

# Somerset West and Taunton Council

## Full Council – 29 March 2022

### Decision taken under the urgency rules regarding the Additional Restrictions Grant Scheme

This matter is the responsibility of Executive Councillor Member Marcus Kravis

Report Author: Gordon Dwyer, Economic Development Specialist

#### 1 Executive Summary

- 1.1 This report details the decision taken on 12 January 2022 by the Chief Executive under the urgency rules contained within paragraph 5 of the Budget and Policy Framework within the Council's Constitution. The Decision is attached as Appendix A.
- 1.2 In summary, the decision agreed to include a third 'top-up' amount of £305,025 Additional Restrictions Grant (ARG) funding, received from Government in January 2022, within the scope of the Council's ARG scheme and processes.
- 1.3 The Omicron variant had been identified in the UK in late November and was noted to be spreading rapidly. Nationally, some Covid measures were re-tightened, such as compulsory use of face coverings in shops and on public transport and the advisory message to the public from Government was to limit social contact. As the public heeded the message, certain businesses, particularly those offering face-to-face services became negatively impacted.
- 1.4 In recognition, the Government announced that in January 2022 a top up payment of ARG funding would be made available to Local Authorities, stipulating that funds needed to be spent (i.e. appropriately disseminated to affected businesses to provide support for the immediate situation) by 31 March 2022. Any unspent funds at the time of the cut-off date would have to be returned to Government.
- 1.5 There was insufficient time to seek approval for use of the funds through the normal democratic processes as doing so would have significantly delayed our ability to make payments to businesses.
- 1.6 Addition of the top-up amount to the original ARG budget was therefore agreed under the urgency provisions by the Chief Executive with the consent of the Chair of Scrutiny. The relevant Portfolio Holder, Cllr Kravis, was also

consulted.

- 1.7 The Constitution provides that, where urgent decisions are taken, a full report is made to the next available Council meeting to explain the decision, the reasons for it and why it had to be treated as a matter of urgency.
- 1.8 There are no direct climate implications arising from these decisions.

## **2 Recommendations**

- 2.1 Council is asked to note the decision made by the Chief Executive on 12 January 2022 under paragraph 5 of the Budget and Policy Framework within the Council's Constitution in relation to the release of funds to the Additional Restrictions Grant Scheme.

## **3 Risk Assessment**

- 3.1 The key risk both we and Government are trying to mitigate through the award of grant funding is the damage to the local economy and community resulting from businesses ceasing to trade as a result of the financial impact of Covid-19. Consequently, it was vital that funds were made available for our local discretionary scheme for it to continue to support the business affected by the Covid restrictions.

## **4 Background and Full Details of the Report**

### **Third Top-Up Extension of Budget for Somerset West and Taunton Council's Additional Restrictions Grant (ARG) scheme (Discretionary Covid Business Grants Fund)**

- 4.1 In November 2020 the Council set up an Additional Restrictions Grant (ARG) Scheme budget to provide financial support to businesses where they had suffered financial loss as a result of the Government's Covid-19 restrictions.
- 4.2 A scheme policy was adopted which set out initial criteria for the scheme and gave authorisation to the Director of Development and Place to make amendments to the scheme. This ensured that, if necessary, the scheme would be able to adapt rapidly to changes in line with Covid restrictions and resultant business need, or other Government guidance for the scheme.
- 4.3 Originally, a budget of £3,102,300 was provided by Government. The budget was used to provide support to businesses that had been affected by Covid-19 restrictions but would not qualify for the Government's mandatory schemes.
- 4.4 As the epidemic progressed, greater demand was put on the fund than initially anticipated and further amounts for the ARG fund were announced by Government. The first top-up amount of £1,377,895 was provided in January 2021. A second top up amount of £1,281,419 was provided in June 2021 once evidence of full spend of the funds up to this point had been submitted.

