

EXECUTIVE DECISION RECORD

REF No 272.21

A1 Service Area	Revenues, Benefits & Customer Contacts
A2 Title	Additional Restrictions Grant – phase 2 review and Local Restrictions Support Grant (Open) scheme
A3 Decision Taken By	Leader/ Chief Officer
A4 Chief Officer	Please print name: Sal Khan Please sign name: Approval by email 180221
A5 Leader / Deputy Leader	Please print name: Cllr Duncan Goodfellow Please sign name: Approval by email 190221
A6 Date of Decision	19 th February 2021

Confidentiality

A7 Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972?	No
A7.1 If yes, please state relevant paragraph from Schedule 12A LGA 1972.	N/A

Scrutiny

A8 Which Scrutiny Committee should this decision be submitted to? (*Please tick as appropriate*) ✓

Scrutiny (Audit & Value for Money Council Services) Committee

Scrutiny (Community Regeneration, Environment and Health and Well Being) Committee ✓

B1 What is the Decision?	To approve the recommendations shown in paragraph B2, and following a review of the applications received from phase 1 applications of the Council's Additional Restrictions Grant scheme.
---------------------------------	--

B2 What are the reasons for the Decision?

The Government announced the Additional Restrictions Grant (ARG) scheme on 31 October 2020 to enable Local Authorities to provide support to businesses severely impacted by the national and local pandemic restrictions.

The Government announced the Local Restrictions Support Grant (Open) (LRSG (O)) scheme on 22 October 2020 intending to support businesses that are open but severely impacted by the restrictions under Tier 2 and 3.

The Council's ARG scheme

As the funding allocated by the Government covers the period from November 2020 to March 2022, the Council implemented the following scheme also incorporating three phases of grant awards to support businesses.

Under its scheme the Council decided it will support the following businesses:

- Small/micro businesses (as defined in Government guidance) in shared offices/workspaces that don't have their own business rates assessments;
- Regular Outdoor Market Traders and Street Traders trading in East Staffordshire who do not have their own business rates assessment;
- Self-employed person(s) not eligible for the Self-Employed Income Support Scheme (does not include homeworkers who work for an employer, anyone who is furloughed, or students)
- Bed & Breakfast businesses and self-catering holiday lets that pay Council Tax instead of business rates (excluding home-sharing).
- Businesses that do have a business rates rateable value but have not been mandated to close by Govt and will therefore be severely impacted by the national restrictions in force.

The Council decided that there will be one grant paid for each business that does not have a business rates assessment that submits a successful application. Business that do have a business rates assessment and submit a successful application will be paid one grant per hereditament.

Businesses will be required to demonstrate how their business has been severely impacted by the pandemic, and any applications from businesses eligible for any other Local Restrictions Support Grant will be refused.

Under phase 1 the Council decided that three levels of grant would be payable to successful applicants:

- For businesses without a business rates assessment, and businesses with a rateable value of £15,000 or less, £1,334 will be paid.
- For businesses with a rateable value of between £15,001 and £50,999, £2,000 will be paid;
- For businesses with a rateable value of £51,000 or more £3,000 will be paid;

ARG Scheme review

Applications were invited between 24 November and 23rd December 2020. 1009 applications have been received, 33 of which were successful. A total of £49,018 grant payments have been paid.

As there has been little take-up for the grants, it has been agreed to extend the criteria so that businesses who show a reduction in turnover of at least 20% (rather than 30%) are eligible to apply for a grant.

It has also been agreed that the grant payment amounts be increased to a single amount of £10,000 per successful application, and the Council put aside £2m of its allocated ARG funding to support 200 businesses with this level of grant across all phases. Once this amount of allocated funding has been exhausted, a further review of the scheme will be conducted.

It has also been agreed to increase the grant payment to £10,000 each for the 33 successful applicants in phase 1. Applications from those unsuccessful under phase 1 where they have shown turnover has reduced by less than 30% will also be re-opened for processing under the revised criteria and revised grant payment amount.

LRSO (O) scheme

The Government has allocated funding to the Council to support businesses allowed to open under tier 2 and 3 restrictions, but which are severely impacted by the restrictions put into place. Government wants Local Authorities to prioritise these grants to hospitality, hotel, bed & breakfast, and leisure businesses.

East Staffordshire came under tier 2 restrictions on 31 October 2020, which was part-way through an eligibility cycle (start date 28 October 2020) and therefore payments under the scheme were not applicable.

Then, the Government announced a national lockdown with effect from 5 November 2020. When the lockdown ended on 2 December 2020, East Staffordshire immediately went into tier 3 restrictions, and the scheme comes into place from that date

where there are no national lockdown/tier 4 restrictions in place.

Government has decided that grant payments under this scheme should be made on a 14 day eligibility cycle as follows:

- Where the rateable value for a property is £15,000 or under, a payment of £667 per 14-day period;
- Where the rateable value for a property is Between £15,001 and £50,999, a payment of £700 per 14-day period;
- Where the rateable value for a property is £51,000 or above, a payment of £1,050 per 14-day period.

It has been decided that the Council's scheme should prioritise hospitality, hotel, bed & breakfast, and leisure businesses that have a business rates assessment in East Staffordshire. 44 businesses have been identified eligible for payments between 2 December 2020 and 4 January 2021 totalling £58,392.57, and eligibility has already been obtained from applications made by these businesses during the lockdown period from 5 November to 2 December 2020. Payments to these businesses will be made automatically.

