

Bolsover District Council

Meeting of the Executive on Monday 3rd October 2022

Covid-19 Government Funding Received

Report of the Assistant Director of Finance and Resources

Classification	This report is public
Report By	Assistant Director of Finance and Resources
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PURPOSE/SUMMARY OF REPORT

To provide Executive with the financial details of all grants, reliefs and compensation schemes Bolsover District Council received from central Government in response to the Coronavirus pandemic, now that the final grant schemes have been reconciled.

1. Report Details

- 1.1 Coronavirus was categorised as a pandemic by the World Health Organisation on 11th March 2020. On the 16th of March, the Local Government Secretary addressed Council leaders saying ‘the Government stands ready to do whatever is necessary to support Councils in their response to Coronavirus and contribution to the national effort’.
- 1.2 It was clear from the outset that this was going to be expensive to deal with. The cost of the cleaning supplies and the protective equipment was only the tip of the iceberg. With businesses instructed to close, many would be unable to pay their business rates and their staff didn’t get paid so were unable to pay their council tax or rent on their home. From the start we ceased recovery action on all these debts but knew there would need to be help from the Government to help us all through this unprecedented time.
- 1.3 The Department for Business, Energy and Industrial Strategy (BEIS) was the Government department in charge of distributing most of the funding. Before the end of March we had received the first tranche of emergency funding to cover our extra cost of dealing with the pandemic. It was just short of £52k and felt like a large amount initially but it soon became clear that it was going to cost so much more.

- 1.4 Over the next few months larger amounts of funding were paid by the Government to us via BEIS. We were told to distribute the grants as quickly as we could while at the same time complying with some often unclear, guidance documents. Some of the schemes were called 'discretionary', which meant we had to design the scheme and create rules that still complied with the brief scheme outline we'd been given.
- 1.5 It was relayed to us very early on that the process for distributing this funding was to over-pay us in the first instance 'just in case' we ran out of cash. This would ensure we had more than enough cash to allow us to pay the grants out to businesses or individuals. At the conclusion of the grant schemes there would be a reconciling process where we gave proof of what we had paid out on the schemes and the unpaid amount in every case would be repaid to the Government.
- 1.6 There was also to be a post payment assurance process. We had to provide to BEIS, a complete list of every postcode we had paid a grant out to. A random sample was selected by BEIS and we then had to send the complete application and decision making process for approving the grant off to be verified. Any grants not meeting the requirements for the scheme would've had the funding removed and would have been a cost that fell to this Council. (This didn't occur).
- 1.7 Although most support schemes were to provide a grant to the business or individual, there were a number of relief schemes. This meant there would be no payment out to the recipient but that the relief would be applied on our system to reduce the need for payment on the billing account, either for business rates or council tax whichever the scheme was for. The individual schemes and amounts involved were as follows:
- 1.8 **Business support grant funding from The Department for Business, Energy and Industrial Strategy (BEIS).**
This was a large number of schemes which ran from early 2020/21 to 2021/22. These schemes were administered by Revenues and Benefits, Economic Development and the Partnership Team. Grants were provided to businesses in retail, hospitality, and leisure initially but this was eventually widened to cover most businesses that could prove they'd seen some financial loss from the pandemic.

	2020/21 £	2021/22 £	2022/23 £	Total £
Received	(24,460,413)	(4,339,294.41)	0	(28,799,707.41)
Paid	19,621,998.18	5,510,574.88	0	25,132,573.06
Returned after reconciliation	843,250	0	2,823,884.35	3,667,134.35

1.9 Test and trace support payment scheme funding from the Department of Health and Social Care (DHSC).

This was (originally) a one-off payment of £500 to compensate individuals who had been legally required to self-isolate to avoid transmitting Coronavirus.

	2020/21 £	2021/22 £	2022/23 £	Total £
Received	(188,250)	(170,750)	1,000	(358,000)
Paid	91,500	201,500	0	293,000
Returned after reconciliation	0	0	65,000	65,000

1.10 Reliefs – As mentioned above the reliefs were not to be paid out to businesses or individuals but would be applied direct on our systems to reduce the need for payment on the billing accounts.

