

From: Zena Cooke, Corporate Director Finance

To: Roger Gough, Leader of the Council

Decision No. 21/00024

Subject: **COVID Emergency Grant Funding the Helping Hand Support scheme for Residents and Businesses**

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: Leader Decision

Electoral Division: All

Summary: The Government has provided significant grant funding to Kent County Council to support the local response to the coronavirus (Covid-19) pandemic. The County Council has used grant funding since the start of the pandemic in March last year to implement a range of support measures for both residents and local businesses.

This decision report sets out the recommended approach to using £10m of unallocated Covid Emergency Grant funding to urgently respond to the impact of the new variant and the latest national lockdown. It provides an overview of the purpose, governance and funding framework which includes four categories of proposed spend. These are to enhance the national response, continue and enhance local activities, supporting those most impacted and most in need. The funding will be flexibly deployed to be responsive to any changes in impact and need.

The delegations put in place by this decision confirm that the Corporate Director of Finance will need to consult with the Leader in reviewing the spend arrangements and approving any changes. Significant amendments to the arrangements will be subject to a recorded Officer Decision. Importantly, this funding which is vital for Kent residents will be regularly reviewed by the Leader, Cabinet and the Policy and Resources Cabinet Committee. A positive offer will also be made to the Scrutiny Committee to bring a report reviewing the spend to allow further oversight and scrutiny of this decision by the Leader.

The allocation of this funding will enable the continuation of vital support for residents and local businesses.

Recommendation(s):

The Leader of the Council is asked to:

- 1) Agree a £10m allocation from the available Covid-19 Emergency Grant Funding. This will be:
 - i) Used to provide targeted support to low income households and households in financial distress, including individuals and families; and local businesses, in line with the funding principles and criteria set out within this decision report and the associated Policy Documents/Funding Frameworks, which are intended to provide sufficient flexibility to respond to emerging and changing needs across the county;
 - ii) Allocated as follows:
 - (a) £4m to support low income households and households in financial distress, including through council services such as the Kent Support and Assistance Service, district and borough councils, voluntary and community sector organisations, such as Kent Community Foundation and utility companies such as South East Water.
 - (b) £3m to provide a range of support for businesses and the self-employed that meet specified criteria, including through council services, district and borough councils, voluntary and community sector organisations, and business support organisations such as the Chamber of Commerce.
 - (c) £2.5m to tackle digital poverty, working with schools and colleges, district and borough councils and voluntary and community sector organisations.
 - (d) £500k to match fund crowdfunded community projects and initiatives that support local communities in responding to and recovering from the impact of the pandemic.

and;

- 2) Delegate authority to the Corporate Director, Finance, after consultation with the Leader, to update, review and amend the proposed distribution of the funding in response to changing need, as evidenced by the monitoring of all Covid-19 related grant expenditure, including consideration of the use of any remaining unallocated grant funding; and
- 3) Delegate authority to the Corporate Director, Finance to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision.

1. Introduction

- 1.1 The Government has provided significant grant funding to Kent County Council to support the local response to the coronavirus (Covid-19) pandemic. The Council has worked with a range of partners to allocate funding to respond to

the impact of the Covid-19 pandemic on the Council's services, to meet its public health obligations and to support those residents, families and businesses most in need of support since the start of the pandemic. In addition to a number of specific grants, a total of £95m Covid-19 Emergency Grant Funding has been received since March 2020.

- 1.2 As a result of the latest national lockdown and the new variant of the virus, additional and on-going needs have been identified that the Council, working with partners is keen to respond to, ensuring the continued support for residents and businesses in Kent. It is proposed that these areas of support utilise an initial £10m of the currently unallocated Covid-19 Emergency Grant Funding.
- 1.3 This report sets out the recommended approach to ensure this grant allocation is used in the most effective way across the county to support those most in need.

2. Overall Approach

2.1 Building on the support provided to date, the main aims of the funding are as follows:

- To ensure those who most need help receive it, with a focus on equality of access, and consistency of approach to assessing eligibility across the county;
- To provide guidance and advice that supports those seeking help to improve their situation and avoid future dependency;
- To use this opportunity to improve the system for addressing financial hardship across the county, and preparing for what lies ahead
- To support local businesses and the self-employed that have been significantly impacted by the pandemic.
- To ensure that the funding is used for time limited activity with a clear exit strategy in recognition that it is one-off funding

2.2 In order to be able to respond to the changing environment, it is proposed to have a flexible approach to the deployment of the grant funding, to allow for it to be used dynamically where it will be most effective. In order to ensure appropriate use of the grant funding, the support provided will take an evidence-based approach.

