
REPORT FOR: CABINET

Date of Meeting:	21 May 2020
Subject:	The Council's Response to COVID 19
Key Decision:	Yes – Given the impact on the community and amounts of money involved
Responsible Officer:	Sean Harriss, Chief Executive
Portfolio Holder:	Councillor Graham Henson, Leader of the Council
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Designated Critical Services Appendix 2 – Timetable of Meetings Appendix 3 – Protocol for Virtual Meetings Appendix 4 - Member Briefings

Summary and Recommendations

As a result of the Government's response to the COVID 19 (Coronavirus) crisis, the Council's usual governance arrangements were suspended. This was both to comply with Government and to allow officers to deal with the local consequences of the crisis.

The purpose of this report is to set out and seek ratification of the myriad decisions taken since the Council's last Cabinet meeting in March, and to

advise Members of plans for Harrow's recovery.

Given the fast-changing nature of this crisis, a further update detailing the latest situation and advice will be circulated prior to the meeting.

Recommendations: That

1. the actions and decisions taken by officers, as set out in this report, to deal with the implications and impact of COVID 19 (Coronavirus) be agreed and ratified;
2. the scale and potential financial impact on the Councils Medium Term Financial Strategy (MTFS) be noted;
3. the initial plans for Harrow's restart and recovery be noted;
4. the Corporate Director of People Services, following consultation with the Portfolio Holders for Adult Social Care and Finance and Resources and the Director of Finance, be authorised to agree temporary additional funding to care providers for COVID 19 related costs for phase 2 (July to September) and phase 3 (October to December) if deemed necessary and that the combined costs of phases 2 and 3 must not exceed £1m;
5. the Chief Executive be authorised, following consultation with the Leader of the Council and relevant Portfolio Holder, to take any urgent decisions necessitated by the COVID 19 emergency;
6. we take this opportunity to acknowledge the sterling effort and work of all staff to date through the COVID 19 crisis, which will be formally recognised at a future date;
7. we request the Chief Executive to convey our sincere thanks to staff for the speed and flexibility in rising to the many challenges of dealing with the COVID19 crisis, going above and beyond to deliver services that were so desperately needed and welcomed by so many within our communities, coming together to achieve what many thought would be impossible, maintaining the essential services that our residents rely on, all of which has shown the true value of Local Government and why Harrow is a great place to be;
8. we take this opportunity to acknowledge that in delivering the Council response, much of this activity has been in partnership with other organisations including the NHS, Care providers, Local business, Faith Groups and the voluntary and community sector, which will be formally recognised at a future date;
9. officers be instructed to submit further reports to update Cabinet, as appropriate.

Reason: (For recommendation)

Due to the COVID 19 crisis and to instructions and directions of the Government, it had not been possible for Members to meet and take decisions due to the 'lockdown' and the requirement to maintain social distancing. Officers have taken a number of operational decisions that Members are now asked to ratify.

In terms of temporary additional funding for care providers, as the costs of phase 2 and 3 are currently estimated, the proposed delegation will allow an extension up to £1m to ensure there is no delay in making any future payments to care providers.

Background

As a result of the COVID 19 (Coronavirus) crisis, the Government instituted 'lockdown' on Monday 23 March 2020. All Member level meetings including Cabinet were either postponed or cancelled and the Civic Centre was closed to all staff, with the exception of those delivering priority services and who were unable to work from home.

The Council implemented its emergency planning arrangements which included daily key Member briefings, a gold, silver and bronze command structure, and telephone briefings to staff.

This report sets out and seeks ratification of decisions taken since the start of the crisis, and sets out some initial thoughts for recovery in Harrow.

Strategic Context and Overview

The national and local response to the Covid-19 crisis has been unprecedented in peacetime. For the Council this has involved action across many spheres of activity both with regard to our community leadership role and as provider of universal and specialist services. In delivering this response much of this activity has been in partnership with other organisations including the NHS, Care providers, Local business and the voluntary and community sector.

