments – Tayside Contracts	1,691	
Standby / retainer payments – Construction Services	960	
Reduced income from property rents, planning applications, building warrants, advertising etc	1,323	
		12,109
<u>Neighbourhood Services:</u>		
Additional transport costs	71	
Increase in residual waste disposal costs due to the impact of post-lockdown household clear-outs, suspended service provision by the Council and the unavailability to the public of normal charities/reuse centre outlets.	400	
Lower income from community centre lets, café sales etc	146	
Lower income from trade waste, special collections, sale of recyclates	648	
		1,265
<u>Chief Executive:</u>		
Community food costs	525	
Support for at risk individuals	145	
		670
<u>Corporate Services:</u>		
Personal protective equipment	200	
Bad debt provision – council tax etc	1,600	
Council tax reductions	234	
Discretionary housing payments	313	
Crisis Grants	500	
Food Fund - supply of food	81	
Winter / Spring support payments	1,176	
DEEAP / fuel support payments	300	
Lower income from Registrars, Tayside Scientific Services, underground garage	455	
Self isolation support grants	100	
		4,959
Construction Services (net of standby / retainer payments from City Dev / HRA)		4,016
LACD		4,574
HRA (incl £2.979m standby / retainer payments to Construction Services)		3,407
Capital (General Services / Housing)		771
Total		<u>39,893</u>



## COVID-19 ADDITIONAL FUNDING STREAMS RECEIVED FROM SCOTTISH GOVERNMENT 2020/21

Funding Stream	Total (£m)	DCC (£m)	Comments
Hardship Fund	50.000	1.389	
Scottish Welfare Fund	22.000	0.809	
Food Fund	30.000	1.152	
Barnett Consequentials	155.000	4.308	
Registration Services	0.600	0.016	
Discretionary Housing Payments	5.000	0.213	
Free School Meals – Summer 2020	12.600	0.521	Ring-fenced funding
Community Support incl Food	15.000	0.481	Ring-fenced funding
Additional Teachers / Support Staff	33.333	0.976	Ring-fenced funding
Additional Teachers	20.000	0.585	Ring-fenced funding
Education Logistics	20.000	0.490	Ring-fenced funding
Barnett Consequentials	49.000	1.361	
Council Tax Reduction	25.000	0.900	
Flexible Food / Fuel / Poverty Fund	20.000	0.079	Ring-fenced funding, unspent balance transferred
Mental Health and Emotional Wellbeing Services – Children, Young People and Their Families	15.000	0.445	To be carried forward to 2021/22
Environmental Health Officers	1.200	0.026	
Support for Families with Children on Low Incomes (£100 Winter Hardship Payment)	14.817	0.560	Ring-fenced funding
Supporting Services for Vulnerable Children and Young People	22.000	0.651	Ring-fenced funding
Flexible Funding for Councils Moving into level 4	30.000	0.834	
Supporting People Affected by Homelessness	5.140	0.175	
Free School Meals – October / Xmas / February Holidays	6.950	0.433	£288k payment double-counted by SG. Overpayment to be recovered in 2021/22 via grant redetermination.
Self-Isolation Support Grants	3.779	0.127	
Business Support Schemes – Admin Grant	12.000	0.279	
Free School Meals - 5 <sup>th</sup> to 29 <sup>th</sup> January 2021	7.058	0.307	
Flexible Food / Fuel / Poverty Fund	20.613	0.809	
Additional Support for Schools and Families	45.000	1.347	To be carried forward to 2021/22
Loss of Income Scheme	200.000	4.688	
Additional Funding for Education Recovery	51.667	1.512	Funding previously ear-marked for 2021/22 (to be carried forward)
Free School Meals – Easter 2021	4.290	0.186	
Discretionary Housing Payments	3.000	0.146	

Free School Meals – 1 <sup>st</sup> to 26 <sup>th</sup> February 2021	5.841	0.254	
General Covid Pressures	275.000	7.206	
Safety Measures in Schools / Education Logistics Funding	70.000	1.714	To be carried forward to 2021/22
Support for Families with Children on Low Incomes (£100 Spring Hardship Payment)	17.200	0.649	
Financial Insecurity	20.000	0.745	
City Centre Recovery Fund	2.000	0.210	
Free School Meals – March 2021	4.711	0.205	
Community Justice CPP Transitional Funding Extra	0.400	0.013	
Parental Employment Support Fund	5.000	0.153	To be carried forward to 2021/22
Extension of Outbound Calling – 12 <sup>th</sup> January to 31 <sup>st</sup> March 2021	1.995	<u>0.066</u>	
		37.020	
<u>Less</u> Grant already accounted for in Financial Year 2019/20		(0.154)	
<u>Less</u> FSM Grant double-counted by SG		<u>(0.288)</u>	Overpayment to be recovered in 2021/22 via grant redetermination
		<u>36.578</u>	

#### Note

1. Funding for business support schemes administered by the Council is not included above, other than any associated administration funding.

	£m	£m
DCC / LACD gross additional costs 2020/21		41.569
<u>Add</u> share of DHSCP Covid-19 related costs (fully funded)		0
<b>Total Gross Additional Costs 2020/21</b>		<b>41.569</b>
<u>Less</u> projected General Fund services underspend per February revenue monitoring report		(9.568)
<u>Less</u> additional HRA costs absorbed by projected HRA underspend per February revenue monitoring report		(3.407)
<u>Less</u> additional capital costs included in updated Capital Plan 2020-25		(0.771)
<b>Total Net Additional Costs 2020/21</b>		<b>27.823</b>
<b>Government Funding:</b>		
Confirmed Scottish Government funding	(36.578)	
Scottish Government funding received in 2020/21 to be carried forward and used in 2021/22	5.171	
UK Government Coronavirus Job Retention Scheme	(5.466)	
<b>Funding Surplus 2020/21</b>		<b>(9.050)</b>
<b>Financial Recovery Plan 2020/21:</b>		
Use of ear-marked reserves and balances: General Fund - 2019/20 carry forwards	(2.000)	
Recharge of Construction Services costs to existing General Fund / HRA budgets	included above	
Flexibilities around SG ring-fenced funding streams (ELC / PEF / SAC)	(2.200)	
Further Scottish Government funding flexibilities	0	
<b>Total of Financial Recovery Plan 2020/21</b>		<b>(4.200)</b>
<b>Projected Surplus 2020/21</b>		<b>(13.250)</b>