



**Cabinet**

**12 May 2020**

**Update on Covid-19 Urgency Decisions**

## **Report of the Chief Executive**

**Portfolio Holder for Strategic and Borough Wide Leadership Councillor S J Robinson**

### **1. Purpose of report**

This report provides an update on the Council's activities to deal with the impacts of Covid-19. Since the last Cabinet meeting in March, the Chief Executive has had occasion to make several urgent decisions through delegated authority, in collaboration with the Leader and the relevant Portfolio Holders.

### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) endorses the decisions made under delegated urgency provisions as set out in paragraph 4.3 and agrees that these should be exempted from call in on the grounds of urgency at the time the decision was made, and not subsequently
- b) agrees that a variation to the Parkwood/Lex leisure contract is negotiated, to cover the period when leisure centres have to remain closed due to Covid-19 and delegates authority to the Section 151 Officer (consulting with the Monitoring Officer) to agree the contract variation
- c) receives a future report with recommendations on the future contractual arrangements and the variation with Parkwood/Lex Leisure
- d) agrees the Council Tax Support grant policy paper as per Appendix 1 to be endorsed by Full Council (as part of a revised Covid-19 Budget later in the year)
- e) Note the potential Discretionary Business Rates Grant Fund broad parameters (Appendix 3) and that once final guidance is received from central government approve the delegation of completing Rushcliffe's final discretionary scheme to the portfolio holders for Finance and Business and Transformation; and the Executive Manager – Finance and Corporate Services.

### 3. Reasons for recommendation

Following the outbreak of Covid-19 and the implementation firstly, of social distancing and subsequently, of the national lockdown, several urgent decisions had to be taken by the Chief Executive in consultation with the Leader and the relevant Portfolio Holder. This has been an unprecedented international situation. Legislative powers under the Coronavirus Act and ICT solutions have now been put in place in order to enable the holding of virtual Cabinet meetings and it is not anticipated that the circumstances which necessitated urgent delegated decision making will continue in the same way.

### 4. Decisions taken

- 4.1. Over the last few weeks, the Council has had to adapt to the changing circumstances of dealing with the outbreak of the Coronavirus (Covid-19) and implement several government directives. Much of the work has been at an operational level and redirecting and redeploying staffing resources falls within the Chief Executive's powers as the Head of Paid Service.
- 4.2. Other urgent decisions have been taken as per the constitution which allows that the Chief Executive, "in consultation with the Leader and the appropriate Cabinet member with responsibility for the service area concerned, to authorise the taking or carrying out of action, notwithstanding anything in the Council's Standing Orders or Financial Regulations, where he/she considers that circumstances exist that make it expedient or necessary for action to be taken prior to the time when such action could be approved through normal Council procedures. A report on such action, and the circumstances justifying the exercise of the delegated powers, shall be made to the next meeting of the Cabinet or the Council as appropriate." The next meeting to report these actions to is this Cabinet meeting.
- 4.3. The following table details the decisions taken in chronological order, with the details of whether they are operational or taken as a delegated decision due to urgency powers as referenced in paragraph 4.2:

Date	Decision	Reasons for Decision	Operational or Urgency
March 16	Suspension of Council meetings including Scrutiny until July, Cabinet and Planning to be kept under review	Social distancing guidance and the need for some councillors to isolate	Urgency
w/c March 16	Close remote contact points	Social distancing but also request from library and health colleagues to close	Operational
w/c March 16	Close all community halls and sports pavilions	Government guidance	Operational
March 17 onwards	Redeploy some council staff into frontline or other services	To ensure resources best deployed – eg particular support for refuse collection, business grant support, humanitarian aid work	Operational

