

Report to Council

28 April 2021

By the Chief Executive

DECISION REQUIRED



**Horsham
District
Council**

Not exempt

Grant Decisions Arising from the COVID-19 Emergency

Executive Summary

The change in the financial year has brought to the Council a batch of decisions requiring immediate action. Most of these decisions are associated with grant funding. One group of decisions is about putting new grants following the Chancellor's budget into the budget framework. Others are where we received new guidance on existing grants or where we have spent grants quickly to meet their requirements, not allowing time for them to go to Cabinet. The final decision is a request for an increase in the Local Plan consultants' budget to help Councillors get the advice they need before the proposed Council meeting in June 2021.

Recommendations

That the Council is recommended:

- i) To note the amendments to the Additional Restrictions Discretionary Grant scheme made by the Chief Executive under his Head of Paid Service powers outlined in section 3.1.
- ii) To note the contract award made by the Chief Executive prompted by the need for quick spending of the Salix grant outlined in section 3.2.
- iii) To note the Chief Executive accepted the funding from the National Leisure Recovery Fund on 29 March 2021 outlined in section 3.3.
- iv) To note the Chief Executive recommends to Council to approve the National Leisure Recovery Fund and the Containment Outbreak Management Fund budgets rather than taking them through the usual Cabinet route.
- v) To approve the addition of £288,537 National Leisure Recovery Fund money received to the Leisure budget.
- vi) To approve the addition of £147,420.85 Containment Outbreak Management Fund money received to the Environmental Health & Licensing budget for 2021/22.
- vii) To approve the addition of £412,496 Containment Outbreak Management Fund provided by West Sussex County Council to the Homelessness budget.

- viii) To delegate to the Director of Corporate Resources any amendments to the homelessness budgets of the sums passed through from West Sussex County Council for this purpose and add any further grants money for homelessness received from County to these budgets.
- ix) To approve the addition of £128,133 to the Economic Development budget for activities under the Welcome Back Fund guidance to be reclaimed from the Ministry of Communities, Housing and Local Government in arrears.
- x) To approve a £15,000 increase in the Local Plan consultants' budget for further advice.

Reasons for Recommendations

- i) The decision made under Emergency Powers helped expedite the processing of Local Authority Additional Restrictions Discretionary Grants Fund. This will help speed up the recovery on those businesses that qualify for the grants.
- ii) The decision made to award the contract for the works to St Peter's Hall and the RAFA Club to ensure the work can be completed within the timescales of the Salix grant received by the Council
- iii) Adding the National Leisure Recovery Fund and the Containment Outbreak Management Fund grant sums to the budgets will allow officers to spend them on the purposes for which they were given.
- iv) Delegating the budgetary changes for any Containment Outbreak Management Fund grant received from the County Council to the Director of Corporate Resources will prevent the need to return to Council if County make any changes to the amount received.
- v) Adding a budget for Welcome Back Fund activities will allow the Council to take the opportunity to carry out activities to benefit our High Street and claim the money back from the Government.
- vi) Councillors have asked for extra support on reaching decisions on the Local Plan. All the consultancy budgets for this are spent and therefore we need to increase the budget to provide this help.

Background Papers

Decisions Arising from the COVID-19 Emergency, Council papers, 9 December 2020.
 Improvement of Community Facilities in Denne Ward, Cabinet papers 25 March 2021.

Wards affected:

All.

Contact: Jane Eaton, Director of Corporate Resources, 01403 215300.

Background Information

1. Introduction and Background

- 1.1. Since the start of the COVID-19 emergency the Government has issued grants to the Council to issue directly to businesses. Some of these require local discretion. One of these, the Additional Restrictions Grant, led to my report to you in December 2020 telling you I had approved use of a county-wide scheme to start paying out the money received. Other grants received from Government are for the Council to spend on services to help our services keep running, support our local economy or keep our residents safe. Between the Chancellor of the Exchequer's budget on 3 March 2021 and 31 March 2021 Government issued a number of new grants and amendments to existing ones. In this report I update you on where I have used my emergency powers to starting using these grants and seek your authority to add them to the budget framework for 2021/22.

2. Relevant Council policy

- 2.1. Having a thriving local economy and having strong safe healthy communities are two of the five key priorities in our Corporate Plan.
- 2.2. The COVID-19 outbreak is profoundly impacting our local economy. This effect is especially high because so many of our businesses are small, personal services, shops, restaurants and leisure facilities as well as businesses associated directly and indirectly with the closed operations at Gatwick airport. The decisions reached as part of the Council's Emergency Response were needed to mitigate the damage the lockdown is doing to our economy. The Additional Restrictions Grants is key to the recovery of our smallest businesses.
- 2.3. The COVID-19 outbreak has also severely impacted in the physical and mental health and wellbeing of our residents. The Sports England grants support the return of our Leisure Centres and the vital role they play in maintaining the good health of our residents. The Containment Outbreak Management Grants will assist with our most physically vulnerable housing customers and with enforcement of restrictions ensuring we manage outbreaks in our area swiftly, reducing the likelihood of further lockdowns affecting our economy and our residents' health.
- 2.4. Preparing a new Local Plan is a key action under the Council's priority to make Horsham District a great place to live. The extra budget for consultants will help the Council achieve this.

