

# COUNCIL MEETING

Wednesday, 24th June, 2020  
at 6.00 pm

Virtual Meeting – Please Note:  
A link to this meeting will be  
available on Southampton City  
Council’s website at least 24hrs  
before the meeting

## **This meeting is open to the public**

### **Members of the Council**

The Mayor – Chair

The Sheriff – Vice-chair

Leader of the Council

Members of the Council (See overleaf)

### **Contacts**

Service Director – Legal and Business Operations  
Richard Ivory  
Tel 023 8083 2794  
Email: [richard.ivory@southampton.gov.uk](mailto:richard.ivory@southampton.gov.uk)

Senior Democratic Support Officer  
Claire Heather  
Tel: 023 8083 2412  
Email: [Claire.heather@southampton.gov.uk](mailto:Claire.heather@southampton.gov.uk)

<b>WARD</b>	<b>COUNCILLOR</b>	<b>WARD</b>	<b>COUNCILLOR</b>
<b>Bargate</b>	Bogle Noon Dr Paffey	<b>Millbrook</b>	G Galton S Galton Taggart
<b>Bassett</b>	Hannides B Harris L Harris	<b>Peartree</b>	Bell Houghton Keogh
<b>Bevois</b>	Barnes-Andrews Kataria Rayment	<b>Portswood</b>	Cooper Mitchell Savage
<b>Bitterne</b>	Murphy Prior Streets	<b>Redbridge</b>	McEwing Spicer Whitbread
<b>Bitterne Park</b>	Fuller Harwood White	<b>Shirley</b>	Chaloner Coombs Kaur
<b>Coxford</b>	Professor Margetts Renyard T Thomas	<b>Sholing</b>	J Baillie Guthrie Vaughan
<b>Freemantle</b>	Leggett Shields Windle	<b>Swaythling</b>	Bunday Fielker Mintoff
<b>Harefield</b>	P Baillie Fitzhenry Laurent	<b>Woolston</b>	Mrs Blatchford Hammond Payne

## **PUBLIC INFORMATION**

### **Role of the Council**

The Council comprises all 48 Councillors. The Council normally meets six times a year including the annual meeting, at which the Mayor and the Council Leader are elected and committees and sub-committees are appointed, and the budget meeting, at which the Council Tax is set for the following year.

The Council approves the policy framework, which is a series of plans and strategies recommended by the Executive, which set out the key policies and programmes for the main services provided by the Council. It receives a summary report of decisions made by the Executive, and reports on specific issues raised by the Overview and Scrutiny Management Committee. The Council also considers questions and motions submitted by Council Members on matters for which the Council has a responsibility or which affect the City.

## **PUBLIC INVOLVEMENT**

**Questions:-** People who live or work in the City may ask questions of the Mayor, Chairs of Committees and Members of the Executive. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.8)

**Petitions:-** At a meeting of the Council any Member or member of the public may present a petition which is submitted in accordance with the Council's scheme for handling petitions. Petitions containing more than 1,500 signatures (qualifying) will be debated at a Council meeting. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.1)

**Representations:-** At the discretion of the Mayor, members of the public may address the Council on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

**Deputations:-** A deputation of up to three people can apply to address the Council. A deputation may include the presentation of a petition. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.7)

## **MEETING INFORMATION**

**Use of Social Media:-** The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

**Mobile Telephones** – Please switch your mobile telephones to silent whilst in the meeting.

Southampton: Corporate Plan 2020-2025 sets out the four key outcomes:

- Communities, culture & homes - Celebrating the diversity of cultures within Southampton; enhancing our cultural and historical offer and using these to help transform our communities.
- Green City - Providing a sustainable, clean, healthy and safe environment for everyone. Nurturing green spaces and embracing our waterfront.
- Place shaping - Delivering a city for future generations. Using data, insight and vision to meet the current and future needs of the city.
- Wellbeing - Start well, live well, age well, die well; working with other partners and other services to make sure that customers get the right help at the right time

**Access** – Access is available for disabled people. Please contact the Council Administrator who will help to make any necessary arrangements

**Smoking policy** – The Council operates a no-smoking policy in all civic buildings

**Fire Procedure** – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised by Council officers what action to take.

Proposed dates of meetings	
2020	2021
15 July	24 February (Budget)
16 September	17 March
18 November	19 May (AGM)

### **CONDUCT OF MEETING**

#### **FUNCTIONS OF THE COUNCIL**

The functions of the Council are set out in Article 4 of Part 2 of the Constitution

#### **RULES OF PROCEDURE**

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

#### **BUSINESS TO BE DISCUSSED**

Only those items listed on the attached agenda may be considered at this meeting.

#### **QUORUM**

The minimum number of appointed Members required to be in attendance to hold the meeting is 16.

### **DISCLOSURE OF INTERESTS**

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

#### **DISCLOSABLE PECUNIARY INTERESTS**

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship: Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- (iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.
- (iv) Any beneficial interest in land which is within the area of Southampton.
- (v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.
- (vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.
- (vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:
  - a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
  - b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

### **Other Interests**

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

### **Principles of Decision Making**

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

Richard Ivory  
Service Director, Legal and Business Operations  
Civic Centre, Southampton, SO14 7LY

Tuesday, 16 June 2020

**TO: ALL MEMBERS OF THE SOUTHAMPTON CITY COUNCIL**

You are hereby summoned to attend a meeting of the COUNCIL to be held on WEDNESDAY, 24TH JUNE, 2020 in the COUNCIL CHAMBER CIVIC CENTRE at 6:00pm when the following business is proposed to be transacted:-

**1 APOLOGIES**

To receive any apologies.