Date	Decision	Reasons for Decision	Operational or Urgency
March 17	Cancel all community events to end July	Government guidance on gatherings	Operational
March 19	Postponement of Colston Bassett Neighbourhood Plan referendum	Social distancing guidance and the need for some electors to isolate	Operational for CEX as the Counting Officer
March 23	Close all play areas	Government guidance	Operational
March 24	Suspension of car parking fees on a month by month basis	No enforcement available and as a gesture of goodwill. Subsequently supported by government	Urgency
March 24	Consider rental payment holidays for tenants who are struggling	This is usual practice for tenants in difficult financial situations. Current situation has exacerbated cash flow issues for some tenants. NB this is a holiday, not a discount.	Operational
March 24	Close Fountain Court contact centre	Social distancing guidance	Operational
March 24	All Bingham and West Bridgford Markets to be cancelled	Difficult to control social gathering – promoting home delivery as alternative with market manager leading	Operational
March 25	Close Bridgford Park toilets	previously managed by Al Fresco – now closed	Operational
March	Distribution of Rushcliffe Reports cancelled	Content now out of date due to the Coronavirus outbreak.	Operational
26 March	Decision taken by Asset Investment Group (AIG) to withdraw from one purchase	Market uncertainty and budget considerations	Within terms of reference for AIG
w/c 30 March	Council tax hardship fund – allocation of some of £500k of government funding allocated in the Government Budget of 11 March 2020	Recommended at this initial early stage that an award of up to £150 is given to all working-age claimant in receipt of CTR as at 1 April 2020. If the net liability as at this date is less than £150 the award granted will reduce the balance to zero (in line with Government guidance). This is to take effect from 1 April 2020 so we apply this award as quickly as possible. The decision will allow the initial funding to be allocated to those most in need in the simplest and quickest method of delivery. There will be funding remaining and further policy work and decisions will be required.	Urgency
31 March	Introduction of temporary process for the determination of planning applications during coronavirus pandemic.	To enable the planning process to continue in line with Government guidance.	Urgency
6 April	Decision taken to agree to Parkwood payment for one month at a time for 3 months	All leisure centres closed on 20 March following government directive. Parkwood leisure furloughed all but 3	Urgency

Date	Decision	Reasons for Decision	Operational or Urgency
		staff and following negotiations, a payment plan for 3 months was agreed to support the company. This is £106k per month	
6 April	Streetwise - agreed a revised work programme to scale up Streetwise work and to continue to pay full contract fee.	To ensure that contract services are maintained at some level.	Operational
9 April	Following request from Nottinghamshire County Cricket Club, agreed deferment of loan repayment (principal only)	NCCC cashflow issues	Operational
14 April	Proposal to vary the terms of the Councillor's community grant scheme agreed by Leader in consultation with group leaders	To relax the criteria on a temporary basis to allow allocations to support local community groups assisting with the coronavirus response	Operational
20 April	To furlough a small number of council staff who cannot easily be redeployed and whose roles are based on facilities or event management	RBC has significant cashflow challenges due to reduced income. The government furlough scheme is relevant to a small number of staff (20) where income has fallen and they have not been redeployed. The Government is reticent about local authorities furloughing staff.	Operational
30 April	Allow a small number of food stalls to recommence standing at Bingham market	Social distancing guidelines in place.	Operational

## 5. Leisure centres

- 5.1. On 20 March the Government issued instructions that all leisure centres should be closed. Until that point, the Council had kept its leisure centres open, in line with government advice. However over the weeks running up to the closures it was clear that usage numbers had started to fall.
- 5.2. Four of the council's five leisure centres are operated by Lex/Parkwood Leisure. They also operate Edwalton Golf Course. The Council was quickly advised by Parkwood that due to the nature of the leisure business (ie it being largely a pay for service by the public), and the low profit margins in the industry, that some financial assistance would be requested to support the leisure trust to weather the Covid-19 shut down period.
- 5.3. Parkwood furloughed the majority of staff and have retained only three members of staff locally to check the buildings and keep them maintained and operational ready for reopening. In addition there are ongoing costs around insurance, repairs and renewals, ICT, contracts etc as well as accountancy charges that cannot be reduced (and the majority of which would also exist should the Council operate leisure as an in-house service). Following negotiation and challenge to reduce these costs as much as possible, it was agreed that the Council would pay a sum of £106,599 per month to Parkwood

for the months of April, May and June 2020. It should be noted the budgetary impact is £357,000 for the 3 months as the Council was expecting to receive a payment from Parkwood of £12,000 per month. It is extremely unlikely that this will be the only financial impact on the Council linked to the leisure closure. There was a detrimental financial impact on leisure facilities in March, and reopening leisure facilities will be a challenging operation with elements of social distancing likely to be in place for the foreseeable future.

