

Cabinet Member Decision Note

COVID-19 Recovery – Local Restrictions Support Grants (Discretionary Scheme)

To: The Leader of Council

Date: 24th December 2020

Author:	Director of Economy, Growth and Place
Wards:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 This report seeks the Leader of Council's authorisation for the Council's approach to identifying local companies that may meet the discretionary criteria for the Government funded Local Restrictions Support Grant (Open) and if found eligible, then to award those grants.
- 1.2 The report has been produced alongside a Cabinet Member Briefing Note which will give authority for officers to administer grants which Government has deemed mandatory, and which require no further discretion from the Council.
- 1.3 In response to COVID-19, the Government announced that there would be further support for businesses which have been severely affected by the Local Tier Restrictions. This support is aimed at businesses which provide in-person, direct support from their premises.
- 1.4 In accordance with Paragraph 16(h) of Rules of Procedure and Terms of Reference Overview and Scrutiny Committees (Part 4 of the Constitution) Call-in Procedure, His Worship the Mayor Councillor Perkins has agreed that this issue be treated as urgent. The reason for this is that any delay likely to be caused by the call-in process would have a significantly detrimental effect on the businesses waiting for their grant allocations and may result in further hardship to our business owners, which have experienced significant income loss due to COVID-19.

While the grants were announced by Government in late November, creating considerable expectation among businesses, the guidance was not released until 10th December – the subsequent time has been spent interpreting the guidance, designing a fair scheme and identifying the resource to administer the grants.

- 1.5 This Cabinet Member Decision Notice seeks authority to administer the grants, as requested by the Government; agree the general principles of the grant schemes both as instructed by the Government and where some local discretion is permitted for the benefit of the affected businesses and the wider economy.

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2. Recommended Action to be Authorised by a Cabinet Member Under Delegated Powers

Recommended that the Cabinet Member agrees to:

- 2.1 Agrees the adoption of the scheme and the discretionary criteria.
- 2.2 Authorises the Director of Economy Growth and Place to implement the scheme set out in this decision note including to assess applications against the eligibility criteria and where discretion is allowed, to determine the amount of grant awarded to each applicant based on the criteria to ensure that the total paid by the Council does not exceed the total grant allocated by the Government.
 - 2.2.1 Authorise the Corporate Director of Finance and Assets to pay the grants up to the amount awarded by the Government.

3. Detail

- 3.1 As part of the Local Tier Restrictions recovery, the Government has published details of a new discretionary Local Restrictions Support Grants (Open) scheme (“LRSGO”), that would take effect from 2nd December 2020. A copy of the current Government guidance is attached at Appendix One. Swindon Borough Council has been awarded £314,319 for this current scheme, which is for a 14-day eligibility period. Funding will be provided in rolling 14-day eligibility periods for as long as Tier 2 or 3 restrictions apply.
- 3.2 As with the previous discretionary scheme, the LRSGO scheme has some mandatory guidance, some recommendations, and a small amount of local discretion for Local Authorities to follow and administer the payments to eligible businesses. Areas where discretion is included are highlighted within the Detail section.
- 3.3 The Guidance states that these schemes are aimed at those businesses that have been trading before local restrictions came into effect and before national restrictions.
- 3.4 The Government recommends the level of grant per 14-day period to some degree, but requests that Local Authorities design a scheme to suit the local need.
- 3.5 Other conditions apply to the grants, including non-insolvency, tax regulations, managing the risk of fraud, pre and post-event assurance, monitoring and evaluation requirements and State Aid conditions. All grants are taxable.

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The Swindon Scheme

- 3.6 Officers are seeking the Cabinet Member's approval of the following principles and criteria to govern the administration of a Swindon specific scheme in accordance with the mandatory guidelines set out above.

Local Restrictions Support Grant (open) LRSGO:

Since the introduction of this grant (before the 2nd December 2020) Swindon has been placed in Tier 2 restrictions. The Government guidance states that the funding is designed to support "businesses that are not legally required to close but which are severely impacted by localised restrictions. The LRSG (open) is aimed at hospitality, hotel, bed & breakfast, and leisure businesses. Local Authorities are best placed to determine local needs for supporting recovery. We want Local Authorities to exercise their local knowledge and discretion and we recognise that economic need will vary across the country. Therefore, while we are setting suggested criteria for the funding, we are allowing Local Authorities to determine exactly which businesses to support..... There will be no penalty for Local Authorities because of their use of discretion to prioritise some business types".

Although hospitality, leisure and retail businesses are currently allowed to trade, social distancing restrictions and reduced numbers of customers compared to the last pre-festive period, have in many cases severely affected their income.

If the Tier restrictions are amended by the Government, this scheme will be amended accordingly.

