

Special Urgency Decision

Report title	Amendments to Council Budget and decisions related to Council actions as result of Covid-19	
Decision Maker	Special Urgency Decision	
Cabinet member with lead responsibility	Councillor Ian Brookfield Leader of the Council	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Finance	
Accountable employee	Alison Shannon	Chief Accountant
	Tel	01902 55 4561
	Email	Alison.Shannon@wolverhampton.gov.uk

Recommendation for decision:

That the Leader of the Council, two cabinet members, and the Chair and Vice Chair Scrutiny Board formally authorise the following decision under the special urgency provisions at paragraphs 6.10 and 6.11 of the Council's Constitution to:

1. Establish supplementary expenditure budgets totalling £9,375,304 funded by the COVID 19 Emergency Funding for Local Government Grant to support additional costs and loss of income relating to COVID 19.
2. Drawdown £2 million from the Budget Contingency Reserve to support expenditure on COVID 19 projects in excess of the above grant allocation.
3. Establish supplementary expenditure budgets totalling £10,502 funded by grant to support rough sleepers to self-isolate as a result of COVID 19.
4. Delegate authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve all virements required to support the additional costs and loss of income relating to COVID 19.

5. Agree to endorse the establishment of the Food Distribution Hub, as detailed in the report, and delegate authority to the Cabinet Member for City Environment in consultation with the Director of City Environment to enter into contracts with suppliers in relation to the Food Distribution Hub to support and protect the city's most vulnerable residents during the current national emergency.
6. Approve the provision of additional temporary accommodation through an agreement with a local hotel and delegate authority to the Cabinet Member with responsibility for City Assets and Housing, in consultation with the Deputy Chief Executive, to enter into a contract with the local hotel for the provision of temporary accommodation for homeless and others in need of urgent temporary accommodation.
7. Agree the provision of Business Rates relief, in line with emergency Government Guidance, and delegate authority to the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits, and the Director of Finance to allocate business rates relief to individual businesses.
8. Agree to the payment of Business Rates Grants by the Council, in line with emergency Government Guidance, and to delegate authority to the Cabinet Member for Resources, in consultation with Director of Finance, to establish supplementary budgets for the cost of Business Rates Grants which will be reimbursed in full by Government grant once Government have confirmed the amount to be allocated to the Wolverhampton.
9. Agree to the payment of Small Business Grants by the Council, in line with emergency Government Guidance, and to delegate authority to the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits and the Director of Finance to award grant payments to business under the Small Business Grants Fund and the Retail, Hospitality and Leisure Business Grant Fund announced by Government in line with Government Guidance.
10. Agree to establish supplementary budgets totalling £3,272,264, funded by grant to fund the Hardship Scheme and delegate authority the Cabinet Member for Resources, in consultation with the Head of Revenue and Benefits and the Director of Finance to make the required reductions in council tax and note that alternative support mechanisms will be considered and, where appropriate, funding will be provided from within the hardship fund to be used where it supports the guidance.
11. Authorise the Director of Governance to sign a contract with Sandwell Metropolitan Borough Council for additional mortuary support by the Director of Governance.

This is agreed by the following:

Leader of the Council

Cabinet member for Resources

Cabinet member.....

Chair of Scrutiny Board.....

Vice-Chair of Scrutiny Board.....

Dated – 27 March 2020

1.0 Purpose

As a result of the COVID-19 outbreak a number of changes are needed to the Council's budget approved by Full Council on 4 March 2020. These are set out in the report below.

2.0 Background

2.1 COVID 19 Emergency Funding for Local Government

The Government have announced COVID 19 Emergency Funding for Local Government totalling £1.6 billion for local authorities. Wolverhampton's allocation is £9,375,304. This funding is intended to help local authorities address the pressures they are facing in the response to COVID 19 pandemic across all the services they deliver. In particular, this funding is intended to:

- Meet the increased demand for adult social care and enable councils to provide additional support to social care providers
- Meet the extra demand and higher businesses-as-usual cost of providing children's social care
- Provide additional support for the homeless and rough sleepers
- Support those at higher risk of severe illness from COVID 19
- Meet pressures across the services, as a result of reduced income, rising costs and increased demand

2.2 In addition Government announced £3.2 million emergency support for support for rough sleepers, or those at risk of rough sleeping to ensure they are able to self-isolate to prevent the spread of the virus. Wolverhampton's allocation is £10,502.

2.3 The Council is working on a number of specific projects to support those affected by COVID 19, the Council's priority at all times is the protection of the most vulnerable, where at all possible it is seeking to support our businesses and residents at this difficult time.

2.4 **Food Distribution Hub** - Councils are being given new responsibilities to provide essential supplies to vulnerable residents who have been instructed to stay indoors for a period of 12 weeks. As a result the Council has set up a Food Distribution Hub which will provide weekly supply packages to vulnerable residents across the City, who are self-isolating in their homes. The actual cost of this hub will depend on the demand, however, initial calculations indicate that this could be in the region of £4.5 million. This will be funded from the COVID 19 Emergency Funding for Local Government Grant detailed above.