Richard Ivory  
Service Director – Legal and Business Operations

# Agenda Item 3

<b>DECISION-MAKER:</b>	COUNCIL		
<b>SUBJECT:</b>	Acceptance of External Funding, Scheme Expenditure Approvals, Delegations in relation to future External Covid funding and Review of Financial Procedure Rules		
<b>DATE OF DECISION:</b>	24 June 2020		
<b>REPORT OF:</b>	Executive Director – Finance and Commercialisation		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>John Harrison</b>	Tel: 023 8083 4097
	<b>E-mail:</b>	John.harrison@southampton.gov.uk	
<b>Director</b>	<b>Name:</b>	<b>John Harrison</b>	Tel: 023 8083 4097
	<b>E-mail:</b>	John.harrison@southampton.gov.uk	
<b>STATEMENT OF CONFIDENTIALITY</b>			
None			
<b>BRIEF SUMMARY:</b>			
<p>Financial Procedure Rules (FPR's) provide authorisation levels within which Officers and the Executive can act with financial decisions deemed to have a significant impact on the Budget (approvals above £2m) reserved to Council. The impact of COVID is that significant external funding is being provided at short notice and needs to be approved to enable the deployment of the monies at a local level for both ring-fenced and discretionary pass through of funds. The report also seeks approval to accept external funding and authorise spend in relation to two major transport programmes.</p>			
<p>To avoid the necessity of special council meetings having to be called each time new external funding streams are announced (often with short notice to implement spend) it is proposed that the acceptance of and approval to spend all future COVID funding is delegated to the S151 Officer following consultation with the Cabinet Member for Resources &amp; Income Generation, Leader, relevant portfolio holder and relevant Executive Director in whose areas the funding implementation impacts.</p>			
<p>COVID funding from Government normally comes with a clear COVID connection, and often with a ring-fence, guidance or accompanying letter on how it's to be used that references COVID needs. Should this start to become blurred, then the first part of the delegation will be to determine if COVID applies or not to the funding. The council's S151 officer can maintain a record and evidence why it was considered COVID related funds. As referenced in para 6, this will be reported to Cabinet quarterly for transparency.</p>			
<p>The operation of the delegation granted in this report can be formally reviewed as part of the annual budget setting meeting, the next one being February 2021.</p>			

<b>RECOMMENDATIONS:</b>		
	(i)	<p>That in relation to Covid matters Council is recommended to approve the acceptance of funding and spend in respect of:</p> <ol style="list-style-type: none"> <li>1. Discretionary grants for business (acceptance and spend of £2.186M on the basis set out in Appendix A)</li> <li>2. Control of infection in care homes (acceptance and spend of £2.025M on the basis set out in Appendix B) 75% (£1.519M) of the funding is passported through the council and allocated as required by Government, but 25% (£0.506M) is allocated at the council's discretion. Delegated approval is sought for the 25% element of the funding to be allocated at the discretion of the Executive Director Wellbeing (Health &amp; Adults), following consultation with the Cabinet Member (Health and Adults), after consideration of the local market conditions at this time.</li> <li>3. Infection Control (acceptance and spend of £1.571M on the basis set out in Appendix C)</li> <li>4. Local Welfare Assistance Scheme Funding (the sum has not yet been notified by Government. Council is asked to accept the sum in principle, and spend on the basis set out in Appendix D).</li> </ol>
	(ii)	<p>A decision has previously been made, via an Emergency delegated decision, in relation to the Adults Social Care provider market that:</p> <ol style="list-style-type: none"> <li>(i) The Council agrees to a 10% price uplift for a fixed period 19th March 2020 to 30th June 2020. This will apply to current social care providers with existing clients and community-based support providers procured via a block contract.</li> <li>(ii) The additional cost of £2.5m is a call down against the £7.4m additional funding provided to the Council for this purpose.</li> <li>(iii) The payment will be in the form of a one-off payment paid in May 2020 to cover the period 19th March to 30th June 2020.</li> <li>(iv) This temporary uplift up to 10% is not evidenced based but made as a flat payment scheme based on the provider's</li> </ol>



