

# Policy & Resources Urgency Sub-Committee

Date: **31 March 2020**

Time: **10.00am**

Venue **Hove Town Hall**

Members: **Councillors:**, Platts, Mac Cafferty, Bell, Gibson and Miller

Contact: **Mark Wall**  
Head of Democratic Services  
01273 291006  
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# AGENDA

## 1 PROCEDURAL MATTERS

- (a) **Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.
- (b) **Declarations of Interest:**
- (a) Disclosable pecuniary interests;
  - (b) Any other interests required to be registered under the local code;
  - (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

- (c) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

**NOTE:** Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

*A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.*

## A CITY WORKING FOR ALL

## 2 ROYAL PAVILION AND MUSEUMS - EXTENDING THE TRANSITION INTO TRUST

1 - 4

Report of the Executive Director for Economy, Environment & Culture.

Contact Officer: Ian Shurrock, Donna Chisholm Tel: 01273 292084

Ward Affected: All Wards

**3 COVID-19 DESIGNATION OF OFFICERS FOR ENFORCEMENT PURPOSES 5 - 10**

Report of the Executive Lead Officer for Strategy, Governance & Law.

*Contact Officer: Mark Wall*

*Tel: 01273 291006*

*Ward Affected: All Wards*

**4 COVID19 - FINANCIAL RESPONSE AND IMPLICATIONS FOR THE COUNCIL 11 - 26**

Report of the Acting Chief Financial Officer.

*Contact Officer: Nigel Manvell*

*Tel: 01273 293104*

*Ward Affected: All Wards*

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**FURTHER INFORMATION**

For further details and general enquiries about this meeting contact Mark Wall, (01273 291006, email [mark.wall@brighton-hove.gov.uk](mailto:mark.wall@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication – Friday 27 March 2020

**POLICY & RESOURCES  
(URGENCY) SUB-COMMITTEE  
VIRTUAL MEETING**

**Agenda Item 2**

Brighton & Hove City Council

|                          |  |   |                          |
|--------------------------|--|---|--------------------------|
| <b>Subject:</b>          | <b>Royal Pavilion and Museums – Extending the Transition Period into Trust</b> |   |                          |
| <b>Date of Meeting:</b>  | <b>31<sup>st</sup> March 2020</b>  |   |                          |
| <b>Report of:</b>        | <b>Executive Director, Economy, Environment &amp; Culture</b>                  |   |                          |
| <b>Contact Officer:</b>  | <b>Name:</b>   | <b>Donna Chisholm</b>   | <b>Tel: 01273 292571</b> |
|                          | <b>Email:</b>  | <a href="mailto:donna.chisholm@brighton-hove.gov.uk"><b>donna.chisholm@brighton-hove.gov.uk</b></a> |                          |
| <b>Ward(s) affected:</b> | <b>All</b>   |   |                          |

**FOR GENERAL RELEASE**

By reason of the special circumstances, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency for the following reason: given the rapid escalation of the situation with Coronavirus the Council needs to make a decision in relation to the transfer.

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the report had to be compiled at short notice having regard to national developments

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 5th December 2019 the Policy and Resources Committee agreed to transfer the Royal Pavilion and Museums (RPM) into a Trust. The purpose of moving the service to the Royal Pavilion and Museums Trust (RPM Trust) is to secure a sustainable, resilient and successful future for what are significant cultural assets in the city. This transfer was agreed for 1<sup>st</sup> April 2020. The museums service is unique and highly-regarded with delivery provided by a dedicated professional team who are key to its future success.
- 1.2 The coronavirus (Covid-19) pandemic has resulted in the closure of all theatres, museums and galleries across the UK for an unspecified period. The RPM closed to the public on 18<sup>th</sup> March 2020 for the foreseeable future.
- 1.3 In light of the closure of the RPM, and the uncertainty surrounding a date for reopening, the RPM Trust have requested that the council agrees to extend the period leading up to transfer for six months, to 1<sup>st</sup> October 2020. This means the RPM would remain with the council and funds to cover the cost of the closed service will require budget provision in 2020/21.
- 1.4 Furthermore, The RPM Trust have requested the option to extend the transition

period to 1<sup>st</sup> April 2021, if coronavirus (Covid-19) continues to act as a major constraint on the recovery of the visitor economy and in particular on the reopening of cultural assets such as museums. Trustees have emphasised their commitment to the transfer of the RPM to trust as soon as practically possible.

## **2. RECOMMENDATIONS:**

- 2.1 That members note that the impact of the coronavirus (Covid-19) pandemic has resulted in the closure of the Royal Pavilion & Museums until further notice;
- 2.2 That members agree to extend the transition period for the Royal Pavilion & Museums to move into Trust from 1<sup>st</sup> April to 1<sup>st</sup> October 2020, a period of six months.
- 2.3 That members note, in accordance with the decision of Policy & Resources Committee on 19<sup>th</sup> March 2020, the decisions above will be given effect to by the Executive Director for Economy, Environment & Culture.
- 2.4 That members note that a further extension of the move to Trust to 1<sup>st</sup> April 2021 may be necessary if coronavirus (Covid-19) continues to constrain the visitor economy to the extent that cultural assets are unable to reopen by 1<sup>st</sup> October 2020.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Policy & Resources Committee agreed at the meeting on 5<sup>th</sup> December 2019 to transfer the museums service to the RPM Trust on 1<sup>st</sup> April 2020. In addition, a number of other recommendations were approved to enable the transfer to take place including RPM Trust governance, finance/pensions, legal work, staffing and HR, property, ICT systems & information governance.
- 3.2 That report was very detailed and followed a series of previous reports on the transfer. Therefore, background information is not repeated in this report. These approvals remain in place.
- 3.3 Following the closure of the RPM on 18<sup>th</sup> March and the continued spread of the virus leading to a lockdown across the UK, Trustees requested a meeting with council officers on 24<sup>th</sup> March to discuss the transfer. Following this meeting, Michael Bedingfield, the chair of the Trust, wrote to the council requesting a new date for the transfer, with the option to extend further.
- 3.4 Within the proposed transition period there is more we can do to prepare for the best possible future for the RPM. Through a combination of self-isolation, illness and lockdown, some operational elements have not been completed by external parties, so there are still areas which would benefit from extra preparation time.
- 3.5 The Arts Council England (ACE) have confirmed (15<sup>th</sup> March) that their grant for 2020/21 of £700,000 will be honoured even if the RPM remains closed for a considerable period of time. This support is part of the ACE response to the virus for all National Portfolio Organisations, of which RPM is one. RPM staff will explore whether the emergency funds announced yesterday by ACE can be

