

Portfolio Holder decision record sheet

Name of decision makers:	Cllrs Andrew Williams, Graeme Elliot, Graham Sutton
Portfolios:	Community Leadership, Finance & Resources, Planning and Infrastructure
Date of Portfolio Holder decision:	7 December 2020

Title of decision:	Additional Restrictions Grant – COVID-19 Support for Local Businesses.
Part II:	No
Part II reason:	

Background to report:

As part of its response to the disruption caused by COVID-19, Central Government has announced funding and outline guidance for the distribution of an Additional Restrictions Grant (ARG).

Local authorities are responsible for delivering grants to businesses and have discretion over the design and implementation of their local scheme. Funding has been distributed among local authorities, following the November lockdown, at the rate of £20 per head of population. Dacorum has received funding of £3.1m.

Decision made and reasons:

To formally approve the adoption of the policy based on the principles and criteria detailed within the body of this report to implement an ARG scheme across Dacorum for the allocation of £3.1m of Government funding.

Approval is sought through PH Decision in order to expedite decision-making and ensure that payments can be made to eligible businesses as quickly as possible.

Authority to make decisions of this type has been delegated to Portfolio Holders by Cabinet decision CA/78/17.

Reports considered: (here reference can be made to specific documents)

Additional Restrictions Grant – Guidance for Local Authorities. [Additional restrictions grant: guidance for Local Authorities \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/guidance/2020-11-17-additional-restrictions-grant-guidance-for-local-authorities)

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Cabinet
Chief Officer Group
Assistant Director (Finance & Resources)
Assistant Director (Planning, Development and Regeneration)
Group Manager (Revenues, Benefits & Fraud)
Group Manager (Strategic Planning and Regeneration)

Monitoring Officer comments:

This decision is being approved as an urgent decision without giving the usual 28 days' notice. In accordance with the Access to Information Regulations the Chair of the Finance and Resources Overview and Scrutiny Committee has agreed that this is an urgent decision and can proceed.

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Chief Finance Officer comments:	This Decision Sheet was drafted by the S151 Officer. The Council's administration costs will be met from new burdens allocations.
Implications:	The £3.1m is targeted primarily at those businesses which have not previously received Government support.
Risk:	If the Council does not adopt the scheme the consequent delay in making award payments will increase the risk of businesses within the borough ceasing to trade.
Value for money:	There is no net cost to the Council to introduce the scheme.
Options considered and reasons for rejection:	
The rationale behind the proposed approach for all discretionary elements of the scheme is covered in detail within the body of the report.	

Portfolio Holders signatures:
Date:
Details of any interests declared and any dispensations given by the Standards Committee:

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Date decision record sheet received from portfolio holder: 07/12/20	
Date decision published: 07/12/20	Decision no: PH-25-20
Date of expiry of call-in period: N/A - URGENT	
Date any call-in received or decision implemented:	

Background

1. On 31 October 2020, the Government announced the launch of the *Additional Restrictions Grant* (ARG) to enable local authorities to support businesses in their local economy following the imposition of national lockdown restrictions. Under the ARG, local authorities received one-off funding of £20 per head for 'business support activities' to be used across the financial years 20/21 and 21/22, i.e. until March 2022. Dacorum's allocation was £3.1m.
2. In its guidance, Government envisages that LAs' use of ARG funding will 'primarily take the form of discretionary grants', but can also be used for 'wider business support activities'. LAs have the discretion to determine which businesses to target, the amount of funding offered to individual businesses, and the frequency of payments.
3. Whilst the design of the schemes is discretionary, Government guidance suggests that LAs may want to take into account certain business sectors to support, and consider certain factors to determine the level of grant awarded. These are explained in paragraphs 4 and 5 respectively.

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4. With regard to business sectors, the Guidance 'encourages' LAs to consider the following groups:
 - a. Those businesses which, while not legally forced to close, have been severely impacted by lockdown restrictions, e.g. supply chains to the retail, hospitality, and leisure sectors, or businesses in the events sector;
 - b. Those businesses outside the business rates system, which are effectively forced to close, e.g. market traders;
 - c. Additional support for larger local businesses which are important to the local economy, on top of any funding they may receive from statutory Government support schemes.
5. With regard to the amount of grant awarded to each business, the Guidance suggests consideration of the following:
 - a. The level of fixed costs faced by the business in question;
 - b. The number of employees;
 - c. Whether the business has been able to trade online;
 - d. The scale of the coronavirus losses.
6. Whilst LAs have discretion to deliver a localised policy, Government has stipulated that to be eligible for direct grant support, businesses must meet the following eligibility criteria:
 - a. Must have been trading as a going concern on the 4th November 2020;
 - b. Must not be insolvent, struck off or in the process of liquidation;
 - c. Must not be using a grant as a wage supplement, but can be utilised to support a business that a self-employed person runs;
 - d. Must be compliant with existing EU State Aid rules.