		<p>commissioned activity or contract value as at February 2020.</p> <p>(v) Through their delegated authority after consultation with the Leader, Cabinet Member for Adult Care and Chair of OSMC, the Executive Director of Health &amp; Adults and Executive Director for Finance, can agree to urgent decisions to uplift above 10% for some providers or segments of the market where the risk is assessed as critical and the need can be evidenced via open book accounting. Such decisions will be made within the £2.5m cost envelope.</p> <p>Council is now recommended to approve a time extension to make additional payments to the end of July 2020, but with spend limited to the existing £2.5M agreed allocation.</p>
	(iii)	<p>Council is recommended to accept the Transforming Cities Fund grant of £56.90M and approve the revision to the capital programme and spend for Connected Southampton and to approve associated match funding spend from the council as per the details provided in paragraph 9 and Appendix E.</p>
	(iv)	<p>Council is recommended to accept the Future Transport Zone funding of £28.76M and approve the addition of this amount to the capital programme between 2020/21 and 2022/23 with Southampton City Council acting as the local accountable body on behalf of partners, together with approval to spend as per the details provided in paragraph 10 and Appendix F</p>
	(v)	<p>To delegate authority to the S.151 Officer to accept and authorise spend on any external Covid related funding regardless of value, provided they do so following consultation with the Cabinet Member for Resources &amp; Income Generation, Leader, and relevant Cabinet Member and Executive Director in whose area of responsibility funding implementation lies.</p>
	(vi)	<p>To delegate authority to the S.151 Officer, following consultation with the Cabinet Member for Resources and Income Generations and the Leader to amend the FPR's to raise the levels in respect of which Covid Related funding acceptance or spend requires Cabinet or Council approval and to temporarily relax controls over payment schedules etc to ensure speedy</p>

		distribution of funds to those in need and to further amend the Key Decision definition to exclude Covid related expenditure from the financial and strategic or policy impact trigger points at which a Key Decision would be required.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>		
1.	To ensure that a swift response is in place for funds that are notified at short notice, enabling allocation of funding to where it is needed as swiftly as possible, such as care homes or local businesses.	
2.	To enable swift deployment of highways funding, to facilitate work as quickly as possible on transport, which will come under increasing strain for daily and other commutes under 'new normal' social distancing rules. Transport investment will provide residents with greater confidence in local transport and help facilitate economic recovery.	
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>		
3	The decision could wait to normal meetings of council but this would delay the delivery of funds into key areas such as business support.	
<b>DETAIL (Including consultation carried out)</b>		
4	<p>Attached to the report are appendices providing individual details for the following areas:</p> <p style="padding-left: 40px;"><b>COVID MATTERS:</b></p> <p style="padding-left: 40px;">A. Discretionary grants for business</p> <p style="padding-left: 40px;">B. Control of infection in care homes</p> <p style="padding-left: 40px;">C. Infection Control</p> <p style="padding-left: 40px;">D. Emergency food (local welfare assistance fund)</p> <p style="padding-left: 40px;"><b>NON COVID MATTERS:</b></p> <p style="padding-left: 40px;">E. Transforming Cities Fund</p> <p style="padding-left: 40px;">F. Future Transport Zones (FTZ)</p> <p>Additionally, financial support for one month to the Adults Social Care (ASC) provider market is also sought, to extend the timeframe for a decision already made but keeping within agreed funding of (£2.5M).</p>	
5	The current FPR's require Council to accept funding above £2m as this is the level at which changes to the approved Budget are reserved to Council. Due to the resource implications and difficulties associated with holding virtual meetings within the timeframes the Government has determined funds should be spent within, a temporary method of accepting and spending Covid related funds that maintains Member accountability in the decision making process is required. In the same manner, changes to FPR's are required to temporarily exclude Covid related decisions from the definition of an Executive Key Decision that would require a meeting of the Cabinet on 28 days notice or via urgency provisions to implement.	

6	<p>To enable funds to be accepted and schemes to be implemented within the timescales required by government it is now proposed that Covid related financial decisions are made under officer delegation following consultation with senior members of the Cabinet.</p> <p>A summary of these decisions can be published quarterly at cabinet meetings as part of the budget monitoring reporting process.</p>																		
<b>RESOURCE IMPLICATIONS</b>																			
<b><u>Capital/Revenue</u></b>																			
<b><u>Revenue</u></b>																			
7	<p>The revenue funding from Government is shown in the table below against each scheme and totalling £5.782M. They are all proposed as accepted and allocated by the council</p> <p><b>Table: Funds to be accepted</b></p> <table border="1" data-bbox="225 920 1385 1167"> <thead> <tr> <th>Scheme</th> <th>Amount (£M)</th> <th>Reference</th> </tr> </thead> <tbody> <tr> <td>Discretionary Business Grants Fund</td> <td>2.186</td> <td>Appendix A</td> </tr> <tr> <td>Control of infection in Care Homes</td> <td>2.025</td> <td>Appendix B</td> </tr> <tr> <td>Infection Control (local test and tracing)</td> <td>1.571</td> <td>Appendix C</td> </tr> <tr> <td>Local welfare assistance scheme</td> <td>Tbc</td> <td>Appendix D</td> </tr> <tr> <td><b>Total (subject to confirmation of welfare assistance funding)</b></td> <td><b>5.782</b></td> <td></td> </tr> </tbody> </table>	Scheme	Amount (£M)	Reference	Discretionary Business Grants Fund	2.186	Appendix A	Control of infection in Care Homes	2.025	Appendix B	Infection Control (local test and tracing)	1.571	Appendix C	Local welfare assistance scheme	Tbc	Appendix D	<b>Total (subject to confirmation of welfare assistance funding)</b>	<b>5.782</b>	
Scheme	Amount (£M)	Reference																	
Discretionary Business Grants Fund	2.186	Appendix A																	
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Infection Control (local test and tracing)	1.571	Appendix C																	
Local welfare assistance scheme	Tbc	Appendix D																	
<b>Total (subject to confirmation of welfare assistance funding)</b>	<b>5.782</b>																		
8	<p>Of the £2.025M on Control of Infection in Care Homes, expenditure of approx. £1.52M is simply a pass through arrangement of funding to providers which has been distributed in accordance with the requirements of the Infection Control Fund for adult social care and over which the Council has no discretion over the allocation.</p>																		
<b><u>Capital programme</u></b>																			
9	<p>Transforming Cities Funding (TCF)</p> <p>Southampton City Region was awarded around £57M of Government funding towards project and covers the three years to March 2023. This is a significant sum, but is some £44m less than the total assumed in the capital programme previously agreed in February, where TCF was part of the Connected Southampton project. Southampton's contribution to the project will also reduce, through a lower match funding requirement. The table below shows how the capital programme is impacted and the revised programme going forward. Further information can be found in appendix E.</p>																		

