

LEADER

20 NOVEMBER 2020

REPORT OF CHIEF EXECUTIVE

A.1 LOCAL RESTRICTIONS SUPPORT GRANT SCHEME

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out the proposed Local Restrictions Support Grant Scheme for approval.

EXECUTIVE SUMMARY

- A number of business support schemes have recently been announced by the Government with 4 relating to the Essex Area.
- As set out further on in this report, 2 of the schemes are mandatory and will be administered in line with associated Government guidance. The remaining 2 Schemes allow local discretionary. One of the schemes is being designed based on a collaborative approach across Essex Authorities and will be subject to separate report. The remaining scheme is set out in this report for approval and is called the **Local Restriction Support Grant (OPEN) Scheme**.
- The Local Restriction Support Grant (OPEN) Scheme is designed to support businesses that may have been impacted by Essex moving to the Local Covid Alert Level Tier 2 (LCAL2) from 17 October 2020.
- Only a limited level of discretion has been applied given the restrictions indicated within the associated guidance, but it has been designed to support more business than that prioritised by the Government.
- The Government have provided the Council with a one-off amount of **£447,422** to fund this scheme.
- The proposed policy attached sets out grant amounts of between **£634** and **£1,425k** (pro-rata amounts). Given the scheme needs to be administered within the overall funding allocation of **£447,422**, the proposed policy allows the Council to review the actual grant amounts once all applications have been received.
- To effectively administer the scheme and to support as many businesses as possible, an application process will be introduced along with a deadline of the 29 November. The date has been set to balance the need to get the money out to businesses as soon as possible with ensuring there is enough opportunity to advertise the scheme and for businesses to complete their applications.
- The recommendations below also seek a delegation to the Assistant Director Finance & IT to implement the scheme amend the policy in line with any emerging Government guidance.

RECOMMENDATION(S)

- a) That the Leader approves the policy as set out as attached.
- b) That the Leader delegate's authority to the Assistant Director Finance & IT to implement and administer the scheme and amend the policy in line with any emerging Government guidance.

PART 2 – IMPLICATIONS OF THE DECISION**DELIVERING PRIORITIES****FINANCE, OTHER RESOURCES AND RISK****Finance and other resources**

The various schemes announced by the Government have been set out further on in this report, however funding for each of the 4 schemes is summarised as follows:

MANDATORY SCHEME - Local Restrictions Grant Scheme (CLOSED) – £2,442,906

MANDATORY SCHEME - Local Restrictions Grant Scheme (SECTOR) – £TBC

DISCRETIONARY SCHEME - Local Restrictions Grant Scheme (OPEN) – £447,442

DISCRETIONARY SCHEME - Additional Restrictions Grant Scheme – £2,931,220 (based on £20 per head of population)

Both of the mandatory schemes are fully funded by the Government regardless of the number of eligible applications received.

The discretionary schemes are based on 'fixed' amounts of funding and therefore will not be 'topped' up by the Government. Therefore the design of these schemes will need to ensure that the overall cost can be accommodated within the overall funding levels with no net financial impact on the Council.

There will be some advertising costs associated with the scheme, which will be met from within existing budgets.

Risk

Risks in administering the scheme have been set out in the policy and include complaints / appeals and the risk of fraud error.

LEGAL

Section 1 of the Localism Act 2011, known as the 'General Power of Competence' provides all local authorities with the power to make these payments and is expressly referred to in the grant determination / guidance issued by the Government.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications with the design of the scheme providing the opportunity to access financial support to various businesses / organisations across the district.

PART 3 – SUPPORTING INFORMATION

PROPOSED DISCRETIONARY BUSINESS GRANT SCHEME

Following the Government's implementation of COVID 19 national restrictions for the period 5 November to 2 December, and recognising potential hardship for businesses operating in areas that moved to LCA Levels 2 and 3 before 5 November, they have announced new business grant schemes, with the ones relevant to Essex as follows:

- 1) **MANDATORY SCHEME - Local Restrictions Grant Scheme (CLOSED)** – This covers the period where national restrictions apply (from 5 November to the 2 December) and focuses on those businesses legally required to close and who occupy a property in the rating list.
- 2) **MANDATORY SCHEME - Local Restrictions Grant Scheme (SECTOR)** – This covers the period up to 4 November and relates primarily to businesses such as night clubs which have not been allowed to open since 23 March 2020 and who occupy a property in the rating list.
- 3) **DISCRETIONARY SCHEME - Local Restrictions Grant Scheme (OPEN)** – This scheme is intended to support businesses that have been most negatively impacted by Essex moving into LCAL2, predominantly the hospitality, hotel, B&B and leisure sectors. These grants cover the period from 17 October (the date Essex moved into LCAL2) to the 4 November when the national restrictions came into force.
- 4) **DISCRETIONARY SCHEME - Additional Restrictions Grant Scheme** – This scheme is a fully discretionary scheme and can be applied over the period from now until the end of 2021/22.