- 5.4. At March Cabinet, the previous negotiations for a variation to the Parkwood contract were reported and agreed. It is clear that the assumptions that informed the previous negotiations will need revisiting and will need to be reported back to Cabinet for a future decision once the economic situation post Covid-19 becomes clearer. It is unlikely that the terms of the contract will be fit for purpose and the contract is likely to require a wholesale review.
- 5.5. It remains the Council's intention to be able to reopen and support a comprehensive leisure offer in the future, to support residents' health and wellbeing and also support the many community sports clubs.

## **6. Council Tax Support Grant and Business Rates Discretionary Grant Fund**

- 6.1. The Council's allocation from the £500m hardship fund announced at the Budget to deliver relief to council tax payers in their area is £515,389, which is based on our working-age caseload as at quarter 3 of 2019/20.
- 6.2. Under urgency powers it was agreed with the Leader and Cabinet Holder for Finance that an award of up to £150 would be given to all working-age claimant in receipt of CTR as at 1 April 2020. If the net liability as at this date was less than £150 the award granted would reduce the balance to zero (in line with Government guidance). This took effect from 30 March 2020 and was applied as quickly as possible.
- 6.3. The decision allowed the initial funding to be allocated to those most in need in the simplest and quickest method of delivery. There is funding remaining and further policy work and decisions are required. It was modelled that up to half of the fund would be allocated in this way.
- 6.4. Appendix 1 sets out the proposed policy for the review and allocation of remaining funding over the next few months. It is proposed that when a revised Covid-19 budget is presented to Full Council (aiming for September) the policy and its progress will be appended to the Budget report.
- 6.5. The Government has announced that a Business Rates Discretionary Grant Fund will be available. Full details are yet to be provided as to the parameters surrounding the operation of this fund. Appendix 3 details what we believe are the key criteria which will determine its application, gleaned from information received to date. Decisions still need to be made, for example what level of payment should be made for different types and size of business that meet the criteria.

- 6.6. It is proposed finalisation of the policy, once final government guidance has been produced, is delegated to the Portfolio holders for both Finance and Business and Transformation; and to the Executive Manager – Finance and Corporate Services. The overall aim will be to have an equitable scheme which balances accountability, minimises any risk of fraud and ensures businesses receive funding as quickly as possible.

## **7. The Coronavirus Act and Council meetings**

- 7.1. Under regulations made following the adoption of the Coronavirus Act 2020, Councils are now able to hold meetings with attendees in virtual attendance rather than councillors having to attend in person. These conditions are in place until May 2021.
- 7.2. The Council's constitution will be updated with revisions to this affect at the July Council meeting. Interim arrangements have been put in place for Planning Committees from April to June with a reduced membership (see Appendix 2). It is planned to revert to the full attendance and previous meeting time from July with members able to attend remotely via technology or in person at the Arena, with appropriate social distancing measures in place.
- 7.3. It is planned that all scrutiny meetings that were postponed will be added to the calendar from July onwards and that from July onwards, meetings will take place with attendance options available either via remote access or in person at the Arena, with appropriate social distancing measures in place.
- 7.4. It is planned that virtual meetings will be broadcast to the public live via the Council's You Tube channel.

## **8. Alternative options considered and reasons for rejection**

- 8.1. The Chief Executive could have chosen not to take any decisions under urgency powers in consultation with the Leader and relevant portfolio holders. However she did not consider that to be the best course of action during the period of uncertainty relating to the onset of lockdown. Decisive action was required to give some certainty and protection to the leisure operator and to enable government grant (eg the CT hardship fund) to be distributed in a timely manner. Actions taken to protect the health and wellbeing of councillors and residents also needed to be taken (eg the postponement of Scrutiny meetings).
- 8.2. The urgency provisions in the constitution should not, and were not undertaken lightly. However the provisions are in existence for emergency situations and the Covid-19 pandemic and associated lock down and economic and societal upheaval certainly classes as an emergency situation.
- 8.3. The Council's constitution confirms that the Call-In procedure does not apply where the decision is urgent. A decision will be urgent if any delay likely to be caused by the Call-In process would prejudice the Council's or the public's interests. The Cabinet must decide that no Call-In may be made on the grounds of urgency at the time the decision is made, and not subsequently. This will be

indicated at a set point on the agenda. If there is an urgent item, which it would not be practicable to Call-In, then the Cabinet decision can be implemented by the Chief Executive in consultation with the Leader of the Council, the relevant Cabinet member and the Chairman of the relevant scrutiny committee.