**Table: Transforming Cities Fund**

	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	Total £M
Agreed Budget (at Feb 2020 Council)						
- Connected Southampton	40.670	50.099	41.464	22.000	1.500	155.733
- Transport Schemes Match Funding	2.400	0.900	5.900	0.000	0.000	9.200
LESS: amendment due to grant confirmation	-24.298	-24.034	4.372	0.000	0.000	-43.960
LESS: reduced need for SCC match funding	-0.900	-0.750	-0.750	0.000	0.000	-2.400
<b>Amended Proposed Budget</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>
<b>Funded by:</b>						
Transforming Cities grant	10.027	22.153	24.719	0.00	0.00	56.899
Other grants	5.336	3.092	20.947	21.830	1.500	52.705
Council resources	2.509	0.970	5.320	0.170	0.000	8.969
<b>Funding - total</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>

10

Future Transport Zones (FTZ)

Solent Transport has been granted £28.76M from the Department for Transport (DfT) to implement innovative future transport solutions around personal mobility and freight movements. Southampton City Council will act as the accountable body for this funding, with the sum distribute to partners and Southampton City Council itself. The table below shows the addition to the capital programme with more details in Appendix F, funded by FTZ grant.

**Table: Future Transport Zones (FTZ) Capital programme**

	2020/21 £M	2021/22 £M	2022/23 £M	Total £M
Theme 1: Passenger transport innovation projects	4.15	3.56	4.47	12.18
Theme 2: Urban logistics innovation projects	2.39	3.92	5.28	11.59
Programme Support and Contingency	2.05	1.46	1.48	4.99
<b>Total</b>	<b>8.59</b>	<b>8.94</b>	<b>11.23</b>	<b>28.76</b>
<b>Funded by: FTZ grant</b>	<b>8.59</b>	<b>8.94</b>	<b>11.23</b>	<b>28.76</b>

<b><u>Property/Other</u></b>	
11	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
12	Local Government Act 1972, Schedule 12, Local Government Act 2000, The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as amended , The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, Localism Act 2011, Section 1.
<b><u>Other Legal Implications:</u></b>	
13	The schemes set out in this report are subject to assessment prior to implementation to ensure compliance with the Equalities Act 2010 and the Data Protection Act 2018 together with all other relevant secondary legislation. Equality Impact Assessments (EISA's) have been completed for each scheme where details have been supplied by Government and are provided for decisions makers to take into account in determining this matter. However, an Equality Impact Assessment will be completed for the local welfare assistance fund (appendix D) once Government has provided details behind this headline announcement.
14	The State Aid implications of the Grant and discretionary grants schemes and funding Approvals set out in this report and Executive Directors and S.151 Officer have satisfied themselves that the funding being provided falls within the relevant state aid exemptions applicable to each scheme permitting the grant funding set out in the report.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
15	The sums identified in this report will be included as part of the Council's overall financial management via the budget monitoring process to ensure the sums are correctly spent and budgets not exceeded.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
16	The Covid funds will be allocated in accordance with the measures the council is taking to support the local community and businesses during the pandemic and will be in accordance with all relevant guidance from Government.
17	The TCF and FTZ funds within the capital programme will support the aims set out in the Southampton City Council Strategy, which includes aims around transport improvement linked to a greener city and longer term economic growth.
<b>KEY DECISION?</b>	<b>NO</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
<b><u>SUPPORTING DOCUMENTATION</u></b>	

**Appendices:****COVID MATTERS:**

- A. Discretionary grants for business
- B. Control of infection in care homes
- C. Infection Control
- D. Emergency food (local welfare assistance fund)

**NON COVID MATTERS:**

- E. Transforming Cities Fund (TCF)
- F. Future Transport Zones (FTZ)

**Documents In Members' Rooms**

1.	None	
<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>Yes</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>Yes</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.	<b>Equality and Safety Impact Assessments relating to Appendices A,B,C, E and F</b>	

