



URGENT DELEGATED DECISION

Date: 20 January 2021

Request to the Head of Paid Service to exercise delegated authority as per Responsibility of Functions in Part IV, page 28 of the Constitution.

“to determine any matter within the referred or delegated powers and duties of a committee / sub committee / board / working group which is so urgent that a decision must be made before the next meeting of that committee / sub-committee / board / working group is due to be held.”

Limits on delegation: -

- Before making a decision using this delegated power, the Head of Paid Service shall consult with and take cognisance of the views of the Chairman (or in his absence the VC) of the relevant Committee / Sub-Committee etc; and
- Any decision taken by the Head of Paid Service under this delegated power shall be reported to Members within five working days of the decision taken.
- During the COVID-19 Pandemic we have also committed to consult with the Leader of the Opposition on such.

Usual Decision Maker: -

This decision would have been taken by Prosperous Communities Committee / Corporate Policy and Resources Committee.

This decision needs to be made and implementation commence, before these Committees are due to meet.

The decision is in response to changing Governance guidance and announcements relating to the third national lockdown and continued economic support for those businesses affected.

Call-in does not apply.

Background

The background to this decision is as detailed in the report titled **“Business Support Grant Update 2021”** which is appended to this decision.

Reason for Urgency and Rationale for use of urgent Delegated Decision

In light of the current COVID 19 situation, and in response to changing Governance announcements and packages to support businesses affected by the second COVID-19 Lockdown measures.

Following the Government's announcement on 31st October 2020 introducing new national restrictions from 5th November to 2nd December 2020, certain businesses and venues were required to close or restrict how they provide goods and services for this period.

Government has provided West Lindsey District Council with two funding allocations to deliver support to businesses affected by the national restrictions.

Local Restrictions Support Grant (Closed) allocation of £1,329,516 - calculated by Government based on an assessment of the number of eligible hereditaments taken from the business rates system, of those businesses forced to close by the national restrictions. Once this amount is spent a further 10% will be available should it be required.

Additional Restrictions Grant - single allocation based on £20 per head of population (ONS 2019 Mid-Year Population Estimates). The allocation for West Lindsey was £1,913,340. This fund must be utilised by Local Authorities to run a discretionary grant scheme and must cover the period 20/21 and 21/22 for support through any future lockdown events.

As the additional restrictions grant is a discretionary scheme Local Authorities must develop a policy for utilising this grant fund.

Decisions have previously been taken allowing the Launch of the Closed Business Support Grant on 12 November and the Open and Impacted Business Grant Scheme on 26 November 2020.

An urgent decision is therefore required in order to allow for further uses from the Additional Restrictions Grant, namely the introduction of Lockdown Payment Grant, payable to closed non-rated businesses and a Hospitality/Tourism Top Up Grant Scheme.

The full rationale for the decision, and the criteria for the two new grant payments is contained within the report which is appended.

Financial Detail and Implications

FIN/DD/16/21

Full financial details and implications are contained within the appended report.

Notes of Consultation Relevant to the Decision

Members were provided with a number of verbal case studies to demonstrate the impact of the current funding available and how this affected four different companies dependent on their individual circumstances.

As a result two additional uses for the Additional Restrictions Grant (the discretionary fund) had been identified: -

The Closed Business Lockdown Payment and The Hospitality / Tourism Grant.

The full criteria for each was contained within the report and full explanation of the rationale for proposing the uses suggested was offered.

To date of the £2,763,155 additional restrictions allocation (further £849,815 having been awarded as a result of the 3rd national lockdown) £345k had been spent.

It was anticipated around 70 businesses, not eligible for mandatory support, could benefit from the lockdown payment scheme, utilising around £205k, from the discretionary fund.

The estimated cost of the Hospitality / Tourism Grant was in the region of £829k. If approved this would leave the authority approximately 50% of its funding available to develop further support packages as identified through the intelligence which was continually being gained.

Officers confirmed that once an applicant had made an application under the closed scheme, they did not need to re-apply, eligible payments would be made on a rolling basis, mandated by the Government dependent on the circumstances applicable at the time. Applicants to discretionary funds were supported fully in their applications, with the ethos being to make a payment wherever possible.

Accepting and fully appreciating that businesses had a need to financially plan. Officers advised how it was difficult to predict in advance to businesses what they would be entitled to and for how long, as the Authority received no advance notice from the Government of allocations. Also payment levels were dependent on the national or local circumstances in place at the given time, again this situation had continually changed. Making projections both difficult and therefore likely inaccurate.

