

**SPECIAL ARRANGEMENTS COMMITTEE**

**26 MAY 2020**

**SUPPORT ARRANGEMENTS FOR KEY SUPPLIERS**

**REPORT BY THE DIRECTOR OF FINANCE**

**ABSTRACT**

This report advises the Committee of the support arrangements put in place for our key suppliers and service providers as part of the Council's COVID-19 response. The report explains the reasons for doing so and how the Council is seeking to manage risk with these arrangements at a very challenging time for all concerned.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Committee:

- (i) Notes the content of this report for its information and interest;
- (ii) Notes the risks and the approach to management of those risks as outlined in Section 7; and
- (iii) Note the intention to keep the Council's key supplier support arrangements under regular review and to bring any significant issues or amendments to members for consideration if required.

**2. ALIGNMENT TO THE COUNCIL PLAN**

2.1 This Report contributes to the achievement of all of the priorities set out in our Council Plan for 2017 – 2022. The support being put in place enables the Council and its suppliers to be in a stronger position to support the recovery phase from the COVID-19 pandemic.

**3. BACKGROUND**

3.1 Report 126/20 to the Special Angus Council meeting of 3 April 2020 set out the Council's initial response to supporting people, businesses and key suppliers. At the time of writing that report the Council's support for key suppliers (referred to in the report as the Angus Coronavirus Key Supplier Support Scheme) was still under development. There is no legal obligation on the Council to provide a local support scheme.

3.2 Report 123/20 to the same meeting on 3 April 2020 agreed, among other things, to delegate authority to the Director of Finance following consultation with the Director of Legal & Democratic Services to design and amend as necessary an Angus Coronavirus Key Supplier Support Scheme based on national guidance and local requirements. This was subject to details of the Scheme and information on its implementation being provided in a formal report to Council or the requisite Committee or Sub-Committee as soon as practicable. This report provides details on the support framework which has been put in place.

3.3 As members may know the Council procures goods and services on behalf of the Angus Health & Social Care Partnership (AHSCP) and for this reason the key supplier support arrangements detailed in this report have been developed to meet the needs of both the Council and AHSCP.

- 3.4 Local support arrangements are required because despite all of the support for businesses available nationally many of our suppliers rely on income from Council contracts to sustain their business models and we need them to still be able to provide essential services as we emerge from lockdown and service provision is once again required. The Council may be unable to fulfil its statutory duties, deliver essential services or may suffer large increases in costs if there is disruption to our supply chain caused by key suppliers going out of business. Officers have had in mind the Council's obligations to achieve best value as well as its other relevant legal obligations in designing the arrangements by applying national guidance, seeking to ensure continuity of key suppliers, working as far as possible within existing budget provisions to provide support and managing the risks arising. Officers were also mindful of national direction from Government in this regard.
- 3.5 Members will appreciate the very challenging circumstances faced by officers in tackling this issue which have included:-
- a) A requirement to work at great pace to provide information, develop policy and ultimately to support key suppliers as quickly as possible and give them and their workforce certainty on what the Council would do;
  - b) A presumption under the Coronavirus Job Retention Scheme that staff costs funded from public funding should continue rather than suppliers furloughing staff;
  - c) Constantly evolving national guidance which has resulted in different solutions for different supplier groups and in some cases has resulted in mixed messages being given to Councils;
  - d) Evolving guidance through Government, COSLA and professional bodies on national support schemes and clarification on how these would operate; and
  - e) Concerns about the risks involved and identifying solutions to manage these (see section 7 for more detail)

Development of the Council's approach has benefited from the participation of senior officers in national groups and discussions and whilst each Council will have designed their own key supplier arrangements to suit their local circumstances officers are confident the Angus approach is broadly similar in substance to that of most other Councils.