1.11 Council tax hardship relief from the Ministry of Housing, Communities and Local Government (MHCLG).

This was to provide recipients of working age local council tax support (LCTS) with a further reduction in their annual council tax bill of £150. The amount of relief provided and applied against the 2020/21 liability was **£779,779**.

1.12 Expanded retail discount from Ministry of Housing, Communities and Local Government (MHCLG).

Provided to small businesses who had an eligible property with a rateable value of less than £51,000. This was a temporary measure announced by the Chancellor as part of the 2020 Budget. The amount of relief provided and applied against the 2020/21 liability was **£7,799,960**.

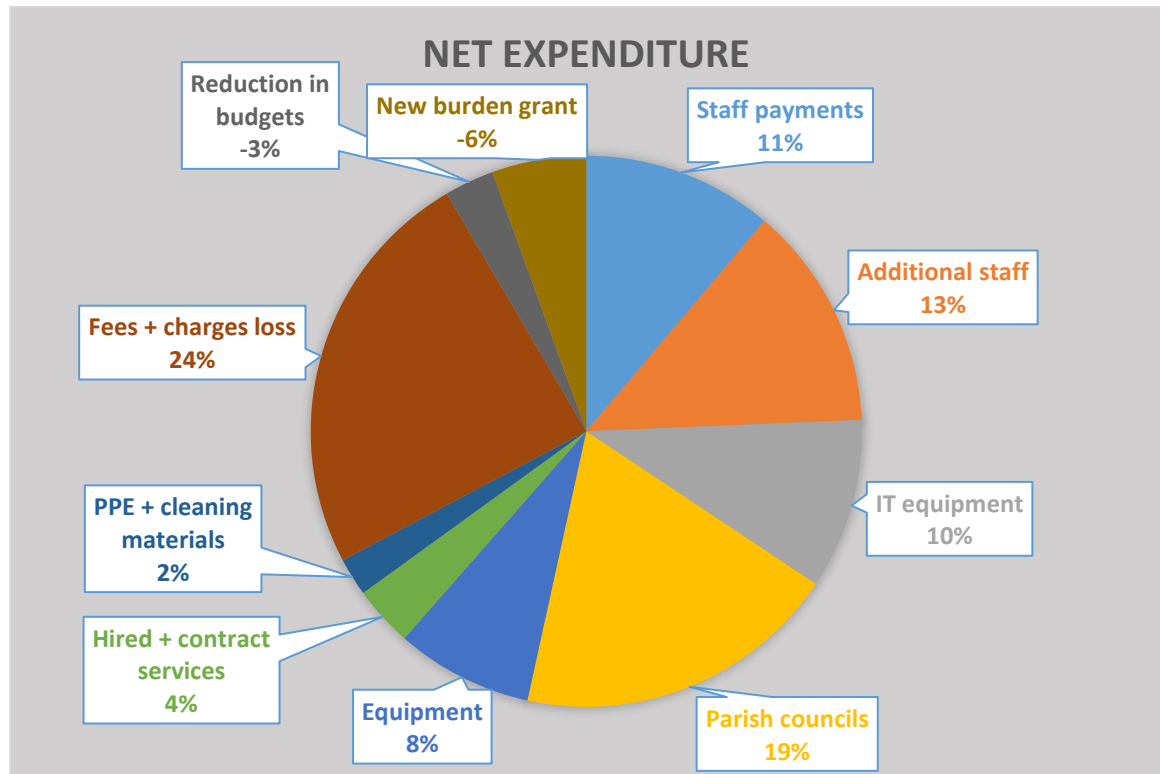
1.13 Covid-19 Additional Relief Fund (CARF) from the Department for Levelling Up, Housing and Communities (DLUHC).

The fund was to support those businesses affected by the pandemic but that were ineligible for existing support linked to business rates. The amount of relief provided and applied against the 2021/22 liability was **£594,761**.

1.14 In addition to receiving funding or reliefs to pass onto businesses and individuals, funding was received to cover the financial effect of the pandemic on Bolsover District Council. Some of this funding was simply a pot of Government support allocated between all Councils on an arbitrary basis but some of the support was given to us based on our assessment of what we would need, or thought we would need based on information at the time. At one point we were completing monitoring returns for this on a monthly basis to ensure we gave most up-to-date position we could.