Members requested that they be kept informed of uptake via the weekly news from the Chief Executive and the Cases Studies cited be shared with wider Members.

Management Team would receive weekly progress reports on the delivery of the fund.

Decision

1. The use of the Additional Restrictions Grant to pay closed non-rated businesses a Lockdown Payment Grant be approved;
2. The use of the Additional Restrictions Grant to fund a Hospitality / Tourism Top Up Grant Scheme be approved.

3. Members to receive further decision reports on the remaining elements of the Additional Restrictions Grant Discretionary Fund in due course.



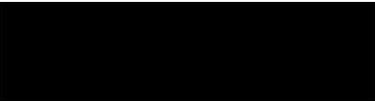
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Ian Knowles
Head of Paid Service

As the Chairman of the Corporate Policy and Resources Committee I have been fully consulted on this matter



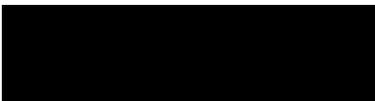
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Anne Welburn
Chairman of Corporate Policy and Resources

As the Chairman of the Prosperous Communities Committee and Leader of the Council I have been fully consulted on this matter



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Owen Bierley
Leader of the Council / Chairman of the Prosperous Communities Committee

As the Leader of the Opposition I have been fully consulted on this matter



.....
Leader of the Opposition.

Date all Members were notified of the decision: 27 January 2021



**Head of Paid Service
Delegated Decision**

20/01/2021

Subject: Business Support Grant update January 2021

Report by:

Ian Knowles

Contact Officer:

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Purpose / Summary:

To seek approval to award closed non-rated businesses a Lockdown Payment Grant and to use a proportion of the Additional Restrictions Grant for a Hospitality / Tourism Grant Scheme

RECOMMENDATION(S):

1. Approve the use of the Additional Restrictions Grant to pay closed non-rated businesses a Lockdown Payment Grant.
2. Approve the use of the Additional Restrictions Grant to fund a Hospitality/ Tourism Top Up Grant Scheme.
3. That members receive further decision reports on the remaining elements of the Additional Restrictions Grant Discretionary Fund in due course.
4. That members receive progress reports on the delivery of the fund through the weekly newsletter.

IMPLICATIONS

Legal: Local authorities are responsible for the delivery of grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the views to make these payments.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/DD/16/21

The cost to West Lindsey District Council will be met through the allocation of funds from the Additional Restrictions Grant and top-up which to date totals £2,763,155.

Staffing : There are staffing implications of the delivery of this grant. It has been agreed by Management Team that staff from across service areas will come together to deliver these funds, as they did with the Small Business Grant Fund and Retail Leisure and Hospitality Fund. It is anticipated that this is a short term redeployment requirement which will be kept under review.

In addition, we have employed a member of staff on a one year temporary contract as a Finance Assistant to assist in all aspects of delivery, with a particular focus on pre and post award assurance. This post will be funded from the New Burdens Grant. We are likely to require additional staff resource over the period of the next six months which would be temporary in nature and funded through New Burdens Grant.

(N.B.) Where there are staffing implications the report MUST have a HR Ref To be included

Equality and Diversity including Human Rights : Accessibility of the scheme has been considered and with experience of delivery of the first grant scheme we anticipate that support may be needed from some businesses to access and complete the application. In order to provide this support we have two members of the team ready to deal with telephone questions, queries and requests for support and one member of the team who will specifically monitor the 'Growth' in box.

Data Protection Implications: The management of sensitive data through this process has been considered through the application process. Data will not be used for purposes other than the delivery of this grant and the application form addresses our data protection policy.

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: Experience in administering the first schemes raised a significant well-being issue for the team delivering the grant. The issue was two-fold, firstly many ineligible businesses were very unhappy, often angry, aggressive and rude to team members on the phone. This was compounded by significant volumes of calls and emails which overwhelmed our capacity. Secondly, businesses were often in distress, making provision of signposting a challenge to the team.

It is anticipated that similar challenges may occur with this grant fund. In order to support our team we have devised clear roles around answering of phones and mail box queries. We have made the guidance and process as explicit and clear for applicants as possible. We will be realistic with our customers around response times should it be required. We will meet regularly as a team, likely to be daily, to deal with difficult cases together and provide support. It is worth noting that there has been no break from administering the first scheme to the launch of the new scheme and this could further compound our well-being challenge. This will be kept under regular review and is a concern that is shared across the regional geography and has been raised with colleagues in BEIS.

