

## Record of operational decision

<b>Decision title:</b>	<b>Additional Restrictions Grant - business recovery programme - amendments to mitigate impact of extended lockdown</b>
<b>Date of decision:</b>	1 July 2021
<b>Decision maker:</b>	Director for Economy and Place
<b>Authority for delegated decision:</b>	<p>Cabinet Member decision - Additional Restrictions Grant - business recovery programme, taken on 4 May 2021 by Cabinet Member for Environment, Economy and Skills.</p> <p><a href="http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7866">http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7866</a></p> <p>Recommendation d) 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.</p>
<b>Ward:</b>	Countywide
<b>Consultation:</b>	Consultation with Cabinet member for Environment, Economy and Skills
<b>Decision made:</b>	To approve the proposed changes to the Additional Restrictions Grant – business recovery programme as set out below, to provide support to businesses that continue to be restricted in their ability to trade due to the delay in government lifting the COVID19 national restrictions.
<b>Reasons for decision:</b>	<p>Eligible businesses have received a “Restart Grant” from either the LRSB or the ARG funds. Available from 1<sup>st</sup> April 2021, this support was designed to mitigate the impact of the continuing restrictions and prepare businesses for reopening as restrictions gradually lifted.</p> <p>On 14<sup>th</sup> June 2021 the government delayed the full relaxation of the existing COVID19 restrictions until at least the 19<sup>th</sup> July 2021. This has effectively extended the period of significant trading restrictions for a large number of businesses in specific sectors including, but not limited to: nightclubs, theatres, the travel and tourism sector, events industries, and wedding industries.</p> <p>The government has promised to review the lifting of restrictions but there is the potential for a further extension of the restrictions impacting these businesses and, in the case of foreign travel, policy decisions regarding British citizen travel will be made by individual foreign governments.</p> <p>The council have received queries from businesses, who continue to be impacted by the COVID19 restrictions, about the availability of additional financial support. Government has not allocated any additional funding to compensate businesses in this situation but has made it clear that local authorities have the ability and discretion to make payments using the</p>

ARG funds.

Officers have identified approximately 30 businesses, already in receipt of ARG restart funding, who could be impacted by the delay in lifting restrictions. These are primarily in the travel or tourism sector but also businesses such as events, mobile bars, and mobile performers. This figure could rise as more ARG applications are received.

It is more difficult to identify impacted businesses in receipt of LRSF funds as the information is primarily held on the premises and not the business, and there has been no application process. Officers have received queries from approximately 20 businesses, who consider themselves impacted by the delay in lifting restrictions, regarding additional financial support. Again this figure could rise depending on businesses coming forward.

To address the ongoing impact on these businesses, until the restrictions have been fully lifted, it is proposed that the council make an additional payment to impacted and eligible businesses from the remaining ARG funding. To be eligible businesses must:  
have received a verified LRSF or ARG grant;  
continue to have their reopening significantly impacted by the delay in lifting the COVID19 restrictions, and;  
be one of the following types of business: travel agent or tour operator, event or wedding venue, performer, mobile bar or catering serving events or weddings, theatre, or nightclub. Other businesses may be added to this list at the discretion of the Head of Economic Development or Head of Corporate Finance.

In exceptional cases the council will consider providing support to a business significantly impacted by the delay in lifting restrictions who is not one of the business types listed above or who has not previously received support. These cases will be approved by either the Head of Economic Development or the Economic Development Manager in consultation with the Head of Corporate Finance.

For businesses currently in receipt of ARG funds, it is proposed to pay an additional payment equal to the Discretionary Restart Grant (DRG) payment they received. Payments will be between £1,334 and £8,000 depending on the scale of loss and number of employees within the business.

For businesses currently in receipt of LRSF funds, it is proposed to make a payment equal to the Restart Grant payment they received. Payments will be between £2,667 and £18,000 depending on the rateable value of the hereditament.

In exceptional circumstances the Head of Economic Development in consultation with the Head of Corporate Finance has the authority to vary payments to businesses.

As a scheme targeted at existing applicants an application process will not be required however proof of trading checks will be required and, to comply with the government's ARG criteria the Council will need to ensure it holds the following information for each business:

Name of business

Business Trading Address including postcode  
 Unique identifier  
 High level SIC Code  
 Nature of Business  
 Date business established  
 Number of employees  
 Business rate account number (if applicable)  
 Cumulative total of previous funding received under all COVID-19 grants schemes

Businesses not currently in receipt of either ARG or Restart funds will be signposted via the council COVID business support webpages to the business@ email address where they will be asked to outline how they have been impacted by the delay in lifting restrictions.

**Highlight any associated risks/finance/legal/equality considerations:**

**Finance**

LRSB payments have been awarded directly to each eligible business rates paying business, the ARG payments have been awarded via an application process where businesses were required to demonstrate the impact on their business of the restrictions.

There is no capacity within the LRSB scheme to make additional payments, the ARG scheme has, of 28<sup>th</sup> June 2021, £1.28m remaining from the government’s allocation.

It is estimated that there is potential for a further £350,000 to be paid out of ARG funds to businesses in receipt of the previous DGF, ECF and DRG grants.

Under the proposals contained within this RoOD it is estimated that a further £250,000 to £350,000 could be paid out to businesses from ARG funds. This figure could vary depending on the number of businesses identified and payments made.

ARG Budget	£7.35m
Payments made (as of 28 <sup>th</sup> June 2021)	£6.068m
Estimated payments to be made via previous grant schemes	£350,000
Balance Additional Restrictions Grant Award	£932,000

It is therefore considered that the proposed additional payments 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.

All awards made under this amendment to the recovery programme will be made using ARG funds. Government guidance indicates that it is possible to pay a business already in receipt of LRSB an additional ARG payment.

	<p><b>Legal</b></p> <p>The cost of the ARG scheme will met using a grant from the Department of Business Energy and Industrial Strategy under 31 of the Local Government Act 2003 the details of which are set out in a letter dated 6 November 2020.</p> <p>The council has the power to deliver the ARG scheme under Section 1 of the Localism Act 2011.</p> <p>The council is to use its discretion to ensure that grants are provided to meet local circumstances and in taking previous decisions on the use of ARG funds has considered the appropriate level of award. This amendment to the scheme would use the same level of award and justification as taken previously.</p> <p>In assessing applications for grants under the ARG scheme the council will need to ensure that any information contained in the grant application form is correct, accurate, and that applicants meet the stated criteria. Copies of all grant applications and assessment of applications will be kept by the council for audit persons.</p> <p><b>Risk</b></p> <p>The delay in lifting the full COVID19 restrictions has severely affected some Herefordshire businesses in specific sectors, 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 – The table above in the finance section demonstrates that there is significant budget headroom at this stage.</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. Due to the limited number of specific business types eligible for the additional support, and by making payments to existing and known businesses, it is considered unlikely that additional resources will be required.</p> <p><b>Equality</b></p> <p>This amendment to the ARG business recovery programme will be open to all businesses and charities that meet the scheme criteria.</p>
<p><b>Details of any alternative options considered and rejected:</b></p>	<p>The option of not providing additional support to those businesses impacted by the delay in lifting restrictions has been considered. However, this would mean that those businesses and charities whose viability is threatened by continued COVID19 restrictions 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 previous nationally announced support to those charities and business sectors receiving a Restart Grant.</p>
<p><b>Details of any declarations of interest made:</b></p>	<p>None declared.</p>

Signed

Andrew Lovegrove  
Acting Deputy Chief Executive/S151 Officer

Date: 1 July 2021