- 8.4. It is certainly hoped that from now onwards, especially as ICT arrangements are in place for the safe holding of virtual public meetings, there should be opportunity for the vast majority of substantive Council decisions to be taken by Cabinet and Council as is standard practice, without the need to implement the urgency provisions. However we remain in uncertain times, and there are occasions when rapid decision making has to be available. As always, this would be reported to the next available meeting.

## **9. Risks and uncertainties**

- 9.1. Without agreeing a support package to Parkwood/Lex Leisure, the Council would be in serious danger of its leisure operator not being able to survive the current economic situation.
- 9.2. This would result in the Council having to close, or take back in-house the running of its leisure provision and then undertake a costly procurement exercise in an uncertain market.
- 9.3. Without agreeing to the Council Tax hardship fund provisions, the money allocated by government to support those in most need would not be allocated in a timely way which would not only disadvantage those in need more, but would also reflect extremely negatively on the running of the Council.

## **10. Implications**

### **10.1. Financial Implications**

A separate paper sets out the financial implications of the Covid-19 situation.

### **10.2. Legal Implications**

There is provision within the Council's constitution for the Chief Executive in consultation with the Leader and relevant portfolio holder, to take urgent decisions in emergency situations.

All decisions have been taken in accordance with Government Guidance and the Coronavirus Act 2020 and subsequent Regulations.

### **10.3. Equalities Implications**

There are no Equalities implications from this report

### **10.4. Section 17 of the Crime and Disorder Act 1998 Implications**

There are no Section 17 implications from this report

## 11. Link to Corporate Priorities

Quality of Life	The nature of the decisions in this report impact upon all the Corporate Priorities
Efficient Services	
Sustainable Growth	
The Environment	

## 12. Recommendations

It is RECOMMENDED that Cabinet:

- a) endorses the decisions made under delegated urgency provisions as set out in paragraph 3.3 and agrees that these should be exempted from call in on the grounds of urgency at the time the decision was made, and not subsequently
- b) agrees that a variation to the Parkwood/Lex leisure contract is negotiated, to cover the period when leisure centres have to remain closed due to Covid-19 and delegates authority to the Section 151 Officer (consulting with the Monitoring Officer) to agree the contract variation
- c) receives a future report with recommendations on the future contractual arrangements and the variation with Parkwood/Lex Leisure
- d) agrees the Council Tax Support grant policy paper as per Appendix 1 to be endorsed by Full Council (as part of a revised Covid-19 Budget later in the year).
- e) Note the potential Discretionary Business Rates Grant Fund broad parameters (Appendix 3) and that once final guidance is received from central government approve the delegation of completing Rushcliffe's final discretionary scheme to the portfolio holders for Finance and Business and Transformation; and the Executive Manager – Finance and Corporate Services.

<b>For more information contact:</b>	Katherine Marriott Chief Executive 0115 914 8349 <a href="mailto:kmarriott@rushcliffe.gov.uk">kmarriott@rushcliffe.gov.uk</a>
<b>Background papers available for Inspection:</b>	None.
<b>List of appendices:</b>	Appendix 1: Council Tax Support Scheme Appendix 2: Protocol for Planning Meetings April – June 2020



	Appendix 3: Discretionary funding for businesses – the expected scheme
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# Council Tax

## COVID-19 Hardship Fund Policy 2020-21

### Introduction

As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. The allocation for Rushcliffe is £515,389. The expectation is that most of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes.

### Underpinning principles

The Government has recognised that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments. The Council have already established our local council tax support schemes for 2020-21. The Government therefore expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

Council tax reductions should be applied as soon as possible from the beginning of the 2020-21 financial year, and billing authorities should rebill council taxpayers as quickly as practical. The Council will maintain a record of grant expenditure under this scheme, both through the council tax system and their own local support mechanisms. It is the Government's intention that any assistance provided from the council tax hardship fund will not affect the eligibility of recipients for other benefits.