drawn upon to support the RPM through the months of closure. Other funding opportunities will be explored as they emerge.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The council would be obliged to fully assist with the costs of running the RPM during this unprecedented closure regardless of whether the assets were within the council or placed in trust. This is because it is unlikely that the newly formed trust could financially support the RPM when is not generating any income over a prolonged period.
- 4.2 Should the RPM reopen before 1<sup>st</sup> October, all income generated would be retained by the Council. The council will not be required to provide a grant to the trust for the six months of 2020/21 that the RPM remains in the Council.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The RPM Trust have been fully consulted on this report.
- 5.2 Engagement regarding the proposed extension of the transition has taken place with the Trade Unions. All staff have received a communication regarding the proposals contained within this report.

#### **6. CONCLUSION**

- 6.1 The rapid spread of Coronavirus (Covid-19) which led to the closure of the RPM on 18<sup>th</sup> March is unprecedented. This has resulted in the RPM Trust requesting an extended period of transition for the service to move into trust.
- 6.2 The chair of the RPM Trust has written to the council requesting that the transfer date is moved to 1<sup>st</sup> October 2020. This allows for the virus to subside and for the visitor economy to recover sufficiently to create better conditions for the transfer and the trust to succeed. This is considered to be the best course of action by officers.
- 6.3 Should conditions not improve, or there is a second outbreak of the virus, the RPM Trust have requested the option to extend further to 1<sup>st</sup> April 2021. Given the unclear situation with regards to the likelihood of the virus recurring, this is considered by officers to be a reasonable request.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The closure of the RPM will have an adverse financial impact on the council mainly due to a loss of visitor income. The potential financial impact of closure will be regularly review and reported as part of the budget monitoring process. As mentioned in the main body of the report, ACE have confirmed that their grant for 2020/21 will be honoured and additional external funding opportunities are being explored to support the RPM through potential months of closure.

- 7.2 It has been assessed that the closure of the RPM would significantly impact the financial model of the RPM Trust, and it is unlikely that it could financially support the service during a prolonged period of closure without additional financial support from the council.
- 7.3 The report to Policy and Resources Committee on 5th December 2019 approved the indicative service fee payable to the RPM Trust. The financial model for the RPM Trust will be reassessed to take account of the proposed extension and appropriate approvals will be sought for any required changes to the service fee.

*Finance Officer Consulted: Steven Bedford*

*Date: 27/03/20*

Legal Implications:

- 7.4 A number of legal documents were approved by Policy & Resources on 5<sup>th</sup> December 2019. They will be executed in order to affect the transfer. The legal implications of the transfer have been set out in previous reports.

*Lawyer Consulted:*

*Alice Rowland*

*Date: 27/3/20*

Equalities Implications:

- 7.5 An Equalities Impact Assessment of the service was provided as an appendix to the report considered by P& R Committee on 5<sup>th</sup> December 2019.

Sustainability Implications:

- 7.6 The focus of this report is the sustainability of the RPM Trust in the short term.

Brexit Implications:

- 7.7 None directly

Risk and Opportunity Management Implications:

- 7.6 There would be significant risk associated with the transfer of the RPM on 1<sup>st</sup> April 2020, given the service is not generating any income. RPM employs 190 people and their jobs may have been in jeopardy. The option to remain in the council protects the assets and the newly formed trust during this uncertain time.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Background Documents**

1. Report to Policy & Resources Committee dated 5<sup>th</sup> December 2019.



**POLICY & RESOURCES  
(URGENCY) SUB-COMMITTEE  
VIRTUAL MEETING**

**Agenda Item 3**

Brighton & Hove City Council

|                          |               |   |                          |
|--------------------------|---------------|---|--------------------------|
| <b>Subject:</b>          |               | <b>Covid-19: Designation of Officers for enforcement purposes</b>                     |                          |
| <b>Date of Meeting:</b>  |               | <b>31 March 2020</b>  |                          |
| <b>Report of:</b>        |               | <b>Executive Lead Officer for Strategy, Governance &amp; Law (Monitoring Officer)</b> |                          |
| <b>Contact Officer:</b>  | <b>Name:</b>  | <b>Abraham Ghebre-Ghiorghis</b>   | <b>Tel: 01273 291500</b> |
|                          | <b>Email:</b> | <b>Abraham.ghebre-ghiorghis@brighton-hove.gov.uk</b>                                  |                          |
| <b>Ward(s) affected:</b> |               | <b>All</b>  |                          |

**FOR GENERAL RELEASE**

By reason of the special circumstances, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency for the following reason: given the rapid escalation of the situation with Coronavirus and having regard to government guidance, the Council needs to put arrangements in place for the enforcement of the regulations and cannot wait until the next scheduled meeting of the committee..

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the report had to be compiled at short notice having regard to national developments

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report proposes the designation of officers for the purposes of enforcement of the provisions regarding closure of certain business premises during the coronavirus crisis in accordance with the provisions of the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020.