3. Details

3.1. Additional Restrictions Grant

- 3.1.1. In November 2020 to expedite the distribution of the grants and provide much needed relief to businesses already badly affected by the pandemic, the Chief Executive used emergency powers to adopt the West Sussex local Additional Restrictions Grant Discretionary Scheme. The officers who developed this

scheme based it on the same sums and principles as the Local Restrictions Grants paid to business rate payers. The Chief Executive reported this decision to Council on 9 December 2020.

- 3.1.2. In March 2021 the Department for Business, Energy and Industrial Strategy updated their “Frequently Asked Questions” guidance on Business Grants and issued new guidance on Restart Grants. The Department ended the Local Restrictions Grants on 31 March 2021, when the Restart Grants replaced them. The Department issued guidance on these on 19 March 2021 ready for a start date of 1 April 2021.
- 3.1.3. The officers who wrote the original Local Restrictions Grants Discretionary Scheme amended this to match payments from 1 April 2021 to those in the Restart Grants. There was insufficient time to get this amended scheme to Council on 25 March 2021. The Chief Executive, therefore, approved the change in the scheme using his emergency powers ready for the first applications on 1 April 2021.

3.2. Award of contract for the improvements to St Peters Hall and the RAFA Club

- 3.2.1. Council on 25 March 2021 approved a budget of £630,000 for the refurbishment of St Peters Hall and the RAFA Club incorporating Salix grant funding of £238,000. To meet the requirements of the grant the work has to be completed by end September 2021. To speed up this process, officers used the Pagabo framework to identify a suitable contractor. Without another Cabinet meeting due until June 2021 there was insufficient time to take the contract back to Cabinet for award. Therefore the Chief Executive approved the award of the contract to the chosen contractor, Mountjoy.

3.3. National Leisure Recovery Fund

- 3.3.1. The National Leisure Recovery Fund is a fund provided by Sports England that was open to bids to recover leisure businesses. The Council’s leisure team submitted two expressions of interest to Sport England. One was for Horsham District Council for the four leisure facilities managed through a contract with Places for People Leisure Management Limited (Places Leisure). The other was via Storrington and Sullington Parish Council for Chanctonbury Leisure Centre. The Council was successful in its application to the Sport England administered National Leisure Recovery Fund. The Council received £288,537 in total funding.
- 3.3.2. The terms of the funding agreement meant that we needed to accept the funding within fourteen days otherwise we were at risk of losing the funding. The Chief Executive received the final funding agreement on 29 March 2021 and accepted it on the same day.
- 3.3.3. The Chief Executive asks Council to add the budget of £288,537 to the Leisure budget to enable officers to spend the money.

3.4. Containment Outbreak Management Fund

3.4.1. HORSHAM DISTRICT'S GRANT

- 3.4.1.1. On 9 April 2021 the Department of Health and Social Care informed the Council it would receive £147,420.85 in Containment Outbreak Management Fund money. The money is to be spent for public health purposes to tackle COVID-19, working to break the chain of transmission and protecting the most vulnerable. The money has to be spent in consultation with the County's Director of Public Health. The Council's Head of Environmental Health and Licensing leads this work for Horsham District Council including liaison with the Director of Public Health.
- 3.4.1.2. The Head of Environmental Health and Licensing proposes the Council uses this morning to fund four officers for six months. These officers will carry out business and public compliance monitoring and behaviour influencing in the District. They will take targeted action where necessary. The officers will work across the District and in conjunction with our other services and organisations including the Wardens, Police and Trading Standards.
- 3.4.1.3. The Chief Executive asks Council to add the budget of £147,420.85 to the Environmental Health and Licensing budget in 2021/22 to fund these officers.

3.4.2. COUNTY COUNCIL'S GRANT

- 3.4.2.1. The County Council has been in discussion with the County wide officer Housing Group, chaired by the Chief Executive of Crawley Borough Council, about use of their 2020/21 Containment Outbreak Management Fund money, given to West Sussex County Council, for homelessness. The Head of Housing and Communities represents Horsham District Council on this group. The Group proposes Councils use the money for managing debt, temporary accommodation and supporting voluntary sector organisations that work with vulnerable residents who are homeless or at risk of homelessness.
- 3.4.2.2. The County Council indicated us on 9 April 2021 they would transfer £479,814 to us to use for homelessness in the 2021/22 financial year.
- 3.4.2.3. The Chief Executive asks Council to add the budget of £479,814 to the Council's homelessness budget in 2021/22 to use for the purposes agreed across the Council.
- 3.4.2.4. The Chief Executive recommends a delegation to the Director of Corporate Resources to amend this sum, should the final sum vary and add any additional money received from County for homelessness to the budget framework without further Council approval.