- 3.7 This is a 14-day rolling scheme, for as long as Swindon is placed in Tier 2 Restrictions and these restrictions remain, payment will be made to eligible applicants every 14-days.
- 3.8 Where levels and details of allocation are recommended by the Government these have been incorporated in the scheme, and the remaining scheme details are at the Council's discretion as to grant values or eligible businesses. The recommendation is therefore to award against the criteria set out below:
- 3.9 Grants will only be accepted from the following types of business, as these are currently the most affected:

Government recommended priority sectors:

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Pubs & restaurants with more than 50% income from food sales (in normal times) as others are covered by another scheme

Cafes

Social clubs (if not eligible for the mandatory scheme)

Hotels

B&Bs

Holiday lets

Guest houses

Indoor sport, fitness, or leisure facilities (restricted to indoor venues at SBC discretion)

Indoor visitor attractions (restricted to indoor venues at SBC discretion)

Theatres and cinemas

Business types, specifically included at SBC discretion in consultation with the Town Centre Team and Bronze Recovery Grants Sub-Group:

Betting shops

Fairground rides

Event management

Retail inc vehicle showrooms (where majority of income in normal times is face to face – and not food & drink retail)

Hair, tatoo & beauty salons

Halls for hire

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Grant levels:

- 3.10 For properties with a live business rates account with the Council:
 - 3.10.1 Properties with a rateable value of exactly £15,000 or under will receive a payment of £467 per 14-day period (this level is recommended by the Government)
 - 3.10.2 Properties with a rateable value over £15,000 and less than £51,000 will receive a payment of £700 per 14-day period (this level is recommended by the Government)
 - 3.10.3 Properties with a rateable value of exactly £51,000 or above will receive £1,050 per 14-day (this level is recommended by the Government)
 - 3.10.4 For occupiers of whole commercial units without a live direct business account, a flat-rate grant of £467 (included at SBC discretion as many impacted businesses rent commercial space)
 - 3.10.5 For applicants which operate within shared commercial space e.g. rent a desk or chair, or which work from home, £250 (included at SBC discretion as many micos and sole traders are currently working from home or in shared commercial space).

4. Alternative Options

- 4.1 The Council could choose not to administer these grants, although this would be extremely detrimental to the local economy and the Council's reputation.

5. Consultation

- 5.1 The following Opposition and Minority Group Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Councillor Donachie – “I am supportive of this initiative”.

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Councillor Grant – “I and Councillor Ali (Labour Group Economic Lead) both support the Decision Note”

Councillor Ali – “Further to our conversation I am happy to support this decision notice”.

Councillor Pajak – “Very much support this initiative and welcome news of its implementation. I know of several small businesses who would like to take it up”.

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 In line with the eligibility criteria, Government will provide grant funding to Local Authorities to support eligible businesses that are affected by Tier 2 or 3 restrictions. This funding was previously provided on a rolling 28-day basis, but following the national lockdown between 5 November and 2 December, it will be provided in rolling 14-day eligibility cycles for as long as Tier 2 or 3 restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003). The Council has been awarded funding of £314,319 for the period from 2 December to 19 December.
- 6.1 The level of grant payments made will be continually assessed against the level of funding awarded by Government to ensure that the funding is not over-allocated. Should it appear that funding is insufficient then the scheme parameters may be amended accordingly unless additional funding becomes available from Government.

Legal and Human Rights Implications

- 6.2 Government guidance states that the Council has power to grant the payment pursuant to s1 of the Localism Act 2000. The Guidance provides mandatory criteria but provides discretion to the local authority to assess applications.
- 6.3 Any exercise of the powers and the discretion within the scheme will be exercised reasonably and with regard to the purpose of the grants, which is for government, utilising local authority local knowledge and networks to determine which business to support. Prior to any grant, each business will be expected to ensure that it complies with any State Aid requirements as detailed in the guidance. The guidance requires that the council operate pre and post payment processes to prevent fraudulent claims.

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Climate Change Impact

- 6.4 The proposals would not bring a change in the service delivery and Officers believe that there is no expected effect on the Council's carbon footprint

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.5 This will help businesses through a very difficult time and no major impacts have been identified.

Diversity Impact Assessment

- 6.6 No Diversity Impact Assessment has been undertaken as the grants are aimed at businesses not disadvantaged individuals.

The grants are aimed at businesses, which although not mandated to close under Tier 2 restrictions; they are severely affected by the Tier 2 measures e.g. social distancing. The Government has asked the Council to prioritise hospitality, hotel, bed & breakfast and leisure businesses under these general principles and given local discretion to design the scheme to offer most benefit to the hardest hit businesses currently. Also, there is a finite amount of funding available, so some parameters are essential. In consultation with the Town Centre Team and having received many emails from impacted Swindon companies over the last ten months; officers are recommending including additional types of companies and sectors i.e. some retailers and those without direct business rate accounts, as some of the most prevalent to Swindon, and seemingly most affected, to the eligibility criteria.

Risk Management

- 6.7 Resources will be deployed to check that the applications are genuine and that grant payment is made to the right recipient. This may involve further checks on a business if required and full liaison with Internal Audit.
- 6.8 Post-payment, the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments. The Council's Internal Audit team are also involved with designing and administering the scheme.

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7. Consultees

- 7.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

8. Background Papers

9. Appendices

- 9.1 Local Restrictions Support Grant (open) Guidance

10. Declarations of Interest

Opposition and Minority Group Spokespersons / Ward Members

- 10.1 Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to their Group Leader.

Cabinet Member(s)

- 10.2 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

11. Sign-off

- 11.1 The Cabinet Member is requested to respond with 5 days of the date of this report (by 29th December 2020).
- 11.2 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is "called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.

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- 11.3 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report.