**2. RECOMMENDATIONS:**

- 2.1 That Members agree the designation of the officers listed in paragraph 3.5 of the report for the purpose of the enforcement of the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 to the extent permitted by those Regulations and recommend its implementation by the relevant Chief Officers.
- 2.2 Note that, in accordance with the powers delegated to officers by Policy & Resources Committee on 19<sup>th</sup> March, the above will be given effect to by the Executive Director for Housing, Neighbourhoods and Communities and other relevant Chief Officers.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 As one of the measures to control the spread of the coronavirus, the Coronavirus Act 2020 gave the Secretary of State for Health the power to introduce regulations to close certain premises during the period of the crisis. The secretary of state made the Health Protection (Coronavirus, Business Closure) (England) Regulations 2020 and these have now been updated and superseded by the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020. <http://www.legislation.gov.uk/ukxi/2020/350/made>
- 3.2 The regulations require all food and drink outlets listed in part I in the Appendix to this report to close for the purpose of serving customers on the premises. The regulations require the businesses listed in appendix 1 to close.
- 3.3 The police and local authorities are designated as the enforcement authorities for the purposes of the Act and regulations. The role of local authorities is limited to the closure of premises while that of the police covers all activities restricted by the regulations. Local authorities are authorised to designate officers as enforcement officers for the purposes of the Act and regulations Failure to comply with the requirement to close relevant premises is a summary offence.
- 3.4 Food outlets are permitted to sell food for consumption off the premises, but not on adjacent land. Where the business consists of a mixed use, the requirement to close applies to parts of the business required to close.
- 3.5 Having regard to the enforcement work already carried out by Council officers, including food hygiene, trading standards, environmental health, highways and others, and having regard to the level of experience and expertise available, it is proposed to designate the following categories of officers as enforcement officers for the purposes of the regulations:
- Regulatory services managers
  - Environmental Health Officers
  - Senior Licensing Officer
  - Technical Officers in Environmental Health and Licensing Team
  - Trading Standards officers
  - Fair Trading Officers
  - Highways Enforcement Officers
  - Field Officers
  - Seafront Team
- 3.6 It is proposed that the Head of Safer Communities oversees the operation of the enforcement work and may issue guidance and provide training, standard forms etc to ensure efficient discharge of the functions and ensure appropriate professional standards and quality control.
- 3.7 The enforcement function is shared with the police and there will need to be a co-ordination of approach to avoid duplication and inconsistency. It is hoped that the focus will be more on informing, encouraging, persuading and cautioning with prosecution as a last resort or in cases of flagrant breach. Under the Council's

constitution, the institution of legal proceedings needs to be approved by the Solicitor to the Council (Monitoring Officer.)

- 3.8 The Secretary of State is required to review the restrictions every 21 days with the first review being carried out by the 16<sup>th</sup> April and the intention is that they are removed as soon as the risk is illuminated or reduced to a manageable level.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The designation of officers and the enforcement of the requirement to close certain premises is a power rather than a duty. However, given the serious risk to public health the Council would be criticised, and potentially legally challenged, for failure to use the powers to protect the public. The designation of officers to enforce the regulations is an enabling measure and Officers will be able to assess the situation and exercise discretion on whether and how to use the powers.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 There was insufficient time to engage or consult with the community and the designation of officers in itself is not something that requires consultation.

#### **6. CONCLUSION**

- 6.1 The proposals in this report will enable the Council to support measures to reduce the risk of infection by designating officers for enforcement purposes. They will be kept under review and, if necessary, consolidated as part of the review of the constitution.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 It is not expected that there will be significant financial implications arising from the proposals in the report. Any enforcement work will be done as part of normal duties of the officers or by a reallocation of resources within existing budgets.

*Finance Officer Consulted: Nigel Manvell*

*Date: 27/03/2020*

##### Legal Implications:

- 7.2 These are included in the body of the report

*Lawyer Consulted:*

*Abraham Ghebre-Ghiorghis*

*Date: 27/03/2020*

##### Equalities Implications:

- 7.3 There are no adverse equalities implications arising from the report.

##### Sustainability Implications:

- 7.5 None

Brexit Implications:

7.6 None.

Public Health Implications:

7.7 The proposals in the report will support the work of the Council and other agencies to protect public health by limiting the spread of infection.

**SUPPORTING DOCUMENTATION**

**Appendices:**

Appendix 1 Schedule 2 to the Protection of Health (Coronavirus, Business closures) Regulations 2020.

**Background Documents**

None

## **SCHEDULE 2 to the Regulations**

### **SCHEDULE 2 Regulations 4 and 5**

#### **Businesses subject to restrictions or closure**

##### **PART 1**

1. Restaurants, including restaurants and dining rooms in hotels or members' clubs.
2. (1) Cafes, including workplace canteens (subject to sub-paragraph (2)), but not including -
  - (a) cafes or canteens at a hospital, care home or school;
  - (b) canteens at a prison or an establishment intended for use for naval, military or air force purposes or for the purposes of the Department of the Secretary of State responsible for defence;
  - (c) services providing food or drink to the homeless.(2) Workplace canteens may remain open where there is no practical alternative for staff at that workplace to obtain food.
3. Bars, including bars in hotels or members' clubs.
4. Public houses.

##### **PART 2**

5. Cinemas.
6. Theatres.
7. Nightclubs.
8. Bingo halls
9. Concert halls.
10. Museums and galleries.
11. Casinos.
12. Betting shops.
13. Spas.
14. Nail, beauty, hair salons and barbers.
15. Massage parlours.
16. Tattoo and piercing parlours.
17. Skating rinks.
18. Indoor fitness studios, gyms, swimming pools, bowling alleys, amusement arcades or soft play areas or other indoor leisure centres or facilities.
19. Funfairs (whether outdoors or indoors).
20. Playgrounds, sports courts and outdoor gyms.
21. Outdoor markets (except for stalls selling food).
22. Car showrooms.
23. Auction Houses.

### **PART 3**

- 24.** Food retailers, including food markets, supermarkets, convenience stores and corner shops.
- 25.** Off licenses and licensed shops selling alcohol (including breweries).
- 26.** Pharmacies (including non-dispensing pharmacies) and chemists.
- 27.** Newsagents.
- 28.** Homeware, building supplies and hardware stores.
- 29.** Petrol stations.
- 30.** Car repair and MOT services.
- 31.** Bicycle shops.
- 32.** Taxi or vehicle hire businesses.
- 33.** Banks, building societies, credit unions, short term loan providers and cash points.
- 34.** Post offices.
- 35.** Funeral directors.
- 36.** Laundrettes and dry cleaners.
- 37.** Dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services relating to mental health.
- 38.** Veterinary surgeons and pet shops.
- 39.** Agricultural supplies shop.
- 40.** Storage and distribution facilities, including delivery drop off or collection points, where the facilities are in the premises of a business included in this Part.
- 41.** Car parks.
- 42.** Public toilets.

**POLICY & RESOURCES URGENCY  
SUB-COMMITTEE  
(VIRTUAL MEETING)**

**Agenda Item 4**

Brighton & Hove City Council

|                          |  |   |                          |
|--------------------------|--|---|--------------------------|
| <b>Subject:</b>          | <b>COVID-19 – Financial Implications and Support to Business and Individuals</b> |   |                          |
| <b>Date of Meeting:</b>  | <b>31 March 2020</b>   |   |                          |
| <b>Report of:</b>        | <b>Acting Chief Finance Officer</b>  |   |                          |
| <b>Contact Officer:</b>  | <b>Name:</b>   | <b>James Hengeveld</b>                      | <b>Tel: 01273 291242</b> |
|                          | <b>Email:</b>  | <b>James.hengeveld@brighton-hove.gov.uk</b> |                          |
| <b>Ward(s) affected:</b> | <b>All</b>   |   |                          |

**FOR GENERAL RELEASE**

By reason of the special circumstances, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency due to the developing situation regarding the COVID 19 coronavirus major incident and associated financial implications.

