

Additional Restrictions Grant - one-off payments - confirmation of decision taken under urgency powers (SO 35)

Strategy & Resources Committee - Tuesday, 8 June 2021

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

On 31st October, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. This funding is intended to support local businesses who have suffered financial loss as a result of the pandemic and for businesses who have not been eligible for other Government grant schemes.

Following an amendment in guidance by Government, the Council is now required to have fully committed the first two allocations of funding to local businesses by 30 June 2021. This being 9 months earlier than the original guidance specified.

This report supports the Council's priority of:

Supporting economic recovery in Tandridge

Contact officer James Devonshire Specialist Services Manager
JDevonshire@tandridge.gov.uk

Recommendation to Committee: That the decision taken under urgency powers under Standing Order 35 of the Constitution to make additional one-off top up payments to local businesses, from Additional Restriction Grant allocation be ratified.

Reason for recommendation:

Failure to spend the first two allocations of Additional Restrictions Grant funding by 30 June 2021, will prevent the Council receiving a top up of £800,000 for local business support in July 2021.

Introduction and background

In guidance first published by the Department for Business, Energy & Industrial Strategy (BEIS), Local Authorities were required to spend their full grant allocation by 31 March 2022 with an initial allocation of £1.7m provided to the Council.

An additional top up of £800,000 was received in January 2021 bringing the total allocation to £2.54m.

Further guidance released by BEIS in April 2021, stated that the first two allocations are now required to be fully spent by 30 June 2021 (£2.54m). Failure to spend this allocation within the allotted time will prevent an additional top up in July 2021, of £800,000 being given to the Council for administration to local business.

As of 1 June 2021, a total of £658,862 had been allocated to local businesses. This leaves £1,886,572 to be spent by 30 June 2021.

Allocations Process (following consultation with Advisory Panel)

The following recommendations have been devised in consultation with members of the Additional Restrictions Grant Advisory Panel:

- 1) The current Spring 2021 Scheme due to expire on 31 May be extended until 20 June 2021
 - This is to ensure applications are maximised and leave enough time for assessment, panel comment and payment by 30 June 2021.
 - A new Summer 2021 Scheme is to be launched in July following consultation with the Panel.

2) Make an additional one-off payment to Micro-Businesses, Serviced Office users and occupiers of Flexible Working Space totalling approximately £1,204,500.

- These business types have not been eligible for any other Government grant scheme and include driving instructors, mobile hairdressers, community groups renting community halls, children's day care (without an RV) and taxi drivers.
- The list is not exhaustive and an application form is not required. Payment will only be made to those who have already received an ARG payment following a successful application and must be resident in the District.
- Due-diligence will take place prior to payments being made. All recipients will receive prior notification of the payment, advising that payment is an extension of the previous grant and that they are to notify the Council of any change of circumstances immediately.
- New applicants will also receive the one-off payment until current scheme closes.
- One payment will be made to each household regardless of the number of businesses being run from that address.
- Businesses with a Rateable Value that are not eligible for a Restart Grant will also be considered for a one-off payment such as catteries and boarding kennels.
- All businesses will receive the same sum which is expected to be in the region of £5,500.

3) Make a one-off additional payment to all Public Houses to assist with Business Rate liability. Payment amount will depend on the Rateable Value.

- Public Houses with a Rateable Value up to £51,000 will receive a payment of £15,000.
- Public Houses with a Rateable Value of £51,001 and over will receive a payment of £25,000.
- Payments will only be made to those Public Houses who have submitted a previous successful application for an ARG payment.

4) Make a one-off additional payment to all Social / Workingmen's Clubs.

- Social clubs were excluded from the Winter Wet Led payment that Public Houses received despite being closed for the same period of time.
- Social / Workingmen's clubs with a Rateable Value of £15,000 and under will receive a payment of £7,500.

- Social / Workingmen's clubs with a Rateable Value between £15,001 and £51,000 will receive a payment of £10,000.
- Social / Workingmen's clubs with a Rateable Value of £51,001 and over will receive a payment of £12,500.
- Payments will only be made to those Social /Workingmen's clubs who have submitted a previous successful application for an ARG payment.

Other options considered

Consideration has been given to providing all small businesses with a Rateable Value less than £15,000, a one-off top up payment. This would have been in place of the support recommended for Public Houses and Social/ Workingmen's Clubs.

This was not considered a viable option due to the number of applications to process, the limited time and resource available and knowledge that all small retail businesses will receive 100% rate relief for the remainder of the financial year.

Summary and forecast of spend based on allocation process

- Total to be spent by 30 June 2021 = £2,545,434
- Total spend to date = £658,862
- Total left to spend before 30 June 2021 = £1,886,572

Allocation Process

- Scheme to be extended to 20 June 2021
- £1,204,500 spend on micro businesses, serviced office users and occupiers of flexible working space
- £275,000 spend on Public Houses
- £22,500 spend on Social Clubs

Total spend = £2,160,362

Amount to spend by 30 June 2021 - £384,572 (new applications)

Consultation

In November 2020 an Officer / Member Advisory Panel was convened. This Panel hold weekly communication to discuss, review and consider applications recommended for payment by Officers before grant sums are paid.

It is with the ongoing support of this panel that the Additional Restrictions Grant Scheme has been able to provide financial support to local businesses.

In addition, permission to proceed with one-off payments as detailed in this report was granted by the Chief Executive and Group Leaders by means of an

Urgency Decision on 24 May 2021, pending review and ratification by the Strategy and Resources Committee.

Key implications

Comments of the Chief Finance Officer

The Council wishes to support local businesses to the fullest extent possible. It therefore makes sense that we look to fully allocate our existing provision of ARG grant to insure we receive the next allocation and are able to support local businesses further.

The Council has received grant from Government to cover the administration costs of paying grants to local businesses.

Comments of the Head of Legal Services

This report seeks to approve a grant scheme for the Additional Restrictions Grant from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of the Department for Business, Energy and Industrial Strategy ('BEIS') to provide financial support to local businesses through grants and business support functions, which will have a direct and indirect impact on all residents.

The Council must make decisions in accordance with the law and also in accordance with its fiduciary duty to its taxpayers in using Council resources. The report mentions the headline needs and benefits including the social and financial benefits that must be properly weighed up and considered before taking decisions when accepting grant, applying and setting award criteria for allocation and applying resources generally.

The Council has power under Section 1 of the Localism Act 2011 to deliver grant funding to business it deems as eligible. Therefore, Councils have complete discretion with how they use the Additional Restrictions Grant funding along with flexibility around grant amounts and the frequency of these payments. In addition, councils can support any business they deem requires help regardless of that business having to close or remain open or having already received a grant payment through other support scheme.

Equality

It is the intention of the Council to ensure each business category or type have an equal opportunity to receive financial support via the Spring 2021 Additional Restrictions Grant scheme.

Recommendations set out in this report are in addition to the main scheme amount. Businesses categories identified as part of the recommendations are considered on the basis that they have either, not been eligible for other Government Grant Schemes including the Restart Grant or will not receive 100% retail rate relief throughout 2021/22 due to being in the hospitality sector.

It is the intention of the Council to continue administering ARG payments from funding allocations received from Government until 31 March 2021. This is however, reliant on additional funds being made available.

All businesses within the district are able to submit an application for ARG funding via the business support pages on the Councils website and payments will be administered to all eligible in accordance with the open scheme at that time.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

None

Background papers

None

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