

Report sponsor: Simon Riley, Strategic Director
of Corporate Resources
Report author: Toni Nash, Head of Finance

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1
- Public Health - Bid and acceptance of Section 31 grant to help reduce crime and death associated with drug misuse
 - Communities and Place - Bid for and acceptance of the new Levelling Up Fund released by the Government in March 2021 for infrastructure
 - Peoples Services - Acceptance of funding from the National Health Service – NHS
 - Council Wide - Update on acceptance of COVID grants for 2021/22

Recommendations

2.1 To approve:

- a) a Public health bid for and acceptance of £0.433m of Section 31 grant to help reduce crime and death associated with drug misuse as outlined in section 4.1
- b) the delegated authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Regeneration, Planning and Transportation and the Cabinet Member for Finance and Procurements to agree the final detail of and submission of the final bid for the Levelling Up Fund as outlined in section 4.6
- c) the delegated authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Regeneration, Planning and Transportation and the Cabinet Member for Finance and procurement to accept the funding subject to the identification of any council requirement for capital or revenue match funding requirement and agree conditions associated with a successful bid to the Levelling Up Fund as outlined in section 4.6
- d) the acceptance of £0.804m funding from the NHS to facilitate all hospital discharges via the Councils existing Home First service and a new Enhanced care pathway as outlined in section 4.15

To note:

- a) The note the acceptance of the council of COVID funding for 2021/22 as outlined in section 4.17.

Reason

- 3.1 To comply with Financial Procedure Rules.

Supporting information

4.1 Public Health – Section 31 Grant of £0.433m

As part of the government's recently announced intention to reduce crime and death associated with drug misuse, the council has been given the opportunity to bid for a section 31 grant relating to a one-off allocation of £0.433m.

- 4.2 If successful this is a 12 month allocation that needs to be spent within the 2021/22 financial year - solely on improving drug treatment systems. The spending of this grant is fairly prescriptive in that it must be spent on revenue costs and must be spent on outcomes that reduce drug-related death or drug-related crime exclusively in local drug treatment systems.
- 4.3 In line with the grants guidance, the council intends to increase harm reduction activity (needle exchange and naloxone distribution); increase custody-based substance misuse interventions; increase court mandated community drug treatment orders and increase interventions aimed at helping women who use drugs and who are victims of life-long adversity.
- 4.4 The grant will be allocated to existing contracted providers via contract variation where necessary. Discussions with providers have already taken place with regard to increasing capacity across the drug treatment spectrum. Public Health commissioners will oversee necessary contract variations; project manage the capacity increases and new interventions (under existing performance management arrangements) and will monitor the spend of the allocations as per the grant agreement.
- 4.5 It is recommended to approve a Public health bid for and acceptance of £0.433m of Section 31 grant to help reduce crime and death associated with drug misuse.
- ### 4.6 Bid for Funding – Levelling up Fund
- The new £4.8 billion Levelling Up Fund (LUF) was launched on 3 March 2021. The fund will invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. The fund aims to tackle economic differences and drive prosperity as part of 'levelling up' left behind regions of the UK.

4.7 The fund is open to Local Authorities (LA) to bid for up to £20m of capital funding and in exceptional circumstances (for major transport schemes) up to £50m can be sought. There is an opportunity to submit cross boundary joint bids. The bidding process is competitive however funding will be targeted towards places with the most significant need. The LUF Prospectus includes LA areas measured by an index taking into account the following place characteristics:

- need for economic recovery and growth;
- need for improved transport connectivity; and,
- need for regeneration.

Using this index, places have been categorised as 1, 2, or 3, with category 1 representing places with the highest levels of identified need. Derby is identified as category 1.

4.8 LAs can submit a bid for each constituency within their area and on this basis Derby could submit two bids (Derby North and Derby South). Unitary authorities are also able to submit one additional bid which must be for transport. The LUF guidance indicates that local MP's must be engaged in the process for developing bids and asked to back their priority bid, paragraph 5.1 sets out how MP's will be engaged.