The Council's response has been focussed on ensuring that the core objectives of reducing the spread of the virus while protecting the most vulnerable members of our community have been achieved. In doing this the efforts of Council staff across directorates in both frontline and support roles has been exemplary and has highlighted the vitally important role that council services and staff play in ensuring the effective functioning of civil society. The Cabinet and Members generally will wish to recognise the impressive role that our staff have played in dealing with the crisis and beginning the plans for restarting services post lockdown and longer term recovery.

One key element of the impact of the Covid-19 emergency has been the current and anticipated impact on the Council's financial position and MTFS

both for 2020/1 and the subsequent financial years. The report details a number of aspects of these pressures and the Government funding that has been made available to date. Given the size and scale of the potential impact on the Council's finances this will remain a key focus for the organisation going forward as without adequate short and medium term financial support from the Government the impact on the Council's ability to deliver services in an ongoing way will be severely compromised.

The purpose of this initial report to Cabinet has been to outline the Council response to date and to set out at a high level the potential priorities for the gradual exit from lockdown and for recovery. For future Cabinets in June and July the intention will be to bring forward a more detailed outline of the work undertaken across a multitude of services and those priorities for the recovery phase. Given the likely longevity of the "new normal" that will exist until 2021 at least, there will be a requirement to keep the Council's response and plans under constant review and this will form a key part of the work of the organisation and future reports to Cabinet.

Priority Services

In line with Government guidance, London Councils agreed to focus efforts and ensure the resilience of priority services (Appendix 1). Staff working in these services were allowed to travel for work and Harrow was required to provide daily updates on service and staffing levels and predictions about future resilience for each service area.

London Co-ordination

London Councils' response was co-ordinated through the City of London, and West London's through the London Borough of Brent. The aim of both arrangements was to ensure the resilience of priority services, deal with requests for mutual aid, and ensure consistency and co-ordination of responses.

Harrow Strategy

As the crisis developed, Harrow moved to ensure the resilience of its priority services to support vulnerable residents and to look after its staff. This response was influenced by concern about the impact of staff absences, the limitations of Harrow's IT system to allow staff to work remotely and its lean organisational capacity.

Managing the crisis, establishing the new services required by Government and ensuring priority service resilience absorbed considerable organisational capacity. Accordingly, non-priority activities or projects were halted or postponed and a 'Talent Hub' established to facilitate the voluntary redeployment of staff into priority areas. Residents and Members were advised that responses to service queries and complaints might be delayed.

This strategy was successful and priority services were maintained, but at a cost of staff working long hours including over weekends and bank holidays and cancellation of annual leave.

Community Hub

The Government introduced more stringent lockdown arrangements for vulnerable residents, who required to be shielded. To support these residents, Harrow was required to set up a new service which became known as the Community Hub. Its role is to contact and support vulnerable Harrow residents, to include ensuring they have appropriate support in place, making arrangements for delivering food, essentials etc where necessary, social support and periodic checking. At present this service runs 7 days a week.

The Voluntary Sector has been a key element of the success of the Hub, providing food and meal deliveries, information, advice and support including specific bereavement support.

Support for the Voluntary Sector

The Council has also created an initial fund of £500k to support specific Covid-19 related need which can be best met through the Voluntary and Community Sector. This funding is set out in three strands:

1. £100k for emergency need, specifically to support food sourcing and delivery to vulnerable residents and those that are having to Shield through the Community Hub;
2. £315k for information, advice and other related support services such as befriending and counselling. This includes an initial allocation of £40k for bereavement support services; and
3. £85k for support for those charities whose business model and funding have been inextricably impacted by the Covid-19 pandemic.

Given the partnership that the Council has with the local Voluntary and Community Sector (VCS) through the Harrow Community Partnership, it agreed a devolved model of funding distribution through the VCS infrastructure organisations, where a panel made up of these organisations and Council officers agree the allocation of funding based on local VCS organisations submitting bids. All decisions and funding allocations are published on the Harrow Giving website, and the Council will receive and review monitoring information on all of this activity.