#### **4. SUPPORT ARRANGEMENTS**

- 4.1 Key supplier support arrangements have been the subject of several pieces of guidance from Scottish Government including some ministerial letters since the COVID-19 response began. In summary the Council's local arrangements are based on the national guidance and in particular:-
- Guidance for Commissioners during Covid-19 Response jointly issued by Scottish Government and COSLA on 24 March 2020 (updated on 10 and 17 April 2020) and concerning the health and social care sector, education, early learning and childcare, children's services and supporting provisions, including supplementary letters on 30 March 2020 and 2 April 2020 including Ministerial letters on the same subject matter [https://www.cosla.gov.uk/\\_data/assets/pdf\\_file/0026/15569/coslaguidanceforcommissionersservices170420.pdf](https://www.cosla.gov.uk/_data/assets/pdf_file/0026/15569/coslaguidanceforcommissionersservices170420.pdf)
  - Scottish Government procurement guidance SPPN 04/2020 Coronavirus (COVID-19): procurement regulations for public bodies <https://www.gov.scot/publications/procurement-regulations-during-covid-19-outbreak-sppn-4-2020/>
  - Scottish Government procurement guidance SPPN 05/2020 Coronavirus (COVID-19): supplier relief <https://www.gov.scot/publications/coronavirus-covid-19-supplier-relief/>
- 4.2 Following the national guidance enables the Council to follow what is regarded as the appropriate practice whilst still leaving scope for local arrangements to meet the specific issues affecting our supply chain. The national guidance means we don't need a separate local "scheme" of support but instead a guide to how we will implement the national guidance has been prepared. This is attached at Appendix 1 for ease of reference. It has been widely shared with our suppliers and through media channels. The Council's local arrangements were

approved for implementation through the Gold Incident Management Team on 24 April 2020 and went live for applications on the Council's website on 4 May 2020. Support can be applied for on a backdated basis to 28 February 2020 in line with national arrangements.

4.3 Support will be considered upon application to the Council by contracted suppliers. In line with national policy, applications will be dealt with on a case by case basis but the Council can choose to deal with groups of contracts on a collective basis where the effects and risks are comparable. This provides consistency and makes the administrative burden for the Council and suppliers more manageable.

4.4 The support offered will primarily apply to essential services contracted for by Angus Council/AHSCP. "Essential services" have been determined by the Council and AHSCP as:

- Adult care services
- Children's services
- Early learning and childcare services
- Criminal justice services
- Education services
- Public and school transport services
- Construction and related services

4.5 Within those categories of essential services, the Council may identify what groups of contracts should be within or outwith this guidance on a group basis and in terms of what groups need support in the public interest. The support arrangements will last initially until 30 June 2020. If the national policy allows or requires it to continue, and subject to affordability constraints on the Council's budget, it will do so on a rolling monthly basis after 30 June.

4.6 In line with SPPN 05/2020 there are a number of key points to note as follows:-

- It will be for a supplier to set out proposals to vary an existing contract and/or request interim / advance payment.
- Both the Council and supplier will be required to explore if other changes to the contract (for example, rescheduled delivery dates) would work better.
- The supplier will not be entitled to combine a claim under the contract with any other COVID-19 related relief, grant, intervention or other measure which results in the supplier receiving more than one benefit/relief for the same underlying cash-flow issue.
- On request, the supplier will have to evidence that any monies paid out have been used as intended.
- A condition of payment will be that the supplier must also promptly pay its staff and supply chain under the contract.
- Suppliers will not be able to claim where there is no contractual volume commitment to deliver nor will they be able to claim for profit on undelivered elements of the contract.
- Monies paid can be recovered by public bodies in specified circumstances.

## **5. EXAMPLES OF SUPPORT ON OFFER**

5.1 Any type of support can be requested which can be achieved by varying the contract. Two examples of the types of support which might commonly be sought are:

- Reduced planned demand: fixed contract payments would be based on the actual volume of usage for the week, month or other period prior to 28 February 2020 and no deductions will be made for fluctuation in demand or use for the duration of the support offered.
- Extraordinary costs: these would compensate suppliers for extraordinary cost increases caused by the emergency which are not reflected in the existing contract payment mechanism. Savings made will also be looked at so the net impact is considered.

5.2 As noted above, when assessing the support request application, consideration will be given to other alternatives to contract variation which could achieve the same supplier support, e.g. temporary relaxation of delivery schedules.