The DBC Scheme – principles

7. The DBC scheme aims to assist businesses that have had limited support from previous Government schemes, as quickly as possible, and through a scheme that is designed to be as transparent as possible.
8. Alongside the Government stipulations, the DBC scheme is based on three discretionary principles which will determine the eligibility of businesses, the amount of payments, and the timing of payments.
 - a. *Funding for all elements of the scheme is capped at the £3.1m of funding received from Government* – lack of centralised data around numbers of eligible businesses could otherwise result in an unknown liability for the Council;

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- b. *Fixed payment amounts determined by the size and sector of the business* – this approach targets those sectors identified as having had limited support under previous schemes, and ensures that businesses have transparency over the amount awarded; and,
- c. *A first come first served (FCFS) model within a set application window*. Implementing time-limited application windows will enable the Council to analyse both successful and unsuccessful applications from the previous funding round, and to determine whether amendments need to be made to eligibility criteria for the next application window to ensure optimum benefit. The FCFS element enables the Council to make payments to eligible businesses as quickly as possible, within the constraints of the £3.1m fund.

The DBC Scheme – wider business support

- 9. In line with the Guidance, DBC is proposing to ring-fence a portion of the total ARG to be used for 'wider business support', which has been defined by the Government as '*Spending designed to assist the business community, but, unlike grants, is not direct funding for individual businesses*'. The amount proposed for wider business support within Dacorum is £300k, just under 10% of the total ARG funding, with the remainder used for direct business funding.
- 10. Further proposals will come to Members with recommendations on how to use this £300k. Work is currently underway with the Finance, Revenues, and Economic Development teams, together with colleagues across the county to identify how to use this funding to maximise local economic benefit. Future proposals will be informed by the response to the rollout of the direct funding element of the ARG scheme.

The DBC Scheme – direct grant awards

- 11. When applying to the Council for a direct grant award, businesses must certify that they satisfy the criteria in each of the following categories to determine both eligibility and amount of grant, providing supporting evidence as required:
 - a. The Government eligibility criteria listed in paragraph 6 of this briefing;
 - b. Have suffered 'significant financial losses' as a direct result of the Coronavirus pandemic;
 - c. Be in one of the following business categories:
 - i. Operating in the supply chain to the retail, hospitality, and leisure sectors, or businesses in the events sector;
 - ii. A registered childcare provider;
 - iii. A market trader with a regular stall in the borough of Dacorum;
 - iv. A Dacorum Borough Council licenced Taxi driver with a current Taxi License and hire and reward insurance;
 - v. Another business ordered to close under national lockdown rules, but not a business ratepayer (as defined in the application process);

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- d. State the business size in order to determine the amount of grant payable (see para 12);
 - e. All applicants will be required to certify that all evidence provided and statements made within the application are true and accurate. There will be a series of further certifications required on the e-form, including that the business has experienced a reduction in income due to Covid-19; that State Aid limits would not be breached through their receipt of a grant; and, that claiming under false pretences could lead to prosecution for fraud.
12. Business size is determined by 'number of employees' and 'fixed property costs' (i.e. Rateable Value, or business rental costs). The proposed grant amounts range from £1k to £10k, as shown in the table below:

Business sector	Employee numbers				Fixed property costs (RV if the business has one, otherwise annual rent costs)					Range of grant values	
	less than 10	10 to 49	50 or more		none	Less than £15k	Between £15k and £51k	More than £51k		lowest	highest
Supply chain - events, entertainment	£3,000	£4,000	£6,000		£0	£2,000	£3,000	£4,000		£3,000	£10,000
Supply chain - retail, hospitality, leisure	£2,000	£3,000	£5,000		£0	£1,000	£2,000	£3,000		£2,000	£8,000
Taxi office	£1,000	£1,500	£2,000		£0	£1,000	£1,500	£2,000		£1,000	£4,000
Childcare provider	£1,000	£1,500	£2,000		£0	£350	£400	£500		£1,000	£2,500
Other business ordered to close under national lockdown rules, but not a business ratepayer	£1,000	£1,500	£2,000		£0	£350	£400	£500		£1,000	£2,500
Additional Fixed Grants	flat rate										
Market trader	£1,000										
Licensed taxi driver	£750										

Assessment and Payment of Grants

13. Applications will be assessed in order of submission, and businesses will be notified of the success of their application by email with successful applicants being paid by bank transfer into the account they have provided.
14. The scheme will close at the point the fund is fully utilised. In the event that the fund is not fully utilised within two weeks, the scheme will be closed to applicants and the Council will review options for disbursement of the remaining funds.