



Report to: Policy and Resources Committee, 9th February 2021

Report of: Managing Director

Subject: COVID-19: DECISIONS UNDER URGENCY POWERS

1. Recommendation

1.1 That the Committee notes the decisions, since the last report to Committee which have been taken by the Managing Director under urgency powers in response to the Covid-19 emergency incident.

2. Background

- 2.1 At previous meetings in the Committee has considered detailed reports on the Council's management of the Covid-19 emergency incident. A number of decisions have been reported back to the Committee which the Managing Director had taken under urgency powers, in consultation with the Leader and Deputy Leader, or the Chair and Vice Chair of the relevant committee as appropriate.
- 2.2 Since the last report to Committee in December 2020, the operational arrangements for the Council's management of the emergency incident have continued. The strategic and tactical level response arrangements within the Council and within Worcestershire and wider region have remained in place. The Council continues to keep pace with a rapidly changing situation and with updates to Government guidance.
- 2.3 The current position is that a national lockdown has again caused the suspension of many of the Council's face to face services including housing advice and customer services and of course the closure of leisure centres. The Guildhall, Museum and Art Gallery and Commandery are closed to the public. Access to Council buildings is strictly by arrangement for authorised purposes. The Council is continuing to successfully deliver its Environmental Operations services and Bereavement services with appropriate Covid secure working arrangements in place. Distributing Covid grant support continues to be a significant activity for the Council.
- 2.4 This report provides a summary of the decisions taken under the Managing Director's urgency powers since the last report December 2020. The decisions were made in consultation with the Leader and Deputy Leader or the Chair and Vice of the relevant Committees. In all cases the Managing Director, s151 Officer and Monitoring Officer were satisfied that the decisions should be taken under urgency powers instead of delayed and referred to Committee. A summary of the decisions is set out below.

3. Local Restrictions Support Grants and Additional Discretionary Grants

3.1 At its meeting of 15 December 2020, the Committee received a report on the Government's proposals regarding further support grants for businesses under local lockdown arrangements. On 4 January the Government announced a further national lockdown to begin with immediate effect and provided a revised set of guidance for these grants, relating to the range of organisations that were required to close. The Council was provided with three types of funding to support this decision and to help compensate local organisations for the loss of business:

- Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
- Closed Business Lockdown Payment
- Top up of Additional Restrictions Grant (discretionary)

Local Restrictions Support Grant (Closed) Addendum: 5 January onwards

3.2 This grant is payable to all organisations on the Council's rating list that were required to close on 5 January 2021. The amounts of grant payable are in line with the previous Additional Restrictions Support Grant but extended for a six-week period:

- Where the rateable value of the property is £15,000 or below, the grant is £2,001
- Where the rateable value of the property is above £15,000 and below £51,000, the grant is £3,000
- Where the rateable value of the property is £51,000 or above, the grants is £4,500.

3.3 The grants are in respect of the 42-day period to 16 December and will be renewable for each 28 day period of lockdown thereafter, subject to any changes in the types of business that are required to close.

3.4 To fund this grant, the Council has received £2,885,220, which is an advance payment of 90% of the total expected grant based on property data held by MHCLG. In the event that the value of grants paid exceeds the above amount, a further tranche will be payable. On 4 January the Prime Minister indicated that the current lockdown would be reviewed before mid-February. The Council will expect to receive further notification of any additional funding at that stage.

3.5 The previous funding for business grants under the November lockdown and under the subsequent periods under Tier 2 and Tier 3 restrictions is still available. Businesses can continue to apply for these and the application for January Lockdown payment on the Council's website clearly states that businesses can obtain backdated grants where they can show eligibility for the relevant period.

3.6 In order to minimise applications and facilitate payment, businesses that applied for grants under the November Lockdown, and remained closed under the Tier 2/3 restrictions, are automatically paid the January Lockdown grants, subject to their circumstances remaining unchanged (i.e. that the business is not dissolved or subject to a striking off order) and checks that they have not received a payment under any of the other schemes.

- 3.7 Businesses that were closed in November but Open under Tier2 and Tier 3 are in receipt of the Local Restrictions Support Grant (Open), as reported to the December Committee meeting.
- 3.8 Other businesses that applied under Tier 2 and Tier 3 are also in receipt of the Open grant where they are business that were on the Worcester City ratings list at 2 December and have suffered loss of business as a result of the COvid-19 restrictions during the period 2 December 2020 – 4 January 2021. Where these businesses are now closed under January lockdown, they will also receive automatic payments so that they do not need to re-apply.

