

SUMMARY RESULTS OF SURVEY ON FINANCIAL IMPACT OF THE CORONAVIRUS ON LOCAL COUNCILS

SURVEY HEADLINES

- Conducted between 14 April and 27 April
- 1,191 responses from local (parish and town) councils with budgets up to £1m (a separate survey was carried out with NALC's Super Councils Network comprising local councils over this threshold)
- Significant losses of income for some of the larger local councils serving larger populations, with over 100 local councils estimating a short-term first quarter of the year loss of between £25,000 and £500,000
- Two thirds of local councils report loss of income for the first quarter of the year of up to £5,000
- Three quarters of local councils estimate total additional costs as a direct result of the pandemic for the first quarter of the year of up to £5,000
- 29% of local councils have general reserve levels of between £25,000 and £99,999

SURVEY HEADLINES

- 89.69% stated liquidity and cash flow does not currently present a significant challenge to them in the first financial quarter because they have enough reserves
- Half of respondents report there could be a long term impact if the government did not introduce financial support
- Three quarters of local councils predict an increase in precept, just under half will reduced service provision, and quarter will need to close facilities
- When asked if they had attempted to access government support the most common response (67%) was 'no, we don't require any financial support at this time'
- 10% of local councils have been proactive in seeking and receiving government support through furloughing staff, business rate support and applying for a loan/grant

SURVEY HEADLINES

- When asked how they were helping to support the needs of the community, 74% said through the provision of advice and information
- Areas of activity incurring additional cost were 43% use of technology to facilitate remote meetings, next most common were information leaflets, emergency funding and costs of setting up staff to work from home
- Top five income generating facilities closed, postponed or cancelled by local councils as a direct result of the pandemic are community hubs and village halls, community events, sport/leisure facilities, markets, cafes/kiosks, and car parks
- Non-financial support requested from the government included up to date and accurate guidance, advice and information on lockdown and meetings, others included regulatory flexibilities
- Overall predicted lost income and additional costs for the first quarter of the year are in the region of £40m and £13m

NON-FINANCIAL MEASURES FROM GOVERNMENT TO HELP LOCAL COUNCILS RECOVER

- 20% called for clear, up to date and accurate guidance, advice and information for the local council sector
- Two areas in particular:
 - lockdown: clear and definitive answers as to when restrictions can be eased and the lockdown lifted; longer term guidance on lockdown measures; guidance on lifting the lockdown safely, including revised and clearer rules on social distancing that might allow facilities to re-open and services resume and guidance local councils can give when lockdown ends
 - meetings: guidance on how to conduct virtual meetings, advice on how to hold meetings remotely in areas with poor broadband connectivity or where councillors do not have internet access, better guidance for smaller councils that don't have teleconferencing or videoconferencing facilities

NON-FINANCIAL MEASURES FROM GOVERNMENT TO HELP LOCAL COUNCILS RECOVER

- 14% called for statutory deadlines to be relaxed or extended as far as possible, particularly with regards to audit, stating current extension to the audit deadline not sufficient
- an extension to the regulations allowing meetings to take place remotely or for the regulations to be made permanent
- free video conferencing facilities or funding for professional packages (as the free Zoom package limits to 40 minutes)
- extend deadline for complying with website accessibility regulations
- support to help local councils market services and facilities post lockdown and better broadband connectivity so more councils can conduct business online
- 18% used the comment box to request financial measures, including: grant funding to cover unexpected expenditure, essential operating costs of closed facilities, increased hours undertaken by the parish clerk and loss of income; reduction or removal of business rates on all council owned facilities, including toilets and cemeteries

SURVEY OBSERVATIONS

- Of the 1,191 responses 1,111 local councils have stepped up and responded directly within their communities, 379 have not incurred any additional costs, 749 local councils have
- The figure of 379 correlates with data that 431 respondents are from the smallest parish councils in respect of annual budget less than £24,999, previous research shows that this also correlates with much smaller populations; we can deduce voluntary networks and support may already exist which is why no additional cost has been incurred
- Of those local councils which have incurred costs as a direct result of responding to the crisis, 88% estimate the total cost to be up to £4,000 which correlated with Q7 can be adequately met by general reserves with 911 local councils having reserves of up to £99,999
- The results demonstrate local councils fiscal responsibility and an ability to respond promptly and effectively to community needs

ASKS OF THE GOVERNMENT

Financial support and funding:

- introduce a dedicated Coronavirus Interruption Fund managed by NALC
- extend eligibility to the Job Retention Scheme, Small Business Grant Fund, Retail, Hospitality and Leisure Grant Fund, and business rates relief, as well as to existing funding schemes for towns and parks
- payment holiday on loans from the Public Works Loans Board
- fast-track current legislation to exempt public toilets from business rates, backdated to 1 March 2020
- a further multi-year deal on council tax referendum principles

ASKS OF THE GOVERNMENT

Regulatory freedoms and flexibility:

- amend Coronavirus Act regulations regarding remote meetings to include parish meetings
- ensure local councils are not held back by a lack of express powers by a temporary extension of the general power of competence to all local councils and removing the Section 137 financial spending limit
- extend deadlines for complying with website accessibility regulations
- borrowing rules extended to cover revenue spending and relaxed requirements to evidence community support

ASKS OF THE GOVERNMENT

Effective engagement and other support:

- establish a single point of contact within the Ministry of Housing, Communities and Local Government at deputy director level or above, with specific responsibility for ensuring effective communications and engagement with NALC and the local council sector throughout the pandemic and the recovery phase
- Establish regular contact between the nine regional chief executive leads and the respective regional grouping of county associations
- promotional and marketing advice to help local councils with the recovery and get their services and places up and running quickly when restrictions are lifted