

Record of officer decision

Decision title:	Approval of amendments to the Discretionary (Covid-19) Business Grant Fund and the launch of an Exceptional Circumstances Fund
Date of decision:	18 January 2021
Decision maker:	Director for Economy and Place
Authority for delegated decision:	<p>The Cabinet Member for Environment, Economy and Skills took the following decision to accept and spend the Covid 19 Additional Restrictions Grant scheme on 24 November 2020 : http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7369</p> <p>The decision report includes recommendation (c) states <i>'To delegate to the Director for Economy and Place following consultation with the Cabinet Member for Environment, Economy and Skills and the Section 151 Officer the authority to vary the grant support for businesses in accordance with the national government guidance to be able to urgently respond to fast changing Covid 19 circumstances'</i>.</p>
Ward:	Countywide
Consultation:	Consultation has been undertaken with the Section 151 Officer, Solicitor to the Council/Monitoring Officer and the Cabinet Member for Environment, Economy and Skills.
Decision made:	<p>Discretionary Grant Scheme - To approve the proposed changes to the Covid 19 Discretionary Grant fund as set out below, to provide support to businesses that are required to close during the national lockdown which commenced on the 5th January that are not eligible for any other Local Restrictions Support Grant.</p> <p>Exceptional Circumstances Fund - To approve the launch of an exceptional circumstances fund to provide a higher level of support to those businesses severely affected by the impact of Covid 19, excluding those that are eligible for the Retail Hospitality and Leisure top up fund announced by government on the 5th January 2021.</p>
Reasons for decision:	<p>Discretionary Grant Scheme</p> <p>Following the Cabinet Member decision on 24 November 2020, a Discretionary Grant Scheme was launched to help those businesses or charities affected by the November 2020 lockdown period. The scheme provided support to those businesses mandated to close but without a rateable value who would not receive a grant via the Local Restrictions Support Grant and those that were open but lost more than 50% of trade.</p> <p>The council will now re-launch the Discretionary Support Scheme to assist those businesses or charities closed due to the lockdown period which commenced on the 5th January where ineligible for the Local Restrictions Support Grant.</p> <p>The changes to the Discretionary Grant Scheme are as follows; Support of between £1,334 and £3,000 will be provided to businesses mandated to close in the lockdown period which commenced on the 5th January but are not eligible for the Local Restrictions Support Grant (LRSB). To ensure alignment with the LRSB for those businesses that successfully apply, a rolling monthly grant award will be made to these businesses for the period of lockdown (pro-rated where the lockdown is less than one full month).</p> <p>Businesses that were closed in November 2020 and successfully applied for the</p>

Discretionary Grant Scheme will also now receive a monthly equivalent payment for the latest lockdown period (subject to confirmation they remain closed but have not gone out of business).

The revised Discretionary Grant Scheme will no longer provide support to businesses that are open and lost more than 50% of trade. These businesses will be supported by the Exceptional Circumstances Fund below.

In accordance with the move to a regular payment, the Head of Economic Development or the Economic Development Manager will be authorised to approve a grant award of up to £3,000 per business per month for the period of the national lockdown.

Registered charities must have an income of more than £5k per annum

Exceptional Circumstances Fund

On the 5th January 2021 the government announced a 'top up' grant scheme to support Retail Hospitality and Leisure businesses with a rateable value of between £4,000 and £9,000 (in addition to the LRSG funding).

Recognising that a number of Retail, Leisure and Hospitality businesses do not have a rateable value, and that a number of other businesses sectors have been severely impacted by the lockdown, the council will utilise the Additional Restrictions Grant allocation to establish an Exceptional Circumstances Fund (ECF) to support those that have lost more than 50% of trade. Aligned to the Retail Hospitality and Leisure grant award levels, the ECF will make grant awards on a sliding scale subject to the level of losses incurred and the size of the respective business (in terms of FTEs employed).

The ECF will be available to Herefordshire based self-employed, micro, small businesses as well as registered charities who were trading on or after 5th January 2021 who wish to make a case for why a grant is critically required based on the following circumstances;

They are not eligible for the Retail Hospitality and Leisure 'top up' grant and can demonstrate a significant (50%+) loss of income. Businesses and charities that have received either the Discretionary Grant Scheme, Local Restrictions Support Grant, or the Self-Employed Income Support Scheme (SEISS) that have not received the Retail Hospitality and Leisure top up grant and can demonstrate significant on-going financial hardship will be able to apply for the ECF.

They employed at least half of one full time equivalent employee on 5th January 2021 within Herefordshire. That is someone who works at least 15 hours per week for the business. This can include the business owner(s) or the director(s) of a limited company if they work for the business or charity. Registered charities can include evidenced volunteer time for this eligibility (up to 4 FTE volunteers)

The minimum grant level that will be paid (please see levels below) will be £2,000 or less if the level of declared lost income is lower than this amount (net any other grant award). This would prevent businesses or charities from possibly inadvertently profiting from the scheme, by ensuring they receive a grant within levels of losses actually incurred.