- 5.3 Support arrangements for school and public transport providers is outlined in a separate information report prepared by the Director of Infrastructure.
- 5.4 Support for early learning and childcare (ELC) providers is in line with national guidance whereby we are continuing to pay all private and third sector providers, and childminders, who deliver statutory ELC using ongoing central government funding. Additional financial support is also being provided to five private partners who are acting as emergency childcare providers, funded by the revenue grant provided by Scottish Government for ELC expansion.
- 5.5 Support for construction contractors will include consideration of requests for a reduction in contract retentions on completed projects where it is judged safe to do so.
- 5.6 Taken as a package, sitting alongside but not duplicating national support arrangements, officers believe the local support arrangements which are being offered to our supply chain partners are a necessary and helpful contribution to the local and national economy in the current emergency.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 At this point it is not possible to assess fully the financial implications for the Council arising from the support arrangements in part because the number of requests and what they seek is unknown. Nevertheless the expectation remains that most of any support to be provided will be able to be met from a combination of existing Council budgets, from the additional COVID-19 funding provided by Scottish Government and from the flexibility on use of ring-fenced funding agreed by Scottish Government. Some additional costs beyond these existing resources is likely to arise e.g. where there is a net increase in costs beyond normal contract rates.
- 6.2 In the main the Council's support will be paying for planned demand which budget provision exists for albeit it is not currently possible for services to be provided in return. Some support for additional costs will also be required which would be unbudgeted. Savings against budget are arising in some areas which will provide some offset against additional costs.
- 6.3 At the time of writing officers expect there to be a net additional and unbudgeted cost arising from the support arrangements in specific parts of the Council's supply chain and these along with other financial impacts from COVID-19 are being tracked and monitored to make the case for additional support from Government. The share of further funding of £155m nationally will assist in this regard. Decisions on whether to provide support will be made with budget holder agreement in order to manage the overall position and support will only be given where there is an unavoidable need to recognise financially the need for such support.
- 6.4 It will be necessary once more information on support applications is available to review and revise existing budgets so that funding sources are confirmed for any net additional unbudgeted costs – this will be tackled as part of a review of the revenue and capital budgets in their entirety taking into account the additional funding available to the Council. Officers continue to monitor all COVID-19 financial impacts closely and will seek member approval in August/September 2020 to revise budgets (Report 143/20 refers).
- 6.5 The financial implications for the AHSCP from the supplier support arrangements are being assessed separately but additional unbudgeted costs will be a more significant issue in that area compared to the Council because of the nature of the services provided. Support for such additional costs from Scottish Government is the subject of discussion at national level.

## **7. RISK ISSUES**

- 7.1 There are a number of risks which are relevant in this regard and members are asked to specifically note these as part of this report. Key risks and the plans to mitigate these are detailed below.

## **1. Do nothing**

**Risk** - doing nothing is not an option, partly because Councils have been directed to provide support in some areas from Government but mainly because doing nothing risks a catastrophic impact on the Council's suppliers, many of whom are local to the Angus or Tayside area and without whom service provision for the Council/AHSCP would be severely disrupted and economic recovery negatively impacted.

Whilst the national support schemes can mitigate the risk of supplier failure to an extent they won't be the whole solution depending on the cost and income base of individual businesses. The terms of Coronavirus Job Retention Scheme (CJRS) mean that not all staff may be eligible. The CJRS guidance states "*Where employers receive public funding for staff costs, and that funding is continuing, we expect employers to use that money to continue to pay staff in the usual fashion – and correspondingly not furlough them. This also applies to non-public sector employers who receive public funding for staff costs*".

The use of existing publicly funded budgets such as those the Council will use to provide support to suppliers and how this interacts with the CJRS has been one of the most complex aspects of developing our key supplier support arrangements. This is being kept under review but it is clear no double funding from public funds is expected to apply (see risk 3 below).

**Mitigation Measures** – the main mitigation measure here is the local support arrangements which have been put in place as described in this report which include each application being considered on a case by case basis. These are intended to ensure support is provided in a way that is transparent and manages risk.

## **2. Supplier failure**

**Risk** - there is a risk that the Council's support will be insufficient to prevent supplier failure. In a worst case scenario the Council may have made significant support payments to a supplier with the aim of that supplier being able to resume service provision only for that supplier to cease trading later resulting in public funds being wasted.

**Mitigation Measures** - this is a very difficult risk to manage in the current circumstances because despite financial due diligence measures historic accounting records may not accurately reflect the supplier's financial stability and there are few if any precedents for the current trading environment for businesses. Officers will seek to mitigate this risk by considering, as far as possible suppliers' current financial stability as part of the assessment process. Resource constraints in the finance and procurement teams mean a detailed check on every supplier will not be possible but checks will be carried out where required based on our knowledge and assessment of risk. It also should be noted that any support is time limited and currently applies only until the end of June 2020 with any further assistance subject to the national initiatives and our local circumstances.

## **3. Fraud/Double Subsidy**

**Risk** - there is a risk that suppliers seek support from the Council and through national support schemes resulting in double subsidy from public funds and a potential to profit from the current situation. This risk primarily centres on the CJRS.