Temporary Additional Funding to Care Providers for COVID related costs

On Friday 15 May 2020, the Council is considering a 5% temporary additional payment to care providers as part of our financial support for COVID related expenses for the period 23 March to the end of June. This additional payment will be paid to the providers of the following types of care:

- Residential & Nursing
- Extra Care
- Supported Living
- Mental Health

The context for the development of the proposals for additional temporary funding is based on three papers:

Government COVID Funding for Local Authorities
Government Procurement Policy Note 02/20
Local Government Association and Association of Directors of Adult Social Services (ADASS) Temporary Funding for Adult Social Care Providers During COVID 19 Crisis

The purpose of the payment is to provide financial support to enable providers to continue their services, pay staff and suppliers, meet additional COVID related costs and contribute to their resilience to continue operation throughout the COVID period and the recovery.

The cost of the 5% temporary additional payment for the period 23 March to the end of June is estimated at £600K. Due to the immediacy of making payments to care providers, this decision is due for consideration by the Leader of the Council on 15 May 2020.

If there were to be a second or possibly a third surge of infection, there may be a need for continuing or further temporary additional funding for providers. In this context, officers will consider additional temporary funding on a quarterly basis and develop funding levels accordingly. If the situation becomes more stable, in terms of availability of staff, PPE supplies, and support to providers for testing, it might be possible to adopt a sliding scale of financial support eg a reduction to 4% for additional funding for Phase 2 (July to end of September), and Phase 3 (October to end of December) temporary additional funding at 3%. This position will be monitored closely and reported accordingly. The estimated cost of this continued support is £430k for Phase 2 and £320k for Phase 3 and this report includes a recommendation to delegate responsibility for approving such proposals. As the costs of phase 2 and 3 are currently estimated the delegation will allow additional phase 2 and 3 support to the care provider market up to £1m to ensure there is no delay in making any future payments to support care providers through the pandemic.

1. Officers have already undertaken the following steps to support providers aligned with the Government's Covid Funding, ADASS framework, and the Government's Procurement's advice (PPN 02/20):
 - i. Accelerated payment terms for social care providers implemented. Payment of invoices brought forward from the Council's default 30 days to 14 days, some social care providers already on immediate payment terms.
 - ii. Payments to day care / home care providers are now paid on a scheduler basis (reducing the administrative burden of raising invoices) for planned care for the period 23/03/20 to 30/06/20 (subject to review), regardless of whether the service user has cancelled the package or the provider has closed the service or provided an alternative. The cost of this is estimated at just under £500k.
 - iii. Recipients of Direct Payments have been advised to continue paying their providers regardless of whether the service has been

- cancelled, ceased, or an alternative service is being provided.
The cost of this is estimated at £150k.
- iv. An enhanced Covid home care rate has been agreed for a 3 week period following hospital discharge.
 - v. Training on the use of PPE has been delivered and PPE has been provided as requested by providers. PPE has been provided, on request, to providers to make up shortfalls they are experiencing due to supply problems from their normal sources.
 - vi. There are weekly forums for care home, home care and Mental Health/Learning Disability providers to update on covid matters and representatives include Public Health, ASC (Adult Social Care) Officers, CCG (Clinical Commissioning Group) colleagues, including clinical staff.
 - vii. ASC officers work with providers to identify priority care homes to receive testing and the NWL (North West London) Enhance Home Care Support Package.
2. Items i-v have financial implications for the Council which can be calculated with more accuracy once the service delivery information has been submitted by providers. These are costs that are in addition to the proposals for temporary additional funding. Overall, the Council are spending additional funding in the region of 8-9%.

Purchase of PPE Equipment

There have been significant challenges of purchasing Personal Protective Equipment (PPE) equipment. To mitigate, the Council had an informal arrangement with the West London Alliance which has now been formalised through Ealing Council.

On 21 April 2020, Ealing's Portfolio Holder for Finance & Leisure formally agreed to delegate authority to Ealing's Section 151 Officer to enter into several single supplier multi-user framework contracts, using the negotiated procedure without prior notice under the emergency powers of the Public Contracts Regulations 2015, for the central procurement of PPE for all London Boroughs for a period of up to 12 months.

The first invoice for PPE delivered has just been received and totalled £415k. Going forward, the Council will be invoiced weekly. The PPE being procured is for both council services and care providers.

Purchase of Connected Performance System

With the advent of Covid-19, there was a need to be able to provide greater flexible working arrangements for all Council Services. Consequently a decision was taken to procure the Connected Performance system approach from Price Waterhouse Coopers (PWC) to provide greater team transparency and connectivity in Adult Social Care and Housing for the period to 23 July.

