

DECISION NOTICE - CORONAVIRUS EMERGENCY RELATED
Key Executive Decision taken by the Strategic Director (CF)

KEY DECISION Subject: To agree an **Additional Restrictions Grant (ARG)** scheme for Stevenage Borough Council funded from grant allocation of £1,756,900.

DECISION TAKER:

Name: Clare Fletcher

Job Title: Strategic Director and S.151 Officer

Signature: REDACTED

Date: 1 December 2020

RELEVANT PORTFOLIO HOLDER CONSULTED:

Name: Joan Lloyd

Job Title: Portfolio Holder for Resources

Signature: REDACTED

Date: Agreed 29 November 2020

REASON WHY THIS DECISION DID NOT APPEAR ON THE FORWARD PLAN AND THE URGENCY PROVISIONS WERE NOT FOLLOWED:

The funding was announced in November by the government and relates to the period 5 November – 31 March 2022. Due to the necessary speed of decision taking at this time it was not possible to comply with the Council's Constitution that includes the requirement to give 28 days' notice of the decision to be taken; publish details 5 clear days before the decision was taken; publish the decision within 2 days of it being taken; and provide the 5 day call-in period before implementation. Nor was it possible to comply with the Urgency provisions in the Constitution

DECISION TAKEN:

To agree a scheme for the ARG setting out the parameters for paying businesses and the windows when applications can be made for funding. The report also approves £150,000 for Economic Development opportunities to support businesses in Stevenage.

It is proposed to have three tranches for grants, each covering a six month period. November 2020– April 2021, May 2021–October 2021, and November 2021-March 2022. There will be a one month window for application at the start of tranche two and three. Tranche one will have a one month window starting at its launch.

REASONS FOR DECISION:

The government has announced a Discretionary Business Grant Fund to enable local authorities to support businesses severely affected by the national lockdown and any subsequent restrictions and recovery to 31 March 2022.

Stevenage Council has been awarded **£1,756,900**. The government has set some qualifying criteria which the Council must follow, but has discretion to determine which businesses to support, how much to award, and frequency of schemes. In determining this policy, the Council has sought to balance the amount of overall money it has received to distribute, and the period over which funding is intended to last.

The Government also allows for local authorities to use some of the funds to support other business support initiatives but still expects the majority of the funds to be made available in grants. It is proposed to provide £150,000 for projects led by a combination of in-house options such as Stevenage Works and working with partners.

FINANCIAL IMPLICATIONS:

The scheme is funded by the government and the awards will be made within the resources available

LEGAL IMPLICATIONS:

The scheme is discretionary but guidance on core qualifying criteria has been specified by the Government as detailed in the report.

EQUALITIES AND DIVERSITY IMPLICATIONS:

None

CONSULTATIONS:

Both the Leader and Portfolio Holder for Resources have been consulted and support the decisions taken.

Chair of the Overview & Scrutiny Committee

I agree that this decision was reasonable in all the circumstances, was urgent and could not reasonably be deferred

I further agree that any delay likely to be caused by the call -in process would prejudice the Council's or the public interest and that the decision should not therefore be subject to call-in.

Signed: REDACTED

Chair of the Overview & Scrutiny Committee

Date: 1/12/2020

DATE OF IMPLEMENTATION OF DECISION: 1/12/2020

Portfolio Area Resources
Date 1 December 2020



APPROVAL OF SCHEME FOR THE LOCAL AUTHORITY DISCRETIONARY GRANT FUND (ARG)

KEY DECISION

1 PURPOSE

- 1.1 In accordance with the Government's response to Covid – 19 supports for Business, the local authority is required to determine a scheme to allocate the funding made available under the discretionary grant fund. Government refer to this round of discretionary grants as **Additional Restrictions Grant (ARG)**
- 1.2 To enable consideration and approval of the Local Authority Discretionary Grant funding scheme

RECOMMENDATIONS

- 2.1 That the scheme as detailed in the report be approved.
- 2.2 That delegated authority is granted to the Strategic Director (S151), after consultation with the Resources Portfolio Holder to make technical adjustments or to revise the scheme if all the available funds are not allocated under the proposed scheme criteria.

3 BACKGROUND

- 3.1 In response to the most recent national lockdown (5th Nov- 2nd Dec 2020) the Government announced support for businesses liable for business rates that are mandated to close. That scheme is specified by Government.
- 3.2 They also announced additional funding for a discretionary scheme. This is a single allocation based on £20 per head of population for each local authority to use to run a discretionary grants scheme from Thursday 5th November. It is intended for awards covering the period from 5.11.20 to 31.3.2022. No further funding beyond the initial allocation should be expected.
- 3.3 The amount available is : £1,756,900 less £150,000 which will be used to support businesses through local initiatives including support for apprentices.
- 3.4 This report seeks approval of this scheme

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The government has announced a Discretionary Business Grant Fund to enable local authorities to support businesses severely affected by the national lockdown and any subsequent restrictions and recovery to 31 March 2022.
- 4.2 Stevenage Council has been awarded **£1,756,900**. The government has set some qualifying criteria which the Council must follow, but has discretion to determine which businesses to support, how much to award, and frequency of schemes. In determining this policy, the Council has sought to balance the amount of overall money it has received to distribute, and the period over which funding is intended to last.
- 4.3 The Government also allows for local authorities to use some of the funds to support other business support initiatives but still expects the majority of the funds to be made available in grants. It is proposed to provide £150,000 for projects led by a combination of in-house options such as Stevenage Works and working with partners.
- 4.4 The Government expect this funding to be primarily used for discretionary grants. They wish to encourage local authorities to help those businesses which whilst not being mandatorily closed, are severely impacted. An example might be that they are suppliers to businesses which have been mandatorily closed.
- 4.5 Local Authorities are free to provide support to businesses in the area that are not liable for business rates, and it is suggested that consideration be given to fixed costs, employees, the ability to trade online and the scale of loss they will suffer from this lock down, or subsequent local restrictions. It is also possible to top up a mandatory grant.