### Local Council Tax Support Hardship Scheme

The scheme will initially award up to a maximum of £150 in addition to a claimant's council tax support entitlement. Where an additional £150 exceeds a claimant's liability for Council Tax, then it will be capped at this level. This scheme will be an automated award with no requirement to make an application from the claimant. The scheme will be open to all claimants who are working age and in receipt of council tax support.

#### **Examples of the scheme**

##### Example 1

Council Tax Liability per annum	=	£1,500
Council Tax Support entitlement per annum	=	£1,500
Local Council Tax Support Hardship award	=	£0

##### Example 2

Council Tax Liability per annum	=	£1,500
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Council Tax Support entitlement per annum = £1,350  
 Local Council Tax Support Hardship award = £150

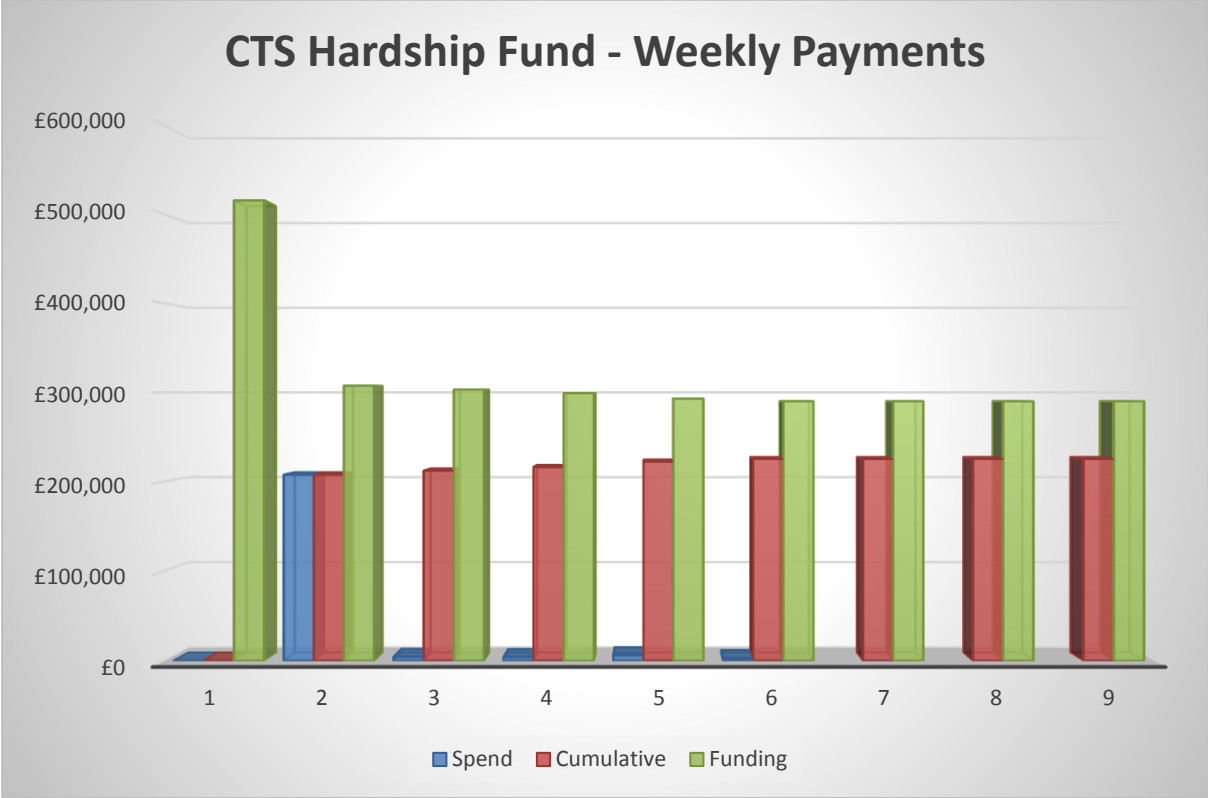
Example 3

Council Tax Liability per annum = £1,500  
 Council Tax Support entitlement per annum = £1,420  
 Local Council Tax Support Hardship award = £80

All working age claimants with a live claim as at 1 April 2020 were granted their CTS Hardship payment on 28 March 2020. This allocated £207,716.26. Since this date there have been many new claims and changes in circumstances where these awards needed to be made. These have been awarded on a weekly basis (position against the funding and progress is depicted in the graph below):

- Week 1 - £207,716.26
- Week 2 - £4,401.74
- Week 3 - £4,095.29

This policy will allow these awards to continue up to the maximum of £150 until the end of quarter 1 (30 June 2020). This means that all new claimants receive the same award as those with CTR entitlement on 1 April 2020, and any claimant who has a change in their circumstances (who hasn't already received £150) receives an additional award until they reach the maximum of £150.