**SUBJECT: Discretionary Business Support Grant Funding**

**Summary:**

1. This Appendix provides Members with the detail of the **Discretionary Grant Fund**.

**Background & Briefing:**

2. The Government has provided a series of measures to help businesses including grants for local businesses.
3. In March the council was given £40.738m of government funding to allocate to 2,761 local businesses through the following grants:
  - the Small Business Grants Fund (SBGF)
  - the Retail, Hospitality and Leisure Grant Fund (RHLGF)
4. Local Authority Discretionary Grants Fund was announced in May 2020, aimed at small businesses outside the scope of the main grant schemes and businesses suffering financial hardship as a result of the C-19 economic 'lock-down'.
5. The purpose of the scheme is to support small businesses and to encourage growth and re-employment as the 'lock-down' measures are eased.
6. Southampton City Council is responsible for delivering grant to eligible businesses and has been provided a limited fixed budget by the Department for Business, Energy and Industrial Strategy. An initial 'fixed minimum allocation' of £2.186 million on for the scheme is based on the forecast delivery of the original grant schemes. It should also be noted that the financial liability for any cost overruns has shifted to the council.
7. 2,761 hereditaments were eligible for the original grant schemes, with 3,745 businesses making on-line submissions to date. Therefore it is likely the new scheme will be oversubscribed and so with a limited budget some non-prioritised businesses may not receive grant support. (*Initial modelling suggests that up-to 350 grant awards might be made under the Discretionary Fund.*)
8. If the fund is oversubscribed the Southampton City Council reserves the right to amend the grant levels downward, on a pro-rata basis, to enable as many grants to be paid as possible to eligible businesses and ensure the fund remains in budget.

**Nationally prioritised businesses**

9. The government has requested that local authorities clearly prioritise the following businesses.
  - Small businesses in shared offices spaces, other flexible workspaces and incubators which do not have their own business rates assessment;
  - Regular market traders with fixed property costs and who do not have their own business rates assessment;
  - Bed & Breakfasts and guesthouses paying Council Tax instead of business rates;
  - Charity properties in receipt of charitable business rates relief.

## General eligibility criteria

10. Businesses supported to date through other government COVID-related schemes, are **not** eligible for grants through the Discretionary Grants Fund. The main support schemes include but are not limited to the Small Business Grant and the Retail, Hospitality and Leisure Grant.
11. Ineligible submissions to the Small Business and Retail grant funds will be encouraged to re-submit to the Discretionary Fund.
12. Companies must be trading and not be in administration or insolvent, where a striking-off notice has been made and therefore are not eligible for funding under this scheme.
13. The scheme is primarily and predominately aimed at small to medium sized enterprises (SMEs) with fewer than 50 employees and a turnover of less than £10.2m as defined in the Small Business, Enterprise & Employment Act 2015.
14. General eligibility is also based on the following:
  - Those with ongoing fixed property-related costs such as mortgage, rent, lease, licence or other fees for business premises and not domestic properties, except Bed & Breakfasts and guesthouses;
  - A demonstrable fall in income due to the C-19 crisis of more than 50% in recent months when compared with the same period in 2019;
  - Only businesses which were trading on 11 March 2020;
  - Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

## Local fund priorities

15. The Discretionary Fund is finite and so awards will be made to nationally prioritised businesses first. Then Southampton City Council has then determined to prioritise the following businesses and other types of organisations.
  - Priority will be show to businesses with a greater number of employees to protect employment and reduce unemployment if the business were to close.
  - SMEs linked to the hospitality, tourism and leisure sectors being more impacted by the on-going Covid-19 restrictions and ineligible for the Retail, Hospitality and Leisure Grant.
  - SMEs providing a service benefitting the community and residents of Southampton such as day nurseries, nursery schools or those supporting disadvantaged or vulnerable groups.
  - SMEs in the digital, cultural and creative industries impacted by the on-going Covid-19 restrictions and ineligible for the Small Business Grant.
  - SMEs providing learning opportunities for all sections of the community.
  - SMEs that continue to be unable to trade and do not have an online presence.
  - SMEs with-in or that support leisure, community and cultural facilities.
  - SMEs that cannot access Small Business Rates Relief because they occupy a second property with a combined rateable value below £15,000.
16. The list above is not intended to be exhaustive, however the list is generally reflective of the local priorities for the scheme. Southampton City Council will determine if a business activity is of similar in nature and if a submission is eligible for a Discretionary grant.



## Methodology for processing submissions and awarding grants

17. All submissions will be assessed against the general eligibility criteria and only one grant will be paid each to eligible company to ensure that the expected high-level of demand for the grants can be met. Any ineligible submissions will be discounted.
18. The government expects that the value of grant awards is proportional and linked to fixed monthly property costs, the size of the business and a demonstration of a consequent financial impact due to the C-19 'lock-down'.
19. The nationally prioritised businesses will be given an additional weighting in assessing submissions. If the demand for the scheme is high then Southampton City Council reserves the right to amend the grant levels downward, on a pro-rata basis, to enable as many grants to be paid as possible to eligible businesses.
20. If for any reason a determination between businesses is necessary then this will be on the basis of either prioritisation and / or on a measure of continuing hardship due to the C-19 'lock-down' as based on lost income.
21. The value of the grants made to an eligible business is at the discretion of Southampton City Council and following governmental guidelines grants will be provided to eligible businesses based on the following criteria:
  - £5,000 grant for micro businesses and small charity properties  
No more than 5 employees and / or a turnover of less than £316,000  
Fixed monthly property cost from £200 to £800 (excl. VAT)
  - £7,500 grant for small businesses  
5 > 10 employees and / or a turnover of less than £632,000  
Fixed monthly property cost from £800 to £2500 (excl. VAT)
  - £10,000 grant for medium sized businesses  
More than 10 & less than 50 employees and / or a turnover from £632,000 to £10.2 million  
Fixed monthly property cost over £2500 (excl. VAT)
  - £5,000 grant for Bed & Breakfast, guest house or serviced accommodation providers paying council tax and with rent or mortgage cost below £4,250 per month.
  - £1000 for Regular market traders, per pitch, if the trader is based in Southampton and have been trading on a market in Southampton for at least 6 months prior to 11 March 2020.
22. An on-line form and webpage are ready to open and then submissions will be accepted and processed over a ten day period. Successful prioritised and eligible businesses will then be informed and grant payments made via BACS payments.

