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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 (Restart Grants, April 2021)

Date: 08/04/2021

Reference: 21

Reason for emergency

The announcement of new business 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 Chairman of the Council..

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 business grants for businesses that will be administered by local authorities to pay the grants in response to the roadmap and reopening of business through Spring/Summer 2021, following the third national lockdown starting on 5 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-April 2021.

The reasons for this urgent decision are outlined in the corresponding Emergency Executive Decision taken on 8 April 2021 (attached).

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 Emergency Delegated Executive Decision for full details of these schemes.

2.0 Proposed Decision

2.1 It is recommended that the Chief Executive approves the following:

- (1) That 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 Restart Grant scheme 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:

- Restart Grant: **£32,682,312** (for one-off grant payments to eligible business only);
- Additional Restrictions Grant Top Up: **£1,126,421** (guidance, decisions and delegated authority remain in place for this scheme, covered by a previous Emergency Delegated Executive Decision and non-Executive Decision, December 2020).

3.2 All grant funding is provided by Government to distribute to eligible businesses.

Appendices Attached to this Report

Appendix No.	Name of Appendix
A	Emergency Delegated Executive Decision: Restart Grants (April 2021)

Approved by	Signature and Date
Chief Executive	08-04-21
In consultation with:	
The Chairman of the Council	09-04-21

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 (Restart Grants and Additional Restrictions Grants update, April 2021)

Date: 08/04/2021	Reference: 016
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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 (Restart Grants and Additional Restrictions Grant update) that will be administered by local authorities. Funding will be provided by the Government for the new support grants for businesses due to the roadmap for recovery and lifting of national restrictions, and will apply for the 1st April 2021 onwards. 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 (end of March 2021) and the date of the next Cabinet meeting, we require an emergency decision.

This is a Key Decision: **Yes**

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 easing by UK Government of COVID-19 related restrictions has resulted in further business grants to coincide with the reopening of business premises. We require a decision regarding the administration of the grants.
- 1.2 The following grants will come in to effect based on the national restrictions being eased.
- 1.3 South Lakeland District Council is expected to receive **£32,682,312** for the Restart grants (based on a one-off payment to eligible businesses). All funding is provided by Central Government to distribute directly to eligible businesses under this scheme.
- 1.4 A top up to the existing Additional Restrictions Grant of **£1,126,421** will be made, subject to grant conditions being met. Guidance, decisions and delegated authority remain in place for this grant scheme (see Emergency Delegated Executive Decision, December 2020). Reference to this income is therefore subject to the corresponding non-executive decision.
- 1.5 The above grants follow the Government-funded COVID-19 related business support grants over the past 12 months:
- Small Business Grant Fund (SBGF);
 - Retail, Hospitality and Leisure Grant Fund (RHLGF);
 - Local Authority Discretionary Grant Fund (LADGF);
 - Local Restrictions Support Grant (Closed) Addendum (LRS(C)Addendum);
 - Additional Restrictions Grant (ARG) (two rounds to date, November 2020 and January 2021);
 - Local Restrictions Support Grant (Open);
 - Local Restrictions Support Grant (Closed);
 - Christmas Support Payment;
 - Local Restrictions Support Grant (Closed) Addendum Tier 4;
 - Local Restrictions Support Grant (Closed) Addendum 5 Jan-15 Feb and 16 Feb-31 Mar;
 - Closed Business Lockdown Payment (National Lockdown).

To date, SLDC has been tasked with administering over £134m worth of COVID-19 support grants to the South Lakeland business community.

- 1.6 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 Government Restart Grant schemes; 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 the Restart Grant scheme to reflect future changes in Government guidance or change in local need.

Review Date:	30 September 2021
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3.0 Background and Proposals

- 3.1 The Government has published the '[COVID-19 Response - Spring 2021](#)' setting out the roadmap out of the current lockdown for England. This is a step-by-step plan to ease restrictions in England cautiously.
- 3.2 As part of this roadmap, Government has announced a new one-off Restart Grant to be targeted at non-essential retail, hospitality and leisure businesses that are able to reopen as per legislation for reopening of businesses. Grant levels mirror previous grant schemes, with amended grant award amounts based on the business sector and the impact that the roadmap will have on businesses being able to reopen.
- 3.3 Grants of up to £6,000 will be paid to non-essential retail business premises, to help them reopen safely. Grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym business premises, which may open later under plans set out in the roadmap and will be more impacted by restrictions when they do reopen. The Restart Grant scheme supports businesses that are predominantly reliant on delivering in-person services for the general public in the aforementioned sectors.

4.0 Consultation

- 4.1 A common and consistent approach has been agreed by all District Councils in Cumbria.
- 4.2 A working group of internal 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, so as to avoid any overspending and to ensure that we will be fully reimbursed where grant payments may exceed grant allocations.