## Further reviews

A review will be undertaken at the end of quarter 1 with regards to the remaining balance of the fund. Assuming there are enough funds available, a further award of up to £150 will be made to all working age claimants using the same underlying principles as the first award, therefore giving a maximum of up to £300. Once the fund is exhausted no more awards will be granted. Based on the current demand the increase to £300 would result in £307,000 of the fund being utilised.

This allows time for all residents affected by COVID-19 to have made their claims for Universal Credit (there is a time delay of 5-6 weeks for Universal Credit awards from the date of claim), to help with their council tax and for their awards to have been calculated. It allows time for anyone who has been furloughed for their wages to settle down at the new lower level (and make claims for CTS if required) and for HMRC to make their Self-Employed Income Support Scheme (SEISS) payments from the beginning of June. It is therefore expected that spend as per the graph above will increase week on week.

It also allows time for MHCLG to issue any further guidance, and for software companies to fully develop the software necessary to allow these payments to be automated. There is an issue with accounts that go into credit following an award due to changes in their liability, and what happens to this credit. Further information is need from MHCLG regarding this matter.

The policy will allow awards to be made to those council tax payers who are the most economically vulnerable in Rushcliffe, since the current council tax support scheme already provides help to those most in need due to their financial circumstances. Other measures are already in place for those who might not be entitled to support, including delaying the start of their instalments, spreading instalments over 12 months, and delaying recovery action for the time being.

Further reviews will then be undertaken at the end of quarters 2, 3 and 4 with regards to any remaining balance of the fund. It may be possible to make a further award at each review, and the amount will be subject to the remaining balance and any surplus credits on accounts following previous awards.

## Increased demand

For information: during 2019/20 we averaged 19 claims per week for either housing benefit and/or council tax support. In the four weeks since 16 March there have been 228 claims made. With regards to Universal Credit notifications received from the DWP, for 2019/20 prior to 16 March 2020 we averaged 25 per day. Since 16 March 2020 to 15 April 2020 we have averaged 51 per day.

Many of these new claims are still pending their UC awards, and until then we are not able to award any help with their council tax. Instalments have been moved to a later date and/or spread over a longer period to assist in the short-term.

## CTS – technical issue

As part of the Government's support for benefit claimants due to COVID-19 the standard allowance in Universal Credit (UC) and the basic element in Working Tax Credit (WTC)

have been increased by up to £20pw. However, this extra income will result in claimants losing up to £4pw in their CTS entitlement (£208pa). Legislation dictates that the CTS scheme cannot be amended after 11 March unless there are changes to Regulations by MHCLG. To reflect the £4 loss the current scheme would have to be amended.

It is therefore proposed to make up this loss in support to benefit claimants via the CTS Discretionary Hardship Fund or any other COVID-19 funding that could be appropriated. The estimated initial cost would be £40,000 for 2020/21.

The other option would be to apply the increase as per normal changes in income thus penalising claimants by up to £204 a year in CTS. The same claimants may have already received up to £150 from the hardship fund. We do not believe that this is the intention of the Government's proposals which are designed to support the most economically vulnerable individuals impacted by Covid19.

The Chief Executive and Executive Manager (Finance and Corporate Services) will raise the issue of the unintended funding shortfall that Government policy has created with the MHCLG.

## Delegation

At this stage it is a manual process to apply these awards, and they are currently being made by the Benefits Manager or the Benefits Team Leader. This delegated authority is proposed to continue for 2020/21 and updates on the success of the scheme will be reported as part of the Council's current governance arrangements concerning Finance and Performance reporting to both Corporate Overview Group and Cabinet.