This report sets out for approval the policy for Scheme 3) above only - **Local Restriction Grant Scheme (OPEN)**

Grant scheme 4) is still subject to review and is based on a collaborative approach across Essex Authorities. However a policy is expected to be finalised shortly and presented for approval separately.

Grant schemes 1) and 2) are mandatory and Officers will therefore administer the scheme based on the associated Government guidance. However, for information the grant levels for these two mandatory schemes are as follows.

Grant Scheme 1 - Local Restriction Grant Scheme (CLOSED)

Rateable Value	Amount payable for every applicable 28 day period
Business with RV £15k or under	£1,334
Business with RV £15k or over but less than £51k	£2,000
Business with RV £51k or over	£3,000

Grant Scheme 2 - Local Restriction Grant Scheme (SECTOR)

Rateable Value	Amount payable for every applicable 14 day period
Business with RV £15k or under	£667
Business with RV £15k or over but less than £51k	£1,000
Business with RV £51k or over	£1,500

It is assumed that the above would continue to apply if the period of national restrictions was extended.

DISCRETIONARY SCHEME - Local Restriction Grant Scheme (OPEN)

The proposed policy is attached.

As mentioned above, this grant is intended to support businesses who remained open but were impacted by Essex moving into LCAL 2 from 17 October until the 4 November.

One-off funding of **£447,422** has been provided by the Government to meet the cost of this scheme.

Within their associated guidance, the Government have indicated that Authorities are expected to prioritise businesses operating directly in the Hospitality, Hotel, B&B and Leisure Sectors. The Government however go on to say that it is up to Local Authorities to determine eligibility at a local level. However exercising this local discretion is difficult in practise given the strong steer that the Government have provided and the expectations that it has already raised in the business community. As discussed within earlier grant schemes, this focus does however fit well with Tendring's tourism economy and the area being a potential destination for those holidaying in the UK next year rather than abroad. Also there needs to be a balance in the time taken to design an alternative scheme and the need to get the money out to businesses as soon as possible, which would be difficult given the tight timescales that are being worked to. Based on the above, it is not proposed to move away from these 4 prioritised sectors highlighted by the Government, therefore other business sectors will not be eligible for support.

The Government have calculated the overall funding 'pot' based on an assessment of the number of properties within the 4 prioritised business sectors using the following calculations:

Rateable Value	Amount payable for every applicable 28 day period	Amount payable for pro-rata 19 days from 17 Oct to 4 Nov)
Business with RV £15k or under	£934	£634
Business with RV £15k or over but less than £51k	£1,400	£950
Business with RV £51k or over	£2,100	£1,425

The Government have used data from 2019 as part of the above calculations

The Government have however stated that Local Authorities can decide their own grant levels but by taking the above approach, the Government has in effect set indicative amounts. Therefore based on the limited funding of **£447,422** available it is not proposed to move away from these indicative levels.

The above approach taken by the Government does pose an associated problem – the money we have received therefore only reflects business operating from properties in the rating list and only those who were operating in 2019. The challenge for Tendring is that many such business,

especially B&B's, may not occupy a property in the rating list or are relatively new businesses, both of which would be equally as important to the local economy. The same argument can be made for those who operate within flexible spaces or larger commercial operations where they do not pay business rates directly. It is therefore proposed to open up the scheme to all those who are not the ratepayer themselves and by operating an application process we will also be able to identify new businesses who may not have been operating in 2019.

The attached policy therefore reflects this approach and is based on paying the same level of grants as set out in the table above. However, given the limited funding available, the policy also highlights that the Council reserves the right to amend the level of grants based on the number of applications received.

An application deadline will therefore be necessary and it is proposed to set this as midnight on 29 November to ensure money can be paid as timely as possible, reflecting the planned end to national restrictions on 2 December. Based on the applications received etc. further phases of the scheme could be administered to ensure all of the funding reaches local businesses.

The Council will be promoting the scheme through as many communication channels as possible.

Although Officers will be implementing and administering the scheme once the policy is approved, a recommendation is included to provide a delegation to the Assistant Director Finance and IT to make changes to reflect any further guidance that may emerge from the Government.

For information, the following sets out the relationship with the other grant schemes:

- Businesses who are eligible for this scheme and operate from a rateable property - they will be considered against Scheme 1) above from 5 November.
- Businesses who are eligible for this scheme but do not operate from a rateable property – there may be opportunities to support these businesses within Scheme 4) above from 5 November.
- Businesses who are not eligible for this scheme as they are not directly operating in the hospitality, hotel, B&B and Leisure sectors - there may be opportunities to support these businesses within Scheme 4) above.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Attached – Proposed Local Restrictions Support Grant Scheme (OPEN) Policy 2020/21