In terms of support to businesses, we have established a safeguarding procedure with our safeguarding lead should there be an issues we feel require further action. We will also have clear signposting to further advice and guidance through Business Lincolnshire Growth Hub.

Title and Location of any Background Papers used in the preparation of this report :

Business Support Package for January 2021 Lockdown

Local Restrictions Support Grant (Closed) Guidance for Local Authorities (November 2020)

Local Restrictions Support Grant (Closed) Addendum

Local Restrictions Support Grant (Closed) Addendum FAQ's

Additional Restrictions Grant FAQ's

Guidance documents can be found at the following link:

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

Risk Assessment :

There is a risk that fraudulent claims are submitted.

Mitigations are in place through due diligence of claims processing, submission of relevant documentation, processing all company and charities through the Governments Spotlight system and post payment assurance of bank account details.

This is a risk that the wrong grant and or amounts are issued. This is mitigated by a 2 stage determination process and a 2 stage process and authorisation procedure.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Background

- 1.1 Following the Government's announcement on 31st October 2020 introducing new national restrictions from 5th November to 2nd December 2020, certain businesses and venues were mandated to close or restrict how they provide goods and services for this period.
- 1.2 Government provided West Lindsey District Council with two funding allocations to deliver support to businesses affected by the 2nd national restrictions.
- 1.3 An initial **Local Restrictions Support Grant (Closed)** allocation of £1,329,516 was provided. The **Additional Restrictions Grant** was a single allocation to Local Authorities based on £20 per head of population (ONS 2019 Mid-Year Population Estimates). The allocation for West Lindsey was £1,913,340. This fund must be utilised by Local Authorities to run discretionary grant schemes. Further allocations for the Local Restrictions Support Grant (Closed) have continued to be paid by Government to provide support for ongoing 'Tier' related business closures.
- 1.4 As per the decision taken on 12th November 2020, we launched the Closed Business Support Grant and have to date received 704 applications. We continue to check, verify and process the applications, to date in total we have awarded £2,587,158.83.
- 1.5 On the 26th November 2020 we obtained approval to launch our Open and Impacted Business Grant Scheme funded from our Additional Restrictions Grant; to date we have received 157 applications. We continue to check, verify and process the applications, to date in total we have awarded £189,461.84.
- 1.6 As we moved into tier 3 / 4 and now a 3rd national lockdown, both the Closed Business Grant and the Open and Impacted Business Grant continue to operate and received applications.
- 1.7 The Closed Business Grant is funded from Local Restrictions Support Grant (Closed) and Local Restrictions Support Grant (Closed) Addendum for the businesses registered with Business Rates and the Additional Restrictions Grant for the non-rated businesses.

Grant Allocation Periods	
Businesses Registered with Business Rates	Non rated businesses
LRSG (Closed) Addendum 5th November - 2nd Dec (2nd national lockdown)	Additional Restrictions Grant
LRSG Closed 2nd Dec - 16th Dec (tier 3)	Additional Restrictions Grant
LRSG Closed 17th Dec - 30th (tier 3)	Additional Restrictions Grant

LRSO Addendum 31st Dec - 4th Jan (tier 4)	
LRSO (Closed) Addendum 5 th Jan – 15 th Feb (3 rd national lockdown)	Additional Restrictions Grant

1.8 The Open and Impacted Business Grant is funded from the Local Restrictions Support Grant (Open) and the Additional Restrictions Grant.

Grant Allocation periods	
5th November - 2nd Dec (2nd national lockdown)	Additional Restrictions Grant
LRSO Open 2nd Dec - 16th Dec (tier 3)	LRSO Open, overspend from Additional Restrictions Grant
LRSO Open 17th - 30th (tier 3)	LRSO Open, overspend from Additional Restrictions Grant
LRSO Open 31st Dec - 4th Jan (tier 4)	Additional Restrictions Grant
5 th Jan – 15 th Feb (3 rd national lockdown)	Additional Restrictions Grant

**Please note there is no LRSO Open funding during tier 4 or national lockdown periods*

1.9 In addition we have utilised the use of the Additional Restrictions Grant to fund a bespoke Retail Business Advisor, the advisor continues to support businesses across West Lindsey, to date they have:

- Communicated with 180 businesses
- Provided up to 1 hrs face to face or phone to 36 businesses
- Provided enhanced support (4hrs plus) to 15 businesses
- A bespoke retail support webinar (30 businesses registered to date)

1.10 Prior to Christmas the Government launched a Christmas Support Package for Wet-let Pubs, awarding pubs whose wet sales exceeded 50% of total sales a grant of £1k; to date we have awarded this to 53 businesses.

