



Report to: Policy and Resources Committee, 26th July 2022

Report of: Corporate Director – Finance and Resources

Subject: USE OF MANAGING DIRECTOR'S URGENCY POWERS

1. Recommendation

1.1 To note the use of urgency powers to:

- (1) implement a scheme for the provision of free school meals during summer holidays 2022; and**
- (2) implement a scheme for defraying remaining discretionary business grant funding.**

2. Provision of Free School Meals During Summer Holidays 2022

- 2.1 On 7 July 2022, the Council agreed a motion to declare a 'cost of living emergency' and proposed that the Managing Director write to the Chancellor of the Exchequer and express this Council's wish for Government to take a number of actions.
- 2.2 Prior to this, the Policy & Resources Committee agreed to establish a Task & Finish Group to consider action that could be taken in partnership with local organisations to alleviate financial distress for local residents.
- 2.3 One proposal arising from the Task & Finish Group is to extend the provision of free school meals (FSM) to school children and college students throughout the summer holiday period. The County Council has committed to funding FSM for the first two weeks of the summer holidays but there is currently no planned provision in the city for the remaining four weeks and one day.
- 2.4 Worcestershire Children's First (WCF) have identified that currently there are 2,850 children claiming free school meals (reception year and above). This is anticipated to increase as they process more claims. The last school census in January 2022 recorded 3,097 children were identified as claiming free school meals.
- 2.5 For information, when Worcester City Council has rolled out vouchers previously, this included Action For Children's 'Starting Well' programme. Actin for Children provided FSM vouchers to 45 families with pre-school aged children (52 children under reception age). It is also intended to clarify whether home-schooled children or children not in education are included, but leeway has been built into the estimates within this report to allow for this.
- 2.6 To operate FSMs outside of term times, WCF provide £15 a week in free school meal vouchers (£3 per day) through an online portal ([Childcare Vouchers | Edenred](#) [Childcare Vouchers | Edenred](#)). Parents download the voucher from the website after being provided with log in details relating to their child(ren).

WCF have indicated that the system could be used to issue any additional vouchers funded by the City Council or other partners. There would, therefore, be no additional administration costs for the Council.

- 2.7 In addition, Heart of Worcester (HoW) College has also indicated that they have 140 students who currently benefit from free school meal provision via their own funded support scheme.
- 2.8 Altogether it is estimated that up to 3,400 vouchers will be required for a period of 4 weeks and one day to cover the remainder of the holiday period. At £15 per week this would amount to approximately £215,000 cost to the Council. This could be funded from the Hardship Fund which at 1 April 2022 had a balance of £434,000, with one known commitment of £45,000 relating to Worcester Foodbank.
- 2.9 It is intended to utilise the existing school voucher scheme put in place by WCF that enables an eligible household to download a voucher(s) from an online portal and which can then be used at numerous supermarkets for the purchase of food & drink items.
- 2.10 WCF, individual schools and HoW College will communicate with individual pupils and students and their families and this will be key to disseminating this extended offer. However, it is planned to publicise the vouchers through press releases and social media also.
- 2.11 With the Worcestershire Schools Summer Term due to end on Thursday 21st July then it is important to communicate this decision to various key stakeholders as soon as possible. Hence the request to use Managing Director Urgency Powers set out within the Council's Constitution. The proposal was discussed with the Joint Leader of the Council and the Chair and Vice-Chair of Policy and Resources at meetings held on 11 and 12 July.

3. Discretionary Business Grants Funding

- 3.1 During 2020 and 2021 the Council received funding in the form of business support grants to pass on to local businesses, known as Additional Restrictions Grant (ARG). At its meeting of 27 July 2021, the Committee approve a scheme for the disbursement of the final tranche of discretionary support funding of £630,735.
- 3.2 Once all payments to businesses were made, there was a remaining balance of £155,410. Simple allocation to all eligible business would have resulted in very small payments, so the Committee, at its meeting of 14 December 2021, approved a proposal to defray this to specific schemes.
- 3.3 During December, a further top-up of the ARG (known as Omicron grant) of £139,901 was provided. Following discussion with Lead Members at a meeting held on 10 January 2022, the existing urgency powers were used to defray these additional funds to businesses in line with previous approvals.
- 3.4 At that same meeting it was agreed to make payments to traders in Broad Street who had been affected both by the Omicron variant of Covid-19 but also by the closure of part of Broad Street due to damage to the Crowngate Shopping Centre. The total payments made to 18 businesses was £18,200, in addition to any payments received under the Omicron or other grants schemes.

3.5 The discretionary schemes allowed authorities to use the funding for wider purposes than direct business grants and, at its December meeting, the Committee approved support for schemes as shown in the following table. The amounts to be allocated in each category were proposed and would be varied according to take up. They were, therefore, presented as a menu of options rather than a definitive financial limit for each category of funding.

Apprenticeships	£10,000
Graduates	£10,000
Getting online	£10,000
European Migrants - business start-up workshops	£3,200
Training grant	£10,000
Discretionary Business Grants	£35,000
WCC Business Start up and growth revenue grants	£5,000
Empty Retail Unit Grant	£10,000
Co-working space grants	£35,000
Here2Help Booster grant	£12,000
Like U - new business units	£10,000
Hopmarket website	£5,000
Total	£155,200

3.6 All funding under the scheme was due to be defrayed by 31 March 2022 or repaid to the department of Levelling Up. Following the receipt of Omicron discretionary grant, the proposals were kept under review. The funding could not be applied in some cases because of low take-up or lack of capacity to deliver schemes. The final distribution of funding was as follows:

Scheme	Allocation - P & R December 2021 (£)	Final Spend (£)	Difference (£)
Apprenticeships	10,000	7,500	-2,500
Additional Restart applications (Dec - Mar)	35,000	3,600	-200
Broad Street businesses		28,200	
Events		3,000	
Business start up growth grant top ups	5,000	2,936	-2,064
Empty retail unit grant	10,000	7,500	-2,500
Co-working space	35,000	50,830	15,830
Hopmarket website	5,000	6,000	1,000
Total		109,566	9,566

3.7 This distribution resulted in support for a number of small businesses in Worcester being sustained through the impact of Covid that would otherwise not have been eligible for the main government grant schemes. Altogether, funding of £3,694,236 was received, which entailed 3,366 payments to businesses. The final distribution of all discretionary grants is itemised below for information.

Scheme Name	Number payments made (£)	Value of payments (£)
November Lockdown	162	236,810
Tier 2 Discretionary	251	355,199
Tier 3 Discretionary	249	63,249
Tier 2 Open top up	619	148,800
Tier 3 Open top up	126	10,535
January Lockdown - 6 week grant	689	1,425,238
Feb/March Lockdown - 6 week grant	686	709,810
Restart - COVID grants	293	364,306
Restart - Business support grants	35	105,966
Restart - business support staff		87,837
Omicron	256	186,485
Total	3,366	3,694,235

Ward(s): All wards
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Background Papers: None