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that a range of information and guidance from government was awaited and urgent decisions are needed.

**1 PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 In response to the escalating Covid19 pandemic, the Chancellor of the Exchequer set out a range of financial initiatives to support businesses and individuals in the Budget 2020 announcement on the 11th March 2020.
- 1.2 As the national response to the pandemic has changed, so too has the chancellor's financial response package with more significant national funding being made available to support the economy and individuals.
- 1.3 This report sets out the key financial issues arising from these national funding initiatives alongside the direct financial impact of the pandemic on the council's resources and financial position. This is a fast moving environment and whilst every effort has been made to make this report as up to date as possible, new announcements are being made daily, the full implications of which can take some time to interpret and act on.

**2 RECOMMENDATIONS:**

- 2.1 That the use and allocation of the Hardship Fund and Emergency Response Fund as set out in paragraphs 4.2 to 4.4 and 4.10 of the report be approved;
- 2.2 That the progress regarding the application of Business Rate reliefs and distribution of government Business Rate grants be noted;

- 2.3 That it be agreed to pause new General Fund Capital Programme schemes as defined in paragraph 5.14 of the report until further notice;
- 2.4 That the expenditure incurred to date using Officer Urgency Powers set out in Section 5 of the report be noted;
- 2.5 That the progress and approach to meeting the requirements of the Cabinet Officer Procurement Policy Note as set out in Section 5 of the report be noted;
- 2.6 That it be noted that the Executive Director of Economy, Environment & Culture, in consultation with the Chief Finance Officer and Executive Director of Housing, Neighbourhoods and Communities, will take all steps necessary to develop a process for identifying and supporting commercial tenants in council-owned properties who present in financial difficulty and bring a report to Members where necessary or use Officer urgency powers where more appropriate;
- 2.7 That the work being undertaken to understand the risks and issues and potential support required for the city's events and arts sector be noted;
- 2.8 That the proposed payment of Casual Staff and the extension of full pay sickness absence cover as set out in paragraphs 5.26 and 5.28 of the report be agreed;
- 2.9 That it be agreed that any exceptional costs arising from the crisis that have been incurred using appropriate governance routes, including officer urgency powers, that are over and above available government emergency response funding will be a call on the council's working balance and, if this is insufficient, other earmarked reserves; and
- 2.10 That it be noted that in accordance with the powers delegated to officers by Policy & Resources Committee on 19<sup>th</sup> March, the above will be given effect to by the relevant Officers.

### **3 CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The COVID 19 coronavirus pandemic will have significant and potentially severe financial consequences for individuals, businesses and the third sector as well as for the public sector, including the council.
- 3.2 For individuals and businesses, the restrictions on movement and activity relating to social distancing measures and isolation will impact on trade, the visitor economy and jobs and would cause hardship, evictions and insolvencies without government financial and legislative protections, and accompanying support and responses from the council, other public sector agencies and the third sector.
- 3.3 The government have announced a number of measures to protect individuals and businesses including a temporary ban on evictions together with a national package of financial support distributed through various agencies, including funding provided to and through local authorities.
- 3.4 However, the council will itself experience significant financial impacts and there are a number of areas where risks have been identified including:
  - Impact on income – fees and charges for museums, cultural and event venues, off-street and on-street parking charges, commercial property and



other income streams are likely to be severely affected by closures and reductions in footfall and general economic and visitor activity;

- Council Tax receipts – these are mostly collected by Direct Debit but the economic situation could push some households into financial difficulty resulting in higher Council Tax Reduction claims and, ultimately, reduced taxation revenues and increased bad debt;
- Increase in Housing Benefit claims for existing claimants not transferred to Universal Credit – this is generally funded by government HB Subsidy but can also increase the level of overpayments and bad debt if a high volume of changes in circumstances are experienced but are not notified in a timely way;
- Business Rates – the government is providing a wide array of support to cover additional business rate reliefs and grants over the next year which needs to be closely monitored to estimate the impact and understand when and how government will reimburse local authorities;
- Cashflow implications - projections and options to keep funding flowing need to be explored but may result in borrowing earlier than planned to shore up cash flow;
- Similarly, the net result, if government funding does not match all of the additional costs, grant payments and income losses experienced by the council, could be a depletion of the working balance and reserves which may impact on long term programmes and require replenishment in future years.

#### **4 GOVERNMENT EMERGENCY FINANCIAL RESPONSE**

- 4.1 As noted, the government has announced an emergency financial support package including the funding streams identified below:

##### **Hardship Fund**

- 4.2 The chancellor announced a £500 million fund for local government to provide support to economically vulnerable households. On 24 March the council received guidance on the allocation and use of these resources. This council will receive £2.330m and is expected to provide a £150 reduction in the council bill for those households in receipt of the working age Council Tax Reduction (CTR) discount in 2020/21.
- 4.3 There are currently 10,800 claimants and therefore this additional discount will require a maximum of £1.620m on current claim numbers. The council will need to establish a flexible approach to using the remainder of the grant throughout 2020/21. There is very likely to be an increase in the number of claimants and therefore a proportion of the remaining funds will need to be earmarked to cover the extra discount during the year. A working assumption based on the increased demand for Universal Credit is that the caseload could increase by up to 20% and in this scenario a further £0.320m would need to be earmarked to cover this cost. However, government funding for PAYE workers and self-employed workers may help to limit the increase in claims although the latter is not expected to be available until June.
- 4.4 It is proposed that the remaining £0.390m is used to enhance existing discretionary and local welfare funds to support the financial needs of the most vulnerable residents.

- 4.5 The fund will be kept under review as support for individuals becomes clearer, including self-employed individuals, and the incidence of increased CTR claims becomes clearer.
- 4.6 As noted, the hardship fund is aimed at providing additional CTR for working age claimants in the CTR scheme. However, if the CTR caseload for working age claimants does increase by 20%, there will also be a loss of council tax revenues (i.e. 80% discounts) which would be approximately £2.5m. This also impacts on Sussex Police and East Sussex Fire Authority. The council's share of this loss would be £2.1m and would be reflected in the collection fund.