1.11 As we enter the 3rd national lockdown local authorities have been awarded further LRSO (Closed) addendum for 5th Jan - 15th Feb - £1,994,274

1.12 In addition, as a result of the 3rd national lockdown we have received a further Additional Restrictions Grant allocation of £849,815, making a total of £2,763,155.

1.13 To date we have spent £345,48 from our Additional Restrictions allocation:

Open and Impacted Business Grant	£122,205
Closed (non-rated)	£202,279
Business Advisor	£21,000

2. Business Support Package for January 2021

2.1 The Closed Business Lockdown Payment will be in addition to Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme payments. Local Authorities will be provided with funding to deliver a one-off payment for businesses that have been required to close from 5 January 2021 due to the introduction of national restrictions. For businesses in the Business Rates system, this is a mandatory grant with government set criteria.

2.2 Eligibility for the Closed Business Lockdown Payment is the same as the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme. Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses. Any rented or leased premise must be the main business base. Rented space for retail use within an existing rated business is excluded.

2.3 This funding will be provided as a one-off payment. The following funding thresholds apply to the Closed Business Lockdown Payment:

- a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £4,000.
- b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £6,000.
- c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £9,000.

2.4 In line with our existing Closed Business Grant Policy and following government guidance for the use of the Additional Restrictions Grant, it is suggested to award non-rate paying businesses a Closed Business Lockdown Payment Grant

2.5 This funding would be provided as a one off payment. The following funding thresholds apply to the Closed Businesses Lockdown Payment (non-rate paying businesses)

- a) Businesses occupying hereditaments with an annual lease, rent or mortgage costs of between £500- £4000 on the date of the commencement of the widespread national restrictions will receive a payment of £1,000.
- b) Businesses occupying hereditaments with an annual lease, rent or mortgage costs of between £4,001 and £15,000 on the date of the

commencement of the widespread national restrictions will receive a payment of £4,000.

- c) Businesses occupying hereditaments with an annual lease, rent or mortgage costs of over £15,000 and less than £51,000 the date of the commencement of the widespread national restrictions will receive a payment of £6,000.
- d) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £9,000

2.6 The government have outlined in the guidance there is no need to run two separate application processes, non-rated eligible business who have applied for the Closed Business Grant will be automatically paid the Closed Business Lockdown Payment.

2.7 If approved this scheme will be funded from the Additional Restrictions Grant, it will cost approximately £205,000 based on the eligible businesses who have applied for the Closed Business Grant.

3. Hospitality/ Tourism Grant

3.1 Local Authorities have been encouraged by the government to use their Additional Restrictions Grant funding to provide additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the Local Restrictions Support Grant (Closed) scheme, with due reference to State Aid.

3.2 Whilst other sectors have been presented with a window of opportunity and additional lifeline thanks to the use of e-commerce and click and collect as a way to diversify and retain trading on a smaller scale, the majority of the tourism/leisure businesses had no options but to stay closed since the level of investment required to offer a re-adjusted service experience would have outweighed any income generated.

3.3 In most cases it would have been practically impossible for businesses to provide an equal substitute for the overall visitor experience since what is “sold” at the core of the leisure/tourism are the memories that visitors make in situ.

3.4 It has been widely recognised nationally and internationally that hospitality has become the industry that has been hit and disrupted the hardest by Covid-19, with most visitors cancelling their bookings and asking for refunds, causing severe cash-flow issues for businesses.

3.5 The Covid-19 crisis and the impact of Brexit will have both prolonged repercussions on the Visitor Economy both a local, national and international level with profound effects on the sector and its labour market. It is therefore essential that Local Authorities and key partners continue to work together to provide financial support to businesses and to ensure that consumer confidence is reinstated as soon as possible.

3.6 Support for the Visitor Economy is embedded within the Corporate Plan 2019-2023, under the 'place' theme, within the economy strand:

Strategic aim - To ensure that economic regeneration in West Lindsey is sustainable and benefits all of our communities.

