

ABERDEEN CITY COUNCIL

Financial Resilience Plan – COVID-19

Resilience of Aberdeen, the City – the business community			
Principles:	Measures:	Actions:	Lead Chief Officer:
Deliver Scottish Government Support (NDR)	<p>Non-Domestic Rates: Implement £1bn SG Relief Scheme. <i>(1-year rates holiday - 100% relief - for all retail, hospitality and leisure properties, from 1 April 2020; and 1.6% NDR relief for all properties across Scotland)</i></p> <p>Implement £1.2bn SG Grant Scheme. <i>(£10k grant for all businesses qualifying for Small Business Bonus Scheme, eligible for rural relief or nurseries relief, from 1 April 2020; and £25k grant for businesses in hospitality leisure, retail sectors for Rateable Values between £18,000 and £51,000 from 1 April 2020)</i></p>	<p>Hold NDR billing until guidance received. Engage NDR system supplier in potential changes required. Communicate relief scheme to businesses in advance of billing.</p> <p>Communicate SG guidance required before actioning, payments expected April 2020 – it's their grant scheme. Work with SG to simplify payment mechanism. Ensure cashflow from SG doesn't stretch Council liquidity ratios.</p> <p>Capture costs of administering schemes.</p> <p>Be prepared to respond to further announcements by Scottish Government.</p>	Customer Experience, in conjunction with Finance
Deliver liquidity support to businesses.	<p>Non-Domestic Rates – delay collection / offer alternative payment terms.</p> <p>Sundry Debts (commercial waste, etc.) – delay collection / offer alternative payment terms.</p>	<p>Respond positively to payment plans and back-loading payment profile in 2020/21. Develop criteria to help avoid double NDR in 2021/22.</p> <p>Respond positively to payment plans or agree no new collection action on unpaid debts taken for period of 1 months,</p>	

	Payment of creditors faster.	subject to regular review. Prioritise critical and local suppliers to receive payments with 'next day' rather than waiting for normal terms (30 days).	
Use of Council Resources outside approved budgets	Decision making governance	Recognise emergency powers of CEO and DERC and capture decisions through IMT. Use Urgent Business Committee as appropriate.	Finance, in conjunction with Governance and Chief Executive

Resilience of Aberdeen, the Citizens – our people

Principles:	Measures:	Actions:	Lead Chief Officer:
Deliver Scottish Government Support (Communities)	<p>Implement local government parts of £350m community support package.</p> <p><i>(£50m hardship fund for Local Government with full flexibility; £45m additional funding for Scottish Welfare Fund, administered by Local Government for Community Care and Crisis Grants. This is in addition to the current £35m annual funding; £50m for increased eligibility for social security benefits and increased cost to the Council Tax Reduction Scheme; £70m food fund for organisations to address food insecurity, especially for older people, and families who may not be able to rely on free school meals, to be delivered through Councils)</i></p> <p><i>[Note balance of funding will bypass local government and be retained by SG or paid directly to third sector/communities].</i></p>	<p>Capture additional funding for Council (£1.75m) and identify risks for exposure to direct costs, set funding aside for this purpose.</p> <p>Apply new funding to Scottish Welfare Fund based on SG guidance, expected to follow current scheme.</p> <p>Apply eligibility changes per SG for benefits and apply to Council Tax Reduction Scheme.</p> <p>Apply SG guidance in relation to Food Fund;</p> <p>Create process and agree lead officer for delivery.</p>	Customer Experience, City Growth, Early Intervention and Community Empowerment

Prioritise payments to the vulnerable and carers in our city.	Guarantee payment continuity for foster carers, kinship carers, adoptive parents, self-directed support clients and housing benefits. Extend the Scottish Welfare Fund as announced by Scottish Government (see above).	Business continuity arrangements in place to support these payments and payment processes. SWF actions as per above.	Finance, in conjunction with Customer Experience
Provide flexibility and practical assistance with paying Council bills.	Delay collection / offer alternative payment terms as a matter of routine. Financial inclusion team...?	Finance and Customer Experience to agree parameters for scheme. Seek advice from Early Intervention and Community Empowerment on actions that could be taken and consider implications ahead of next meeting.	Finance, in conjunction with Customer Experience
Rent Collection	Housing rent arrears. Tenanted Non-Residential Properties rent arrears.	Evaluate guidance from Scottish Government schemes when received. Seek advice from EI & CE and Corporate Landlord on appropriate recommendations that should be applied and consider implications ahead of next meeting of Urgent Business Committee. Agree no new collection action on unpaid debts taken for period of 1 months, subject to regular review.	Early Intervention & Community Empowerment Corporate Landlord

Resilience of the City Council – the institution

Principles:	Measures:	Actions:	Lead Chief Officer:
Protect Balance Sheet	Movement in Usable Reserves (earmarked and unearmarked). Liquidity Ratios.	Early forecast of 31/3/20 and 31/3/21 balances.	Finance

	<p>Long-Term Asset Value.</p> <p>Long-term / Short-term borrowing.</p> <p>Long-Term Investment Value.</p> <p>Movement in Pension Liabilities.</p>	<p>Active management of cashflow.</p> <p>Review impact of economic position with valuers/audit.</p> <p>Consider additional L-T borrowing prior to year end and for Q1.</p> <p>Establish risk to ASV value at 31/3/20 and 31/7/20.</p> <p>Monitor value of pension liabilities.</p>	
Deliver Revenue Budget	<p>Achieve savings for year ahead.</p> <p>Deliver balanced budget 2020/21.</p> <p>Maximise 2019/20 position.</p> <p>Quantify 'real' and contingent liabilities as at 31 March 2020.</p> <p>Movement in customer income base.</p> <p>Supply chain resilience.</p> <p>Strong governance of COVID-19 additional spend.</p>	<p>Set out financial deliverables to Chief Officers.</p> <p>Close 2019/20 draft accounts per timetable and review provisions, contingent liabilities and usable reserves position.</p> <p>Collate data from Chief Officers on impact on customer income, etc.</p> <p>Re supply chain, see below.</p> <p>Instruct budget managers to work within budgets and to record costs directly attributable to COVID-19 response to activity code Z0001. CO approval required, unless DERC / CEO powers.</p>	Finance
Protect Group and Tier 1 ALEO's as going concerns	<p>Liquidity position.</p> <p>Minimise cost.</p>	<p>Obtain cashflow forecasts and liquidity resilience statements from Tier 1 ALEOs.</p> <p>Seek delegated authority for the Chief Officer – Finance to take necessary steps to support the group and Tier 1 ALEOs.</p>	Finance

Supply Chain	<p>Critical supplies under contract. On-contract compliance.</p> <p>Contract renewal pipeline known.</p>	<p>Verify critical suppliers. Instruct on-contract compliance and monitor adherence. Review contract renewals and prepare committee reports.</p>	Commercial and Procurement
Reputation and Communications	<p>Credit Rating relative to UK.</p> <p>External audit opinion and report.</p> <p>Essential spend message adhered to.</p>	<p>Manage balance sheet and respond to questions raised by Moody's. Prepare to deliver to draft accounts timetable (30 April 2020) and audit to conclude June 2020. Notify ECMT of position and emphasise through monitoring and business advice meetings.</p>	Finance