4.9 Work has commenced to identify potential project(s) for LUF against the fund criteria and key considerations in prioritising projects will include:

- Deliverability – a key part of the LUF assessment process and bids will be prioritised which can demonstrate delivery starting in 2021/22 and with LUF spend by March 2024 (extended to March 2025 for large transport bids)
- Strategic fit of projects and contribution to local recovery and the LUF priorities
- The benefits of the bid(s) and how it represents value for money will need to be set out in the final submission.

Members will be consulted on the project prioritisation process through regular Development and Growth briefings.

4.10 The Government is due to issue further guidance on the template for bids along with details on the assessment and scoring process. The deadline for bids to be submitted through the first round of LUF is 18 June 2021.

4.11 The bid may require capital match funding, which will be identified as the bid details are developed. If any matched funding requirement is not within the current Medium Term Financial Plan (MTFP) then it will need to be identified prior to acceptance of the funding with appropriate approvals.

- 4.12 The preparation of a detailed bid for LUF will have implications on officer time and specialist consultancy support is expected to be required if the bid requires a full Green Book compliant business case. Subject to confirmation of the bidding template, resources will be required to support the development of the bid. This cannot be quantified at present, until the detailed bid requirements are known. This may be the subject of a future request for funding from reserves if it cannot be contained within service budgets, which is a risk with other priorities facing the council. Any revenue budget implications of bid proposals not within the current MTFP will need to be identified and a solution agreed with appropriate approvals prior to acceptance of the funding.
- 4.13 It is recommended to approve delegated authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Regeneration, Planning and Transportation and the Cabinet Member for Finance and Procurements to agree the final detail of and submission of the final bid for the Levelling Up Fund.
- 4.14 It is recommended to approve delegated authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Regeneration, Planning and Transportation and the Cabinet Member for Finance and procurement to accept the funding subject to the identification of any capital match or revenue funding requirement and agree conditions associated with a successful bid to the Levelling Up Fund.

4.15 Acceptance of funding – NHS £0.804m

Following the closure of three wards at London Road Community Hospital, from January 2021 the Council has been asked to facilitate all hospital discharges via the Councils existing Home First service and a new Enhanced care pathway. Through Joined Up Care Derbyshire (JUCD), Derby and Derbyshire Clinical Commissioning Group - CCG have allocated a total funding allocation of £0.804m to cover a six month period commencing in 2021. It is planned that the funding will be used as follows:

- £0.679m to fund an “enhanced care pathway” that would provide a 24/7 short term rapid response for patients with more complex needs (such as acute delirium) to prevent hospital admissions or to facilitate discharge from hospital within the existing City D2A Pathways provided by Home First
- £0.125m that will enable the continuation of the temporary funded social work posts and continuation of community Occupational Therapy support in the Integrated Discharge Hub.

- 4.16 It is recommended to approve the acceptance of £0.804m funding from the NHS to facilitate all hospital discharges via the Councils existing Home First service and a new Enhanced care pathway.

4.17 COVID funding 2020/21

The council has received payments in relation to the COVID pandemic throughout the financial year. Cabinet is asked to note that acceptance of this funding outlined in Appendix 1. In normal circumstances approval to accept funding of over £0.250m is subject to the appropriate cabinet approval, however the global pandemic, the unprecedented level of funding requirements, timings and the need to concentrate resources to deliver on the needs of the city has meant the council has deployed the funding as received. Appendix 1 demonstrates all the current funding and funding estimates the council is expecting to receive for 2021/22.

- 4.18 It is recommended to note the acceptance of the council of COVID funding which is outlined in Appendix 1.

Public/stakeholder engagement

5.1 Bid for Funding – Levelling up Fund

MPs will be consulted on the development of priorities for LUF. This consultation will take place using existing established structures such as regular MP briefings with the Leader of the Council and Chief Executive as well as the Derby Economic Recovery Steering Group.

5.2 Bid for Funding – Levelling up Fund

It will be important to demonstrate wider stakeholder engagement and support for a LUF bid. It is proposed to use existing recovery plan structures and groups to engage with key stakeholders across the city.

Other options

6.1 Bid for Funding – Levelling up Fund

The Council could delay submitting a bid to the LUF until the second round. This option is not considered appropriate for the following reasons:

- Securing funding to support the city's recovery is critical
- The timeframe for future rounds of bidding is not known
- The investment themes for future rounds of bidding are not known
- The fund spend deadline will be the same for future rounds of bidding.