Key outcomes - A vibrant visitor economy.

The Visitor Economy falls under the West Lindsey Economic Strategy 2015-2034 and sits as Priority Five within this document:

'Priority 5: A strong visitor economy with an extensive leisure and cultural offer which complements the natural environment and built character of the area; attracting corporate and leisure visitors from around the world as well as serving the needs of the local community.'

3.7 Visitor Economy (incorporating accommodation, food & drink, recreation, shopping and transport) is a significant and growing sector within West Lindsey. It has been recognised by District Councillors as a priority and by the Greater Lincolnshire Local Economic Partnership as a key sector for the Greater Lincolnshire area.

3.8 Tourism visits were estimated to have generated £142.53 million for the West Lindsey economy in 2019. This figure comprises direct expenditure of visitors on goods and services (£106.04 million) and indirect / induced economic effects arising in the local economy (£36.49 million). ¹

3.9 It is proposed that businesses within the hospitality and tourism sector which have been mandated to close will receive a Hospitality / Tourism Grant based on their rateable value or annual rent, lease or mortgage. This will be in addition to the Closed Business Lockdown Payment and Local Restrictions Support grant (Closed) Addendum payments.

- a) The eligible business rate payer on the local rating list with a rateable value of exactly £51,000 or above, or business with annual lease, rent or mortgage costs of exactly £51,000 or above on the commencement date of the national restrictions, will receive £10,000.
- b) The eligible business rate payer appearing on the local rating list with a rateable value over £15,000 and less than £51,000, or business with annual lease, rent or mortgage costs over £15,000 and less than £51,000 on the commencement date of the national restrictions, will receive £5000
- c) The eligible business rate payer appearing on the local rating list with a rateable value of exactly £15,000 or under, or

¹ West Lindsey District Council STEAM Data 2019

business with annual lease, rent or mortgage costs between £4,001 and £15,000 on the date of the commencement of the national restrictions will receive £2500.

Business with annual lease, rent or mortgage costs between £500- £4000 will receive a payment of £1000.

d) Business with annual lease, rent or mortgage costs below £500 do not qualify.

3.10 The government have outlined in the guidance there is no need to run separate application processes, eligible hospitality/ tourism businesses who have applied for the Closed Business Grant will be automatically paid the Hospitality / Tourism Grant.

3.11 Eligible Businesses will include:

- a) Hospitality settings, such as bars, pubs, cafes and restaurants
- b) Accommodation such as hotels, B&Bs, campsites, and guest houses
- c) Indoor entertainment and tourist venues.

3.12 This scheme will be funded from the Additional Restrictions Grant, it will cost approximately £829,500 based on the eligible businesses who have applied for the Closed Business Grant to date.

4. Remaining Additional Restrictions Grant

4.1 As set out previously, the Additional Restrictions Grant can be utilised for a blend of business grant support, top up of existing schemes and wider business support up to March 2022.

4.2 It is unclear if any further discretionary allocation will be made therefore this fund must support businesses across the District through any future national or local restrictions.

4.3 If the Closed Business Lockdown Payment (non-rate paying businesses) and the Hospitality /Tourism Grant Schemes are approved, we will have allocated approximately 50% of our Additional Restrictions Grant allocation.

4.4 It is suggested at this point that the remaining Additional Restrictions Grant is used as follows, with further work required to develop the growth and development fund.

<i>Closed (non rated) 15th Feb onwards (12 weeks)</i>	<i>200,000</i>
<i>Open and Impacted 15th Feb onwards</i>	<i>125,000</i>
<i>Kickstart Grant Scheme</i>	<i>500,000</i>

<i>Contingency</i>	<u>500,000</u>
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4.5 The approach to utilisation of the Additional Restrictions Grant allocation will continue to be the subject of further decision papers, whilst any mandatory grants available due to local restrictions will be dealt with in line government policy.

5. RECOMMENDATION(S):

5.1 Approve the use of the Additional Restrictions Grant to pay closed non-rated businesses a Lockdown Payment Grant.

5.2 Approve the use of the Additional Restrictions Grant to fund a Hospitality/ Tourism Top Up Grant Scheme.

5.3 That members receive further decision reports on the remaining elements of the Additional Restrictions Grant Discretionary Fund in due course.

5.4 That members receive progress reports on the delivery of the fund through the weekly newsletter.