### **COVID 19 Emergency Response Fund**

- 4.7 On 11 March the chancellor announced a new £5bn COVID 19 response fund to provide any extra resources needed by the NHS and other public services to help them tackle the virus.
- 4.8 On 19 March an announcement was made on £2.9bn of this fund. £1.3bn has been allocated to the NHS to enhance their patient discharge process and the remaining £1.6bn has been allocated to local authorities to help respond to other coronavirus pressures across all the services they deliver. This includes increasing support for Adult Social Care provision and for services helping the most vulnerable including homeless people.
- 4.9 Of this funding £1.4bn, was allocated based on the Adult Social Care funding formula with the remaining £0.2bn based on general need. This has resulted in the council being allocated £8.157m and these funds will be received on 27 March 2020.
- 4.10 These funds are focused on social care, but the guidance also indicates that they should be used more widely to support homelessness and other exceptional costs driven by COVID 19.
- 4.11 As costs could therefore arise across a wide range of services for vulnerable children and adults it is critical that all exceptional costs are properly authorised and follow appropriate governance whether through the use of Officer Urgency Powers, including Gold Commander emergency expenditure up to £1m, or Policy & Resources Urgency-Sub decisions or normal committee decisions including officer delegations. This will ensure that allocation of the available resources is optimised and follows appropriate governance.
- 4.12 In the interim, the Chief Finance Officer will report on all identified and notified exceptional costs regularly to the Leader's Group and subsequently to available Policy & Resources Committee meetings alongside reports from officers where Urgency Powers have been utilised to incur expenditure. The CFO and Monitoring Officer will ensure that appropriate powers and governance are used in all decisions to incur exceptional costs. Where Officer Urgency Powers are used, excluding those taken by the Gold Commander, this will involve consultation with the leaders of the 3 political groups.
- 4.13 Once the demands and exceptional costs are firmed up over coming days and weeks, a report on the proposed allocation of government funds to services will be provided to the next available Policy & Resources Committee (currently planned for 30 April) for formal ratification. In the interim funding will be allocated

and held as a Corporate Budget. If total approved exceptional expenditure exceeds government emergency resources, this will also be reported together with options for the source of funding.

### **Emergency Funding for Rough Sleeping**

- 4.14 The communities secretary announced emergency funding of £3.2m to enable rough sleepers to self-isolate. This funding will be used to reimburse local authorities for the cost of providing accommodation and services to help them successfully self-isolate. The provisional maximum amount the council is entitled to claim back is £0.066m.

### **Business Rates Expanded Retail Discount**

- 4.15 On 11 March, the Budget announced that businesses in the retail, hospitality and leisure sectors, with a rateable value of less than £51,000, would pay no business rates for the whole of 2020/21. On 17 March, the government announced it would go further by removing the £51,000 rateable value threshold. These proposals will benefit approximately 2,800 business properties with an estimated total saving to the sector on business rates of £60 million.
- 4.16 As a proactive move prior to receiving government guidance, the council cancelled the direct debits for these business rates accounts to ensure there was no cash flow impact on them. The council is now preparing to re-bill business premises to reflect this 1-year discount of 100%.
- 4.17 The expanded reliefs and discounts will be funded by government Section 31 grants.

### **Business Rates Nursery (childcare) discount**

- 4.18 On the 18 March the chancellor announced that nurseries would be eligible for a business rates holiday for 2020/21. This will also be funded by Section 31 grant.

### **Grants to Businesses**

- 4.19 The Government announced there would be support for small businesses and businesses in the retail, hospitality and leisure sectors in the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLG). Detailed guidance issued on 24 March sets out the eligibility criteria that billing authorities must use to pay grants to eligible businesses and the expectation that these will be paid as soon as possible in early April.
- 4.20 The detailed guidance includes: -
- Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000 in line with the eligibility criteria as set out in paragraphs 15-21 of the guidance.
  - Under the Retail, Hospitality and Leisure Grant (RHLG) businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for the following cash grants per property.

- Eligible businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000, in line with the eligibility criteria as set out in paragraphs 22-27.
  - Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000, in line with the eligibility criteria as set out in paragraphs 22-27.
  - Businesses with a rateable value of £51,000 or over are not eligible for this scheme. Businesses which are not ratepayers in the business rates system are not included in this scheme.
- 4.21 These grants are substantial. It is estimated that over 4,000 businesses will qualify for SBGF and over 1,200 RHLG with an estimated cost of over £80 million. Government funding has been confirmed at £82.884m and will be received on 1 April.
- 4.22 In administering these grants, the council will need to confirm core details with businesses to ensure eligibility and verify banking details to make payments which will require a co-ordinated approach from the council's Revenues team and the Business Operations team (supplier payments) supported with Internal Audit and Finance oversight to ensure appropriate internal controls and minimisation of fraud risks. Certain businesses will be subject to a State Aid cap on support of €800,000 (such as chain stores) which will also require working with other councils and the valuation office to establish how this will be managed.
- 4.23 Payments will begin to be made on 3 April which is the first available automated bank transfer date following receipt of the government funding.

### **HMRC Support and Job Retention Scheme**

- 4.24 The Government has announced that all employers, including local authorities, which, due to the effect of the virus, would need to make their employees redundant or otherwise stand them down, can instead designate them as furloughed, subject to the terms of their contract or agreement with the employee. This will allow employers to apply to HMRC for the reimbursement of 80 per cent of their wages, subject to a limit of £2,500 per month. The employer may elect to top up the remaining 20 per cent.
- 4.25 However, the government guidance states that it expects that the scheme will not be used by many public sector organisations, as the majority of public sector employees are continuing to provide essential public services or contribute to the response to the coronavirus outbreak. Where employers receive public funding for staff costs, and that funding is continuing, the government expects employers to use that money to continue to pay staff in the usual fashion, and correspondingly not furlough them. This also applies to non-public sector employers who receive public funding for staff costs.
- 4.26 Council Officers are considering an appropriate process for identifying any of its own staff that meet this criteria to access these resources, however, this is expected to be very minimal. More important will be to consider suppliers at risk who pay staff through contracted payments from the council. This workstream will link to the Supplier Relief approach set out in paragraphs 5.16 to 5.18 below.

