

Statement on relief measures available to support Council suppliers

The Council is extremely appreciative of the ongoing commitment and support received from our contracted suppliers to maintain services and supplies to the Council and its customers during the Covid-19 outbreak.

We fully appreciate that this is a very challenging time and that we will all need to work together in the coming weeks.

We also appreciate that some suppliers may struggle to fully meet their contractual obligations, and that we may in consequence need to alter existing requirements, temporarily suspend some services, or change ways of working to do what is necessary for our community.

During this period the Council would like to work together with our at-risk suppliers to provide support, where it is possible, in order that we can resume normal contract service delivery as soon as the Covid-19 outbreak is over.

Supplier relief

In the first instance, we would encourage all of our suppliers to look at the support and assistance being offered by the Government to businesses, as this would be the best way to secure financial assistance at this time. These measures include:

- the Coronavirus Job Retention Scheme (CJRS)
- deferring VAT and Income Tax payments
- a Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
- a 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,001 and £51,000
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- the HMRC Time To Pay Scheme

Further information on these measures can be found on the Government's dedicated Business Support webpages - <https://www.businesssupport.gov.uk/coronavirus-business-support/>

The Council also recognises the need for a pragmatic approach at this time and is taking steps to help its suppliers.

We are committed to carry on with our supplier payment processes to enable immediate payment of approved supplier payment plans and invoices - this means once they have cleared you will receive payment in 3 working days via the BACS payment system.

In addition, we are keen to work with at-risk suppliers and consider additional support on a case by case basis according to the nature of the services, goods or works being provided, the challenges being faced, the contracted terms and the constraints of any statutory requirements.

Every contract and supplier will have its own unique characteristics and therefore the relief available will vary case by case, but some examples could be as follows:

- Immediate invoice payment
- Encouraging suppliers to send electronic invoices to creditors@hertsmere.gov.uk
- Increased frequency of invoicing
- Payment in advance or on order (not receipt) in exceptional circumstances.
- Redeployment of any currently unrequired service capacity to other areas of need
- Changes to service levels
- Changes to delivery locations, frequency and timing of delivery
- Changes to targets and performance indicators
- Extension of time for contract performance
- Payment at usual contractual rates for certain critical services with analysis and reconciliation at a later date

There may be other forms of relief that may be helpful in the short-term, so please feel free to suggest those if it ensures we can maintain business continuity.

Where conversations have already started between some specific sectors and suppliers and council officers then these should continue, and further guidance will be provided through those channels.

Requesting relief

If you need some flexibility or support up to the end of June 2020 and would like to request some contractual relief, you should make contact with your normal Council contract manager or day to day contact to discuss the options that might be available.

You will then be asked to follow up with a formal relief request by email to your contact, detailing your rationale and justification, in order that the Council can quickly determine the best solution that is in the best interests of both parties and our community.

Supplier obligations during the relief period

The Council needs all suppliers to ensure that business continuity is maintained wherever possible, and that you enact your business continuity plans to do your utmost to support the Council's requirements.

In some cases the Council may need to make quick decisions with imperfect information, and any supplier relief offered is conditional on suppliers agreeing to act and work on a total open book basis with appropriate cost transparency in order that the Council can continue to meet its value for money obligations.

Other conditions for any supplier relief are as follows:

- Suppliers must commit to ensuring that any required cost data is made available to the Council where requested or agree to provide it at a later date for audit and reconciliation.

- Where relief is offered suppliers must agree to continue to pay their own employees and subcontractors to ensure business continuity.
- You may be asked, or you may wish to offer, to repurpose your resources in order for the Council to maintain services and meet new demands from communities. This will be made clear to you prior to accepting this relief.
- Suppliers should retain records during the relief period in order to support future reconciliation.
- Suppliers should strictly adhere to agreed invoicing protocols in order that the Council can pay you quickly.
- Suppliers should identify in their invoices which elements relate to normal business as usual matters, and which elements are related to the impact of Covid-19 where relief has been agreed.
- If it is found that any supplier is found to be taking undue advantage, or failing in their duty to act transparently and with integrity, then the Council has a right to take action to recover payments made. Please note, as per the guidance notes issued by Government, “any supplier found to have acted fraudulently by claiming under the CJRS (or other COVID-19 support schemes), for workers that are being paid under a public sector contract, may be excluded from future public contracts on grave professional misconduct grounds under regulation 57(8)(c) of the Public Contract Regulations”.

Finally, we would reiterate that your best efforts to support the Council and our community are genuinely appreciated.