The procurement of the system was undertaken compliantly through the application of regulation 32 of the Public Contract Regulations. The total cost of this purchase was £288,790.

Councillors

Since March 2020 the following arrangements have been put in place to ensure Councillors were informed of developments in Harrow and were able to feed in their and residents' concerns and questions about the Council's response to the crisis:

- Twice weekly update emailed to all Councillors
- Daily briefings to key members of the administration
- Weekly Cabinet briefings
- Twice weekly briefings of Leader and Deputy Leader of the Conservative Group
- 'Attendance' by Chief Executive at political group meetings
- Dedicated email address for urgent councillor and MP queries

As the nature of the crisis changes, and formal meetings are reintroduced, some of these arrangements are being varied

Adult social care

This service has been at the epicentre of the crisis but to date has maintained resilience and ensured that there has been no delay in hospital discharges into care. This has been achieved partly through the efforts of the staff team, and partly through forward purchasing of care places.

The service has been operating 7 days per week to ensure that support is offered to vulnerable citizens who may be at risk, as well as providing proactive support to care homes across the borough who have seen increased numbers of citizens becoming ill due to Covid 19.

The work done with the Clinical Commissioning Group [CCG] and other health providers has been exemplary in delivering joined up health and care services for our Harrow citizens. Of particular note has been the establishment of a testing Centre at Alexander Avenue; enabling key workers across the partnership to be tested locally, and to have access to transport provided by our special needs transport.

Whilst in-house services such as the Neighbourhood Resource Centres have been closed to the public during lockdown, an outreach offer to the most vulnerable citizens has been kept in place.

Rough Sleepers

Following a directive from the Government any people sleeping rough in Harrow have been placed in accommodation. Following information provided to the Enforcement Team, the Council has accommodated all the rough sleepers that are known in Harrow.

Schools

Harrow's schools were ordered to close to the general pupil population, but have remained open, even over the Easter holidays, for vulnerable children and the children of key workers. This offer has been taken up by increasing numbers of families over the period of the emergency.

The National Offer day on the 16th April was also delivered; despite the constraints of lockdown, to the credit of the staff working collaboratively across Directorates.

Children's Social care

Children's social care have maintained operations over 7 days per week during lockdown, and have kept in touch with children and their families on a risk basis, making use of virtual contact arrangements as permitted by Government Guidelines.

Children Looked After and Care leavers have been proactively supported by their carers and social workers; and court work has continued through a combination of live and virtual meetings to ensure that there are no delays in the key legal decisions for children waiting to have their future resolved.

Harrow Strategic Development Partnership (HSDP)

The procurement of the HSDP is to be paused. This was because of the:

- London move to delivering priority services only in light of the Covid-19.
- The need to divert resources from HSDP to assist in the emergency response.

Already significant resources were being drawn off to the emergency and it was clear that this position could only get worse. The ability to deliver an effective evaluation was at risk of being compromised.

Waste & Recycling

The Garden Waste service was suspended until 11 May, and the Household Waste and Recycling Centre (HWRC) closed to the public. Plans are in place to open the HWRC from 18 May 2020.

Parking Enforcement

As part of both focusing staff resources on priority tasks and recognising the impact of lockdown on residents, a revised temporary strategy for parking enforcement was adopted.

<https://www.harrow.gov.uk/coronavirus-covid-19/coronavirus-affecting-parking-permits?documentId=13149&categoryId=210288>

Social Distancing

The Government's direction that residents should only make essential journeys and maintain social distancing led to the closure of the household recycling centre and leisure centre in Wealdstone, playgrounds and car parks situated in or near Harrow's parks and open spaces.

With limited exceptions caused by gatherings during hot weather, parks have remained open, albeit patrolled by Harrow enforcement teams to encourage social distancing.

Fees & Charges

Given the economic impact of the lockdown, the scheme for fees and charges for Harrow services for 2020/21 approved by Council in February has not been implemented.