## **5 INITIAL FINANCIAL IMPACTS AND IMPLICATIONS FOR THE COUNCIL**

### **Cashflow**

- 5.1 The government's financial response has put the council at the heart of a range of support measures with significant cashflow impacts. Normally, April would be a month with a high net cash inflow to the council, principally from government Grants, Council Tax and Business Rates income. Major changes to the cashflow from government include:
- 5.2 The Grants to Businesses will see the council receiving £82.844m resources in early April that will flow out during April.
- 5.3 The business rates expanded retail discount results in a loss of income of £60m over the year. The government will provide grant to cover the council's loss, but the timing is not yet known. At Budget Council 2020/21, the council was expecting £9.5m Section 31 grant based on the scheme at that time (pre COVID 19 response); the government provided all of this grant up front on 27 March.
- 5.4 The emergency response funding of £8.157m is being paid on 27 March.
- 5.5 The majority (80%) of Council Tax is paid by Direct Debit which provides a level of certainty over resources however the impact of COVID 19 on some household incomes may result in delays in payment. Also, there is likely to be an increase in Council Tax Reduction claimants where the cost will fall to the council, Sussex Police and East Sussex Fire Authority. The Hardship fund will only support a more generous scheme, not the increased cost of the existing scheme arising from more claimants.
- 5.6 Although approximately 50% of Business Rates due in Brighton & Hove will now be funded through grant, a proportion of the remaining 50% are likely to have cashflow issues although it is difficult to estimate at this stage.
- 5.7 With cashflows changing with significant volatility, the council will need to adopt an approach to Treasury Management whereby all investments are made on a very short term basis to provide as much liquidity as possible in the immediate future. In addition, the council had planned to undertake some borrowing from the Public Works Loan Board to support cashflow and investment decisions and has so far borrowed £7.5m for the HRA at very low rates. It is possible that the council will need to borrow further to support its cashflow position, but this will be kept under review as, so far, the government have been providing funding upfront. Moving to shorter term investments, coupled with the cuts to the interest rate and undertaking borrowing will increase financing costs and reduce investment income, which will impact on the council's financing costs budget.

### **Fees Charges and Rents (non HRA)**

- 5.8 The council relies on substantial fees, charges and rental income and a significant proportion will be affected by the lockdown and closure of many businesses as well as the impact on footfall of social distancing and isolation measures. Fees and charges are a feature of most services and therefore virtually every service's income budget for 2020/21 (and to a lesser degree 2019/20) will be affected.

- 5.9 Key areas that are demand driven income include on and off street Parking income (£39.5m income budget), Leisure and venues (£6.5m) and life events (£4.0m). In addition, a further £4.5m of income would normally be generated by the Royal Pavilion and Museums. As the transition period is will be extended for 6 months, this income loss will fall to the council.
- 5.10 Further work is underway to establish the likely loss of income from these sources which will be substantial.

### **Modernisation and Savings Programmes**

- 5.11 A major risk area for the council concerns its modernisation and savings programmes. The 2020/21 budget contained a package of measures worth £9.272m. Some savings have already been delivered through deleted vacancies or straightforward efficiency measures that were already well-advanced. However, many of the more complex savings programmes require significant officer capacity including project management support, much of which has now been diverted to managing the current crisis. Many savings also require considerable consultation with service users, clients, partners and other stakeholders which cannot currently be undertaken.
- 5.12 The impact of the current crisis is therefore likely to be greatest on the largest and most complex programmes. For example, savings at very high risk include:

|  |                |
|--|----------------|
| • Community Care for Learning Disabled Adults          | £1.470m        |
| • Children's Agency Placements                         | £0.907m        |
| • Various parking tariff increases (excluding Permits) | £1.716m        |
| • Housing Temporary Accommodation                      | £0.500m        |
| • Various income generation savings across services    | £0.250m        |
| Total  | <u>£4.853m</u> |

- 5.13 There are many other savings that may be delayed or reduced in the short term. The above savings are unlikely to progress or be achievable for a minimum of 3 months suggesting a minimum part-year impact of at least £1.2m but likely to be considerably greater.

### **New Capital Programme Schemes**

- 5.14 Given the uncertainty over costs and ultimate funding of the emergency, one immediate measure that can be taken is to pause all new General Fund capital schemes until further notice. This would not include:
- The HRA funded capital programme which is self-financing;
  - Any capital schemes that are self-financing, for example, the Street Lighting programme is funded wholly from energy savings generated by erecting new street lighting;
  - Any capital schemes funded wholly from government Capital Grants or Capital Receipts.
- 5.15 Existing General Fund capital programmes will continue wherever practicable, but it is likely that those involving construction will be impacted by government restrictions on movement.

## **Supplier Payments and Relief**

- 5.16 The Cabinet Office has issued guidance (Procurement Policy Note PPN 02/2020) to the public sector that they should act quickly and take immediate steps to identify all suppliers at risk as a matter of urgency to support their survival over the coming months alongside other government support. The PPN outlines a range of measures which the council could take to support suppliers at risk. The council has written to all of its suppliers and for those identified to be at risk, has offered to alter our contractual terms and requirements, including temporarily suspending some services, changing ways of working, or changing service delivery and performance requirements. The relief the council will offer will depend on the nature of the services, goods or works being provided, the challenges faced by the supplier and the contract terms. Examples of supplier relief that can be offered include:
- Accelerated invoice payment (normal terms are 30 days or 10 days for SME's);
  - Allowing increased frequency of invoicing;
  - Payment in advance or on order (rather than on receipt);
  - Redeployment of any currently unrequired services capacity to other areas of need;
  - Change to contract requirements including an extension to current agreed end dates;
  - Change to delivery locations, frequency and timing of delivery;
  - Changes to targets and performance indicators;
  - Extension of time for contract performance;
  - Revised milestones or delivery dates;
  - Payment at usual contractual rates for certain critical services with analysis and reconciliation at a later date.
- 5.17 The council will also consider granting suppliers relief (i.e. releasing them from their obligations under the contract) on a case by case basis.
- 5.18 Where the council continues to pay suppliers who are unable to deliver services due to the COVID-19 pandemic (for example the Home to School Transport operators) it will require contractors to sign up to agreements to vary their contracts which will place obligations on them including a requirement to act on an 'open book' basis and not make a profit on services which are not delivered.