2.3 As there is already strong partnership working in place across the county and a wide range of effective support measures that have already been implemented, it is proposed to build on those arrangements and utilise the grant to respond to the latest national lockdown and the impact of the new variant. The four categories of spend and the proposed allocations are as follows:

- a) £4m to support low income households and households in financial distress, including through council services such as the Kent Support and Assistance Service, district and borough councils, voluntary and

- community sector organisations, such as Kent Community Foundation and utility companies such as South East Water.
- b) £3m to provide a range of support for businesses and the self-employed not in receipt of government funding, including through council services, district and borough councils, voluntary and community sector organisations, and business support organisations such as the Chamber of Commerce.
 - c) £2.5m to tackle digital poverty, working with schools and colleges, district and borough councils and voluntary and community sector organisations.
 - d) £500k to match-fund crowdfunded community projects and initiatives that support local communities in responding to and recovering from the impact of the pandemic.

Support for low income households and those in financial distress– £4 million

2.4 It is proposed to allocate £4m to support low income households and those in financial distress. This will include providing support to families and individuals in food and fuel poverty and with other essentials through the Council's Kent Support and Assistance Service, district and borough councils, voluntary and community sector organisations, such as Kent Community Foundation and utility companies such as South East Water. The funding will also be used to provide financial advice and support to address debt and financial hardship and capability issues. Funding will also be made available to voluntary and community sector organisations to support them to be more sustainable. Part of the funding will be allocated to enhance existing services, including mental health, suicide prevention, domestic abuse drug and alcohol misuse services and support for both young and old experiencing social isolation, all of which have seen significant increases in need due to the impact of the pandemic.

Support for micro businesses and the self employed – £3 million

2.5 Evidence from the Business Help-Line that has been providing advice and guidance to businesses since the start of the pandemic highlights the significant impact on businesses and personal liquidity.

2.6 The Council has already provided loans totalling £4.3m to help businesses in the county. In response to Covid-19, the Kent and Medway Growth Hub, which is supported by the Council has set up a helpline that has received over 14,000 calls since March 2020, of which 49% were regarding the Business Rates Relief Grant.

2.7 It is proposed to use part of the allocation to support micro businesses (i.e. with nine or fewer employees) and the self-employed to establish a small capital grants scheme. This will include contributing to the costs of making business premises 'Covid secure', purchasing hardware and software to enable online trading, and funding capital improvements that will enable businesses to respond to changing demand.

- 2.8. Businesses accessing the small capital grants scheme will be offered business advice alongside their grant support. This will be procured from a third party provider by the Council. It will enable businesses to access up to 6 hours' business advice (depending on need) in business planning, development, diversification, digital adoption, and so on, and signposting to other services as appropriate. This responds to evidence that business advice increases firm resilience and can enable businesses to access further specialist support in the future.
- 2.9. To deliver the small capital grants scheme, the Council will work closely with district and borough councils and the Kent Invicta Chamber of Commerce, building on the excellent joint working that has taken place throughout the pandemic.
- 2.10 Evidence from a major study by NESTA and SAGE in 2018, highlighted that business productivity depended on access to digital infrastructure but more importantly on digital skills. 38% of small businesses still lack digital skills, so part of the funding will aim to address these issues.

Tackling digital poverty – £2.5 million

- 2.11 National research has shown that a significant proportion of the population is digitally excluded because they don't have the:
- Digital devices to use online services (e.g. no/limited access to computer or smartphone)
 - Access to the internet to use online services (e.g. no broadband at home or limited data)
 - Digital skills required to access online services (including language barriers)
- 2.12 Building on the significant activity already undertaken by the Council in this area, and working with partner organisations, including schools and colleges, district and borough councils, voluntary and community sector organisations, it is proposed to allocate £2.5m to help tackle digital poverty. This will include a focus on digital connectivity and removing the barriers to accessing digital services and will also enable expansion of a Kent and Medway pilot scheme which includes short term loans and a digital skills champion programme.

