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EMERGENCY DELEGATED NON EXECUTIVE DECISION

To the Chief Executive to take such action on behalf of the Council as appears to him/her necessary in circumstances that prevent obtaining the necessary authority from an appropriate committee following consultation with the Leader of the Council or the Chairman of the committee concerned. Where the Chief Executive is acting in an emergency and it involves spending outside any budgetary provision, then any expenditure must be reported to Full Council at the first available opportunity. (In accordance with Part 3 of the Councils Constitution 3. (B 1) (1.1) Scheme of Delegation to Officers specific delegation to the Chief Executive.)

South Lakeland District Council Emergency Non-Executive Decision Business Support Grants (National Restrictions, January 2021)

Date: 18/01/2021

Reference: 019

Reason for emergency

The announcement of three local restrictions-related grants and the time line expected by Government in the delivery of these grants do not allow the Council to delay a decision until the next Full Council. It is therefore considered necessary in these circumstances that an emergency non-executive decision is needed following consultation with the Leader of the Council or the Chairman of the committee concerned.

Where the Chief Executive is acting in an emergency and it involves spending outside any budgetary provision, then any expenditure must be reported to Full Council at the first available opportunity (in accordance with Part 3 of the Councils Constitution 3. (B 1) (1.1) Scheme of Delegation to Officers specific delegation to the Chief Executive).

The decision is required to be taken due to the Government's recent announcement for a new package of financial support grants for businesses that will be administered by local authorities to pay the grants in response to the local restrictions, following the third national lockdown starting 5th January 2021. Funding will be provided by the Government for the new grants. The Government have requested the grants are processed and paid as soon as possible, with the funding expected to be paid mid-January 2021.

The reasons for this urgent decision are outlined in the corresponding Emergency Executive Decision taken on 18 January 2021.

Portfolio: Finance and Resources Portfolio Holder
Decision Maker: Chief Executive
Report Author: Gareth Candlin – Operational Lead (Specialist Services)
Ruth Leahy – Specialist (Economy and Culture)
Wards: All

1.0 Expected Outcome

1.1 The South Lakeland business community will be supported at this time through the administering of grants for eligible businesses.

1.2 Please see Appendix A and associated Delegated Executive Decision for full details of these schemes.

2.0 Proposed Decision

2.1 It is recommended that the Chief Executive approves:

- (1) **Appropriate budgets be established outside the approved budget and policy framework to receive the monies and distribute funds to businesses as per Government guidance relating to the Local Restrictions Support Grant (Closed) Addendum Tier 4, the Local Restrictions Support Grant (Closed), the Closed Business Lockdown Payment and that funding is accepted for the top up to the existing Additional Restrictions Grant.**

3.0 Financial implications

3.1 South Lakeland District Council has been granted the following:

- Closed Business Lockdown Payment: **£20,232,000** (for one-off grant payments to eligible business only);
- Local Restrictions Support Grant (Closed) Addendum 5 Jan: **£10,119,816** (based on an initial 42 day payment period, this scheme will continue while national restrictions are in place or until such time that further guidance is received from Government which supersedes this grant);
- Local Restrictions Support Grant (Closed) Addendum Tier 4: **allocations and payment is pending** (based on a 5 day pro-rata payment period only, estimated to be no more than £1.5m, of which this scheme has been confirmed by Government). The Council's Section 151 Officer has been consulted on this advanced payment and grant funding received to date will cover this expenditure;
- Additional Restrictions Grant Top Up: **£933,502** (guidance, decisions and delegated authority remain in place for, covered by a previous Delegated Executive Decision, see December 2020).

All funding is provided by Central Government to distribute to eligible businesses under these schemes.

Appendices Attached to this Report

| Appendix No. | Name of Appendix |
|--------------|--|
| A | Emergency Delegated Executive Decision: Business Support Grants (January 2021) |

| | |
|-----------------------------|--------------------|
| Approved by | Signature and Date |
| Chief Executive | 18.01.21 |
| In consultation with: | |
| The Chairman of the Council | 18.01.21 |

APPENDIX A

EMERGENCY DELEGATED EXECUTIVE DECISION

In accordance with the Leaders decision and noted by Cabinet on 25/03/2020 to delegate to the Chief Executive any executive decision in this COVID 19 Global pandemic emergency or that is urgent or that would be necessary or expedient, or which would otherwise protect the Council's interests, including key decisions.

