

# LEADER

14 JANUARY 2021

## REPORT OF CHIEF EXECUTIVE

### **A.1 DISCRETIONARY BUSINESS GRANT SCHEMES**

(Report prepared by Richard Barrett)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To set out proposals for the two following business grant schemes where there is local discretion:

- 1) Local Restrictions Support Grant (OPEN)
- 2) Additional Restrictions Grant Scheme

##### **EXECUTIVE SUMMARY**

- There are now a number of Government Grants schemes covering the periods of local or national from October last year.
- Many of the grant schemes are mandatory and are therefore being administered in line with the associated guidance.
- This reports sets out the next phase of two schemes where the Government have enabled local discretion. The proposed changes to these schemes reflect feedback from local businesses during the administration of earlier phases, but together they remain based on the principle of supporting as many businesses as possible where they have been severely impacted by COVID 19.
- As part of supporting as many business as possible, grants can be paid to businesses who do not necessarily occupy a commercial property in the rating list. Therefore, the Council is able to support those who are self-employed / working from home, for example, both of which make up an important element of the local economy.
- To continue to ensure consistency with other support schemes, the proposed policies attached set out grant amounts of between **£934** and **£2,100k** (for each 28 day period).
- The amount of money made available by the Government to support the schemes is limited and therefore the policies allow the Council to make changes to the level of grants payable to ensure that the overall cost can be accommodated within the overall funding 'pots'.
- As previously discussed, it is still the intention to top slice the overall grant funding amount relating to the Additional Restrictions Scheme for more general business support initiatives. This element of the scheme will form part of separate decisions over the coming weeks / months.
- The recommendations below also seek a delegation to the Assistant Director Finance & IT to implement the schemes and amend the policies in line with any emerging Government guidance.

## RECOMMENDATION(S)

That the Leader:

- A) Approves the two policies attached; and
- B) delegates authority to the Assistant Director Finance & IT to implement and administer the schemes and amend the policy in line with any emerging Government guidance.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The effectively delivery of the various grant schemes cuts across many of the Council's priorities set out in the Corporate Plan with the primary one relating to a growing and inclusive economy and supporting existing businesses.

### FINANCE, OTHER RESOURCES AND RISK

#### Finance and other resources

The Government have committed to pay the actual costs of the mandatory grant schemes, but are only providing limited one-off amounts to fund the schemes that include a discretionary element.

Therefore, the design of the two discretionary schemes set out in this report reflect the need to ensure that the overall cost can be accommodated within the overall funding levels with no net financial impact on the Council – this can be done by either amending the grant levels or closing schemes if they are over-subscribed. To ensure money reaches businesses in a timely manner it will be difficult to operate application 'windows' and only pay money out at the end of the application period. It is therefore proposed to pay grants out as they are received during the application 'window' but keeping the position under on-going review in terms of the funding remaining available.

In terms of the first phase of the two grants schemes discussed in this report, a summary is set out below:

Scheme	Applications Received
LRSG (OPEN) – Funding Available £447k	304
ARG – Funding Available £2.9m*	134

*\*This funding covers the period to 31 March 2022 so will be used across various phases of this scheme.*

In terms of the funding for the second phase of the LRSG (OPEN) scheme, the Government have made £618k available covering the period from 2 December to 25 December.

Based on the figures in the table above and the available funding, there is headroom to increase the number of prioritised business sectors as set out later on in this report. Funding can be rolled forward, so as was the case last year for earlier grant schemes, further decisions may be required to ensure all of this money is paid out to businesses within the district as necessary rather than having to be repaid to the Government.

It is still proposed to top slice the ARG funding highlighted above to provide wider business resilience / support initiatives, which will be considered separately and will form part of a future report as part of future phases of utilising the available funding.

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 GRANT SCHEMES**

Although the two schemes subject to approval via this report are discussed further on, for completeness the following table sets out the various grant schemes covering the various phases of local tiered restrictions and national restrictions. These schemes are either mandatory or have elements of local discretion.