Adult Social Care charges were due to be implemented in April 2020, following a decision by Cabinet. Given the national public health crisis and the potential adverse impact to Harrow citizens, a decision was made to suspend the introduction of the charges and to review the situation in 3 months, with a view to a phased implementation of the charges in the Autumn.

Coronavirus Act 2020

On 25th March 2020 Parliament passed the Coronavirus Act:

<https://www.legislation.gov.uk/ukxi/2020/392/made>

Amongst other things the Act:

- allowed council meetings and court hearings to be held virtually;
- removed the requirement to hold an Annual Council meeting – where one is not held all appointments made in May 2019 'roll over' until an annual meeting is held;
- provides that in the event that a councillor vacancy arises, no by election can be held until 6th May 2021 (to coincide with the postponed Greater London Authority (GLA elections);
- makes provision to speed up hospital discharges into care;
- allows registration of deaths by telephone; and
- allows ministers to close schools and other premises.

Test/Trace/Isolate

As Government lockdown restrictions are relaxed, it is understood that local authorities will have a role in the proposed tracing system to limit the spread of the virus. Members will be updated at the meeting as more detail emerges.

Recovery

As the Council's response to the crisis stabilised, its Corporate Board began planning for Restart between May – July and Recovery over the next 12-18 months.

The Restart phase will focus on reviewing projects and activities which have been paused, eg garden waste collection and the Harrow Strategic Development Partnership; the return of Members and staff to council buildings; and reopening services – eg libraries which have been closed.

The pace and detail of this will be determined by the lifting of the Government's restrictions, and Members will be updated at the meeting following emerging Government advice. It seems clear at this stage however that increased home working and virtual meetings will become the norm for many Harrow staff.

The Recovery exercise is more strategic and outward focussed, and will be framed both by Harrow's Borough Plan and its available financial resources. It will be influenced by the ongoing legacy of the crisis, but the opportunity will be taken to explore radical approaches to services facilitated by the evolving 'new normal'.

Issues for consideration include

- rough sleepers;
- support for the local economy;
- digitisation of services;
- the future of the community hub;
- health & social care integration;
- Health inequalities;
- climate change;
- Relationship with the Voluntary and Community Sector;
- Mental Health and Well Being; Civic life and community cohesion.

As plans are developed, stakeholders will be consulted as appropriate and further reports will be brought to Cabinet in due course.

Future Council Meetings

As part of the Council's recovery plan, and in order to re-establish visible local democracy, a timetable of meetings has been agreed with senior Members until the end of July 2020 (appendix 2). Initially these will be virtual only, but as Government restrictions allow, they may develop into hybrid meetings with Members (and possibly the public) present both at the Civic Centre and online.

A protocol has been drafted to support the management of virtual meetings, which is at appendix 3 and will be revised as required. A key test of success will be the ability of the public to hear, see and where appropriate take part in these meetings.

In July consideration will be given to meetings in the Autumn, including the holding of the Annual Council.

Lessons Learnt

Harrow's Corporate Board is committed to capturing lessons learnt from the last few months when resources permit. It is proposed that feedback will be sought from stakeholders including Councillors, the Voluntary Sector, Partners, residents and staff in order to see not only what can be learnt from this unprecedented emergency but also to identify the many strengths that have been demonstrated.

Risk Management Implications

Risk included on Directorate risk register? No
Separate risk register in place? No

Three risks relating to COVID 19 were included on the Quarter 4 Corporate Risk Register, covering the impact of the pandemic on the delivery of core services, a risk relating to the delivery of services to vulnerable people specifically susceptible to the virus and a risk cover the financial impact on the Council, all of which were red rated.

Given the nature of the crisis, decisions needed to be made as a matter of urgency with risks being assessed on a daily basis by Chief Officers meeting via a gold, silver and bronze command structure with daily key Member briefings, weekly Cabinet briefings and a range of additional briefings with other Members.

Whilst it has not been possible to follow the Council's agreed decision making process the risk that decisions made by Chief Offices during this time would not be supported has been mitigated by these briefings to Members and by this report to ratify those decisions.

The on-going risks to the provision of services, to the financial impact on the Council as well as the risks associated with the recovery of Council operations post pandemic will be included in the Quarter 1 Corporate Risk Register.

