

Record of decisions taken by an officer under Standing Order 54 – urgent decision making



Title:	COVID-19 Surrey County Council Response to Covid: Policy on providing support to service providers
Divisions Affected:	All
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	Standing order 54 – urgent decision making

Meeting date/time	23 March 2020 13:00-15:00
Meeting title	CLT meeting

Summary

The Council is responding to the Covid-19 major incident and therefore needs to make urgent decisions to ensure that residents are protected. Urgent decisions taken at the above named meeting are listed below with reasons.

Decision made

Decision made:

It was AGREED that:

1. In order to ensure that the Council is able to resume providing services once the COVID 19 emergency has eased, the following measures of financial support to be offered to existing service providers were agreed:
 - 1.1 Payments on account, whereby all organisations that SCC commissions services with should be able to submit a claim for an up-front payment on account equivalent to a maximum of what SCC would have normally expected to pay for their services in April – June 2020.
 - 1.2 Support & Funding on an agreed “percentage sliding scale” basis in instances where Commissioned Providers are unable to deliver their contracted services but payment is needed to ensure their survival.

Reasons for Decision:

1. With the Covid 19 emergency likely to last for a number of months, service providers that the council currently contracts with are likely to be adversely

affected for a variety of reasons, including an inability to deliver services because of Government advice or direction, the impact on their workforce and the impact on the end user. It is vital that the Council is able to resume providing services as the crisis eases, and it will be much easier to do this if existing providers are still in place. It is also consistent with the Council's role in protecting the local economy and the employment of its residents.

2. In March 2020, the Cabinet Office published [Procurement Policy Note 02/20](#) (PPN02), setting out information and guidance for public bodies on payment of their suppliers to ensure service continuity during and after the current coronavirus, COVID-19, outbreak. According to PPN02, contracting authorities must act now to ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over. All contracting authorities are advised to put in place the most appropriate payment measures to support supplier cash flow, including a range of approaches such as forward ordering, payment in advance/prepayment, interim payments and payment on order (not receipt).
3. At its meeting on 23 March, the Corporate Leadership agreed the following principles for extending measures of support to providers to help ensure their sustainability through the current crisis:
 - 3.1 There is a genuine long term need for the service
 - 3.2 Providers use the full range of support offered by national Government as these are made available to minimise the impact on the County Council.
 - 3.3 Help to businesses maintains the employment of the current workforce.
 - 3.4 Where Providers are being paid and no service is being delivered, the workforce is repurposed (where possible) to support other critical activity. Taking advantage of the Government's offer to reimburse 80% of wage costs to staff who are kept on, despite having little or no work to do, would be one way on doing this.
4. Two measure were agreed:
 - 4.1 **Payments on account.** Payments for these services would only be made once the value of actual services delivered exceeds the payment on account. If at the end of June 2020, the value of services actually delivered does not exceed the payment on account, then SCC will need to agree with providers how to manage future payments. This could include agreeing to write off the difference (i.e. in effect this would become a hardship payment) and / or making a further payment on account. As the end of the first quarter of 2020/21 approaches, SCC can consider whether it wishes to put in place arrangements for another set of payments on account for a further period.
 - 4.2 **Support & Funding on an agreed % sliding scale basis.** As the Covid 19 outbreak spreads and its impact on service delivery increases there will be a number of providers, who for a variety of reasons will be unable to deliver their contracted services. Although the Government is making commitments to support organisations and employees, this may not be enough to secure the survival of these organisations. Funding

organisations at any level when they are unable to deliver their services would not be done under ordinary circumstances. However, CLT considered that the infrastructure of provision needs to be maintained at some level or there will be insufficient capacity after the current crisis abates to deliver statutory services and costs will significantly escalate. It was agreed that a percentage of funding will be needed to preserve the provider base. These payments may turn out to be payments on account in the same way as at 12.1. However, further analysis of providers may identify some as “high risk” which may result in them requiring additional financial support. Treatment can then be considered on a case by case basis such as in option 1.

5. CLT also considered a third measure consistent with government guidance: hardship payments, whereby all organisations are able to submit claims setting out the additional costs and / or loss of funding they have suffered as a result of Covid19. Under the advice of the Monitoring Officer, this option will be part of an urgent report to be considered by Cabinet on 31 March.

Decisions taken by:	Joanna Killian Chief Executive
Decisions taken on:	23 March 2020
To be implemented on:	23 March 2020

Decision taken in consultation with

Leigh Whitehouse
Michael Coughlin
Simon White
Katie Stewart
Patricia Denney
Hannah Futter
Piali Das Gupta