**COVID-19 Update – 3rd April 2020**

 Hope everyone is still coping at the end of another pretty intense week.

 Treasurer Societies and the LGA had a further call with MHCLG yesterday so this is a quick update from that:

 **Cost tracking**

 Treasury want some visibility on cost and income pressures due to COVID and this will be important to ensure the financial pressures on local government are well documented. I appreciate this won’t be a particularly welcomed extra burden but it will come out shortly through Delta and we will probably have a week to respond to it. Treasurer Societies have given feedback on the form to try to make it as simple to complete as possible. MHCLG accept that it will be an emerging picture of the pressures and high level estimates that will become clearer and firmer over the next few months. This will equip MHCLG with information to advocate for us.

We have also collected some more detailed information from districts on the cost/income pressures being experienced and MHCLG have found this very useful so far. When we’ve collated all the evidence we’ve been sent we will sent a copy out to you all for information and to let us know if we have missed anything significant.

**Cash flow**

MHCLG are looking again at opportunities to help with cash flow. No firm timescale or detail on this but we’ll keep you updated as much as possible.

 We have also discussed potential s114 situations. MHCLG are keen to avoid these and will have separate conversations with any authority who feels they may be in this position or close to it. They acknowledge that districts are more vulnerable.

 **Future Funding**

Treasurer Societies across the board are making very strong representations that the current £1.6bn is not enough (especially give the shares for districts). MHCLG do understand this and I am confident they are working behind the scenes but they weren’t able to share any further details. MHCLG know that we have many councils looking anxiously to the future beyond the next month or so and therefore need some type of “certainty” to help plan with greater confidence.

 **Furloughing**

 Still insufficient clarity about furloughing for traded activities of councils / owned companies. We have been promised more info but its pretty certain councils cant claim it while unclear on LA companies.

 I am sorry there is not much more I can say at this point. Rest assured representation is being made about the need for more funding in particular.

On a different topic, we also had a separate call yesterday with MHCLG/DWP and the LGA on the Council Tax Hardship Fund. I think it is fair to say that more thought is being given to how this will need to work and conversations are ongoing within the department and with software suppliers on how to make it administratively simple but also stay within the legalities of schemes. Some FAQ’s are being prepared and will be released next week which will hopefully answer some of these queries. A very significant issue however is the overall level of funding and the expectation that all current and any new LCTS customers will receive £150 of their bill (or possibly less depending on their liability). We made the point very strongly yesterday that there will be very little funding, if any, left over to deal with other hardship cases. MHCLG have said they can’t promise any extra funding but will keep this under review. If you have modelled this for your authority and are able to share how much you think will be taken up with current and new LCTS customers and how much will be available for other cases, please let me know.

 Simone Hines

President SDCT