Recommendations

- Approve the extension of the ARG scheme criteria so that businesses who show a reduction in turnover of at least 20% (rather than 30%) are eligible to apply for a grant.
- Approve those applications unsuccessful under phase 1 where they have shown turnover has reduced by less than 30% be re-opened for processing under the revised criteria and grant payment amount.
- Approve grant payment amounts under the ARG scheme be increased to a single amount of £10,000 per successful application.
- Approve that the grant payments to the 33 successful applicants in ARG phase 1 be increased to £10,000.
- Approve that the Council put aside £2m of its allocated ARG funding to support 200 businesses with this level of grant across all phases.
- Approve a further review of the scheme be undertaken once this amount of allocated funding has been exhausted.
- Approve the Council's LRSG (O) scheme should prioritise hospitality, hotel, bed & breakfast, and leisure businesses that have a business rates assessment in East Staffordshire.

B3 What are the contributions to Corporate Priorities?	As the Council has a finite amount of funding available to support businesses within the scope of these schemes, it contributes to the priority 'Community Regeneration'.
B4 What are the Human Rights considerations?	There are no Human Rights issues arising from this decision.

Financial Implications

<p>B5 What are the financial implications?</p>	<p>The main financial issues arising from this decision are as follows:</p> <p>There is a finite amount of funding available to the Council: £3,458,861 for the ARG scheme and £112,908 for the LRSG (O) scheme.</p> <p>Under the review of the ARG scheme, the Council has decided to put aside £2m of its funding to support businesses, elevating grant payments to £10,000 per successful application and supporting 200 local businesses. 33 grants totalling £49,018 have already been paid, so a further £280,982 needs to be issued to these applicants to bring their grant payment to the revised level, making a total spend of £330,000. A further 13 applications were refused as they did not show a reduction in turnover of at least 30%. If these applications now meet the revised criteria there is a potential further spend of £130,000. In total, the current spend could be £460,000 to 46 businesses. This would leave funding available to either support a further 154 businesses or provide wider business support.</p> <p>The scheme is funded under Section 31 of the Local Government Act 2003 and all monies must be allocated by 31 March 2022.</p> <p>Under the LRSG (O) scheme, 44 businesses have already been identified eligible for payments totalling £58,392.57, leaving £54,515.43 unspent.</p> <p>The scheme is funded under Section 31 of the Local Government Act 2003.</p>
---	---

Revenue - ARG	2020/21	2021/22
ARG Grant Funding allocation	£3,458,861	
ESBC's ARG revised grants spend allocation	£2,000,000	
Phase 1 grants paid		-£ 49,018
Phase 1 estimated further spend (33 successful plus 13 potential eligible applications previously refused)		-£ 410,982
Estimated funding available for future phases/support	£1,458,861	

Revenue – LRSG (O)	2020/21
LRSG Grant Funding allocation	£112,908
Estimated spend	£ 58,392.57
Estimated funding available for future applications once lockdown restrictions are eased	£ 54,515.43

The finance section has been approved by the following member of the Financial Management Unit:	Please print name: Lisa Turner, Chief Accountant Please sign name: Approval by email 170221
---	---

Policy Framework

B6 Is the Decision wholly in accordance with the Council’s policy framework?	Yes
B6.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	NA
B6.2 Has it got the appropriate approvals under those provisions?	NA
B7 Is the Decision wholly in accordance with the Council’s budget?	Yes
B7.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	NA
B7.2 Has it got the appropriate approvals under those provisions?	NA

Equalities Implications

B8 What are the Equalities implications:
B8.1 Positive (Opportunities/Benefits): The Council is able to support more businesses in East Staffordshire who are not able to apply for any other grant funding.
B8.2 Negative (Threats): The funding is finite and limited numbers of businesses will have a successful application.
B8.3 The subject of this decision is a policy, strategy, function or service that is new or being revised. An equality impact assessment is being completed.
B8.4 [The equality impact assessment identified the following actions to be carried out:] NA

Risk Assessment

B9 What are the Risk Assessment implications:
B9.1 Positive (Opportunities/Benefits): The impact to business ratepayers and the Council is low, as the scheme is fully funded by the Government.
B9.2 Negative (Threats): With any grants scheme there is the potential risk of fraud. The Council has put in place a robust range of processes and procedures in order to minimise the risk of fraud.
B9.3 The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

Legal Considerations

B10 What are the Legal Considerations:
B10.1 The main legal issues arising from this decision are as follows: Section 31 Local Government Act 2003 Part 2A Public Health (Control of Disease) Act 1984
This section has been approved by the following member of the Legal Team
Please print name: Angela Wakefield, Solicitor to the Council; Monitoring Officer
Please sign name: Approval by email 170221

Sustainability Implications

B11 What are the Sustainability implications:
B11.1 The proposal would not result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures). The positive/negative impacts are set out below (please refer to guidance notes).
B11.2 Positive (Opportunities/Benefits): NA
B11.3 Negative (Threats): NA

Health & Safety Implications

B12 What are the Health & Safety implications:
B12.1 A Risk Assessment has not been carried out and entered into Safety Media for all significant hazards and risks because there are no significant hazards or risks arising from this decision.
B12.2 Any financial implications to mitigate against these hazards and risks are considered above.
B12.3 [Control measures and an action plan have been identified for any significant hazards and risks identified in the risk assessment. The positive/negative impacts are set out below] NA
B12.3.1 Positive (Benefits) NA
B12.3.2 Negative (Threats) NA

Key Decision

B13 Is this a Key Decision? No (*please delete as appropriate*)

Note: A Key Executive Decision is one where:

1. **REVENUE** – Any contract or proposal with an annual payment or saving of more than £100,000
2. **CAPITAL** – Any capital project with a value in excess of £150,000
3. A decision which significantly affects communities living or working in an area comprising two or more wards.

B13.1 If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would <u>seriously</u> prejudice the public interest?	NA
B13.2 If yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?	NA

NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.

Please send the original signed document to andrea.davies@eaststaffsbc.gov.uk