## Budgeting, monitoring and reporting requirements

23. The initial '*fixed minimum allocation*' of £2.186M for this scheme is finite and once exhausted no additional grants can be awarded. Additionally if surplus funding remains after awarding the first round of grants then the scheme will be reopened.
24. If the fund is oversubscribed the Southampton City Council reserves the right to amend the grant levels downward, on a pro-rata basis, to enable as many grants to be paid as possible to eligible businesses and ensure the fund remains in budget.
25. Southampton City Council will also be required to report on the following measures in delivering Discretionary Grant Fund, weekly to BEIS alongside the existing reporting on the existing

grants. *(Numbers of businesses provided £10,000 grants. Numbers of businesses provided with grants of less than £10,000. Total value of any grant payments less than £10,000.)*

26. All submissions will include a State aid declaration and a note describing the monitoring of fraudulent activities.

### Appeals

27. The decision to award grants or not will not be open to the right of appeal. The Council's decision is final.

<b>Further Information Available From:</b>	<b>Name:</b>	Matthew Hill
	<b>E-mail:</b>	Matthew.Hill@southampton.gov.uk

#### **SUBJECT: Support for Care Providers – Allocation of the Infection Control Fund Grant**

#### **BRIEF SUMMARY**

1. On the 15<sup>th</sup> May 2020 Government announced that £600 million was to be made available in the form of the Adult Social Care Infection Control Fund. The primary purpose of this fund is to support adult social care providers, including those with whom the local authority does not have a contract, to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience. A small percentage of it may be used to support domiciliary care providers and support wider workforce resilience to deal with COVID-19 infections.
2. The funding is to be paid as a Section 31 grant ring fenced exclusively for actions which support care homes and domiciliary care providers mainly to tackle the risk of Covid19 infections and is in addition to funding already received, with any unused funds returned to Government.
3. The Infection Control Fund grant cannot be used to substitute any expenditure already incurred or funds agreed as earmarked by the local authority such as the £2.5m for the Provider Market Financial Sustainability – Temporary Uplift documented in the Cabinet Report agreed on the 4<sup>th</sup> May 2020.

#### Infection Control Fund to Southampton Council

4. Southampton City Council have been awarded £2,025,271 for this purpose. The grant conditions require 75% of the grant, £1,518,953 is passported directly to home care providers, and 25%, £506,317 on other areas at the council's discretion.
5. The report seeks permission to delegate authority to the Executive Director Wellbeing (Health and Adults), following consultation with the Cabinet Member (Health and Adults), to administer the Council's discretionary element of the allocation (25%) of the Infection Control Fund in line with the Government guidelines and local market conditions at this time.

#### Allocation of the Infection Control Fund: 75%

6. The initial payments of this money are being made as a grant to care homes across the country, in line with government grant conditions. Each council is expected to pass through the first 75%, in Southampton's case this totals £1,518,953 of this grant payable on a per bed basis to homes in their local area. The funding provides support for homes regardless of their mix of clients (whether public funded or private payers). The funding has conditions attached, is payable in two phases (in June and July) and is restricted to measures to support staff when they are unable to work, limiting staff to working in only one home, and supporting the recruitment travel and accommodation arrangements of staff where necessary to prevent infection from spreading.

#### Allocation of the Infection Control Fund: 25%

7. The final 25% of the government grant, totalling £506,317, provides the council with greater discretion on use, while still targeted on infection control in the care sector. The report seeks permission that the discretion to award the 25% of this funding is delegated to the Executive Director Wellbeing (Health & Adults), following consultation with the Cabinet Member (Health and Adults), after consideration of the local market conditions at this time, the costs of infection prevention and control measures required within the care sector and the ongoing needs expected.

## FINANCIAL IMPLICATIONS

### Allocation of the 75% of the Infection Control Fund

8. The Adult Social Care Infraction Control Fund conditions states that local authority **must** ensure that funding which it allocates is allocated on condition that the recipient care provider:
- uses it for the measures described above only;
  - provides the local authority with a statement certifying that that they have spent the funding on those measures by 23 September 2020;
  - if requested provide evidence that the funding has been so spent with an explanation of any matter relating to funding and its use, and
  - return any funds which are not spent on those measures.

Processes have been put in place to ensure that conditions above are met.

