

Committee(s)	Dated:
Finance Committee	13 April 2021
Subject: Report of (public) Action taken under DA or Urgency procedures since the last meeting of the Committee	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	Y/N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	For Information
Report author: John Cater, Committee Clerk, Finance Committee	

Summary

This report advises Members of urgent and/or delegated public action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders No. 41(a) and 41(b).

Recommendation

Members are asked to note the report.

Main report

1. Subject: Decision on City Cash Exceptional Grant support for the HRA (DA – 16th March 2021)

Background

1. A report to Finance Committee on 16 February 2021 set out the detailed Budget Estimates and financial difficulties around the ring-fenced Housing Revenue Account (HRA); particularly in relation to the loss of rental income on commercial properties during the COVID pandemic in the current financial year.
2. Approval was requested for support from City's Cash contingencies as an exceptional grant of up to £450k to ensure the HRA does not fall into deficit in the short term. It was decided that further consideration was required and, therefore, Members agreed to provide the TC, in consultation with the Chairman and the Deputy Chairman of FC delegated authority to approve the grant, once they were content with the proposal.

3. The exact amount of any support would be agreed as part of the Closing process.
4. Such compensation would be in line with COVID related financial support for other areas of the Corporation suffering from income losses e.g. the Barbican Centre, the Monument, Markets, and Community and Children's Services; financed by drawing on reserves.
5. There is currently no national compensation package forthcoming for lost HRA income, although this was requested by the Local Government Association as a response to the local government settlement in 2020-21. It is proposed that the grant be made in late March, so that if any funding is forthcoming before the year end, the City Cash grant for COVID related costs could be adjusted. However, even if such support was available it is unlikely to cover the loss of income on commercial properties.
6. In general, the HRA should be self-supporting and it cannot use other City Fund resources of the Corporation to fund revenue expenditure. Additionally, the HRA is not permitted to borrow to cover revenue expenditure.
7. Were compensation not to be granted, then the HRA would immediately need to cease the current repairs programme and review spend on other areas of expenditure for the remaining weeks of the financial year. This was not recommended.

RESOLVED – That the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approved, exceptionally, a grant of up to £450k from City's Cash 2020/21 Finance Committee contingencies to ensure the HRA remains in balance this year, covering commercial rental income losses, during the COVID pandemic.

2. Subject: International Disasters Fund (IDF): Donation to City Harvest (Delegated Authority – 14th December 2020)

Background

The City of London Corporation holds a contingency fund in its City's Cash budget, allocated to the International Disasters Fund (IDF), which is administered by the Finance Committee. The Finance Committee have issued a standing delegated authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, in order to respond quickly to requests for assistance from the IDF.

A report on the use of this fund was presented to the Finance Committee on 19 January 2021, where the following was noted:

- a) The strong criteria applied by the Disaster Emergency Committee (DEC) for the selection and monitoring of UK aid charities;

- b) The ability of the Central Grants Unit (CGU) to provide recommendations of appropriate charities to support, including due diligence reviews;
- c) That donations given as restricted to a specific appeal or purpose are required under charity law to be spent directly on that purpose.

When a DEC appeal is not launched, a donation could be made to an individual charity carrying out humanitarian relief in the area. It is acknowledged that the transparent governance controls applied by the DEC means that the Finance Committee can be confident in giving directly to the individual charities that are members of the DEC, should they believe this to be the most appropriate use of the Corporations' emergency donations budget.

Charities that do not fall under the DEC can be considered, in exceptional circumstances, if no DEC partner organisation is working on the ground in an area of need. These will be looked at on a case by case basis with full due diligence provided by the CGU.

Financial Implications

The IDF currently has an annual budget of £100,000. In the 2019/20 financial year there was an underspend of £25,000 and this was approved for carry-forward through the usual process. A budget of £125,000 was therefore available to make donations for 2020/21. Five Donations totalling £100,000 had been made by the end of February 2021, with £25,000 remaining.

Emergency Relief – London Response to COVID-19

The coronavirus outbreak is a global health emergency that is affecting the way every one of us goes about our daily lives. Charitable organisations in the UK are navigating in uncertain times and having to adapt services to deal with the complex situation of multiple lockdowns. Food poverty has increased dramatically in London and food distribution Charities have become part of everyday life in the capital, providing a lifeline for many Londoners.

City Harvest

City Harvest (CH) is a food distribution charity operating in Greater London. It was set up in 2014 modelled on, but independent of, the City Harvest initiative in New York City. It provides a 'last mile' service specialising in the collection of surplus food from supermarkets, wholesalers, restaurants and the hospitality industry, and delivery to organisations providing food and preparing meals for vulnerable Londoners and those experiencing food poverty. These organisations include soup kitchens, foodbanks, homeless shelters, hostels and charities working with the working poor, families, veterans, victims of domestic violence, older and disabled people. During the last 12 months the Charity has significantly increased its operation as there has been a steep increase in demand.

The Charity currently holds a grant with City Bridge Trust (CBT) from its Investing in Londoners Strategy which comes to an end in July 2021. Detail of the funding is outlined below:

£111,000 over three years (£36,000; £37,000; £38,000) for the post of Warehouse Manager (40 hours per week).

Additionally, the charity was recently awarded funding from CBT through the London Community Response Fund (LCRF). CH was assessed by the Head of the CGU for this grant and was deemed suitable to receive funding under the processes in place for the LCRF. This is a core grant to sustain two posts over the next 12 months:

£44,100 to contribute to the salaries of the Community Impact Manager and Community Impact Officer over the next 12 months.

The Livery Kitchen

CH manages and works in partnership with the Worshipful Company of Drapers', Fishmongers' and Grocers' to deliver the Livery Kitchen Initiative which supports those in need and experiencing food poverty in East London. The initiative has provided around 2,000 healthy meals a week to community-based charities in North and East London. The initiative utilises the large industrial kitchens and chefs at the Worshipful Companies to create healthy and nutritious meals that are distributed to charities working in deprived communities in East London.

The chefs create menus that take into consideration special dietary requirements for the communities they are distributing food to. CH uses its food distribution infrastructure to deliver the fresh produce to the kitchens and then deliver the meals once created. The Livery Kitchen Initiative needs some additional funding to continue this project until July, by which point the Kitchens will be undergoing an annual refurbishment and deep clean. However, CH will continue to operate its food distribution service in East London and any surplus in funds will be used to continue this work.

This initiative can be viewed as distinctly separate to the core grant and project funded by the City Bridge Trust. It is a specific piece of work targeting disadvantaged communities in East London. The charity's services are in high demand and this project is providing nutritious meals at a time of burgeoning food poverty in London.

RESOLVED – That the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee approved a donation of £25,000 to City Harvest to support the ongoing Livery Kitchen Initiative and food distribution programme across East London.

Contact:

John Cater

Senior Committee and Member Services Manager, Town Clerk's Department

020 7332 1407