**Mitigation Measures** - this risk will be managed in the following ways:-

- a) Suppliers must apply to the Council for support and must declare within their application if they are in receipt of other forms of support. Failure to make such a declaration could be considered fraudulent;
- b) Suppliers will be under a contractual obligation to advise the Council if their circumstances change, e.g. if they have accessed other support subsequent to their application to the Council;
- c) Suppliers will be under a contractual obligation to enable the Council to examine their records on an open-book basis to be satisfied that the Council support has been/remains appropriate and reasonable for the purpose intended; and

- d) In due course officers expect it to be possible to do data matching, perhaps through the National Fraud Initiative, using HMRC data to check whether suppliers have potentially received double subsidy from public funds. This is not certain to happen and will involve GDPR considerations but seems like an obvious approach to mitigate fraud risks associated with the CJRS.

#### **4. Contractual disputes**

Risk - there is a risk that contractual disputes with suppliers will arise due to current circumstances caused by COVID-19.

Mitigation Measures – the main mitigation to this risk is that any changes / support provided will be captured through formal contract variations to formalise any support provided and will be carried out in conjunction with the Council's legal team. Among other things the national guidance requires suppliers to apply for support outlining their support request and why it is necessary.

#### **5. Affordability**

Risk - there is a risk that the Council's support arrangements will become unaffordable and put pressure on the Council's budget and financial position.

Mitigation Measures – whilst some pressure on the Council's budget is inevitable in the current circumstance the expectation is that most supplier support will be able to be met from existing budgets which were established to pay for service provision. Those additional costs which do arise will require to be funded from additional Government support and from savings in other Council budgets arising from the lockdown. Through COSLA regular updates are being provided by officers on the estimated financial implications arising from COVID-19 and that will help ensure cost issues are kept in profile nationally. Officers will be monitoring the cost of the supplier support arrangements closely and will seek member approval should there be an indication that the financial implications are likely to exceed these funding sources.

#### **6. Inconsistency**

Risk - some contracting areas lack a national co-ordinated approach notwithstanding that such an approach is feasible and desirable e.g. extraordinary costs affecting the national rates negotiated by Scotland Excel / COSLA on the National Care Homes Contract. This could result in issues if Angus takes a different approach to support to other Councils for the same supply.

Mitigation Measures – while some level of inconsistency is acceptable to provide local flexibility we will manage support requests as they arise whether a co-ordinated approach emerges or not. We will attempt to mitigate this risk by regional collaboration and information sharing.

- 7.2 While it won't be possible to eliminate some of the significant risks which arise here officers consider the measures which have been put in place in mitigation to be pragmatic, reasonable and proportionate bearing in mind the extraordinary circumstances we are all currently operating under.

### **8. EQUALITIES IMPLICATIONS**

- 8.1 The recommendations in this report will have no differential impact on persons with protected characteristics.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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#### **List of Appendices**

Appendix 1 - Angus Coronavirus Key Supplier Support – A Guide to Our Local Arrangements



## **Angus Coronavirus Key Supplier Support – A Guide to Our Local Arrangements**

### **1. Introduction**

- 1.1 In this guidance, “Angus Council”, “we”, “our” or “the Council” includes Angus Health and Social Care Partnership in terms of delivery of adult care services.
- 1.2 This guidance constitutes our local arrangements. These are wholly aligned to and mean we are following and implementing national policy and guidance, including:
- “Guidance for Commissioners during Covid-19 Response” jointly issued by Scottish Government and COSLA on 24 March 2020 (updated on 10 and 17 April 2020) and concerning the health and social care sector, education, early learning and childcare, children’s services and supporting provisions, including supplementary letters on 30 March 2020 and 2 April 2020 including Ministerial letters on the same subject matter  
[https://www.cosla.gov.uk/\\_data/assets/pdf\\_file/0026/15569/coslaguidanceforcommissionedservices170420.pdf](https://www.cosla.gov.uk/_data/assets/pdf_file/0026/15569/coslaguidanceforcommissionedservices170420.pdf)
  - Scottish Government procurement guidance SPPN 04/2020 Coronavirus (COVID-19): procurement regulations for public bodies  
<https://www.gov.scot/publications/procurement-regulations-during-covid-19-outbreak-sppn-4-2020/>
  - Scottish Government procurement guidance SPPN 05/2020 Coronavirus (COVID-19): supplier relief <https://www.gov.scot/publications/coronavirus-covid-19-supplier-relief/>
- 1.3 Our guide is therefore intended to explain our approach to implementation of national policy and guidance and to highlight specific key points from the national guidance for suppliers to be aware of for their assistance. Suppliers should review the national policy and guidance for themselves rather than rely solely on this local guidance.
- 1.4 Our objective is to support our commissioned and contracted services and our local economy in response to the Coronavirus / Covid-19 emergency and maintain our supply chains through the emergency for continuity of supply in the provision of essential services once the emergency is passed. We consider this to be vital to support the wellbeing of Angus and its citizens.
- 1.5 Where we refer in this guidance to “contracted suppliers”, this includes all those whom the Council will be paying directly under this guidance and all manner of service providers whether they are commercial bodies or not. In the context of adult care services, this specifically includes “option 2” care providers (within