Financial and value for money issues

7.1 Bid for Funding – Levelling up Fund

In line with Financial Procedure Rules, prior approval will be required for commitment to any capital match or ongoing revenue funding implications that arise from any bid and grant acceptance that are not covered in the current MTFP. In addition, Cabinet and Programme Management Office gateway approvals will be required before individual schemes arising from any successful bid are added to the capital programme and can commence.

Legal implications

8.1 Bid for Funding – Levelling up Fund

If bids are successful, Legal Service's input will be sought to review the terms and conditions of funding agreements or contracts.

Climate implications

9.1 Bid for Funding – Levelling up Fund

The LUF Prospectus indicates that bids should be aligned with and support the Government's NetZero goals as well as demonstrating consideration for the natural environment.

Other significant implications

10.1 None directly arising.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	
Finance	Toni Nash, Head of Finance – Corporate Resources	25/03/2021
Service Director(s)	Alison Parkin – Director of Financial Services	21/03/2021
Report sponsor	Simon Riley, Strategic Director of Corporate Resources & S151 Officer	
Other(s)	Anne Webster, Lead on Equality and Diversity Liz Moore, Head of Human Resources	

Background papers:	N/A
List of appendices:	N/A

Funding	Total Funding £m
General Covid Funding:	
Covid Funding - 1st tranche	7.669
Covid Funding - 2nd tranche	7.084
Covid Funding - 3rd tranche	2.555
Covid Funding - 4th tranche	6.210
Estimated - Income Support Scheme	6.749
Local support funding for Business and Council tax:	
Council Tax Support	2.188
Small Business Grants £10k	26.690
Retail, Hospitality and Leisure Grant Fund £10k - £25k	19.176
Local Lockdowns (Lockdown 2) - funding/grants for Businesses Closed	0.587
Business Hardship Discretionary Fund	3.978
New burdens funding for Local Authority Discretionary fund	0.170
Local Lockdowns - funding/grants for Businesses	4.021
Business Additional Restrictions Grant - up to 18th December 2020	5.146
Business Additional Restrictions Grant (Lockdown 3)	2.286
Local Lockdowns (Lockdown 3) - funding/grants for Businesses Closed	17.444
Local Restrictions Support Grants (open and closed businesses for the period 20/12/20 to 04/01/21)	1.306
Local Restrictions Support Grants (open and closed businesses for the period 16/02/2021 to 31/03/2021)	6.093
High Street Fund (Bid)	0.228
Business Improvement Districts Support Grant	0.025
Business Rate New Burden Admin Grant	0.012
Council Tax New Burden Admin Grant	0.020
Estimated - Local Tax Income Guarantee	3.187
Social Care:	
Care Homes Infection Control Funding	2.832
Care Homes Infection Control Funding 2nd grant	2.688
Care Home Workforce Capacity Fund	0.574
Care Home Rapid Testing	0.695
Public Health:	
New Test and Trace Service	1.808
Additional Support for Clinically extremely vulnerable during lockdown (CEV)	0.121
Support for Clinically extremely vulnerable during lockdown 3 (January only) (CEV)	0.121
Contain Outbreak Management Fund	2.058
Contain Outbreak Management Fund Grant 2 (27th Jan to 31st March)	3.088
Protecting Community:	
Financial Hardship - food and other essentials	0.333
Self isolation payment for low income (Track and Trace)	0.211
Self isolation Administration payment scheme for low income (Track and Trace)	0.040
Self Isolation payment grant 2	0.284
Track and Trace Admin Payment Grant 2	0.021
Homeless	0.011
Homeless Next Steps Accommodation Fund - Long Term	1.655
Homeless Next Steps Accommodation Fund - Short Term	0.121
Local Authority Compliance and Enforcement Grant	0.159
New winter package to provide further support for children and families	0.899
Extension to winter package to 16/04/21	0.313
Emergency Active Travel Fund (Bid) Funding	1.004
Bus Services Support Grant (CBSSG)	0.049
Local Elections - Covid Secure	0.045

Education:	
Dedicated Home to School and College Transport	0.816
Students wellbeing and psychosocial recovery	0.034
Covid Catch up premium grant schools specific - passport to schools	1.165
TOTAL FUNDING:	143.967