### LEGAL IMPLICATIONS:

9. The statutory powers to undertake the recommendation in this report are set out in the Infection Control Fund Grant Local Government circular 22<sup>nd</sup> May 2020.

### OPTIONS

10. The Infection Control Fund grant conditions set outs the Local authority's responsibility to administer the fund and the timescale to be met in the administration of the fund and verification of spend of the fund, if so, requested from the provider.

### RISK MANAGEMENT IMPLICATIONS

11. There is minimal risk related to the first 75% of the infection control fund monies as these are allocated on a formula from the government.
12. There is minimal risk at this stage in respect of the 25% additional funding. Priorities are identified. However, failure to spend this resource will result in money being returned to the government.

<b>Further Information Available From:</b>	<b>Name:</b>	Matthew Waters
	<b>Tel:</b>	07919 043553
	<b>E-mail:</b>	<a href="mailto:Matthew.waters@southampton.gov.uk">Matthew.waters@southampton.gov.uk</a>

**SUBJECT: INFECTION CONTROL (local test and trace service funding)**

1. The Department of Health and Social Care announced on 22<sup>nd</sup> May that they will allocate funding to local authorities in England, working with the Ministry of Housing, Communities and Local Government on the allocation formula. The funding is ring-fenced for this specific purpose. £300 million will immediately be allocated to local authorities in England.

2. In their announcement on the 22<sup>nd</sup> May the Department of Health and Social Care said

“Local authorities will be central to supporting the new test and trace service across England, with the government providing a new funding package of £300 million. Each local authority will be given funding to develop tailored outbreak control plans, working with local NHS and other stakeholders. Work on the plans will start immediately. Their plans will focus on identifying and containing potential outbreaks in places such as workplaces, housing complexes, care homes and schools. As part of this work, local authorities will also need to ensure testing capacity is deployed effectively to high-risk locations. Local authorities will work closely with the test and trace service, local NHS and other partners to achieve this”.

3. More detail can be found on the following link:

<https://www.gov.uk/government/news/300-million-additional-funding-for-local-authorities-to-support-new-test-and-trace-service>

4. The Government announced on 10<sup>th</sup> June 2020 that Southampton City Council would be allocated £1.571M as their element of the Test and Trace Grant. Plans will now be drawn up on how this funding is best utilised.

<b>Further Information Available From:</b>	<b>Name:</b>	Debbie Chase
	<b>E-mail:</b>	Debbie.Chase@southampton.gov.uk

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### Appendix D

**SUBJECT: COVID19: Funding for councils to assist those in financial hardship, to afford food and other essentials (local welfare assistance fund)**

#### Summary

1. On the 10<sup>th</sup> June, the Prime Minister announced an additional £63m funding for councils to assist those struggling financially to afford food and other essentials, due to the impact of coronavirus.
2. The additional funding will allow councils to continue to provide discretionary support to those facing severe hardship to allow them to pay for food and other necessities
3. The funding is a one-off boost to councils and they will have discretion on how best to help those facing severe hardship.
4. Defra will engage with the LGA and councils in the coming days about the detail and to discuss the next steps.

#### Context

5. Since the beginning of the pandemic, Southampton City Council has provided a comprehensive system of support, working closely with central government, with our community and voluntary sector partners, including our faith communities and mutual aid groups, to support our most vulnerable residents and those disproportionately affected by the pandemic.
6. The Community Hub has provided a route to support more than 10,500 city residents who are classed as extremely clinically vulnerable and who have been advised to 'shield' by central government, enabling the central government team to refer specific issues and manage additional support requests.
7. The Community Hub and citywide community response to support many other vulnerable communities has also included the support of the Saints Foundation to collect prescriptions for shielding residents; a voluntary and community offer supported and enabled by our So:Linked contract and a wide ranging group of agencies and charities dedicated to supporting access to food and essential supplies for those in need, not just those shielding.
8. As of the 10<sup>th</sup> June the following data has been captured:
  - Total on shielded list – 10,556
  - Those in need of urgent food and medicine – 1,711
  - Ongoing support for basic care needs - 462
  - Support to carry supplies – 625
  - Total calls to Covid-19 helpline (residents) – 2,930
  - Referred to Community Support Hub - 1430 (49%)
  - Of those referred to the hub:
    - 70% need food,
    - 18% need medication,
    - 7% need social contact

- 52% of referrals to the hub are from shielded residents
  - 391 food parcels delivered to households and
  - 740 boxes to individuals (these are in addition to central government supplies)
  - Saints Foundation have received 1,017 requests for prescription deliveries and delivered 967
9. Early indications are that the impact of the pandemic on certain groups within some communities is significant and that hardship is a growing concern. The announcement from central government is therefore welcome.
10. The principles which will be applied to allocation of this funding, once the Southampton City Council share is confirmed, is on needs as demonstrated by the ongoing community response work to protect our vulnerable communities and utilising existing and emerging community and voluntary sector routes and opportunities deemed most effective and appropriate to meet these requirements

<b>Further Information Available From:</b>	<b>Name:</b>	Jason Murphy
	<b>E-mail:</b>	Jason.Murphy@southampton.gov.uk



**SUBJECT: Transforming Cities Fund Grant Award**

1. As part of the 2020 Government Budget, the Chancellor announced in March the outcome of the Industrial Strategy's Transforming Cities Fund (TCF). The joint bid submitted by Southampton City Council and Hampshire County Council for the Southampton City Region was awarded £57M of Government funding towards project and covers the three years to March 2023.
2. This is a significant success for the Council, however, it is the lower package of schemes included in the bid. The council's Medium Term Financial Strategy (MTFS), approved in February, had estimated the medium package and therefore the overall programme needs to be reduced to reflect the actual funding awarded. The programme of works has also been slightly reprofiled over the 3 year period.

