

TRAFFORD COUNCIL

DELEGATED EXECUTIVE MEMBER DECISION REPORT

Report to: Executive Member for Finance and Investment
Date: 20 November 2020
Report for: Decision
Report of: Corporate Director Place and Corporate Director of Finance and Systems

Report Title

Trafford Discretionary (Additional Restrictions) Grant Fund

Summary

As part of the response to COVID-19, the government has announced a number of national and local business support packages are now being rolled out for the national lockdown and looking ahead to further restrictions as part of the tier approach.

Greater Manchester has been allocated an additional £60m for discretionary business grants and wider business support measures, previously announced as part of its move into Tier 3 of the Local Covid Alert Level measures.

This report details how the Council will implement the Trafford Discretionary (Additional Restrictions) Grant Fund to support small businesses within the Borough. Trafford has been allocated a total of £5.022m under this Fund.

Recommendation(s)

That the Executive Member for Finance and Investment:

- (i) Approve the Trafford Discretionary (Additional Restrictions) Grant Fund and proposed criteria for its operation as detailed in the report.
- (ii) Agree to classify this decision as urgent and exempt from call-in to enable the Council implement emergency measures during the ongoing Covid-19 health crisis.
- (iii) Delegate authority to the Corporate Director of Place, in consultation with the Executive Member for Finance and Investment and the Corporate Director of Finance and Systems, to make amendments to the Trafford Discretionary (Additional Restrictions) Fund criteria as necessary.
- (iv) Delegates authority to the Corporate Director of Place, in consultation with the Corporate Director of Finance and Systems, to administer the grants

Contact person for access to background papers and further information:

Name: Stephen James (Head of Strategic Growth)
Mike Reed (Strategic Growth Manager)
Extension: x4330
x 4924

Background Papers: None
Appendix One: Trafford Discretionary (Additional Restrictions) Fund Criteria

Implications:

| | |
|---|---|
| Relationship to Policy Framework/Corporate Priorities | The Fund will support the respond to COVID-19 and delivery of the Council's Corporate Plan (2019), including the priorities Successful and Thriving Places and Targeted support. |
| Relationship to GM Policy or Strategy Framework | At a GM level the Fund will support the response to COVID-19 and delivery of the GM Local Industrial Strategy. |
| Financial | The Council has received £5.022m to administer the Fund with an expectation that the monies are spent by March 2021, however expenditure can run to March 2022. The Fund is a finite 'pot' so all expenditure must be within the set budget envelope. |
| Legal Implications: | Local authorities are responsible for delivering grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments The Local Authority have a discretion to make grant payments under the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities where State aid requirements have been fully met and complied with. |
| Equality/Diversity Implications | The full impact is unknown at this stage but delivery of the Fund will be closely monitored |
| Sustainability Implications | The full impact is unknown at this stage but delivery of the Fund will be closely monitored |
| Resource Implications e.g. Staffing / ICT / Assets | Existing staffing resources will be used; the awards will be administered through the existing software. |
| Risk Management Implications | None as a consequence of this report. |
| Health & Wellbeing Implications | None as a consequence of this report. |
| Health and Safety Implications | None as a consequence of this report. |

1.0 Background

- 1.1 In response to the Coronavirus, COVID-19, the government has announced a range of support packages for businesses since March 2020.
- 1.2 The Council has delivered the business support grants scheme in the period to 31 August 2020 paid out 3,594 grants at a total cost of £44.11m to support businesses within Trafford. The Trafford Discretionary Grants Fund, established to accommodate certain small businesses outside the scope of the business support grant funds scheme, paid out a total of 354 grants at a total cost of £2,38m up to 30 September 2020.
- 1.3 On 23 October 2020 Greater Manchester (GM) was moved into Tier 3 under the Local Covid Alert Level measures with regulations requiring some businesses to close and imposing restrictions on how some businesses provide goods and services. In October 2020 the Government provided Additional Restrictions Grant funding of £60m to GM to be utilised by the 10 Local Authorities in providing additional support to businesses impacted by COVID 19 restrictions.
- 1.4 On 5 November 2020 national restrictions requiring the closure of certain businesses and venues across England replaced the Local Covid Alert Level measures until 2 December 2020.

2.0 Guidance and Local Criteria

- 2.1 The current guidance from Government is that the Additional Restrictions funding provided to GM of £60m is a one-off lump sum that Local Authorities can use up to March 2021. Therefore, if GM were to remain in Tier 3, or similar restrictions, beyond the scheduled end of national lockdown on 2 December 2020, current guidelines indicate that there would be no further Additional Restrictions grant available.

GM Criteria

- 2.2 Options for using the allocation of £60m Additional Restrictions Grant received by the GM have been developed in line with the principles agreed by GM Leaders where those have not already been addressed by national schemes.
- 2.3 The principles GM Leaders have agreed are:
 - Initially focusing on businesses directly affected in the Hospitality, Accommodation and Leisure sectors and their supply chains if resources allow.
 - Keeping the system and administration as simple as possible for businesses and local authorities.
 - Providing support only for businesses with premises in GM.
 - Ensuring that the programme is robust against fraud.
 - Including payments to businesses who are still required to close even after the end of the national lockdown.
 - Including payments to businesses who are able to open after the end of the national lockdown but are still struggling because of a fall in trade.