the meaning of the Social Care (Self-directed Support) (Scotland) Act 2013) where services are being arranged and paid for by the Council on an emergency response basis under this guidance.

## **2. Scope**

- 2.1 For the avoidance of any doubt, the decision to provide support to contracted suppliers or not under this guidance is discretionary on the part of the Council. Support offered will be based on the national policy and guidance.
- 2.2 This guidance will apply on application to the Council by contracted suppliers. In line with national policy, applications will be dealt with on a case by case basis but we may choose to deal with groups of contracts on a collective basis where the effects and risks are comparable.
- 2.3 The support offered will primarily apply to essential services contracted for by Angus Council. "Essential services" have been determined by the Council as:
- Adult care services
  - Children's services
  - Early learning and childcare services
  - Criminal justice services
  - Education services
  - Public and school transport services
  - Construction and related services

Within those categories of essential services, the Council may identify what groups of contracts should be within or outwith this guidance on a group basis and in terms of what groups need support in the public interest.

Nationally managed contracts within those essential service areas (e.g. the National Care Homes Contract) are outwith the scope of this guidance insofar as the contract rates are set nationally.

## **3. Duration and Review**

- 3.1 In line with national policy, this guidance will last initially until 30 June 2020. If the national policy allows it to continue, it will do so on a rolling monthly basis after 30 June.
- 3.2 Subject to national policy, support under this guidance will terminate at any time after 30 June 2020 on not less than 14 days' notice by the Council to contracted suppliers. The Council will however endeavour to give longer notice of termination of support under this guidance (on a general or supplier-specific basis) where it is feasible to do so.
- 3.3 The Council will review operation of this guidance on a monthly and ongoing basis. The Council reserves the right to make changes to it without notice.



#### 4. The Support Offered

4.1 In line with national policy and in return for support under this guidance, the contracted supplier will be required to enter into a variation of its contract with the Council to give effect to reciprocal expectations of the contracted supplier. The full model agreement terms were issued by the Scottish Government in SPPN5 referred to above and accompany this guidance. Contracted suppliers should make sure that they are content with those terms before seeking support from the Council. The key points are:

- It will be for a supplier to set out proposals to vary an existing contract and/or request interim / advance payment.
- Both parties will be required to explore if other changes to the contract (for example, rescheduled delivery dates) would work better.
- The supplier will not be entitled to combine a claim under the contract with any other COVID-19 related relief, grant, intervention or other measure which results in the supplier receiving more than one benefit/relief for the same underlying cash-flow issue.
- On request, the supplier will have to evidence that any monies paid out have been used as intended.
- A condition of payment will be that the supplier must also promptly pay its staff and supply chain under the contract.
- Suppliers will not be able to claim where there is no contractual volume commitment to deliver nor will not be able to claim for profit on undelivered elements of the contract.
- Monies paid can be recovered by public bodies in specified circumstances.

4.2 Contracted suppliers may seek whatever support they consider they require from the Council and which the Council is able to give within the terms of the contract and the national policy and guidance. 2 examples are offered below of the kind of support which the Council expects could be requested and we may be able to offer. These are not mutually exclusive.

#### 4.3 **Example 1 – Reduced Planned Demand**

Where the payment mechanism for the contracted service is wholly or partly based upon the volume of service or supply, the Council will move to fixed contract payments based on the actual volume of usage prior to 28 February 2020 and will make no deductions for fluctuation in demand / use for the duration of the support offered under this guidance.

Our normal approach will be that the volume on which the fixed payment is based will be that for the week, month or other period as the case may be (depending on the reference period in the payment mechanism) ending 28 February 2020, unless it is accepted by the Council that another reference period would be appropriate.