- 4.6 The amount of grant and frequency (if a repeat award is considered appropriate) is to be determined locally.
- 4.7 Business must also meet the core criteria, in that they were trading on the 4th November 2020, have not exceeded state aid levels, and are not be in administration, insolvency or have a striking off notice.
- 4.8 The government criteria can be seen in full here:
<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>
- 4.9 It is proposed to have three tranches for grants, each covering a six month period. November 2020– April 2021, May 2021–October 2021, and November 2021-March 2022. There will be a one month window for application at the start of tranche two and three. Tranche one will have a one month window starting at its launch.
- 4.10 In determining the local scheme criteria for the first tranche, consideration has been given to those businesses which were excluded from previous grant schemes, including for example those in the supply chain or manufacturing for businesses which have been required to close.
- 4.11 It is intended to review the qualifying categories and grant levels for each tranche to reflect the current economic position.
- 4.12 There are eight categories in the first tranche and the amount that can be awarded within each category is determined by the number of employees, fixed costs, proportion of trade lost in last two months, and ability to trade on the internet/click and collect and take away.
- 4.13 It is proposed to award a fixed amount to self employed taxi drivers licensed in our area, and market traders who regularly (at least weekly) trade in our area, once they have demonstrated that their business has been severely impacted.
- 4.14 The table below details the categories and minimum and maximum grants. The actual grant awarded is determined by the number of employees; proportion of business lost, fixed costs and ability to trade on the internet/take away. Each applicant will have to specify how severely they have been impacted.

	Category	Lowest	Highest
1	1. Supplier or manufacturing to Retail, hospitality & leisure industry 2. Events businesses and suppliers or manufacturing there to	£ 5,400	£ 15,000
2	Charities (<i>not shops which are mandatorily closed</i>)	£ 400	£ 2,000
3	Other (businesses mandated to close, but without business rates) e.g.; Mobile hair dressers, Beauticians,	£ 200	£ 2,000
4	Other - business with or without business rates, not mandated to close but severely affected	£ 200	£ 1,000
5	Church halls which usually have a regular rental income - without business rates that have remained closed during lockdown (previously excluded)	£ 200	£ 1,000
6	Businesses with RV over 51k (<i>to top up mandatory scheme cases only</i>)	£ 5,400.00	£ 15,000.00
7	Taxi drivers (self employed)	£ 500	£ 500
8	Market traders (without business rates - regularly trading in our area.)	£ 500	£ 500

- 4.15 The council anticipates that the demand for the discretionary grants may be greater than the amount of money we have received from government and accordingly the published levels of grant may be amended to reflect demand. The Strategic Director (S151), after consultation with the Resources Portfolio Holder will approve any revisions to the published levels.
- 4.16. The goal is to try and support as many businesses as possible with the money received from government while keeping the individual grant amounts high enough that they will provide meaningful support to those businesses.
- 4.17. In addition to the criteria set out by government above, the council recognises through its experience in administering the current grants scheme

and through its knowledge of the local economy that certain business types that are particularly prevalent have not been eligible for support under the existing grant schemes. As such the discretionary scheme should enable these to be included.

4.18 Application process

It is not possible for the Council to quantify how many businesses in our area will potentially meet the criteria set out in the report. The reason for this is that the council does not hold enough data on how many businesses may fall into these categories.

Consequently rather than a first come first served basis, which may lead to some businesses with greater need missing out on a grant because the money allocated by government becomes fully committed, the proposed scheme provides a window of one month for applications to be received as it is important that the money is allocated on the basis of need rather than to those quickest to make an application.

4.19 Once the one month window has expired the Council will review the applications against the criteria set out above. If after granting to all eligible business funding remains, a review of the criteria will be made.

4.20 As this is a discretionary scheme there is no right to appeal and the decision of the Council is final. However it is proposed to offer a review of a decision to reject an application to be considered by officers outside of the Revenues & Benefits service

4.21 This scheme is not intended to cover all businesses that have not been included in the initial government grant scheme. There are other avenues of support that businesses have available through the other government schemes.

4.22 The Council has created an online form for applications; this is the only mechanism through which the Council will accept applications.

4.23 Once the one month window has closed, the Council will seek to reach a decision within 10 working days.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 The scheme is funded by the government.

5.1.2 The scheme is designed to use all, but not exceed the funding

5.4 Legal Implications

5.10 The scheme is discretionary but guidance on core qualifying criteria has been specified by the Government as detailed in the report.

5.11 Risk Implications

5.5.1 Having determined the scheme as above, and acknowledged that not all

businesses can be supported, some businesses may receive less funding than expected based on the level of the funding pot available.

- 5.5.2 Whilst the scheme cannot be appealed against as it is discretionary, a judicial review can be requested if the process agreed is not applied correctly.

6. BACKGROUND DOCUMENTS

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>