Summary

This report seeks the Chief Executive’s approval, using urgency powers, to approve the addition of the COVID-19 grant funding, made available by the MHCLG, to the Council’s revenue budget.

1. Budget and Policy Framework

1.1 It is the responsibility of Cabinet to ensure that expenditure remains within the budgets approved by the Council, but it remains the responsibility of Council to approve additions to the Capital Programme and Revenue Budget.

1.2 Therefore, it is proposed that the Chief Executive uses the urgency provisions as set out in paragraph 4.1 of the Employee Delegation Scheme (including consultation with the Leader of the Council and the Leader of the Labour Group) to agree two significant additions to the revenue budget, both of which are to be funded from grant provided by Central Government. The use of these urgency provisions will be reported to Full Council on 23 April 2020 for information.

2. Background

2.1 The Government agreed a wide range of measures to support communities in responding to the COVID-19 pandemic. This includes support for council tax payers, business rate payers and for the local authority itself to fund expenditure necessarily incurred in response to the pandemic, primarily in relation to supporting and caring for vulnerable people.

2.2 The broad range of financial support available for and to be administered by the Council are summarised in this report.

3. Support for council tax payers

3.1 Medway Council has been awarded £2,056,371 of Council Tax Hardship Funding to provide a reduction on council tax bills to lower income
households, largely those already in receipt of the Council Tax Reduction Scheme discount. Under urgency powers, the Leader of the Council has already (on 27 March 2020) delegated authority to the Chief Finance Officer, in consultation with him, to devise and implement a scheme for the distribution of this funding to council tax payers in Medway. No further decision is required.

4. **Support for business rate payers**

4.1. The Government also announced a couple of significant measures to support small business.

4.2. Firstly, retail relief available to small businesses has been extended from 50% to 100%, with specific rules covering public houses and non-maintained nursery settings. The Government has funded this through additional Section 31 grant and Medway’s allocation amounts to circa £5.7 million. This too was approved by the Leader under urgency powers on 27 March 2020 and will be applied automatically to the rates bills for eligible businesses.

4.3. Secondly, small businesses eligible for small business rate relief are also entitled to a one-off cash grant of at least £10,000. Businesses in the retail, hospitality or leisure sector in England may also be entitled to a cash grant. Eligible businesses occupying property with a rateable value of less than £15,000 will be entitled to a grant of £10,000. This increases to £25,000 for property with a rateable value between £15,000 and £50,999.

4.3. Medway Council’s requirement has been estimated at £39.7 million and this will be paid to the Council, on account, on 1 April. This will be treated as an addition to the 2020/21 revenue budget and administered in accordance with the Government guidance. The Chief Executive is requested to approve the addition of this funding to the revenue budget under urgency powers.

5. **Support for the local authority**

5.1. Finally, the Council also received £6.628 million of COVID-19 emergency funding from the government. The funding is being provided to help support local authorities respond to the Covid-19 pandemic and to help address the pressures local government is facing. Government has suggest spending the funding in the following areas:

- Meeting the increased demand for adult social care and enable councils to provide additional support to social care providers;
- Meeting the cost of extra demand and higher business-as-usual costs of providing children’s social care;
- Providing additional support for the homeless and rough sleepers;
- Supporting those at higher risk of severe illness from COVID-19, who may soon be asked to self-isolate in their homes for the duration of the pandemic;
• Meeting pressures across other services, as a result of reduced income, rising costs or increased demand.

5.2. Whilst the Government has set out some expectations for its use, the grant is not ring-fenced and there are no specific conditions attached, other than that it should be used to meet costs arising directly from the COVID-19 pandemic. Expenditure against this grant will be carefully monitored and the Finance division have set up a range of cost centres to capture and record this spend.

5.3. The Chief Executive is requested to approve the addition of this funding to the 2019/20 revenue budget under urgency powers.

6. Risk management

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<tr>
<th>Risk</th>
<th>Description</th>
<th>Action to avoid or mitigate risk</th>
<th>Risk rating</th>
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<tbody>
<tr>
<td>That grant funding is insufficient to cover the additional costs arising from COVID-19.</td>
<td>Whilst significant, the grant may still not be sufficient to cover the costs of maintaining statutory services for vulnerable people, including protecting staff, support for the social care provider market, safeguarding vulnerable children and adults and responding to an anticipated increase in the number of families presenting as homeless or vulnerable people rough-sleeping.</td>
<td>Systems and processes have been put in place to capture and monitor expenditure directly incurred in response to COVID-19. All major spend is being recorded in the risk / decision logs and agreed by either Tactical or Strategic Command.</td>
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7. Financial implications

7.1. The financial implications are laid out in the body of the report.

8. Legal implications

8.1. The Covid-19 pandemic is an unprecedented national and global event requiring urgent intervention by State and Local Authorities. The use of urgency powers will enable a fast and effective response by the Council and is in entirely line with the Constitutional provisions for urgent decision making.

9. Decision by the Chief Executive

9.1. That the Chief Executive (using urgency powers (in place of referring this matter to Full Council)) agrees to the following additions to the revenue budget, both of which are to be funded from grant provided by Central Government:
• £39,712,000 to fund the provision of small business grants to eligible businesses in Medway;
• £6,628,475 to fund expenditure incurred by the Council in responding to the COVID-19 emergency.

9.2. The use of these urgency provisions will be reported to Full Council on 23 April 2020 for information.

…………………………………………………….. (signed) ………………..(date)

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