South Lakeland District Council Emergency Delegated Executive Decision Business Support Grants (National Restrictions, January 2021)

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|------------------|----------------|
| Date: 18/01/2021 | Reference: 014 |
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Reason for emergency

The Chief Executive received emergency delegated executive decision making powers on the 25th March 2020. It is considered that this decision is necessary or arises from the global COVID-19 pandemic.

The matter is urgent, necessary and expedient and is needed to protect the Council's and that of its community's interests.

The decision is required to be taken due to the Government's recent announcement for a new package of financial support grants for businesses that will be administered by local authorities. Funding will be provided by the Government for the new support grants for businesses due the re-introduction of national restrictions on 5th January 2021. The Government have requested the grants are processed and paid as soon as possible, with the funding be paid to the Council imminently. It is expected that the payment of grants will ease financial pressures for eligible businesses.

Due to the timing of the receipt of the full Government Guidance (mid-January 2021) and the date of the next Cabinet meeting being in January 2021, we require an emergency decision.

This is a Key Decision: Yes

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| Portfolio: | Finance and Resources Portfolio Holder |
| Decision Maker: | Chief Executive |
| Report Author: | Gareth Candlin – Operational Lead (Specialist Services) Ruth Leahy – Specialist (Economy and Culture) |
| Wards: | All |
| Forward Plan: | Exemption from publication requirements / Forward Plan (key decision) requirements and call in obtained |

1.0 Reasons for Proposed Decision and Expected Outcome

- 1.1 The recent reintroduction by UK Government of national restrictions (national lockdown) has resulted in further business grants to coincide with tighter restrictions on business operations. We require a decision regarding the administration of the grants.
- 1.2 The following grants will come in to effect based on the new national restrictions:
- **Local Restrictions Support Grant (Closed) Addendum Tier 4**
 - **Local Restrictions Support Grant (Closed) Addendum (National Lockdown)**
 - **Closed Business Lockdown Payment (National Lockdown).**
- 1.3 South Lakeland District Council has been granted **£20,232,000** for the Closed Business Lockdown Payment (based on a one off payment); **£10,119,816** for LRSG(Closed) Addendum (based on an initial 42 day payment period); and **is currently awaiting Tier 4 allocations and payment** for Local Restrictions Support Grant (Closed) Addendum Tier 4 (based on a 5 day payment period only, estimated to be no more than £1.5m, of which this scheme has been confirmed by Government). All funding is provided by Central Government to distribute to eligible businesses under these schemes.
- 1.4 It is proposed that payments for Tier 4 grants are made in advance of receipt of moneys from Government, as this will be a relatively low amount of funding in comparison to the level of grant amounts available through other schemes, this will mean administratively we are able to distribute all national restriction grants as one grant to affected businesses. Underspends will make up the shortfall until this funding is received (likely w/c 18th January). It is not expected that another decision will be made for this Tier 4 scheme.
- 1.5 A top up to the existing Additional Restrictions Grant of **£933,502** has been made, of which guidance, decisions and delegated authority remain in place for. Reference to this income is subject to the corresponding non-executive decision.
- 1.6 The above grants follow the Government-funded Small Business Grant Fund (SBGF) Retail, Hospitality and Leisure Grant Fund (RHLGF) and Local Authority Discretionary Grant Fund (LADGF) that were administered by local authorities following the first national lockdown in March 2020, and the Local Restrictions Support Grant (Closed) Addendum (LRSG(C)A) and Additional Restrictions Grant (ARG) as a result of the second national lockdown in November 2020, and LRSG Open and Closed grants with the Christmas Support Payment for the December restrictions.
- 1.7 This decision will contribute significantly in assisting businesses during the ongoing COVID-19 pandemic, helping with job retention and business viability in difficult circumstances and reducing risk of economic collapse by giving additional resources to businesses within the district.