Those who would like to be considered for the ECF will complete an online application form to set out their case (declaring their application to be a true and accurate account), and provide any available supporting evidence to their application such as a

statement from their accountant of the impact on their business, letter from bank manager, evidence of cancelled orders/ events, identifying numbers of employees on payroll who are now at risk of redundancy.

A decision making panel (senior Economic Development and Finance managers) will review applications on their own merits making a recommendation to the Head of Economic Development or the Economic Development Manager to award a grant award of £0, £2K £4K, £6K or £9K (or within these bandings in line with the level of loss incurred). This level of grant award is aligned with the Retail Hospitality Leisure top up scheme, but including a lower threshold of £2,000 (or below in line with level of lost income) for sole traders or micro businesses/ smaller charities.

The ECF will provide one top up payment to eligible businesses for the current lockdown period. Should the period of lockdown be extended, and second proportionate (subject to the length of the extension) payment may be made.

In an exceptional circumstance, where a business or charity operates from multiple sites and can demonstrate that their future viability is at significant risk, the panel may make a recommendation to the Head or Economic Development or the Economic Development Manager to consider awarding multiple grants.

As a guide the following scoring criteria would utilised by the panel.

Loss of Income	Score	Number of Employees (FTE)	Score
Min 50% Loss Income	10	0.5 to 5	10
75% Loss of Income	15	5 to 10	15
100% Loss of Income	20	10 to 20	20
		20+	25

Level of Grant

Total Score	Award
Up to 20	£2,000 or less (in line with the level of actual lost income stated in the application).
21 to 29	£4,000 (in line with the level of actual lost income stated in the application).
30 to 40	£6,000 (in line with the level of actual lost income stated in the application).
41+	£9,000 (in line with the level of actual lost income stated in the application).

As the panel would be considering each application on its own merits, in exceptional circumstances they may make a recommendation to the Head of Economic Development or Economic Development Manager (with clearly defined and recorded rationale) to award a higher level of grant than that the scoring category, but not each individual grant would not exceed £9,000.

Where the number of applications received exceeds the available budget, the council reserves the right to proportionately reduce the grant award to within the available funding.

<p>Highlight any associated risks / finance / legal / equality considerations:</p>	<p>Finance</p> <p>Based on the approach outlined above, the budget position is as follows;</p> <table border="1" data-bbox="614 313 1437 674"> <tr> <td>Budget (as per original Cabinet Member Decision)</td> <td>£3,856,020</td> </tr> <tr> <td>Discretionary Grant Scheme 2</td> <td>Circa £500,000 max (£369K paid as of 11th January 2021, closing date for applications for November 2020 lockdown)</td> </tr> <tr> <td>Balance Additional Restrictions Grant Award</td> <td>£3,356,020*</td> </tr> </table> <p>*On the 5th January 2021 government announced a further Additional Restrictions Grant allocation would be made available to each Local Authority. The level of the additional funding is not yet known.</p> <p>It is therefore considered that the proposed extended Discretionary Grant fund, and the Exceptional Circumstances fund are affordable within the available budget. The council will reserve the right to proportionality reduce the level of grant funding in line with the available funding should applications exceed the available budget.</p> <p>Risk</p> <p>The Covid 19 lockdown has severely affected Herefordshire businesses, without grant support there is a very high risk many will fail with resulting loss of jobs in the county.</p> <p>There is a reputational risk if the council does not quickly make the grant funding available from the government allocation.</p> <p>Demand for the grant exceeds the available budget – There is significant budget headroom at this stage, with additional funding announced by the government to come. If demand exceeds the budget, awards will be proportionately reduced in the funding round so that the budget is not exceeded.</p> <p>High volume of applications, which will have an impact on resourcing – The council now has experience of delivering these schemes from previous lockdown periods. Application processes are tried and tested. Should we receive a peak of applications additional resources will be redeployed from the wider Economy and Place Directorate to meet this short term demand.</p>	Budget (as per original Cabinet Member Decision)	£3,856,020	Discretionary Grant Scheme 2	Circa £500,000 max (£369K paid as of 11 th January 2021, closing date for applications for November 2020 lockdown)	Balance Additional Restrictions Grant Award	£3,356,020*
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Balance Additional Restrictions Grant Award	£3,356,020*						
<p>Details of any alternative options considered and rejected:</p>	<p>The option of not launching the ECF element of the Discretionary Grant Scheme has been considered. However, this would mean that those businesses and charities whose viability is threatened by Covid 19 would have no route available to seek support.</p> <p>The proposed approach is based on the council’s successful delivery of grants during the previous lockdown periods, and the values of proposed award reflect the nationally announced support to those charities and business sectors not currently eligible.</p>						
<p>Details of any declarations of interest made:</p>	<p>None</p>						

Signed

Date: 18 January 2021

Richard Ball
Director for Economy & Place