

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
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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 £6.118 million funded by the COVID 19 Emergency Funding for Local Government Grant to support additional costs and loss of income relating to COVID 19.
2. Establish supplementary expenditure budgets totalling approximately £790,000 funded by the Contain Outbreak Management Fund from Government. The budget will be established when the grant total is formally confirmed by government.
3. Establish supplementary expenditure budgets totalling £117,430 funded by the Department of Transport to support the additional costs of home to school transport due to 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. Approve the free School meal scheme for children in need in the City of Wolverhampton for the October half term as set out in paragraph 2.13 – 2.19 with an approximate cost of £250,000.

This is agreed by the following:

Leader of the Council – Councillor Ian Brookfield

Cabinet member – Councillor Linda Leach

Cabinet member - Councillor Stephen Simkins

Chair of Scrutiny Board - Councillor Paul Sweet

Vice-Chair of Scrutiny Board – Councillor Jonathan Crofts (signed with reservations)

Dated – 23 October 2020

1.0 Purpose

As a result of additional funding provided by Government relating to 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. In addition authority is needed to provide free school meals to children in need during October half term.

2.0 Background

2.1 COVID 19 Emergency Funding for Local Government

2.2 Government has given a commitment to provide local authorities with the resources required to respond to the Covid-10 crisis. The Government has previously announced funding totalling £19.429 million which has been reflected in the Council's budget following approval through Special Urgency Decisions. Individual Executive Decision Notices have approved the virement of the supplementary budget to service areas to reflect the financial impact of specific decisions made in response to COVID-19.

2.3 On 22 October the Council received confirmation of a further allocation of £6.1 million, from a national total of £1bn, bringing the total grant to £25.547 million.

2.4 This report seeks approval to increase the budget for 2020-2021 to reflect the additional grant. Delegation is sought to give authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve any further virements that might be required to support the additional costs and loss of income relating to COVID 19.

2.5 Contain Outbreak Management Fund

2.6 On the 19 October the Council was notified that we will be eligible for a series of payments from the Contain Outbreak Management Fund to support proactive containment and intervention measures:

- A payment of up to £1 per head of population will be provided to Local Authorities in Local COVID Alert Level Medium. This will be disbursed as soon as public health activities have been agreed with the relevant Regional Convenor.
- Where Local Authorities move to Local COVID Alert Level High or Very High this financial support will automatically be increased to £3 per person and £8 per person respectively.
- This funding is incremental, not additional.
- Funding is one-off. Repeated movement between Local Alert Levels will not enable reoccurring support from this fund.

2.7 The Council is currently in Local COVID Alert Level High and therefore we anticipate funding of approximately £790,000 in line with the allocation methodology. Formal notification of the amount of grant has not yet been received.

2.8 Financial support for Local Authorities at Local COVID Alert Level Medium and High is to fund the following activities:

- a. Targeted testing for hard-to-reach groups out of scope of other testing programmes.
- b. Additional contact tracing.
- c. Enhanced communication and marketing e.g. towards hard-to-reach groups and other localised messaging.
- d. Delivery of essentials for those in self-isolation.
- e. Targeted interventions for specific sections of the local community and workplaces.
- f. Harnessing capacity within local sectors (voluntary, academic, commercial).
- g. Extension/introduction of specialist support (behavioural science, bespoke comms).
- h. Additional resource for compliance with, and enforcement of, restrictions and guidance

2.9 This report seeks approval to increase the budget for 2020-2021 to reflect the additional grant once the formal notification of our allocation is received. Delegation is sought to give authority to the Cabinet Member for Resources, in consultation with the Director of Finance to approve any further virements that might be required to allocate this funding to specific budget areas.

2.10 Home to School Transport

2.11 The council has been allocated funding by the West Midlands Combined authority from the Department of Transport grant to support the additional costs of transporting children with special needs from home to school due to Covid-19.

2.12 This report seeks approval to increase the budget for 2020-2021 to establish supplementary expenditure budgets fully funded by grant to support home to school transport.

2.13 Free School Meals (FSM)

2.14 During the partial school closures as a result of the Coronavirus Pandemic schools were required to provide FSM (for pupils with a current benefits- related FSM claim) who were not attending school during term time. In addition, Government funding was allocated to provide FSM throughout school holiday periods, most recently through the Covid Summer Food Fund. This fund supported schools to offer supermarket vouchers at a weekly value of £15 per eligible pupil, to families for the Summer Holiday period. On 21.10.2020 MPs rejected a motion to provide FSM to pupils in England over the October Half Term. Following that decision this decision sets out the Council's proposal to deal with this issue in Wolverhampton.