2.5 Aldersley Leisure Village has been repurposed as the food distribution hub, which will be equipped to supply between 28,000 – 33,000 of the City's most vulnerable residents with supplies for a period of 12 weeks. Food and supplies will be acquired at a wholesale level and individual packages will be prepared on site and delivered directly to residents. A

number of private sector partners have been approached in order to secure a resilient supply chain, where possible we are using local business suppliers.

- 2.6 Once operational, the hub is expected to have capacity to produce and deliver 5,000 packages per day. The infrastructure is now in place and training of redeployed council staff will take place on Monday 30 March, ready for the first shift to start the following day, Tuesday 31 March. The contents of the first packages being delivered to residents will include bread, pasta, a large box of cereal, long life milk, toilet roll, tinned beans, tinned fruit, and biscuits. A special newspaper, produced in association with the Express and Star, will also be included. This will contain self-shielding advice, key information, and reading material. Substantial infection control measures are in place at the hub, with a dedicated Environmental Health Officer on site at all times and a 24 hour cleaning team equipped with medical grade cleaning products.
- 2.7 **Rough Sleepers** - The Council is working with a local Hotel to set up temporary accommodation to accommodate rough sleepers and the homeless. This will give the council access to 74 contained rooms, to ensure that rough sleepers and those in temporary accommodation that is not self-contained (and therefore does not meet Government's current guidance) are in accommodation. With self-contained accommodation in place, we can ensure that partners, such as Good Shepherd, can help to feed those in need there. This is expected to cost in the region of £260,000, which will be funded from a combination of the COVID 19 Emergency Funding for Local Government Grant, the Rough Sleepers grant, existing budgets and potentially additional funding from Government.
- 2.8 **Business Rates Discretionary Relief** - the Government expects local billing authorities to use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief to all qualifying ratepayers, as directed through Ministerial Statements and formal guidance.
- 2.9 Awards will only be considered where the conditions to receive full reimbursement from Government are met, and where any award is not expected to be above the de minimis level for state aid requirements.
- 2.10 Due to the speed and urgency required to apply these reliefs, so that businesses are provided with some certainty regarding their liability to business rates and eligibility to reductions, approval is sought that the decision to grant the relief is delegated to the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits, and the Director of Finance.
- 2.11 **Approval to make payment of Business Grants** - The Government announced additional grant support to Small Businesses and the Retail, Hospitality and Leisure Businesses. This amount will enable grant payments to be made to eligible businesses through either the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund. Awards will only be considered where the conditions to receive full reimbursement from Government are met, and where any award is not expected to be above the de minimis level for state aid requirements.

- 2.12 Approval is sought to make these payments and** to delegate authority to the Cabinet Member for Resources, in consultation with Director of Finance to establish supplementary budgets for Business Rates Grants funded by grant once Government have confirmed the amount to be allocated to Wolverhampton and to delegate authority to the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits and the Director of Finance to award grant payments to business under the Small Business Grants Fund and the Retail, Hospitality and Leisure Business Grant Fund announced by Government in line with Government Guidance.
- 2.13 Council Tax Hardship Fund** - The Government announced a £500 million Hardship Fund to support economically vulnerable people and households in their area. Notification has been received that Wolverhampton will receive an allocation payment of £3,272,264, based on our working age caseload in receipt of council tax support, which stood at 15,149 at 31 December 2019.
- 2.14** Guidance has been provided by Ministry of Housing, Communities and Local Government on how to use the fund to deliver relief to council tax payers, economically vulnerable people and households in the Wolverhampton area. It is expected that the majority of the fund will be used to provide council tax relief, by using our discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992. We are guided to making a reduction of at least £150 for each working age household in receipt of council tax support. Consideration will also be made to use some funding to deliver increased financial assistance through other local support mechanisms.
- 2.15** Approval is sought to establish supplementary budgets totalling £3,272,264, funded by grant to fund the Hardship Scheme, delegate authority the Cabinet Member for Resources, in consultation with the Head of Revenues and Benefits and the Director of Finance to make the required reductions in council tax and to note that that alternative support mechanisms will be considered and, where appropriate, funding will be provided from within the hardship fund to be used where it supports the guidance.
- 2.16 Mortuary support** – At the request of Public Health England, and the Coroner's service, additional mortuary support is being provided across the West Midlands at Birmingham Airport. The Council is part of this agreement and the Director of Governance is requesting authorisation to sign an agreement with Sandwell Metropolitan Borough Council to share, 7.5% of the total costs, this figure is expected to be covered through specific funding from Government or if that does not materialise through the grant provided by Government detailed above. The agreement to this course of action is now requested.

