

DERBYSHIRE COUNTY COUNCIL

CABINET

16 March 2020

Report of the Director of Finance and ICT

CORONAVIRUS DERBYSHIRE RESIDENTS AND BUSINESS HARDSHIP FUND

(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

To seek approval to establish a hardship fund to support Derbyshire residents and businesses affected by the financial consequences of the Coronavirus outbreak in the county.

2 Information and Analysis

In late 2019, Coronavirus was identified as the cause of a disease outbreak in China. There has been a significant spread of the virus worldwide, with the World Health Organisation labelling the virus as a pandemic on 11 March 2020. The first cases of the virus were reported in the UK in January. As of 9 March 2020, there were 4 confirmed cases in Derbyshire.

On 11 March 2020 the Government announced details of Budget 2020 which included a £12bn package of temporary measures to support public services, individuals and businesses during the economic disruption caused by the virus. One of the Government measures is a £500m hardship fund which will be allocated to local authorities to support vulnerable people during the Coronavirus outbreak. There are also further national measures including extending sick pay and suspending business rates for some businesses, which include:

- Provide £3,000 to around 700,000 businesses currently eligible for Small Business RR or Rural Rate Relief, to help meet their ongoing business costs.
- To support pubs in response to COVID-19 the discount for pubs with a rateable value below £100,000 in England will be increased from £1,000 to £5,000 for one year from 1 April 2020.
- The £1,500 business rates discount for office space used by local newspapers in England will be extended for an additional five years until 31 March 2025
- Extending the retail discount to hospitality and leisure businesses and raising this discount to 100% for one year;

The Bank of England decision to reduce the base rate of interest from 0.75% to 0.25% should also support businesses during this period of economic uncertainty. The Natwest Bank has also pledged £5bn of funding to support small and medium-sized businesses caused by the Coronavirus outbreak.

Partners in the county are also supporting businesses. The Chamber of Commerce have developed a Coronavirus Planning ahead toolkit, a set of documents to help organisations in planning for any disruption.

It is proposed to establish a £1m fund to complement both local measures and the measures announced in the Budget 2020. This additional provision will offer valuable financial support to the residents and businesses of the county of Derbyshire. Additional funding will be made available by the Council if necessary. However, there are significant financial pressures on the Council's services, which are reflected in the Five Year Financial Plan approved by Council in February 2020 which highlights the requirement for savings in excess of £60m over the medium term.

In setting up the £500m hardship fund, the Government has stated that it expects local authorities to utilise the funding to provide more council tax relief, either through existing Local Council Tax Support schemes or through similar measures. The Council will liaise with district/borough councils in the county to ensure that the Council's hardship fund criteria reflects guidance that is expected from Government in the coming days.

Similarly, the business rates measures announced in Budget 2020, such as business rates relief for small and medium sized businesses and the business rates retail discount are likely to be the basis of criteria for applications to the Council's hardship fund.

The Council will develop details of the application process for the Hardship Fund over the coming days and information for residents and businesses will be made available on the Council's website.

3 Financial Considerations

The £1m cost of the hardship fund will be met from the Council's General Reserve and will be paid to applicants in accordance with verified details provided through the application process. Any additional costs will be subject to a further Cabinet report.

In responding to the impact of the Coronavirus, the Council is reviewing business continuity arrangements in accordance with its Business Continuity Policy to ensure that it can deal effectively with any anticipated service disruption. A significant response may result in unexpected substantial costs to the Council which will be reflected in the Council's final outturn position.

4 Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

5 Background Papers

No

6 Key Decision

Yes

7 Is it necessary to waive the call-in period?

Yes. The decision is urgent as the proposal is in response to the measures which complement the announcements made on 11 March 2020 in the Government's Budget 2020 in supporting vulnerable people and businesses as the Coronavirus escalates.

The Chairman of the Resources Improvement and Scrutiny Committee has been consulted and agreed that the decision proposed is reasonable in all the circumstances and should be treated as a matter of urgency.

8 Officer's Recommendation

That Cabinet:

- i) Approves the establishment of the Coronavirus Hardship Fund;
- ii) Delegates the decision to approve the application process and associated arrangements to the Executive Director – Commissioning, Communities and Policy and the Executive Director - Economy, Transport and Environment in consultation with the Leader of the Council.

PETER HANDFORD

Director of Finance