<b>MANDATORY SCHEMES</b>	<b>Scheme Details</b>	<b>Current Status</b>
Local Restrictions Support Grant (CLOSED)  <i>(For businesses who occupy properties in the rating list)</i>	This scheme was for businesses that were required to close during the period of national restrictions – <b>5 November to 2 December</b>  <i>(Fixed amounts paid on 28 day cycles)</i>	Scheme remains open for applications
Local Restrictions Support Grant (CLOSED) – Version 2  <i>(For businesses who occupy properties in the rating list)</i>	This scheme was for businesses that were required to remain closed following the period of national restrictions up to when Tier 4 restrictions came into force - <b>2 December to 25 December</b> (for the period Tending was in Tier 2	Scheme remains open for applications

	with <i>fixed amounts based on 14 day cycles</i> )	
Local Restrictions Support Grant (CLOSED) ADDENDUM Tier 4  <i>(For businesses who occupy properties in the rating list)</i>	This scheme is for businesses that were required to close during the period Tendering was in Tier 4 – <b>26 December to 4 January</b>  <i>(Fixed amounts based on 14 day cycles)</i>	Scheme remains open for applications
Local Restrictions Support Grant (CLOSED) – National Lockdown Period  <i>(For businesses who occupy properties in the rating list)</i>	The Government have yet to publish the associated guidance to enable Local Authorities to administer this scheme. However the Government have confirmed that they will be asking Local Authorities to pay one-off grants covering the 6 week period from <b>5 January to 15 February 2021</b>	Applications are being invited in advance of receiving the guidance from the Government
<b><i>A single application process has now been put in place covering the various schemes above – applications from earlier periods will be automatically rolled into later periods where possible to avoid the need for multiple applications</i></b>		
One-off Grants for Hardest Hit Businesses during period of National Lockdown	Grants of up to £9,000 for businesses in the retail, hospitality and leisure sectors.  Government guidance is currently awaited to enable this scheme to be administered.	The Government have asked the Council to make these payments with the scheme above where possible. It is also hoped that payments can be made automatically based on the information provided as part of the application for the above schemes.
Christmas Support for Wet Led Pubs	A one-off payment of £1,000 can be made to those pubs who derive less than 50% of their income from food sales and covers the period up to <b>29 December 2020</b> .	Scheme remains open for applications but with a Government imposed deadline of 31 January 2021.
<b>SCHEMES WITH LOCAL DISCRETION</b>	<b>Scheme Detail</b>	<b>Current Status</b>
Local Restrictions Support Grant (OPEN)  <i>(For businesses operating from premises either in the rating list or not)</i>	This scheme was for businesses who were allowed to remain open but were more severely impacted by Tier 2 restrictions between <b>17</b>	Scheme now closed.

	<p><b>October and 4 November 2020</b></p> <p>Local Authorities could determine local priority business sectors and this phase of the scheme focused on businesses in the hospitality, hotel, B&amp;B and leisure sectors.</p>	
<p>Local Restrictions Support Grant (OPEN) – Version 2</p> <p><i>(For businesses operating from premises either in the rating list or not)</i></p>	<p>This scheme is for businesses who were allowed to remain open but were more severely impacted by Tier 2 restrictions between <b>2 December and 25 December 2020</b></p>	<p>Proposal for this scheme are set out below</p>
<p><b><i>Following the introduction of the Tier 4 Scheme above, the above ‘OPEN’ schemes have been suspended by the Government. However they remain ‘live’ for periods prior to 26 December 2020</i></b></p>		
<p>Additional Restrictions Grants</p> <p><i>(The funding for this scheme covers the period to the end of March 2022 so is likely to cover various phases and initiates over that time period)</i></p>	<p>This scheme effectively enables Local Authorities to support businesses who may not have been eligible for any of the schemes above but have been equally as effected by the periods of national or local restrictions.</p>	<p>Phase 1 of this scheme covered the period 5 November to 2 December 2020 as is now closed for new Applications</p> <p>The proposal for the next phase of this scheme is set out below.</p>

As set out in the table above the next section of the report sets out the proposals for the next phases of the Local Restrictions Support Grant (OPEN) scheme and the Additional Restrictions Grant scheme.