2.0 Proposed Decision

2.1 It is recommended that the Chief Executive:-

- (1) Approve the three Government grant schemes (Local Restrictions Support Grant (Closed) Addendum Tier 4; Local Restrictions Support Grant (Closed) Addendum (National Lockdown); Closed Business Lockdown Payment (National Lockdown); and**
- (2) That a non-executive emergency decision is taken to confirm appropriate budgets be established outside the approved budget and policy framework to receive the grant funding and distribute funds as per Government guidance; and**
- (3) Agree to delegate the identification, determination and payment of the grants in accordance with the schemes (see Government guidance) to qualifying businesses to the Operational Lead for Specialist Services; and**

(4) Delegates to the Operational Lead for Specialist Services, in consultation with the Portfolio Holder for Finance and Resources, authority to make any administrative amends to these grant schemes to reflect future changes in Government guidance or change in local need.

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|--------------|---------------|
| Review Date: | 31 March 2021 |
|--------------|---------------|

3.0 Background and Proposals

3.1 The government has announced three new grant schemes to be targeted at retail, hospitality and leisure businesses mandated to close by the national restrictions. Grant levels mirror previous grant schemes, with amended amount levels based on the severity of the national restrictions.

4.0 Consultation

4.1 A common and consistent approach has been agreed by all District Councils in Cumbria, allowing for specific references to business sectors within districts to support their own local economic make up.

4.2 A working group of officers including specialists and case managers have agreed the process for collecting information and administering payment of grants.

4.3 The Portfolio Holder for Finance and Resources, the Leader of the Council and Cabinet have been consulted on the detail of this decision and appended guidance.

5.0 Alternative Options

5.1 SLDC do not accept this funding: this would not comply with the request from Government and would not give critical support to businesses operating within South Lakeland, and therefore this is not a recommended option.

5.2 SLDC administer grants to an amount beyond the allocations set out by Government: this is not affordable for the Council, and therefore is not the recommended option. Direct communication with Government will take place should we come near to the grant allocation limit across any of the schemes.

6.0 Links to Council Priorities

6.1 Supporting our Economy: To aid job retention and business viability in difficult circumstances; reducing risk of economic collapse and enhancing the culture of the district by giving additional resources to businesses, including eligible cultural organisations, with properties within the district.

7.0 Implications

7.1 Financial, Resources and Procurement

7.1.1 The Government will make additional funding available to Councils to address the additional costs incurred by the Council in administering the scheme. The Council will keep record of all expenditure and purchases made on behalf of administering these business support grants.

7.1.2 The Government are funding the entirety of these grant schemes.

7.1.3 The Council's Section 151 Officer has been consulted directly on the aforementioned advanced payment for the Tier 4 pro-rata payment, and grant funding received to date will cover this expenditure as an interim measure.

7.1.4 A separate non-executive decision will be taken to address the changes to the Budget and Policy Framework.

7.2 Human Resources

7.2.1 There is a need to redirect staff resources from across the Council to assist in processing the grant claims. A considerable dedication of resources will be needed for the ongoing administering of these grants, which may have an impact on the Council's delivery of services elsewhere (or 'business as usual' activity), for at least as long as the Council remains in response mode to the COVID-19 pandemic.

7.2.2 While it falls to the local authority to deliver these grants to businesses on the request of central Government, officers are in weekly contact with neighbouring local authority's business grants teams to ensure a consistent approach is taken with administering these business grants, and that good practices are shared amongst colleagues to better improve the efficiency of the grant administration.

7.3 Legal

7.3.1 The Council has powers under the Localism Act 2011 to make these payments.

7.3.2 Officers will seek legal advice where appropriate on the grants application form. As a result of Brexit, from 1 January 2021, a new subsidy control regime applies. Legal will advise accordingly to ensure payments are compliant with the new regime.

7.4 Health, Social, Economic and Environmental

7.4.1 Have you completed a Health, Social, Economic and Environmental Impact Assessment?
No

7.4.2 If you have not completed an Impact Assessment, please explain your reasons: This has not been deemed as necessary in this instance. The impact of the scheme applies to businesses which are eligible within the district and is vital to prevent many small businesses becoming insolvent following Government required closure.