Closed Business Lockdown Payment

- 3.9 This is a new grant and is available to businesses that are closed under the LRSG *Closed (Addendum) 5 January onwards* scheme. Each business will receive a one-off payment, as follows:
- Where the rateable value of the property is £15,000 or below, the grant is £4,000
 - Where the rateable value of the property is above £15,000 and below £51,000, the grant is £6,000
 - Where the rateable value of the property is £51,000 or above, the grants is £9,000.
- 3.10 To fund this grant, the Council has received £5,769,000, which is an advance payment of £90% of the total expected grant based on property data held by MHCLG. As this is a one-off payment, it is not anticipated that further funding will be made available once the scheme is closed for applications and all payments made.
- 3.11 Businesses that are eligible for the Local Restrictions Support Grant will be deemed eligible for the Lockdown payment and both payments will be made at the same time wherever possible. Where businesses have applied for grants under the November lockdown, Tier 2 or Tier 3, there is no need to re-apply: payments will be made automatically, subject to the condition that their circumstances have not changed.
- 3.12 Both of the above schemes have an application closing date of 31 March 2021 and the Council is expected to have made all payments by 30 April.

Top up of Additional Restrictions Grant

- 3.13 The Additional Restrictions Grant (ARG) is discretionary. The funding is intended to enable the Council to provide support to organisations that do not qualify for Local restrictions Support Grant. The Council previously received one-off funding of £2,024,440 for the remainder of this financial year and for 2021/22. MHCLG indicated that no further payments would be made for discretionary support to businesses. However, an additional payment of £899,160 has been received.
- 3.14 The guidance issued with the funding states that:

Local authorities can use this funding for business support activities. We envisage this will primarily take the form of discretionary grants, but LAs could also use this funding for wider business support activities.

And that

If Local Authorities use ARG for direct business support grants, the same conditions of grant apply as for the Local Restrictions Support Grant... However, local authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.

Local Authorities can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target.

- 3.15 There is no specific timetable for utilising the additional ARG. However, in order to keep pace with the Local Restrictions Support Grant, a draft scheme was developed during January in consultation with Group Leaders and implemented through use of the Managing Directors urgency powers. The components of the scheme are set out in the following paragraphs.
- 3.16 Two forms of payment are to be provided:
- Discretionary Lockdown Support Grant
 - Discretionary One-off Lockdown Grant.
- 3.17 The Discretionary Lockdown Support Grants will be funded from the existing ARG and will be paid at the same value as the *Local restrictions Support Grant (addendum) 5 January onwards*.
- 3.18 The value of the Discretionary One-off Lockdown Grant will be determined once the majority of applications have been received so that the total amount paid can be kept within the limit of funding available. The Government will review the lockdown conditions in mid-February. Should it be determined that the lockdown is extended, this may result in an additional payment of discretionary funding which will increase the total available for distribution.
- 3.19 Businesses that received a grant under November lockdown, Tier 2 or Tier 3 restriction will be paid the Discretionary Lockdown Support Grant automatically without needing to re-apply, subject to confirmation that their circumstances have not changed. Confirmation will be sought by email.
- 3.20 An application is required via the Council's website. Applications opened on Friday 22 January and will close in line with the LRSG on 31 March 2021. Full details of eligibility and the evidence required to support applications is included in the application guidance attached. Organisations will need to have a business registration or Charity registration number, be open to 'visiting' members of the public – either at a business premises or at the customer's location - and be able to demonstrate a loss of income as a result of the lockdown during January.
- 3.21 The total ARG received by the Council to date is £2,923,600. Under previous decisions reported to the Committee it was proposed to retain a proportion of this to support businesses and other organisations that had been particularly severely affected by the Covid-19 restrictions through a discretionary Recovery Grant and

wider business support activities. Based on existing businesses supported through the ARG and additional applicants expected, anticipated spend on the various schemes is as follows at the date of this report:

	£000	£000
Income		
Additional Restrictions Support Grant (Nov 2020)	2,024	
Top up payment (Jan 2021)	899	2,923
ARG payments		
ARG (Immediate) to 31 January	241	
LRSB (open) Top-ups to 31 January	85	
Tier 2/3 grants -estimate	460	
Discretionary Lockdown Support - estimate	815	
Total expected ARG spend		1,601
Previously approved for wider business support		300
Remainder available for wider business support		1,022

3.22 The discretionary scheme for Tier 2 and Tier 3 payments has closed so that there is no overlap with the new January lockdown scheme.

3.23 Should the applications for the January lockdown payments exceed the numbers estimated above, the scheme may need to be closed to new applications.

4. Further support

4.1 As indicated above, the Council has the opportunity to use the funding to provide other forms of support for businesses. This could include providing access to existing and developing schemes such as business-to-business mentoring, preparation of bids for start-up programmes and similar enabling activities that the Council can provide. It has been previously agreed to retain £300,000 of the funding to develop a programme of longer-term support to businesses in Worcester. Further details of which will be provided at the next meeting of the Committee.

5. Risk management

4.1 As previously reported to the Committee, the Council's corporate and service risk registers clearly identify which risks are caused or impact by Covid-19. Risks are regularly reviewed by the senior management team and are now reported to Committee as part of the regular risk and performance reports.

6. Financial impact

6.1 The ongoing impact of Covid-19 on the Council's income and expenditure is reported to the Committee in its regular finance reports.

6.2 The financial assistance schemes reported above do not have a financial impact on the Council because they involve the direct distribution of Government funding. Local councils have been given the responsibility for administering these schemes and will receive New Burdens Funding to support implementation. The schemes will be fully funded by Government.

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Background Papers: Managing Director Decision Reports