

# Selby District Council

## Leader Urgent Decision Paper



**To:** Leader of the Council  
**Date:** 19 July 2021  
**Ward(s) Affected:** All  
**Authors:** Tammy Fox, Revenues and Benefits Manager  
June Rothwell, Head of Operational Services  
**Lead Executive Member:** Cllr Lunn, Lead Councillor for Finance and Resources

### **Title – Additional Restrictions Grant Scheme update**

#### **1. Summary**

- 1.1 This report provides an update on the discretionary grant scheme for COVID-19 support and the businesses that will be considered for further awards for exceptional hardship reasons and due to the extension of the national restrictions.
- 1.2 It was announced that further funding would be made available to local authorities but only if their previous allocation has been spent. As Selby District Council has allocated all the available funding of just over £2.6 million a further £673,000.00 in funding has now been received.
- 1.3 On the 14 June the Government announced an extension to the COVID-19 restrictions in place as part of Step 3 of the Roadmap until 19 July 2021, local authorities are expected to use the Additional Grant Scheme (ARG) funding to provide support to impacted businesses still experiencing financial hardship and the latest guidance from the Department for Business, Energy and Industrial Strategy (BEIS) confirms this.
- 1.4 Further consideration will therefore be given to awards of business grants to those businesses affected by the ongoing restrictions, for example - the events and catering industry, catteries/kennels and coach/travel companies.
- 1.5 The use of the funding for wider ongoing business support is also being considered.

#### **2. Recommendations**

- 2.1 That as the matter is urgent, and the decision cannot await a full meeting of the Executive due to the need to put in place arrangements as part of the Covid-19 response, the Leader agrees that:
  - (i) The proposed businesses set out at paragraph 3.4 are supported with a further phase 3 of business grants using the additional funding received; and

- (ii) That continued delegated authority is given to the Head of Operational Services to administer the scheme and the Chief Finance Officer is authorised to make technical scheme amendments.

### **3 The Report**

- 3.1 Selby District Council was allocated £2.6 million in ARG funding, and this has been distributed just over 380 businesses in direct business grants. A further £673,000.00 has been received to provide further support to businesses still affected by the COVID-19 pandemic.
- 3.2 The latest guidance encourages local authorities to support businesses from all sectors that may have been severely impacted by restrictions but are not eligible for the Restart Grant scheme, including those outside of the business rates system. Also following the delay to stage 4 of the roadmap, local authorities are also encouraged to focus their support on those sectors that remain closed or are severely impacted by the extended restrictions.
- 3.4 The Environmental Health Team have advised the following business types are currently still not allowed to operate in accordance with the Regulations: - Night Clubs, Dance Halls and Discotheques. Those businesses whose trade is still affected by restrictions includes the events industry, catteries/kennels and coach/travel companies. In addition, outside of general retail the following services are still impacted by the restrictions imposed on them and how they can operate safely or the number of customers/visitors due to Covid: Hospitality – Restaurants, Cafes, Bars and Public Houses. Beauty – Hairdressers, Tanning Salons, Tattoo & Piercing Studios. Activity – Dance Studios, Fitness Studios, Gyms, Swimming Pools, Soft Play Centres and Indoor Leisure. Recreational – Bingo Halls, Bowling Alleys and Concert Halls. General – Social Clubs and Village Halls, Cinemas, Theatres, and visitor attractions.
- 3.5 Further consideration and priority will therefore be given to awards of business grants under the exceptional hardship scheme to those businesses affected by the ongoing restrictions who can evidence their trade is still severely affected. These businesses must be able to evidence significant losses of income and also have high fixed costs to still maintain.
- 3.6 Details of these businesses will be used from those held on previous applications, and we will ensure they continue to fulfil the eligibility criteria for a further award. A new application process will not take place due to the financial limitations of the scheme but payment can also be considered in exceptional circumstances for any previously unidentified businesses who may contact us and can provide evidence of severe loss of trade and fixed costs.
- 3.7 The use of the funding for wider ongoing business support is also being considered and will be the subject of a separate report should this be required.

### **4. Risks**

#### **4.1 Legal**

- 4.1.1 The grants are being issued to recipients on directives from Ministry of Housing, Communities and Local Government and guidance issued from BEIS.
- 4.1.2 No right of appeal on any decision to refuse payment of the grant has been given in the guidance. As good practice the right to request a review of any decision is given in the scheme.
- 4.1.3 MHCLG have advised the following regarding State Aid and support announced for businesses –

Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during a transition period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. The Government has notified the EU of its intention to bring forward an immediate change to the UK's tax treatment of non-domestic property, in response to the ongoing Covid-19 emergency, and to seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the European Union.

- 4.1.4 State Aid applies for the Grant Scheme and can be paid as De Minimis aid €200,000 limit over 3 years (or under the Temporary Framework where De Minimis threshold met). The Local Restrictions Support Grant can be paid under the UK Covid-19 Temporary Framework Approved Scheme which has a €800,000 limit.
- 4.1.5 The guidance advises Local Authorities must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments. To ensure compliance with this all businesses applying for the grants will be required to make a declaration regarding state aid on the online form and that payment of the grant will not breach their limits.

## **4.2 Financial**

- 4.2.4 Grants for the ARG will be awarded within the funding allocation limits of the agreed scheme and the spend on this scheme will be closely monitored.
- 4.2.5 From the previous ARG recipients up to 183 businesses in the categories identified in this report could benefit from the grant. An average award of up to £3,000 would commit £549,000. However, not all recipients will be eligible, and the awards will be made based on the amount of continued loss and fixed costs. The policy also allows for awards of up to £25,000 for cases of extreme hardship.
- 4.2.6 Grants for the ARG will be awarded within the funding allocation limits of the agreed scheme and the spend on this scheme will be closely monitored and the Authority would reserve the right to close the scheme at any time.
- 4.2.7 Fully documented decisions by officers of the grants issued will be made to ensure all requirements are fulfilled. Local authorities will be required to report to central government the numbers and value of grants that have been issued. This report will be submitted using the DELTA system.

## 5. Recommendations

5.1 The Leader of the Council is requested to approve the actions in this report.

### **Contact Officers:**

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### **Decision Maker**

Leader	Yes
Officer Delegated Decision	Yes for individual payment of grant