**DISCRETIONARY SCHEME – Local Restrictions Support Grant (OPEN) - Version 2 (covering the period from 2 December to 25 December 2020)**

The first phase of this scheme was based on the sectors that the Government asked Local Authorities to prioritise (Hospitality, Hotel, B&B and Leisure). It is not proposed to change this underlying principle but after taking into account valuable feedback received from local businesses during December and early January it is proposed to add the following sectors to this prioritised list:

- Events Sector
- Taxi / Travel Sector
- Businesses who supply the sectors prioritised under this scheme.

The above sectors have always been eligible to apply for support under the first phase of the Additional Restrictions Grant Scheme, but by prioritising them under this scheme reflects the

significant and adverse impact they have experienced in terms of their overall turnover during the periods of local restrictions.

As highlighted above, this Government have suspended this scheme from 26 December following the implementation of Tier 4 restrictions. If businesses do not automatically qualify for support under the Tier 4 grant schemes, then they will be able to apply for help under the proposed Additional Restrictions Grant Scheme below.

**DISCRETIONARY SCHEME – Additional Restrictions Grant Scheme (ARG) (covering the period from 2 December 2020 to 15 February 2021)**

Excluding the sectors now included within the 'OPEN' scheme above, which were previously prioritised within the first phase of this scheme, the remaining prioritised business are as follows:

- Businesses that supply the retail sector
- Businesses outside of the business rates system that have effectively been forced to close e.g. shared/ flexible spaces and market traders.
- Along with the above, any other local business who has been severely impacted by local or national restrictions.

The first two bullet points reflect the guidance from the Government, with the last bullet point effectively enabling the Council to support any business who has not been able to access funding under any of the other schemes e.g. self-employed / businesses operating from home.

As was the case with the first phase of the scheme, businesses will be asked to confirm and certify that they have been severely impacted by the local / national restrictions as part of the application process.

The ARG can be used to 'top' up grants under any other scheme. It is not proposed to do this at the present time given the very fluid position in terms of various grant schemes announced by the Government. This approach supports the aim of 'spreading' the funding available across as many local businesses as possible given the on-going impact from the COVID 19 pandemic. However, 'topping up' other grants schemes may be something that can be considered in later phases of this scheme.

As was the case with the first phase of this scheme, to ensure a level of consistency across the various schemes, it is proposed to offer the same level of grants as under the Local Restriction Grants (OPEN) Scheme. Many businesses who are likely to be eligible for support under the ARG scheme may have been able to remain open so 'matching' the grant amounts to the LRG (OPEN) Scheme remains both reasonable and logical.

In terms of consistency, it is also proposed to pay grants under this scheme covering the period to 15 February 2021, where the individual business has remained eligible for support. This would therefore match the same payment period that the Government have set out for the latest 'CLOSED' scheme above which covers a 6-week period from 5 January 2021 when the country entered national lockdown restrictions.

Although subject to applications received, it is expected that further phases of this scheme will be implemented, which provides the opportunity to reflect future Government decisions and changes that they may make to other grant schemes.

The proposed level of grants payable under the above two schemes remain consistent with earlier phases and are as follows:

<b>Rateable Value</b>	<b>Amount payable for every applicable 28 day period</b>
Business with RV £15k or under	£934
Business with RV £15k or over but less than £51k	£1,400
Business with RV £51k or over	£2,100

*Given the various length of the periods of restrictions, the above amounts will be paid on a pro-rata basis where necessary.*

Where a business does not operate from a rated property then the level of grant will be consistent with the above based on their size and turnover.

The Council will be promoting all 'live' schemes through as many communication channels as possible.

Although Officers will be implementing and administering the schemes once the policies are 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.

Any business who qualified under the earlier phases of these schemes will automatically be considered under later phases to expedite the payment of further funding to them where they remain eligible.

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

**Attachment 1** – Local Restrictions Grant Scheme (OPEN) (For the period 2 December 2020 to 25 December 2020)

**Attachment 2** – Additional Restrictions Grant Policy (Covering the period 2 December 2020 to 15 February 2021)