1.15 Covid-19 Emergency funding for Local Government to cover the Council's extra costs from the Ministry of Housing, Communities and Local Government (MHCLG).

This was received in 5 tranches over the 2020/21 – 2021/22 period. This grant was not ring-fenced and 'could be allocated to Covid-19 pressures in whatever way individual authorities felt was appropriate to their pressures.' The total amount received was **£1,955,079**, this is broken down as follows:



1.16 Local Government income compensation scheme for lost sales, fees and charges from Ministry of Housing, Communities and Local Government (MHCLG).

Covid-19 impacted on Councils' ability to generate revenues in service areas as a result of lockdown, Government restrictions and social distancing measures. This scheme compensated for irrecoverable and unavoidable losses from sales and fees and charges income generated in the delivery of services. The scheme meant we had to absorb losses of up to 5% of budgeted income, with Government paying compensation of 75p in every pound lost, thereafter.

The total amount received from 2020/21 – 2021/22 was **£914,626**.

1.17 Covid related local council tax support grant from Ministry of Housing, Communities and Local Government (MHCLG).

This grant was not ring-fenced but was to cover the Council for extra costs it faced from additional claimants for its council tax support scheme. The amount received was **£160,103**.

1.18 **Local tax income guarantee from Ministry of Housing, Communities and Local Government (MHCLG).** This funding was to compensate Councils for 75% of irrecoverable losses in council tax and business rates income for the year 2020/21. Both billing authorities and major preceptors were compensated under this scheme. It was difficult to prove irrecoverable losses as although we had higher arrears figures than usual, this was not allowed at this point, to be classed as irrecoverable.

1.19 This funding was really to compensate for the lack of growth in the tax base due to Covid. For example, less houses were built during the pandemic which meant our council tax base reduced over the period. The extra costs from the council tax support scheme also caused a reduction in the tax base. The reductions in the tax base meant the amount of council tax we could bill tax payers was lower than it should've been. Although not as easy to see, this would've been the case for our business rates base too.

The amount of compensation received for business rates was **£177,172** and for council tax was **£118,102**.

1.20 Councils incurred additional costs resulting from grant delivery, reconciliation and post payment assurance processes, administration of the test and trace schemes as well as the monitoring and reporting on a myriad of different schemes, including the compensation ones. For this, Government paid a number of New Burden amounts to us. The total amount received over the 2020/21 – 2022/23 period was **£586,148**.

1.21 In addition to all the above schemes the Council received funding for a number of other Covid related grants. These were ring-fenced so were for specific areas, depending on the grant. These included:

- The Welcome Back Fund (also known as the Re-opening High Streets Safely Fund) - amount received **£142,799**.
- Contain Outbreak Management Fund (COMF) – amount received **£128,288**.
- Covid-19 Rough Sleeping Contingency Fund – amount received **£1,650**.
- Protect and Vaccinate Grant – amount received **£10,000**.

In summary, the Council received in either grants or reliefs a total of **£42,526,174.41**, we paid out to businesses, individuals, parish councils or covered our own income losses with **£38,794,040.06**. We returned to the Government excess grant that was paid to us 'just in case' of **£3,732,134.35**.

2. **Reasons for Recommendation**

2.1 The report is for Member's information.

3 Alternative Options and Reasons for Rejection

- 3.1 No alternatives found – the report is a factual report based on all grants and contributions received throughout the period 11th March 2020 to 9th September 2022.

RECOMMENDATION(S)

1. That Executive notes the report.

Approved by the Portfolio Holder - Cllr Clive Moesby, Executive Member for Finance

IMPLICATIONS:

Finance and Risk: Yes No

Details:

There are no new financial implications arising from this report. All expenditure was covered by the external funding.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no legal implications arising directly out of this report.

On behalf of the Solicitor to the Council

Staffing: Yes No

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	No

District Wards Significantly Affected	All
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy and Environment.

DOCUMENT INFORMATION	
Appendix No	Title

Background Papers
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i>
None