2.4 In addition to the above overarching set of GM principles it has been agreed to focus as a priority on businesses which are badly affected by the restrictions (legally required to close, or open but struggling), but who are not receiving other grant support (generally because they are not liable for Business Rates and so do not receive the Local Restrictions Support Grants). This also includes businesses in supply chains of sectors impacted by restrictions. This group includes businesses in shared/flexible workspaces and market traders.

Local Criteria

2.5 It is proposed that the Trafford Discretionary (Additional Restrictions) Fund (see criteria at Appendix 1) is focused on non-rate paying businesses which are badly affected by the restrictions (legally required to close, or open but struggling), but who are not receiving other grant support.

2.6 Promotion of the scheme will be focused on the Hospitality, Accommodation and Leisure sectors, and their supply chains. However other eligible businesses that are able to demonstrate that they have been badly affected by the restrictions will also be considered.

2.7 To be eligible businesses must demonstrate that they:

- Were trading on 22 October 2020
- Have not been eligible for a Local Restrictions Support Grant at any time in 2020/21
- Do not pay business rates
- Have been badly affected by the restrictions
- Have business premises and do not work solely from home
- Have fixed property costs

To ensure that as many businesses in the borough are supported within the scope of the available funding it is proposed that a grant of £2,000 is paid to each eligible applicant.

2.8 Businesses with more than one qualifying business property will be eligible for a grant for each property.

2.9 It will be important to ensure that the scheme is able to operate within the funding limit available and support as many businesses in Trafford as possible. As the delivery of the Fund is implemented take up will be closely monitored and the criteria may be reviewed following an assessment of the scheme and remaining funding available. This will be set against local need, any changes to lockdown restrictions, and the local criteria for the Grant scheme.

2.10 Based on experience from the previous Trafford Discretionary Grant scheme and the scope of both the Local Restrictions Support Grants and the criteria for this Fund it is estimated that c150 eligible businesses will be supported by the Fund. The estimated cost of this is shown on the table below.

| Grant awarded | Est Number of Businesses | Total Cost | Remaining Funds |
|----------------------|---------------------------------|-------------------|------------------------|
| £2,000 | 150 | £300,000 | £4.72m |

- 2.11 The Council reserves the right to amend the terms of the Fund at any time, and without notice, should it be necessary to do so.

3.0 Applications

- 3.1 The Council will undertake proportionate pre-payment checks as part of the application process to confirm eligibility for the Fund. Prepayment checks will include confirmation that by accepting payments recipients are in compliance with State aid rules.
- 3.2 The Council retains the right to reclaim any grants awarded on the basis of false information or statements supplied.

4.0 Monitoring

- 4.1 It is anticipated that the Council will be required to report on progress in developing and delivering the Fund to BEIS alongside the existing reporting. The specific criteria adopted for the Fund in Trafford will be published and shared with BEIS.

5.0 Options

- 5.1 The Council could choose not to operate the grant scheme but this would not address businesses suffering hardship and the money received for this scheme needs to be utilised or returned to Government. The Council could operate a scheme with broader eligibility criteria but it is important to ensure that the Fund operates within the funding limit available.

6.0 Consultation

- 6.1 The Council has designed the Fund based on its engagement with businesses during the operation of the previous Trafford Discretionary Grants Fund that ran until the end of September 2020. Furthermore the criteria of the Fund has been developed in the context of consultation exercises undertaken with members and businesses organisations in relation to the previous Trafford Discretionary Grants Fund.

7.0 Urgency of Decision

- 7.1 The report is submitted to the Executive Member for Finance and Investment on an urgent basis and is a key decision.
- 7.2 A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.
- 7.3 In the current circumstances of national restrictions, businesses are at risk of immediate and significant financial impact caused by an inability to operate fully. The payments that will be made to businesses in accordance with this scheme are aimed at providing grant support payments to eligible businesses as soon as possible to mitigate material financial losses.
- 7.4 The report and urgency of the key decision have been reviewed by the Chair of the Scrutiny Committee who has agreed that the decision should not be delayed and not subject to call-in.

7.5 It is proposed therefore, that the decision contained in this report is therefore deemed to be urgent and cannot be reasonably deferred. It is also proposed that the decision, based on urgency provisions, is not subject to call-in to allow the Council to administer scheme funds without any delay.

Reasons for Recommendation

Approval of the Trafford Discretionary (Additional Restrictions) Fund is required to enable the Council to provide effective support to Trafford based small businesses that are adversely affected by the ongoing COVID-19 crisis and are ineligible for support under existing grant schemes.

Key Decision Yes

If Key Decision, has 28-day notice been given? No

Finance Officer Clearance *NB*
Legal Officer Clearance *TR*

CORPORATE DIRECTOR'S SIGNATURE

Nikki Bishop
**Corporate Director
of Finance and Systems**

Richard Roe
**Corporate Director of
Place**

To confirm that the Financial and Legal Implications have been considered and the Corporate Director has cleared the report prior to issuing to the Executive Member for decision.