

## Report to Council

1 September 2021

By the Chief Executive

**FOR INFORMATION**



Not exempt

### Grant Decisions Arising from the COVID-19 Emergency

#### Executive Summary

The Chief Executive reports to Council on two decisions that he made during the summer using his emergency powers. The first of these was a further change to the policy for allocating Additional Restrictions Grant. This change arose because the Government decided to delay its move to step four out of lockdown. The Department of Business Enterprise and Industrial Strategy asked the Council to use its remaining Additional Restrictions Grant money to help different businesses affected by the four extra weeks of lockdown in July. Spending the money meant the Council received £1,289,093 extra grant to help Horsham District's businesses recover. The second decision was to start using grant money for youth mental health services during the school summer holidays.

#### Recommendations

The Council is recommended:

- i) To note the amendments to the Additional Restrictions Discretionary Grant scheme and the spend without budget on mental health services made by the Chief Executive under his Head of Paid Service powers outlined in section 3.
- ii) To delegate to the Chief Executive the approval of any further amendments to the Additional Restrictions Grant scheme, subject to reporting these back to the following Council meeting.
- iii) To approve the addition of £120,000 of grant to the Council's community development budget.

#### Reasons for Recommendations

- i) The use of Additional Restrictions Grant met the Government's request to help businesses eligible for Restart Grants in July. Using the remainder of the Council's allocation of Additional Restrictions Grant in this way meant the Council was able to obtain an extra £1,289,093 grant to further help Horsham District's businesses in the autumn and winter. Allowing the Chief Executive to make changes to the Additional Restrictions Grant policies will allow him to quickly allocate money to businesses. The Director of Corporate Resources already has a delegation for setting up projects and their budgets in consultation with a group of Cabinet members and the Chairman of Overview and Scrutiny.

- ii) The decision to spend the youth mental health grant immediately allowed critical work for the wellbeing of Horsham District's young people to begin during the school holiday period.

## **Background Papers**

Decisions arising from the COVID-19 Emergency, Council papers, 9 December 2020, 25 March and 21 April 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 pay directly to businesses. Some of these require local discretion. One of the grants, the Additional Restrictions Grant, led to the Chief Executive's report to you in December 2020 telling you he had approved use of a county-wide scheme to pay out the money received. In March and April 2021 the Chief Executive told you about some amendments he had made to the discretionary scheme because of changes to the Government guidance and sought Council's approval of using some of the money for projects to help the local economy.
- 1.2. On 14 June 2021 the Prime Minister announced a pause at step three of the move out of lockdown. On 16 June the Department for Business Energy and Industrial Strategy wrote to tell the Chief Executive they would extend the deadline for spending the Additional Restrictions Grant money to 30 July from 30 June and asked us to fund businesses formerly eligible for Restart Grants from the Additional Restrictions Grant money.
- 1.3. At the beginning of August officers from West Sussex County Council, the District and Borough Councils in West Sussex and head teachers managed to secure over £1m in government grant to provide extra mental health services to young people affected by COVID-19. Of this money, Horsham District Council received £120,000 to fund activities in the school holidays throughout 2021, an additional full time youth worker operating in the Horsham town area and an expansion of the youth co-ordinator post to work with voluntary organisations

### **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 the Council's Corporate Plan.

### **3. Details**

#### **3.1. Additional Restrictions Grant**

- 3.1.1. On receipt of the request from Government to use Additional Restrictions Grant money for Restart Grant customers, the Business Rates team came up with a proposal to allocate this money, from 1 July to 30 July inclusive, at a rate of around a quarter of the Restart Grant sum issued in April to June. Officers proposed this amount because it used up the remainder of the Additional Restrictions Grant if all businesses claimed. This proposal meant postponing the projects funded by the Additional Restrictions Grant until the Council received the top-up in August. This was because projects approved after mid-April could not be counted as spend to obtain top-up funding but can from the top-up funding itself.
- 3.1.2. After discussing the proposal with the Leader and Cabinet informally, the Chief Executive agreed to implement the new Additional Restrictions Grant scheme for Restart Grant customers from 1 July with a deadline for applications of 18 July. The Council told businesses that had applied for project grants that these were

approved but could not be claimed until late August. The two businesses concerned agreed to go ahead with the projects.