2.15 There are currently approximately 16,000 pupils in Wolverhampton with a current FSM claim. Due to the nature of the Universal Credit applications, at any one time there remains a large group of pupils with a 'pending' claim for whom eligibility for FSM cannot

be confirmed until their families' Universal Credit application has been processed. Application processing times vary but on average take 4-6 weeks. Pupils in this group are particularly vulnerable to food poverty as new Universal Credit applications tend to correlate with a change in economic circumstances. Many schools currently provide school meals to pupils in these groups and waive the charges as per their right to do so under the Education Act (2011). There are currently c5000 pupils who are eligible for "flexi-charging". This is in relation to families are either a) in receipt of Working Tax Credits and therefore ineligible but may be on a low income or b) receive Universal Credit but have an overall income that slightly exceeds the threshold for FSM eligibility. Many schools also currently provide school meals to pupils in this group and waive or reduce the charges as per their right to do so under the Education Act (2011).

2.17 The maximum cost of providing FSM to each of these pupils over the October Half Term would be £250,000. This estimate is based on the cost of providing a supermarket voucher at the value of £15 for each eligible child with a supermarket voucher model (being the most expensive option available).

2.18 The proposed approach is a flexible model:

- Allow schools to choose the type of additional provision they offer – vouchers or parcels
- Reimburse schools for this FSM provision in the October half term rather than purchasing vouchers on their behalf
- Encourage schools to use cost effective approaches so that they are able to support more pupils. For examples, pupils with 'pending' applications or those eligible for flexi charging.
- Remind schools that they can 'top up' provision within their rights under the Education Act (2011) where they choose to do so and that this will be reimbursed by the Council.

2.19 The Council will seek to alleviate the administrative burden on schools. For example by

- Creating a letter that schools can send to parents
- Providing contact details and ordering information for those Sodexo registered and for large supermarkets
- Providing telephone support for 'troubleshooting' over the October Half Term in the same way as during the partial school closures

3.0 Reasons for Special Urgency

3.1 In the light of the current situation involving COVID-19 the Council will use its urgent action powers for any urgent decisions that must be taken that cannot wait for the next formal meeting. These powers are to be used sparingly and the guiding principles for any decisions are:

- I. Only those decisions that have to be made urgently (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 set an additional supplementary budget to

meet the additional costs/reduced income as a result of Covid-19 take the steps outlined in the report and to expend monies on these key issues.

- 4.2 This decision also ensures that children normally in receipt of free school meals will not go hungry during the October half term.

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. The Council must ensure that the budget is revised to account for the additional funding received from Central Government and the continuing financial pressures as a result of Covid-19.

6.0 Financial implications

- 6.1 In response to Covid-19 the government have awarded the council a fourth tranche of COVID 19 Emergency Funding totalling £6.1 million. This report seeks approval to create a supplementary budget to reflect the additional grant allocation.
- 6.2 Funding has been secured through the West Midlands Combined Authority from the Department of Transport to support the additional costs of transporting children with special needs from home to school due to Covid-19. This report seeks approval to create a supplementary budget of £117,430 to reflect the additional grant allocation.
- 6.3 Approval is also sought to utilise approximately £250,000 of fund provision of food through schools as outlined in the body of the report.

[CN/23102020/U]

7.0 Legal implications

- 7.1 **Finance** - The Council's executive and officers are only permitted to make decisions in line with its set budget and this decisions ensures that any delegated decisions made to incur additional expenditure as a result of Covid-19 are lawful and properly account for the additional grant received by Central Government. [DP/20201023/A]

8.0 Schedule of background papers

- 8.1 2020-2021 Budget and Medium-Term Financial Strategy 2020-2021 to 2023-2024, report to Full Council on 4 March 2020

Amendments to Council Budget and decisions related to Council actions as result of Covid-19, Special Urgency Decision, 27 March 2020

Decisions related to Council actions as result of Covid-19, Special Urgency Decision, 29 April 2020

COVID 19 – Allocation of Grant Funding, Individual Executive Decision Notices, 8 April 2020

Amendments to Council Budget and decisions related to Council actions as result of Covid-19, Special Urgency Decision, 5 May 2020

Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, Cabinet, 29 July 2020

9.1 Appendices

N/a