Procurement Implications

The Government recognised that the Covid-19 crisis was so unique that it is not something that local authorities could have predicted. As a result the cabinet office procurement policy notes 01/20 gave clarity on regulation 32(2)(c) of the Public Contract Regulations being permissible to use in genuine Covid -19 related procurement where there was no time for advertisement and competition. Council officers in reacting to the urgency of the crisis have relied on the aforementioned regulation to respond expediently to the delivery of goods and services that would otherwise have gone through a competitive procurement process.

Similarly the Council has also reacted in a consistent way to the Procurement Policy Note 02/20 in ensuring that we support our supply chain through the crisis.

PPN 02/20 sets out information and guidance for public bodies (i.e. those required to comply with public procurement regulations) on the payment of contractors and suppliers at risk. The principle purpose is for contracting authorities to ensure that suppliers continue to be paid as appropriate during the period of disruption caused by COVID-19, so that they are in a position to resume normal contract delivery once the coronavirus outbreak is over. A key government objective is to avoid contractual disputes emerging and ensure contracting authorities continue to support their direct supply chain, enabling the supply chain to support 3rd tier suppliers involved in the ultimate supply and delivery of services. The Council considered its response to the PPN and immediately:

- Moved the Voluntary Sector and SME's in its supply chain onto immediate payment terms from the previous default of 14 days
- Moved all other providers in its supply chain onto 14 day payments terms from the previous default of 30 days
- Put procedures in place to consider, on a case by case basis, the extension of additional further tailored support to specific organisations.

The Procurement Policy Note has taken effect in early April and is to apply until 30 June 2020 at which point it will be reviewed.

Legal Implications

Clearly the COVID-19 emergency is an unprecedented crisis in our lifetime. Given the exceptional circumstances, officers had to take immediate action in relation to the Government's instructions in relation to lockdown and social distancing in order to safeguard the health of Harrow's residents and Council staff. For these reasons, it had not been possible to follow the Council's decision making processes.

This report sets out the both the executive and non-executive decisions taken in the immediate period after the Government announced lockdown. The report seeks ratification from Cabinet to those decisions in order to set out clearly and transparently the decisions that had been taken to date. Both the Administration and Opposition Group were informed of consulted with on the above decisions.

Financial Implications

Central Government have, at the time of writing this report, provided five sources of funding to support Councils as a result of the COVID 19 emergency. This section explains the funding sources and how the Council has deployed them:

1) Hardship Funding (£1.392m)

The Government announced a £500m Hardship Fund to deliver relief to council tax payers, primarily through Council Tax Support (CTS) and increased financial assistance. The Council's allocation is £1.392m and is allocated as follows:

- £1.250m non-discretionary support to working age recipients on CTS in 2020/21 through a reduction of £150 on CT bills
- £90k – discretionary support for Council Tax support via a Hardship Relief Fund where a tax payer experiences short term hardship
- £50k – discretionary support via a Local Welfare Scheme where there is an immediate cash need

2) Emergency Funding (£13.1m to date)

To date the Government have announced two tranches of emergency funding to support Councils with additional expenditure incurred and the loss of income as a result of the emergency.

In late March, Central Government announced a sum of £1.6 billion available nationally. London's share was £254m of which Harrow received £6.3m.

On 28 April, the Government announced a second national sum of £1.6 billion. London's share slightly reduced to £245m of which Harrow received and increased amount of £6.8m. Therefore to date the Council has received £13.1m.

On 15 April 2020 the Council were required to submit to Government the estimated impact of the emergency for 2020/21. Based on the best information to hand, the Council estimated the impact to be in the region of £35m, as summarised below:

- Estimated additional expenditure of £11.3m, the largest element being support to social care (circa £4m)
- Estimated loss of income of £23.7m, the largest elements being Council Tax and Business Rates (circa £14.7m)

The next submission to Government is due by 15 May. This second estimate of the financial impact on the Council is not expected to reduce below the original estimate of £35m.