#### 4.4 **Example 2 - Extraordinary Costs**

Where the payment mechanism for the contracted service is affected by extraordinary cost increases because of the emergency.

Here are some examples:

- the payment mechanism hourly rate contains a set allowance for sickness absence in providing for staff costs which is rendered significantly inaccurate due to increased sickness absence because of Coronavirus illnesses
- input costs on items such as personal protective clothing and equipment have increased beyond reasonably expected levels due to the emergency
- contracted suppliers incur extra management time to make rapid adjustments to care packages due to e.g. emergency hospital admissions, care visits changed to meet the most urgent needs, homecare visits taking longer due to infection control precautions and the availability of staff.
- Construction contracts payment mechanism continues to pay actual preliminary costs incurred during a period of contract suspension
- Contract retentions are reduced or alternative retention mechanisms are provided.

Where those extraordinary cost increases apply, the Council will review allowances for such costs within those payment mechanisms and adjust them accordingly.

- 4.5 Adjustments will also take into account any extraordinary cost decreases and, in accordance with national policy and guidance, the Council may adjust any payments made to contracted suppliers to ensure that profit margin is not paid on any undelivered aspects of the contract.

Although this will be considered on a case by case basis we may apply set allowances across contract groups within essential services.

- 4.6 In line with national policy and guidance, the Council reserves the right to undertake retrospective reconciliation of support in the form of fixed payments addressing reduced planned demand after conclusion of the support and return to an actual demand basis. Retrospective reconciliation will apply to the support provided under this guidance and not to baseline contract payments.

- 4.7 In line with national policy and guidance there will be no double-funding of increased costs or revenue protection under both this guidance and by central government's Coronavirus business support schemes. For ease of reference, the primary relevant central government schemes are follows:

- **UK Level Support**
  - ❖ the Coronavirus Job Retention Scheme (80% of wages paid for furloughed workers)
  - ❖ Support for self-employed workers through the Coronavirus (COVID-19) Self-employment Income Support Scheme
  - ❖ Statutory Sick Pay – payment for first 2 weeks of SSP for smaller employers (up to 250 staff)
  - ❖ Tax payment deferrals / flexibility e.g. on VAT payments

- ❖ Access to the Coronavirus Business Interruption Loan Scheme (for SMEs)
- ❖ Access to COVID-19 Corporate Financing Facility for larger companies

<https://www.gov.uk/coronavirus>

- **Scotland Level Support**

- ❖ A 1-year non-domestic rates (NDR) holiday (100% relief) for all retail, hospitality and leisure properties, from April 2020
- ❖ A 1.6% NDR relief for all properties across Scotland, from April 2020
- ❖ A £10k grant for the ratepayers of businesses qualifying for Small Business Bonus Scheme (SBBS), in receipt of rural relief or eligible for SBBS but in receipt of Nursery Relief, Disabled Relief, Fresh Start or Business Growth Accelerator Relief– administered by Councils
- ❖ A £25k grant is available to the ratepayers of businesses in the retail, hospitality, leisure sectors operating in a premises with a rateable value of £18,001 up to £51,000 – administered by Councils

<https://www.gov.scot/collections/coronavirus-covid-19-guidance/>

In accordance with the government guidance, contracted suppliers are required to access the Government schemes where they are eligible to do so as the primary support route albeit it is recognised that there may be a time lag in accessing that support to address cash flow.

Specifically, if the contracted supplier receives central government financial support under the UK Government coronavirus job retention scheme it must declare this immediately to the Council. Support from the Council may be terminated in those circumstances and action taken to reclaim any double-funding.

Alternatively, the Council and the contracted supplier may agree an adjustment to contract payments under this guidance to reflect the effect of central government financial support received.

## 5. **Prompt Payment**

5.1 The Council has established systems that will ensure that invoices are paid promptly. This is to support the cash flow and viability of all our contracted suppliers and not just those supplying essential services.

5.2 From Sunday 22 March 2020, we have altered our payment processes to ensure that all of our contracted suppliers are paid at the first opportunity. This means invoices will be paid as soon as they are authorised, irrespective of what is stipulated on existing individual payment terms and conditions.

Information on our current business support measures is published here:

[https://www.angus.gov.uk/business/coronavirus\\_outbreak\\_business\\_updates](https://www.angus.gov.uk/business/coronavirus_outbreak_business_updates)