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 For the Restart Grants scheme and the Additional Restrictions update, the Government now requires that Local Authorities undertake pre-payment checks for all grant payments. This represents a stricter position from the Government than for previous COVID-19 business support grant schemes. The Guidance specifies that checks are required to be undertaken by the Local Authority before any payments are issued to businesses; this is not limited to new applicants. Checks should address both the company and the company's bank account. Further requirements relating to pre and post payment assurance plans are set out in the Government Guidance (links to which are in the background documents for this report).
- 7.1.3 The Government are funding the entirety of these grant schemes.
- 7.1.4 The Council's Section 151 Officer has been consulted directly on the proposed mechanism for distributing the grant funding.
- 7.1.5 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 There are terms and conditions attached by BEIS to the grant funding which are binding upon the Council. Breach of these terms may result in clawback/withdrawal of the funding by BEIS. For example, it is a requirement that the grant is only issued for the purposes of providing grant funding to businesses eligible for the Grants in accordance with the Guidance. Further, local authorities are required to fully comply with the data monitoring requirements and requests as set out in the Guidance.

Other terms and conditions include compliance with subsidy control requirements and transparency reporting, data monitoring requirements and obligations and monthly reporting requirements regarding Fraud Risk Assessments and pre/post-assurance activities.

- 7.3.3 As a result of the UK's exit from the EU (and following the end of the transition period), from 1 January 2021, a new subsidy control regime is applicable to Government subsidised business grants.

EU State Aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between Northern Ireland and the EU; those relevant grants therefore must comply with the State Aid Temporary Framework of the Commission.

- 7.3.4 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. On 4 March 2021 three new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA. The new subsidy allowances are:
- a) Small Amounts of Financial Assistance Allowance;
 - b) The COVID-19 Business Grant Allowance and;
 - c) The COVID-19 Business Grant Special Allowance (for this allowance, applicants must provide documentation to demonstrate eligibility as set out in the Government Guidance. Local authorities must verify that the applicant meets the criteria set out in this allowance before providing funding under this allowance.)

To make use of allowances (b) or (c) listed above, an applicant must confirm that they were not an 'undertaking in difficulty' (as defined in the Guidance) on 31 December 2019. In the case of small/micro enterprises that were already in difficulty on 31 Dec 2019 there are exceptions provided that the applicant is not subject to collective insolvency proceedings.

- 7.3.5 In addition, Local Authorities must ensure that the applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. All schemes and individual awards over £500,000 must be reported on an official website/public database within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an individual beneficiary must also be uploaded within six months of being granted. The information to be uploaded must include:

- (a) the legal basis and policy objective or purpose of the subsidy;
- (b) the name of the recipient of the subsidy when available;
- (c) the date of the grant of the subsidy, the duration of the subsidy and any other time limits attached to the subsidy; and

- 7.3.6 BEIS have provided Local Authorities with a template declaration for businesses to complete with regards to the above subsidy allowances prior to receiving the Restart Grants. This will be a compulsory requirement under the Council's new Restart Grant online application process.

- 7.3.7 Legal colleagues will seek external legal advice where appropriate.

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 criteria
Grants are given to fraudulent claimants	Grants are given to businesses or individuals that are not eligible	Series of verification checks within grant process including supporting evidence and using Government tools to avoid fraudulent claims, in conjunction with access to our business rates database to cross check ratepayer information. Fraud Risk Assessment will be completed for all grant schemes
Grants are not issued promptly	Businesses will not receive financial assistance as set out by Government	Online portal developed for efficient application of grants, staff trained and in place to verify and approve applications
Online application and verification processes to manage a multi-million pound scheme 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 payment of grants whilst being compliant with Government guidance and internal verification process
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 business grants	Continuous management of competing demands on staff time. Leadership team to be updated on resource needed and grant application progress, delays etc.
Terms and conditions of the grant are not met.	Breach of terms and conditions. May result in clawback/withdrawal of funding. Reputational implications.	Building these obligations into the robust processes that are being implemented to administer the grant scheme.

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
Restart Grant guidance, March 2021	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971363/restart-grant-la-guidance.pdf
Updated Additional Restrictions Grant guidance, March 2021	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971482/additional-restrictions-grant-la-guidance.pdf

11.0 Approval Dates

Approved by:	Signature and Date (or email confirmation)
Chief Executive	08/04/2021
Or such person as delegated by the Chief Executive in writing	N/A
In consultation with:	
The Leader of the Council	09/04/2021
And Relevant Portfolio Holder	09/04/2021
CMT Directors	08/04/2021
The following interests were declared – disclosable pecuniary interest or other or none	N/A

<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>	
<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>	

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