Match fund crowdfunded community projects and initiatives – £500k

- 2.13 The council's draft Civil Society strategy committed £100k to developing crowdfunding as one of a range of ways to support local grass roots voluntary and community sector organisations. As part of the response to the impact of covid it is proposed that £500k be allocated to enable local groups to come forward with crowdfunding projects and initiatives that will support local communities impacted by Covid-19 and build towards the recovery from the pandemic.

Monitoring impact, and adjusting allocations

- 2.15 The proposed allocations are based on the support provided to date and the evidence-based information currently available. It is proposed, however, that this be an initial allocation of the funding which could be adjusted in response to improved planning information or experience of demand.
- 2.16 Monitoring and compliance checks will be applied to all areas of spend, in line with the monitoring arrangements already in place through the Covid 19 Finance Monitoring Group (CFMG) (previously called the Test and Trace Grant Monitoring Group (TTGMG)), to allow for informed Officer decision-making as part of the ongoing implementation of this Key Decision.

Eligibility

- 2.17 There is a balance to be struck between making it straightforward for those in genuine hardship to get the support they need, without generating unmanageable demand. Whilst the funding will not be widely advertised among the general public, the support available will be highlighted to relevant staff and partner organisations who are most likely to be in contact with the most vulnerable households and local businesses most in need.
- 2.18 Due to data sharing considerations, information about individual households is not routinely shared between different organisations so it is not possible to definitively avoid households being helped via different routes of the Fund, and indeed sometimes this would be entirely warranted e.g. fuel and digital poverty. Longer term data sharing arrangements are being progressed in order to ensure the progress made in identifying and supporting vulnerable households can be maintained efficiently and effectively.
- 2.19 Whilst the Council has discretion as to how to identify and support those most in need, it is critical to have a clear rationale or policy/framework document outlining the approach including how eligibility is defined and how households and businesses access the support being provided.

3. The funding framework

- 3.1 A funding framework will be developed to ensure a consistent process for decision-making that aligns with the objectives of the grant funding, as determined by this decision. This framework will cover the £10m Covid-19 Emergency Grant Funding.
- 3.2 The key elements of the framework are set out below:
- i. All spend should align to the purpose of the grant funding.
 - ii. All spending must align to the four categories of spend.
 - iii. A consistent decision-making process in line with the delegated authority will be applied to all spend with final grant approval by the Corporate Director, Finance.

- iv. Any organisations in receipt of the grant will be required to regularly report on the use of the funding and return any unspent funding if requested by KCC.
- v. A written summary of all funded activities will be recorded to provide an auditable process.
- vi. The lead commissioner for Public Health or delegated officer will chair the monitoring group called the Covid-19 Finance Monitoring Group (CFMG) (previously called the Test and Trace Grant Monitoring Group (TTGMG)), and be responsible for ensuring the framework is applied consistently. This group will consider all spend proposals against the four categories of spend. It will also ensure that it would not be appropriate for proposals to be funded via other funding streams. The CFMG will also work with and take account of the proposals for funding made by the working group representing the district and borough councils.
- vii. The Corporate Director, Finance will deploy the funding in a flexible way under officer delegation according to need, subject to compliance with the Funding Framework.
- viii. The spend will be regularly reported to Cabinet and the Policy and Resources Committee.

4. Financial Implications

- 4.1 There are no direct financial implications on the Council's revenue budget as the allocation is grant funding received from the government to support the Council's response to the Covid-19 pandemic. The activities and projects funded by the Emergency Grant Funding are time limited and will not be a recurring cost to the Council. Any additional staff resourcing required as a result of activities and projects funded by the grant are eligible to be charged to the grant.
- 4.2 An allocation of the grant has been proposed which sets out at a high level the planned activities against the four outlined categories of spend. However, due to the nature of the pandemic and limited data available for accurate modelling and forecast, the planned allocations across the range of activities may need to be varied depending on need. Any variance will be monitored and managed by the CFMG, as set out in the funding framework. Where significant updates or changes in approach are required, the Leader will be consulted in advance of the change.
- 4.3 Collaboration with key partners such as district and borough councils will ensure funding is allocated equitably across organisations as required and will support innovative approaches that support the Council to respond to the latest national lockdown and be better prepared for the next 6 months and beyond.
- 4.4 The use and impact of the grant funding will be monitored closely, not only in order to provide update reports to Cabinet and the Policy and Resources Committee but also to flex the response according to experience, and how need and demand changes across the county.