## **Specific Decisions**

### ***Expenditure using Officer Urgency Powers***

- 5.19 Due to the inability of some essential staff to access the council's network remotely but equally unable to attend due to either isolation or school closure, together with the extreme increase in national demand for equipment, the Gold Commander authorised the purchase of 200 laptops at a cost of £0.093m under paragraph 7(1)(b) of the Scheme of Delegation to officers.

### ***Purchase of Personal Protective Equipment (PPE)***

- 5.20 This is a key area of strain at the current time and the supply and distribution of PPE to many areas of front line work is an emergency. The Gold Commander will use urgency powers (up to £1m) to secure and commission appropriate PPE and arrange for its distribution in consultation with the Chief Finance Officer.

### ***Procurement of Emergency Temporary Accommodation***

- 5.21 Emergency Temporary Accommodation is expected to be required to meet a range of requirements including exceptional homelessness, accommodating rough sleepers, housing prisoners and so on. The Executive Director Health & Social Care and the Executive Director Housing, Neighbourhoods & Communities will need to use Officer Urgency Powers to secure hotel and other accommodation on the best terms negotiable in consultation with the Chief Finance Officer. These costs will be a first call on Emergency Response Funding.

### ***Community & Voluntary Sector Support***

- 5.22 A new COVID-19 emergency fund is being set up to help community and voluntary organisations in Brighton & Hove who are supporting the city's most vulnerable residents. £150,000 is being made available by the council to support organisations facing unexpected financial problems and costs as a direct result of the impact of COVID-19, either on the organisation or on the residents they support.
- 5.23 The funding will be released in three phases, with £50,000 available immediately. The remaining funding will become available as the changing needs from the emergency unfold. Any organisation that is a registered charity or community interest company operating within the city can apply for a grant of up to £5,000. The priority for this first phase of funding will be for organisations helping vulnerable residents who might miss out other support. This funding has been provided from within the existing community grants budget and in consultation with the Member Advisory Group.
- 5.24 Further consideration of support to the sector will be given as the crisis develops.

### ***Freedom Leisure:***

- 5.25 Freedom Leisure manage the council's Sports Facilities Contract and closure of the facilities results in a significant loss of income to the contractor. While costs are being minimised, it is important to protect the council's assets and assist this not for profit Trust with maintaining viability. Therefore, it is proposed to provide financial support to Freedom Leisure for three months from 1st April 2020. As for other supplier reliefs, such support would be on an "open book" basis and should Freedom Leisure be able to receive financial support beyond that currently available, the payment made would be reviewed retrospectively.

### ***Changes to HR Policies and Casual Staff Payments:***

- 5.26 Casual Staffing: There is no contractual obligation to pay casual staff if they are not required to work which includes where need has reduced as a result of the impact on services from the COVID-19 pandemic. However, where, in the immediate future, there is a reduction in work available because of the impact of COVID-19 on a service, members are recommended to maintain payments to casual staff even if they cannot work. This should apply for 12 weeks from Monday 23 March 2020 as an immediate response pending review of Government and national guidance.
- 5.27 Deployment of staff process: The council has established a process whereby staff who can be released from non-essential roles can volunteer to be deployed in other areas of the council to support the delivery of essential services during



the pandemic phase. Staff will be paid in accordance with the pay for their substantive role or at the rate of the job they have been deployed to do in another service if this is higher. These effectively work on a similar basis to secondments.

- 5.28 Full sick pay for COVID-19 related absences: The committee is recommended to agree that, during the pandemic phase, where staff are off sick as a result of COVID-19 related absence, their full pay will be maintained if they exhaust their usual entitlement to full Occupational Sick Pay.

***Council Tax, Parking, Sundry Debt and Housing Benefit Overpayment Recovery and Enforcement:***

- 5.29 The council recognises that normal debt recovery processes need to change to be sensitive to the rapidly developing situation and the potential financial hardships likely to be facing a large number of individuals and businesses. The committee are advised that all debt recovery processes will move to an approach of providing support, advice and, where applicable, sign-posting to other advice and support agencies, including money advice services and the DWP.
- 5.30 Where individuals are found to be in difficult financial circumstances they will be encouraged to apply for government support, welfare benefits and Council Tax Reduction if eligible. Where individuals are suffering short-term cash flow difficulties while making claims for support, assistance will be provided wherever possible in the form of alternative payment arrangements. In extreme cases, the council's discretionary funds and local discretionary social funds may be used, utilising existing 2020/21 budgets and the government Hardship Fund as set out earlier in the report.
- 5.31 Similarly, businesses will be sign-posted to government support. Where businesses are suffering short-term cash flow difficulties while making claims for support assistance will be provided wherever possible in the form of alternative payment arrangements for Business Rates. Businesses who are also suppliers or providers to the council under contract will also be able to contact us to discuss potential 'supplier relief' as set out in paragraphs 5.18 to 5.29.

***Commercial Tenants in Council-owned Properties:***

- 5.32 The council is landlord to a large number of SME's including café's, licenced premises, retailers, nurseries and businesses relating to the leisure and hospitality industries, all of whom have experienced an immediate impact to their turnover and income. The Commercial Tenancy Protection proposed by government will prevent any action to evict a tenant for non-payment of rent until 30 June and is in accord with the council's actions.
- 5.33 In the interim, the council will communicate with its tenants and encourage those in financial difficulty to contact the council to make alternative arrangements to provide them with the opportunity to apply for the government support including Business Rate holidays, grants and loans. This could take the form of deferrals or alternative payment arrangements. We will continue to keep all cases under review and where further support is requested, will work with the tenants to understand their circumstances and the additional support they may need, whilst trying to mitigate the financial loss to the council. This may require development of a process to review individual circumstances to streamline the approach for

which a delegation to the Executive Director of Economy, Environment & Culture is requested in consultation with the Chief Finance Officer.

- 5.34 Some businesses will inevitably be less affected or more resilient than others. Some may fail despite the support being provided if they are unable to recover their business once the impact of the pandemic subsides. It is anticipated that there will be an increase in bad debt and void units within the portfolio in this respect. In addition, some of the national retailers have already been struggling to survive and some, who are tenants of the council, may be seeking additional support. All tenants with lease expiries and break clauses will be in a stronger position to renegotiate favourable lease terms to secure their continued occupation which is also highly likely to impact on future incomes.