- 3.1.3. Using this scheme, plus giving a couple of supplementary grants to Additional Restrictions Grant applicants, mean the Council allocated all the initial payment by the Government's deadline of 30 July 2021. The Business Rates' team applied for the top up funding of £1,289,093 and the Council has now received this money. The Business Rates team closed the Additional Restrictions Grant applications during August awaiting the new funding. Officers are drawing up proposals of how best to spend this extra money to help local businesses. Timescales may necessitate a further Chief Executive decision on a revised scheme to ensure the Council spends as much of the money as possible by the end of March 2022. This report recommends a delegation to the Chief Executive to do this to avoid the need to use his emergency powers again.

### 3.2. Grant young people's mental health services

- 3.2.1. The Chief Executive approved the immediate use of this grant to start the school holiday activities, without a budget being in place.

## 4. **Next Steps**

- 4.1. The projects approved by the Director of Corporate Resources to be funded by Additional Restrictions Grant, and delayed by the July changes, are in progress again. Because £1,289,093 is more than the cost of the original list of projects drawn up by Economic Development or put forward by businesses themselves, officers are drawing together ideas on new projects and grant proposals.
- 4.2. The work on spending the money for young people's mental health will continue throughout the rest of the year.

## 5. **Outcome of Consultations**

- 5.1. Cabinet were consulted on, and supportive of, the use of the Chief Executive's emergency powers to make quick changes to the Additional Restrictions Grant policy. The Cabinet Member for Community and Wellbeing told all Members about receipt of the grant for youth work on 3 August 2021.

## 6. **Other Courses of Action Considered but Rejected**

- 6.1. The Chief Executive could have not spent any Additional Restrictions Grant money on Restart Grant customers. This would have led to earlier project delivery but would not have helped the Restart Grant customers, or Horsham District's economy, as encouraged to do by the Government.
- 6.2. The Chief Executive could have deferred the decision on adding the extra grant to the youth provision budget. This would have led to an unnecessary delay in delivering the projects this money was designed to fund and prevented any use during the school holidays.

## **7. Resource Consequences**

- 7.1. The Council will distribute 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 Government funded the cost of administering the Additional Restrictions Grant through New Burdens' Funding. The work will continue to impact the workloads of the Council's Economic Development and Finance teams as well as our Revenues Service.
- 7.2. Spend on the mental health work with young people is fully funded with the exception of any impact on the workloads of senior management.

## **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. Employees run the grants through the Government's Spotlight fraud checking software and Milton Keynes' internal audit have carried out a 20% spot check of claims to mitigate the risk. As part of recent reviews of grants issued in summer 2020 the Government's officials are taking a harsh line on any error made and the Council is having to fund these. So far, only small sums have been lost due to a timing error. However if any mistakes were made in reaching these decisions the Council could be liable for the losses.
- 9.2. There is a risk of overspend of grants used for services. This risk is no higher than in any Council funded service.

## **10. Procurement implications**

- 10.1. Project work using Additional Restrictions Grant will require procurement. This will be carried out following the rules included in the Council's Procurement Code.

## **11. Equalities and Human Rights implications / Public Sector Equality Duty**

- 11.1. The continuation of the Additional Restrictions Grants Discretionary Scheme and use of this for Restart Grant complaints will lessen the impact of the COVID-19 lockdown and recession on businesses, their owners and employees. Some owners and employees will have protected characteristics. Any spend on projects or grants is, therefore, likely to have positive impact on people with protected characteristics.
- 11.2. The grant for mental health services will specifically help young people with the recovery of their mental wellbeing from the impact of the pandemic and lockdowns.

Therefore, this work will have a beneficial impact on the protected characteristic of age. It is also likely to help young people from minority ethnic groups, all genders and sexualities and with disabilities.

## **12. Environmental Implications**

- 12.1. The Government has asked for the recovery to focus on green projects. In drawing up new projects the Economic Development team will consider ideas that help the environment as well as the economy.

## **13. Other Considerations**

- 13.1. The Data Protection of these projects is in line with the Council's usual strict criteria. Safeguarding issues are considered as part of officers' work with young people.