3.5. Welcome Back Fund

- 3.5.1. On 23 April the Ministry of Housing, Communities and Local Government issued guidance on the Welcome Back Fund. The Ministry created this fund from £56m

of European Regional Development Funding and plans for it to build on the Reopening High Streets Safety Fund that it allocated in 2020. The Government asks Councils to use this money to put in place additional measures to create a safe environment as tourism and trade reopen, especially in high streets. The Council needs to set up a budget to do the work and claim back the sums from the Ministry each quarter.

- 3.5.2. The Chief Executive asks Council to set up a budget for £128,133 to allow the Council to take advantage of this money to assist the recovery of our high streets.

3.6. Local Plan Consultants' Budget

- 3.6.1. Councillors have asked for some extra support from an independent expert on the sites proposed as part of the Local Plan. The current consultants' budget for the Local Plan is fully committed. Therefore, I recommend the Council adds an additional £15,000 to the Local Plan consultants' budget in 2021/22 to pay for this work.

4. Next Steps

- 4.1. The Director of Corporate Resources has started processing Additional Restrictions Discretionary Grants from 1 April 2021 in addition to completing the approval of any late applications from earlier periods.
- 4.2. The Director of Communities will spend the grants allocated to the Leisure, Environmental Health and Homelessness budgets as outlined.
- 4.3. The Director of Place will appoint a barrister to support Councillors on their additional work on the Local Plan and a programme of work in Economic Development to support claims from the Welcome Back Fund.

5. Outcome of Consultations

- 5.1. The Leader of the Council, the Cabinet Member for the Local Economy and Parking support the Chief Executive in using his emergency powers in making these decisions and bringing the budget decisions direct to Council without taking the usual Cabinet route due to the need for speed. The relevant Heads of Service, the Monitoring Officer and Deputy Section 151 Officer have checked the report.

6. Other Courses of Action Considered but Rejected

- 6.1. The Chief Executive could have left the budgets to the next Cabinet meeting in June 2021 before referring them to Council in July 2021. However, this would lead to unnecessary delay in spending Government money and helping our local economy.
- 6.2. The full Cabinet could have been recalled to pass through this report to Council, however the Leader and Cabinet Lead felt this was unnecessary process given Council were likely to welcome this money and its use.

7. Resource Consequences

- 7.1. The Council will be distributing discretionary grants to businesses in accordance with the guidance issued by Government. The Government funds the grants for Council use and the new services will have no net impact on the Council's budget. The cost of administering the Additional Restrictions grants is funded through New Burdens' Funding and the majority of the work carried out by our local authority partners Milton Keynes and West Northamptonshire Councils. The work will continue to impact the workloads of our Economic Development and Finance teams.
- 7.2. Spend for the Welcome Back Fund purposes will take place and be reclaimed from Government in arrears.
- 7.3. The extra money for the consultants' budget for the Local Plan will be a one off transfer from the General Fund Reserve.

8. Legal Consequences

- 8.1. The actions taken to date have been in line with the Chief Executive's emergency powers in paragraphs 3.5.1 2 c) and 3 of the Constitution.
- 8.2. All changes to the budget framework, including adding grant money, are a reserved matter of full Council.

9. Risk Assessment

- 9.1. The issuing of the Additional Restrictions Grants Discretionary Scheme carries a high risk of fraud. Staff of our partners Milton Keynes and West Northamptonshire run the grants through the Government's Spotlight fraud checking software and Milton Keynes' internal audit are checking claims 20% spot check of claims to mitigate the risk.
- 9.2. There is a risk of overspend of grants used for services. This risk is no higher than in any Council funded service.
- 9.3. There is a risk the additional work on the Local Plan may not provide the answers the Councillors are hoping for from this work.

10. Other Considerations

- 10.1. The continuation of the Additional Restrictions Grants Discretionary Scheme will lessen the impact of the COVID-19 lockdown and recession on businesses, their owners and employees.
- 10.2. The contract award for the work on St Peters Hall and the RAFA Club will help reduce the carbon emissions and provide a facility that will help vulnerable people in one of the Council's poorer areas.
- 10.3. The use of the National Leisure Recovery Fund money will assist in the return to work of furloughed staff and in the return to physical activity with the associated mental wellbeing benefits this brings to people from all our communities.

- 10.4. The use of the Horsham District Containment Outbreak Management Fund money will assist with keeping the spread of COVID-19 down and, therefore, help protect the vulnerable members of our communities from the disease including older people, people with physical and learning disabilities and reduce the risk of further lockdown and the impact that would have on all our residents' mental health and wellbeing.
- 10.5. The use of the County's 2020/21 Containment Outbreak Management Fund money for homelessness support and prevention will protect those most at risk from homelessness, especially those with mental health issues. Providing secure homes for people has a positive impact on community safety.
- 10.6. Supporting a solution to the Local Plan issues may have a positive impact on community safety.