In terms of additional expenditure incurred by the Council, one of the largest elements is support to social care. To date three most significant items are detailed below, which have all been referenced earlier in this report:

- £500k support for the Voluntary Sector
- £600k to provide a 5% temporary additional payment to care providers as phase 1. A phase 2 and 3 could cost an estimated £750k
- £415k for the initial purchase of PPE for use by council services and care providers

3) Grants to Small Business

The Government has allocated £42.2m to the Council to implement its Grants to Small Businesses Scheme. All qualifying small business within the borough, dependent upon their rateable value, will be entitled to a grant of either £10k or £25k.

The allocation of £42.2m was based on an estimate by the Valuation Office that Harrow has 3,300 qualifying business premises. The Council estimate 2,800 premises will qualify and estimate approximately £30m will be paid out with the balance being returned to the Government after the post payment reconciliation process.

Harrow has the 2nd highest % of Small and Medium Enterprises (SMEs) and 4th highest % of micro businesses in London therefore this grant scheme impacts on circa 60% of the businesses in the Borough. For this reason, the Council has adopted a pan organisation approach across Revenues, Economic Development and Corporate Anti-Fraud. The Council is undertaking the required minimum checks as set out in the Government's Grant Funding Scheme guidance to ensure the right businesses are paid and the funding gets to the people who need it.

At the time of publishing this report, 1,248 grants have been paid totalling £21.125m (70%). All applications received (circa 2,700) have been processed and those suitable for payment, passed for payment. For all those non- straight forward applications where further information is required, the plan is to have all those qualifying for payment paid by the end of May.

4) Additional Discretionary Small Business Grant Scheme

On 1 May, the Government announced an additional discretionary grant scheme for small businesses up to 5% of the original scheme's allocation. Scheme details and individual allocations have not been announced at the time of writing this report but for Harrow it is likely to be between £1.5 to £2m. Consistent with the original scheme, these grants can only be paid to businesses that were trading on or before 11 March 2020. There will be some national criteria for the funds but there will be discretion to allow Local Authorities to exercise their local knowledge and discretion as it is recognised that economic need will vary across areas.

5) Business Rate Relief

The Government announced 100% rate relief for all shops, hospitality, leisure and Children's nurseries. The rateable value threshold was removed and qualifying properties increased from 853 (£3m) to 2,481 (circa £21m). This relief is funded by Government via a S31 grant.

FEES & CHARGES

In January, Cabinet agreed the schedule of fees and charges for 2020/21. At the start of the emergency it was agreed to suspend the 2020/21 increases,

unless an increase had already been actioned. The suspension will be reviewed at the end of June or earlier if deemed appropriate.

The loss of income associated with the increases, along with the loss of overall sales, fees and charges income is included in the estimated loss of income figure of £23.7m referenced earlier in this section.

SUMMARY

It is very clear that the Emergency Funding received to date of £13.1m will not cover the estimated financial impact to the Council of £35m. Council Officers and Members are linked into numerous lobbying forums to ensure the Government fully understands the financial impact of the emergency on Harrow Council, not only in the current year but over the three years of the Medium Term Financial Strategy (MTFS) as current events will carry legacy issues into future years.

Full Council approved the Medium Term Financial Strategy (2020/21 to 2022/23) in February 2020. The financial impact of the COVID 19 emergency is being considered alongside the published MTFS. This is a very important piece of work and it would not be prudent to make any assumptions about financial sustainability until the work is complete and there is further understanding on how the Government intend to fully compensate Local Government in 2020/21 and in future years.

Reports on the Council's outturn position for 2019/20 and the impact of the COVID emergency on the MTFS will be brought to Cabinet in July.

Council Priorities

The Council's priorities are set out below:-

Improving the environment and addressing climate change
Tackling poverty and inequality
Building homes and infrastructure
Addressing health and social care inequality
Thriving economy

The decisions taken sought to support those most in need, protect services and support local businesses.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Chief Financial Officer

Date: 13 May 2020

Name: Hugh Peart

Monitoring Officer

Date: 13 May 2020

Name: Nimesh Mehta

Head of Procurement

Date: 11 May 2020

Name: Sean Harriss

Chief Executive

Date: 13 May 2020

Section 4 - Contact Details and Background Papers

Contact: Alison Atherton, Senior Professional Democratic Services email:alison.atherton@harrow.gov.uk tel:020 8424 1266

Background Papers: None