3.0 Reasons for Special Urgency

- 3.1** In the light of the current situation involving COVID-19 the Council has, as a result of the Government's decision on restriction of movement, taken the decision to cancel all physical meetings until at least **15 June 2020**. In the intervening period it will use the

Council's urgent action powers for any decisions that must be taken. These powers are to be used sparingly and the guiding principles for any decisions are:

- I. Only those decisions that have to be made (ie as a result of COVID-19 or related matters, including support of businesses in this difficult time or as a result of an immovable deadline) will be made
- II. The decisions will be made or endorsed (where the decisions have to be made very urgently) using the Urgent Action powers
- III. The decisions will be made available on a regular basis to Councillors through the daily update to Councillors and in any event through a weekly round up of the decisions made through the relevant pages on the Council's website so that the Public can access them

The relevant powers under the Constitution are:

Council Decision

6.10 Urgent Decisions outside the Budget or Policy Framework

An urgent decision which is contrary to the Policy Framework or budget adopted by the Council may be taken by the Cabinet if the Chair of the Scrutiny Board agrees that the decision is urgent. If no such Chair is available (or willing) then the Mayor or in his/her absence the Deputy Mayor may agree that it is urgent before a decision is taken.

6.11 Cabinet Decision

Where an urgent decision on a matter delegated to the Cabinet is required but it is not feasible to arrange a meeting of the Cabinet, the appropriate Director, in conjunction with the Head of Paid Service is authorised to take the appropriate urgent action provided that the action shall have first been discussed with and approved in writing by the Leader (or in the Leader's absence, the Deputy Leader) and two other Cabinet Members and the Chair and Vice-Chair of the Scrutiny Board or their nominees.

The written authorisation must include details of the proposal and the justification for the course of action. Expenditure must be within existing budgets. Any action taken under this rule must be reported to the next available meeting of the Cabinet for information. Such decisions will not be subject to the usual Call In procedures set out in Part 4, although they may be examined after implementation to determine whether the justification for the course of action was appropriate.

- 3.2 This proposed decision falls into the criteria for urgent decisions set out above. As detailed above the matters covered in this report are ones that do not have authority unless covered by this report and must be made to protect the vulnerable and the financial and physical wellbeing of residents and businesses in the City.

4.0 Reasons for decision

4.1 The Council has legal and moral duties in relation to a number of aspects arising from COVID-19 this decision gives the authority to take the steps outlined in the report and to expend monies on these key issues.

5.0 Evaluation of alternative options

5.1 There are no alternatives other than taking a less thorough response to COVID-19, it is felt that this would put the Council at risk legally and morally. As such an urgent decision must be made.

6.0 Financial implications

6.1 AS/27032020/A - In response to COVID 19, the Government have awarded a number of grants to local authorities as detailed in this report to assist them with the additional costs pressures and loss of income as a result of COVID 19. Wolverhampton has currently been awarded the following grants:

- COVID 19 Emergency Funding for Local Government - £9,375,304
- Emergency Support for rough sleepers - £10,502
- Hardship Fund - £3,272,264
- Grants to small businesses – amount to be confirmed.

6.2 In total, Wolverhampton has currently been allocated £12.7 million. Therefore, approval is sought in this report to set up supplementary budgets totalling this amount, funded by grant.

6.3 The Government has also announced funding to support Small Businesses and Retail, Hospitality and Leisure Businesses. The actual grant allocation for Wolverhampton is not yet known. This report seeks delegated authority to the Cabinet Member for Resources, in consultation with the Director of Finance to establish supplementary budgets once Government has confirmed the allocation for Wolverhampton.

6.4 In addition, the report seeks draw down £2 million from the Budget Contingency Reserve to support expenditure on COVID 19 projects, in excess of the grant allocations.

6.5 The COVID 19 Emergency Funding for Local Government is intended to help local authorities address the pressures they are facing in the response to COVID 19 pandemic across all of our services. Section 2 of this report makes reference some of the projects that the Council is delivering to support those affected by COVID 19. In addition to these projects, the council will have pressures across services due to loss of income, such as the closure of the WV Active Centres, Markets, and loss of income from Car Parks. Government have stated that the Emergency Funding for Local Government grant should to be used to offset these pressures.

6.6 All costs and loss of income in relation to COVID-19 will be closing monitored and representation will be made to Government for additional funding where necessary.

7.0 Legal implications

7.1 [DP/27032020/B] - The primary legal issue is compliance with the Public Contract Regulations 2015 – whilst ordinarily there would be a requirement to carry out a process of competition in the 2015 Regulations that does not apply in an emergency such as the Covid-19 pandemic situation. However work has been carried out to ensure that best value is still being provided including seeking quotes from other providers, before entering into contracts, (where possible) and benchmarking against existing costs. Where possible we are seeking to use local providers to assist local businesses at this difficult time.

8.0 Schedule of background papers

8.1 Previous decision on budget – Council 4 March 2020

9.1 Appendices

N/a