5. Legal Implications

- 5.1 Funding will be used in accordance with the funding framework and the Council will apply appropriate legal mechanisms where necessary, as part of issuing or deploying any grant monies to ensure any partners or third parties in receipt of grant funding remain compliant. The Council will record, monitor and report on the deployment of the Emergency Grant Funding, in accordance with its formal budget monitoring and reporting arrangements.
- 5.2 Specific legislation to assist in outbreak control of Covid-19 in the UK includes the Coronavirus Act 2020 and the Health Protection Regulations 2010 (as amended).

6. Equality Implications

- 6.1 To reduce potential adverse impacts:
- 1) A good proportion of the fund will be allocated according to clear eligibility criteria related to income, such as entitlement to specific benefits or benefits-related entitlements such as Free School Meals and Free Prescriptions, as whilst these in themselves are not a perfect proxy for poverty, they are the best available, and reduce the risk of arbitrary decisions and subjectivity.
 - 2) Efforts will be made to target specific groups who are vulnerable, either by raising their awareness of the opportunities provided by the funding to ensure they do not miss out, or by direct provision of support.
 - 3) Evidence on the impact of Covid-19 on protected characteristics will be sought and used to influence decision making.
 - 4) Any document made available to the public to support accessing funds will also be made available in accessible formats as appropriate.
 - 5) An EQIA screening will be completed by the appropriate organisation for all initiatives using this funding.

7. Other Corporate Implications

- 7.1 Given the need to implement quickly, the Council will operate within existing data-sharing protocols whilst in parallel developing data sharing arrangements that will significantly enhance the Council's ability to target specific groups and individuals most in need of support going forward. Partners are not sharing information about those who are being helped, so there are no data protection implications.

8. Governance

- 8.1 The delegations put in place confirm that authority for ongoing management of the grant funding will be vested in the Corporate Director of Finance, in accordance with the agreed funding framework, spend areas and eligibility criteria. This delegation includes reviewing the spend arrangements and

approving changes after consultation with the Leader. Significant amendments to the arrangements will be subject to a recorded Officer Decision.

- 8.2 All spend will be monitored as part of compliance checks to ensure adherence to the funding framework associated with the grant allocation.
- 8.3 A key decision is required to enable the allocation of the Covid-19 Emergency Grant Funding as set out in this decision report. The decision asks the Leader to approve the approach set out in this report and delegate authority to the Corporate Director, Finance to implement the proposed arrangements.
- 8.4 The already established director level group is proposed to oversee the spending of the £10m, in addition to the specific grant funding associated with managing the response to the Covid-19 outbreak that is already overseen by the group. The Covid-19 Finance Monitoring Group (CFMG) (previously called the Test and Trace Grant Monitoring Group (TTGMG)), meets regularly to oversee and apply the funding framework to ensure consistency of all spend.
- 8.5 Internal and external contractual agreements where necessary will be put in place and be proportionate to the value of spend. The agreements will set out monitoring, reporting and assurance requirements.
- 8.6 Relevant due diligence will be carried out at project level including completion of equality impact and data impact assessments where appropriate. Completion of these assessments will be monitored by the CFMG.
- 8.7 An offer will be made to provide an update on the use of the grant funding to the Scrutiny Committee in 3 months.

9. Conclusion

- 9.1 As a result of the latest national lockdown and the new variant of the virus, additional and on-going needs have been identified that the Council, working with partners is keen to respond to, ensuring the continued support for residents and businesses in Kent. It is proposed that these areas of support utilise £10m of the currently unallocated Covid-19 Emergency Grant Funding.
- 9.2 This report sets out the recommended approach to ensure this grant allocation is used in the most effective way across the county to support those most in need.

10. Recommendations

Recommendation(s):

The Leader of the Council is asked to:

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- 3) Delegate authority to take other necessary actions including but not limited to entering into contracts or other legal agreements, as required to implement this decision.

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