### ***Supporting the Economy & Events***

- 5.35 The government restrictions on movement including social distancing and isolation are severely affecting the visitor economy but will also result in many events in the city being cancelled or curtailed. These may include such events as the Brighton Festival and Fringe, the Marathon, and so on. These events and the organisations that run them are often heavily reliant on visitor income and partner contributions to make them viable and it is possible that many events, and cultural and event venues could be lost to the city for the foreseeable future if the organisations that run them cannot obtain support from either government sources, the Arts Council or other funding bodies. This may require support and intervention from the local authority if no other solutions present themselves and it is deemed important to the fabric and overall success and attractiveness of the city for residents and visitors to retain these organisations, events and venues as far as financially and practicably possible.
- 5.36 The risks and issues in this sector are being considered by the Economy & Events 'cell' which will report back on findings and options as soon as possible. In the interim, if any organisation presents in imminent danger of cash flow risk or insolvency, the Executive Director Economy, Environment & Culture, in consultation with the Chief Finance Officer, will use officer urgency powers to provide appropriate support and assistance.

### ***Other Exceptional Costs***

- 5.37 Other low level exceptional costs of £0.05m have been recorded to date and recorded against the COVID19 cost code set up to capture expenses. This is not corporately significant at this stage and has been incurred appropriately in accordance with Financial Regulations. Other areas that may incur exceptional costs are emerging daily and Appendix 1 gives an indication of areas anticipated to incur such costs.

## **6 RECOVERING FROM THE CRISIS**

- 6.1 The council is acutely aware that the focus is currently on responding to the crisis and is mobilising its staff and resources to support this effort. However, it is also fully aware that after the crisis has subsided there are likely to be a wide range of long term impacts on individuals, the business and visitor economy, the third sector and public sector agencies. Ways of working and doing business will be top of the list of things that may change forever. The council will begin to develop its thinking and approach to managing recovery and sustainability once the

logistics of the immediate crisis have been put in place and are operating effectively.

## **7 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 7.1 In the current crisis the council's response must be largely driven by government instruction and guidance. This does not always come with clear instruction and the financial mechanisms and funding are not always certain. However, the alternative to the proposed responses set out in this report would be to leave individuals and businesses at risk in an even more unsustainable situation which may have long term implications for the sustainability and recovery of the city as an economy, visitor destination and place of residence.

## **8 COMMUNITY ENGAGEMENT & CONSULTATION**

- 8.1 No specific consultation has been undertaken in relation to this report.

## **9 CONCLUSION**

- 9.1 The coronavirus (COVID-19) outbreak has given rise to an unprecedented, in modern times, emergency situation requiring all sectors to pull together to ensure that individuals and businesses can be supported and sustained in the most effective way possible with the resources available. This report highlights the financial and associated responses and approaches undertaken or being developed to ensure the council plays an effective role in providing support.

## **10 FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 10.1 The financial implications are set out in the body of the report. The key point to note is that it is not possible quantify all of the costs, losses and exceptional expenses that the authority will experience during this crisis. It is therefore not currently possible to say whether or not the government emergency funding streams will be sufficient to defray these financial impacts. Should these funds be insufficient, members are advised that the council will need to call on its reserves which may include the working balance and other earmarked reserves.

*Finance Officer Consulted: James Hengeveld*

*Date: 27/03/20*

### Legal Implications:

- 10.2 Officers have used urgency powers to take decisions in response to the Covid-19 emergency – these decisions are outlined in this report.
- 10.3 This decision is being taken by Chief Officers having consulted Members.
- 10.4 In relation to the measures outlined in this report to support businesses, the European Commission has adopted a State Aid Temporary Framework to support the economy in the context of the COVID-19 outbreak. This enables the Commission to approve national support measures including direct grants, selective, selective tax advantages and advance payments. Grants can be up to €800,000 to a company to address its urgent liquidity needs.

*Lawyer Consulted:*

*Alice Rowland*

*Date: 27/03/2020*

Equalities Implications:

- 10.5 The are no direct equalities implications arising from this report. The COVID-19 outbreak affects all areas of society. Government are making specific provisions to 'shield' those expected to most affected. The council will monitor impacts on protected characteristic equality groups as the crisis develops and ensure evidence is fed into the relevant emergency response 'cells'.

Sustainability Implications:

- 10.6 The impact on sustainability is not quantifiable at this stage.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Potential areas of exceptional cost

**Background Documents**

1. None

## Potential Areas of Exceptional costs

- Purchase of Personal Protective Equipment for front-line areas, particularly social care;
- Additional care home beds due to the required level of delayed transfers of care from hospital;
- Independent sector –provider requests for pre-placement costs to be covered;
- Additional social care staff and agency due to levels of self-isolation and sickness;
- Increase in direct payments;
- Additional support and respite due to carer shortages (as a result of self-isolation etc.);
- Supporting vulnerable clients who need to self-isolate, including rough sleepers;
- Incidental areas of expenditure such as additional laptops and mobile phones for essential and critical staff;
- Additional support to Education Agency pupils' education where schools have closed;
- Additional costs associated with paying homecare providers on planned hours rather than actual to secure resilience and sustainability;
- Loss of income from clients being discharged from hospital;
- Independent sector – planned over-staffing for fragile placements;
- Planned overstaffing for in-house provision to safeguard against closure risk;
- Cost of mobiles for Foster Carers and contact centre staff to facilitate virtual contact via whatsapp and zoom and monthly pay as you go costs;
- Increase use of parent and baby placements;
- Increase use of children's residential placements due to restrictions/lack of Foster Care placements;
- Support for children due to move out of residential/semi-independent not able to move on/back to Foster Care or independent accommodation;
- Financial support for families with no income;
- Loss of income for nursery providers both in-house and external;
- Loss of other income (school meals, fines etc);
- Additional support to sustain providers of essential services (e.g. taxis providing home to school transport);
- Assessment staff who may need to be deployed into provider services direct support areas and work additional hours;
- Procurement of emergency accommodation for a range of needs;
- Losses of income across cultural venues, event venues, on-street and off-street parking, planning, life events, highways and other areas linked to economic activity or the visitor economy;
- Loss of taxation revenues and increases in Council Tax Reduction;
- Increased use of agency for other critical services including CityClean, Life Events, Revenues & Benefits, Housing Services, etc.;
- Cost of supporting government instructions including Supplier Relief.

Please note that this list is not exhaustive and other areas will arise as time goes on.