7.4.3 Summary of health, social, economic and environmental impacts: N/A

7.5 Equality and Diversity

7.5.1 Have you completed an Equality Impact Analysis? No

7.5.2 If you have not completed an Impact Assessment, please explain your reasons: This has not been deemed as necessary in this instance, this applies to all those with businesses which are entitled within the district.

7.5.3 Summary of equality and diversity impacts: N/A

7.6 Risk

| Risk | Consequence | Controls required |
|---|--|---|
| Grants are not given in accordance with Government guidance | Government will not reimburse the Council for payments made outside the Government schemes | Grant applications will be verified to be compliant with Government guidance and business eligibility |
| Grants are given to fraudulent claimants | Grants are given to businesses or individuals that are not eligible | Verification has been built into the grant process including requesting sufficient evidence and using Government tools to avoid fraudulent claims, in conjunction with access to our business rates database to cross check applications with |

| Risk | Consequence | Controls required |
|--|---|---|
| | | liable ratepayers |
| Grants are not issued promptly | Businesses will not receive financial assistance as set out by Government | Online portal developed for efficient application of grants, resource trained and in place to review and approve |
| Online application and verification processes to manage a multi-million pound scheme in just a few days in order to get grants paid to businesses with minimal delay | Reputational impact to the Council and delays to the processing of payments | Learning from previous scheme will significantly reduce risk. Robust process in place to expedite payments. |
| The processing of grants requires some redirection of staff resources from other activity | Other work may be paused or take longer to enable focus on processing grants | Continuous management of competing demands on staff time. |
| Payment of grants in advance of receiving final allocation and remittance from Government | Council does not receive this funding from central Government as set out in official guidance in good time which may impact Council budgets | Advanced payments will only be made from previous grant schemes that have an underspend ensuring Council's own resources are protected. |

8.0 Contact Officers

Gareth Candlin (Operational Lead, Specialist Services) gareth.candlin@southlakeland.gov.uk

9.0 Appendices Attached to this Report

| Appendix No. | Name of Appendix |
|--------------|------------------|
| 1 | n/a |

10.0 Background Documents Available

| Name of Background document | Where it is available |
|---|---|
| Local Restrictions Support Grant (Closed) Addendum Tier 4 Guidance for Local Authorities, December 2020 | https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948113/local-restrictions-support-grant-closed-addendum-tier-4-la-guidance.pdf |
| Business Support Package Guidance for Local Authorities, January 2021 | https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/951799/business-support-package-january-2021-lockdown-la-guidance.pdf |

| Approved by: | Signature and Date (or email confirmation) |
|---|--|
| Chief Executive | 18/01/21 |
| Or such person as delegated by the Chief Executive in writing | N/A |
| In consultation with: | |
| The Leader of the Council | 19/01/21 |
| And Relevant Portfolio Holder | 19/01/21 |
| CMT Directors | 15/01/21 |
| The following interests were declared – disclosable pecuniary interest or other or none | N/A |

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| <p><i>Due to COVID 19 and Government announcements, it has not been possible for this Key decision to be included in a Forward Plan at least 28 clear days before the decision was to be made. It is not possible to comply with the General Exemption procedure.</i></p> <p><i>In accordance with Part 4 of the Constitution - Rules of Procedure – Access to Information Rules – Paragraph 16, the Chairman of the Overview and Scrutiny Committee (Cllr Hughes) has agreed that the taking of the decision is urgent and could not reasonably be deferred because for the reasons outlined in this report and the timescales required to protect the public/business interest and to comply with Government advice.</i></p> <p><i>This being “special urgency”</i></p> | 19/01/21 |
| <p><i>In accordance with Part 4 of the Constitution – Rules of Procedure – Overview and Scrutiny Procedure Rules - paragraph 16(j), the Chairman of the Council (Cllr Coleman) agrees that this decision is reasonable in all the circumstances and that it is treated as urgent for the reasons outlined above and, therefore, the decision is exempt from call-in.</i></p> | 18/01/21 |