



Individual Executive Decision Notice

Report title	Covid-19 - Allocation of Grant Funding	
Decision designation	GREEN	
Cabinet member with lead responsibility	Councillor Cabinet Member for Resources Resources	
Wards affected	(All Wards);	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee	Alison Shannon	Chief Accountant
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Report to be/has been considered by		

Summary

The Special Urgency Decisions approved on 27 March 2020 and 5 May 2020, delegated 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.

Recommendation for decision:

That the Cabinet Member for Resources, in consultation with the Director of Finance, approve virements required to support the additional costs relating to Covid-19.

Signature

Signature

Date:

Date:

1.0 Purpose

- 1.1 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, in order to respond to the increase in costs and loss of income.
- 1.2 The Special Urgency Decisions approved on 27 March 2020 and 5 May 2020, delegated authority to the Cabinet Member for Resources in consultation with the Director of Finance to approval all virements required to support the additional costs and loss of income relating to Covid-19.

2.0 Background

- 2.1 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have significant financial implications for the Council.
- 2.2 On the 19 March the Government announced Covid-19 Emergency Funding for Local Government totalling £1.6 billion for local authorities. Wolverhampton's allocation was £9.4 million. On 27 March 2020, a Special Urgency Decision approved a supplementary budget to reflect the new grant, and delegated approval 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.
- 2.3 An Individual Executive Decision Notes (IEDN) on 8 April approved the virement of the supplementary budget to service areas to reflect the financial impact of specific decisions made in response to the pandemic.
- 2.4 On the 18 April, the Government announced a further tranche of funding totalling £1.6 billion, Wolverhampton's allocation was £7.3 million, taking the overall allocation to £16.7 million.
- 2.5 On 5 May 2020, a Special Urgency Decision approved a supplementary budget to reflect this additional grant and the allocation of the budget to specific areas where budget pressures had been identified. The report identified £11 million of immediate additional cost pressures and pressures due to loss of income as a result of Covid-19.
- 2.6 The grant funding is intended to help local authorities address the pressures they are facing in the response to the Covid-19 pandemic across all services they delivery. 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 business-as-usual costs 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
- 2.7 Our current projections demonstrate that the grant will be sufficient to meet the immediate additional revenue costs and loss of income but will not address the full year impact of the cost pressures, including the delivery of budget reduction targets. A report will be taken to Cabinet in July with an update.
- 2.8 The financial implications of the pandemic are being closely monitored. This report now seeks approval to update the financial implications of key projects which have been undertaken in response to Covid-19.
- 2.9 **Personal Protective Equipment (PPE)** – PPE such as protective gloves, masks, aprons and hand-gel are required by employees, particularly those coming into contact with members of the public who may have Covid-19 to ensure they are protected. There are high levels of demand for PPE nationally, and as we move further into re-opening the economy and lockdown is relaxed, the demand for PPE will increase. The IEDN on 8 April 2020 approved an initial budget of £750,000 for the purchase of PPE. Work has continued to forecast the total cost of PPE, and the latest forecast indicate that an additional £1.3 million is required, increasing the budget to £2.0 million to support the procurement and distribution of PPE for all council services, and key partners for remainder of 2020-2021.
- 2.10 **Temporary Accommodation** – the Special Urgency Decision on 5 May 2020, approved a budget of £300,000 for the temporary accommodation facility housing rough sleepers and those in need of temporary accommodation to ensure they are self-isolating. The original contract was for a 10 week period. The extension to the contract will allow the residents with more complex needs to stay safe while partner agencies assess the best way to support them going forward. In addition, provision also includes additional cleaning to ensure staff and residents are safe. Additional funding of £100,000 is required, taking the revised budget to £400,000, this will be offset in part by some housing benefits subsidy grant.
- 2.11 The following table details the allocation of the £16.7 million grant to specific initiatives for the full year, along with the forecast cost pressures and loss of income across other council services for the period up to the end of July:

Category	Initial allocation per report of 5 May £000	Update allocation for 2020-2021 £000
Food Distribution Hub	2,925	2,925
PPE	750	2,000
Temporary Accommodation	300	400
Temporary Mortuary	793	500

Adult Social Care – additional payments	1,261	1,261
Loss of Income*	4,000	5,140
Additional costs due to service disruption & increase in provision*	967	1,509
Total	10,996	13,735

*forecast costs /loss of income for the period up to the end of July 2020.

3.0 Evaluation of alternative options

3.1 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.

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 steps to expend the grant on key services to support the Council's response to Covid-19.

5.0 Financial implications

5.1 In response to Covid-19 the Government have awarded Council two tranches of grant. Wolverhampton's total allocation is currently £16.7 million.

5.2 The Special Urgency Decisions approved on 27 March and 5 May delegated 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 in responding to Covid-19.

5.3 On 2 June 2020, the Government announced a further tranche of funding totalling £500 million for local authorities. At the time of writing this report, the specific details or allocations were not known. Any future grant allocations will be subject to a further report.

5.4 The financial implications of Covid-19 are significant and whilst the grant detailed in section 5.1 is sufficient to cover the immediate budget pressures associated with responding to the pandemic, it will not be sufficient to cover the full year cost implications, including the delivery of budget reduction targets. A report on the financial implications of Covid-19 on the 2020-2021 budget and Medium Term Financial Strategy will be reported to Cabinet in July.

5.5 This report seeks approval to update the allocation of the grant as detailed in section 2.

[AS/01072020/C]

6.0 Legal implications

6.1 The legal duty to spend with propriety falls under S.151 Local Government Act 1972 and arrangements for proper administration of their affairs is secured by the S.151 Officer as Chief Financial Officer.

[DP/20200708/A]

7.0 Equalities implications

7.1 The report has no direct equalities implications, however, the Council's response to Covid-19 will support the most vulnerable residents across the City.

8.0 Climate change and environmental implications

8.1 There are no direct climate change and environmental implications.

9.0 Human resources implications

9.1 There are no direct human resource implications.

10.0 Corporate Landlord implications

10.1 There are no direct corporate landlord implications.

11.0 Covid Implications

11.1 The Covid-19 pandemic has had a significant international, national and regional impact, and will continue to have significant financial implications for the Council. Whilst the direct financial impact of the pandemic was limited in 2019-2020, it will have a significant impact on 2020-2021 and future years. Cabinet will be presented with a report in July 2020 which will provide more detail on the budget implications and the Medium Term Financial Strategy.

12.0 Schedule of background papers

12.1 2020-2021 Budget and Medium Term Financial Strategy 2020-2021, report to Full Council on 4 March 2020

Special Urgency Decision – Amendments to Council Budgets and decisions related to Council actions as result of Covid-19 – March 2020

Covid-19 Allocation of Grant Funding, Individual Executive Decision Notice, 8 April 2020

Special Urgency Decision – Amendments to Council Budget and decisions related to Council actions as result of Covid-19 – May 2020