The TCF budget was approved in the MTFS as part of the wider Connected Southampton capital scheme.

**TABLE 1: Connected Southampton (adjustment to capital programme)**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Existing Budget	40.670	50.099	41.464	22.000	1.500	155.733
Proposed Budget	16.372	26.065	45.836	22.000	1.500	111.773
Difference	(24.298)	(24.034)	4.372	0.000	0.000	(43.960)

3. This will result in a corresponding reduction in funding from Government Grants of £43.96M
4. Match funding was also included in the MTFS on the assumption that the higher level of TCF grant funding would be awarded. This means an element of the Transport Schemes Match Funding budget can also be reduced as the match funding requirement for the scheme is now lower.

**TABLE 2: Match Funding (adjustment to capital programme)**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Existing Budget	2.400	0.900	5.900	0.000	0.000	9.200
Proposed Budget	1.500	0.150	5.150	0.000	0.000	6.800
Difference	(0.900)	(0.750)	(0.750)	0.000	0.000	(2.400)

5. This will result in a corresponding reduction in funding from Council Resources of £2.40M.
6. The funding for the schemes is detailed in table 3 below:

**TABLE 3: Funding**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Table 1: Connected Southampton spend	16.372	26.065	45.836	22.000	1.500	111.773
Table 2: Match funding spend	1.500	0.150	5.150	0.000	0.000	6.800
<b>Total spend (tables 1 and 2)</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>
<b>Funded by:</b>						
Transforming Cities Fund Grant	10.027	22.153	24.719	0.000	0.000	56.899
Other Grants	5.336	3.092	20.947	21.830	1.500	52.705
Council Resources	2.509	0.970	5.320	0.170	0.000	8.969
<b>Total funding</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>

7. An element of revenue funding will be needed to be spent to support these schemes, which will be accommodated from existing resources.
8. This investment will dovetail with the expectation from Government around developing transport, its related infrastructure and enhancing options for daily travel as part of the response required to address COVID. It is also a part of measures that can assist the economic recovery which is necessary.

<b>Further Information Available From:</b>	<b>Name:</b>	Pete Boustred
	<b>E-mail:</b>	Pete. Boustred@southampton.gov.uk

**SUBJECT: Future Transport Zones (FTZ) Grant Award**

1. Solent Transport has been granted around £29M from the Department for Transport (DfT) to implement innovative future transport solutions around personal mobility and freight movements.
2. The funding means the Solent area will benefit from several innovative transport solutions including: smartphone apps for planning and paying for sustainable journeys, e-bike share scheme, and new approaches to freight distribution, including drone freight trials for NHS deliveries across the Solent to the Isle of Wight.
3. The Solent Transport partnership submitted The Solent Transport Zone bid to the Department for Transport last year with Southampton City Council (SCC) as the accountable body for the grant. In order to fulfil this role, the grant needs to be added to the capital programme for distribution to partner organisations and for SCC to incur expenditure against the SCC projects (see table). The total spend in the table will be funded by the FTZ grant in full.
4. The three-year Solent Transport Zone programme proposes to address local challenges such as high levels of car usage and the environmental impacts of freight movement within Solent’s urban areas. It will do this by delivering a series of complementary projects within two key themes: Personal Mobility and Sustainable Urban Logistics.

**TABLE 1: FTZ AMOUNTS**

	2020/21	2021/22	2022/23	Total
	£M	£M	£M	£M
<b>Theme 1: Passenger transport innovation projects</b>				
Solent Go new products & development	0.84	0.03	0.03	0.90
Uni MaaS Trials (travel app)	1.96	1.83	2.22	6.01
Mobility Credits	0.24	0.23	0.25	0.72
Demand Responsive Transit	0.06	0.74	0.77	1.56
Cycle share	0.91	0.60	1.06	2.56
Liftshare Project	0.14	0.14	0.15	0.43
<b>Theme 2: Urban logistics innovation projects</b>				
Drone medical logistics	1.11	2.42	4.51	8.04
Macro-consolidation	0.61	0.28	0.10	0.99
Micro-consolidation	0.67	1.22	0.67	2.56
Programme Support and Contingency	2.05	1.46	1.48	4.99
<b>Total</b>	<b>8.59</b>	<b>8.94</b>	<b>11.23</b>	<b>28.76</b>

NB there may be small arithmetic variations in the table as figures have been rounded

5. This investment will dovetail with the expectation from Government around developing transport, its related infrastructure and enhancing options for daily travel

as part of the response required to address COVID. It is also a part of measures that can assist the economic recovery which is necessary.

<b>Further Information Available From:</b>	<b>Name:</b>	Pete Boustred
	<b>E-mail:</b>	Pete.Boustred@southampton.gov.uk