At each point an urgency decision was made to add the additional funding to the Council's ARG budget and Councillors made fully aware at the next Full Council meeting.

- 4.5 In late December 2021 the Government announced that a third ARG top up payment to Local Authorities may be made available. This was clarified in January 2022. Guidance stipulated that funds needed to be spent i.e. appropriately disseminated to affected businesses to provide support for the immediate situation, by 31 March 2022. Any unspent funds at the time of the cut-off date would have to be returned to Government.
- 4.6 The Urgency decision in January 2022 to include the third top-up amount of £305,025 within the scope of the Council's ARG scheme and process, was therefore required to ensure that funds were available to be disseminated to businesses.
- 4.7 The decision was agreed by the Chief Executive and made in consultation with the Portfolio Holder, Cllr Kravis. The Chair of the Scrutiny Committee, Cllr Wren, was consulted and agreed that the decision was required as a matter of urgency.

#### **Grant Processing and Utilisation of the Fund**

- 4.8 The local policy developed for the scheme has followed Government guidance and prescribed criteria. In taking decisions on the appropriate level of grant, Government has encouraged Local Authorities to take into account the level of fixed costs faced by the business, the number of employees, whether the business is able to continue trading and the consequent scale of coronavirus losses.
- 4.9 We have used these principals to determine the grant award levels. This has ensured there is proportionality between the level of the award made against the circumstances of the business.
- 4.10 Over the course of the pandemic, as restrictions have been lifted and tightened, the scheme criteria have been periodically reviewed to ensure that it has supported the business sectors which were most affected at the time.
- 4.11 The initial scheme (from Nov 2020) was originally open to all business sectors and assisted businesses within and outside of the business rates system. By April 2021 as businesses in certain sectors were permitted to reopen, the scheme continued under the same policy, but was left open only to those businesses sectors which continued to be affected by restrictions.
- 4.12 With the funds becoming more limited by January and February 2022, and businesses affected by public behaviours rather than closure restrictions, support offered in the final rounds became further targeted by business sector and was also limited to businesses with a business rated account only.
- 4.13 Our external auditors at SWAP have been involved with developing initial

verification processes. Other checks have been built into the process at relevant points to prevent fraud. This includes the use of the ‘Spotlight’ system provided by Government which checks against limited company registrations, National Fraud Initiative (NFI) checks which help identify potential bank fraud, and our own internal checks to pick up any duplication of bank accounts against all applications.

### **Scheme Position at March 2022**

- 4.14 The third top up amount along with any remaining budget funds were disseminated throughout January and February 2022 with all outstanding application administration and payments completed by 10 March 2022.
- 4.15 The scheme has provided financial support totalling £6,066,639 in 4,267 separate grant payments to over 1,560 businesses. These are businesses which either would not have qualified for the Government’s mandatory schemes, or did not qualify at the time that a particular round of the ARG scheme was made available.

### **5 Links to Corporate Strategy**

- 5.1 The effective and quick distribution of grant funding supports the economic and community objectives in our strategy.

### **6 Finance / Resource Implications**

- 6.1 The grant funding is provided by Government and they have also provided new burdens funding to help towards administration costs. The ARG scheme has been designed in such a way as to limit the availability of grants against the funding provided by Government.
- 6.2 The table below provides a summary of the Additional Restrictions Grant funding received and the spend across the two financial years.

	£
ARG Initial Funding (received Nov 20)	3,102,300
ARG First Top Up Funding (received Jan 21)	1,377,895
ARG Second Top Up Funding (received Jun 21)	1,281,419
ARG Third Top Up Funding (received Jan 22)	305,025
<b>Total ARG Funding Budget</b>	<b>6,066,639</b>
Total of Grants paid to businesses in 2020/21 and 2021/22	6,066,639
Balance of funds (at 10 March 2022)	0

## **7 Legal Implications**

- 7.1 The decision-making process for agreeing the allocation of the funding for the stated purpose is in alignment with the Constitution.

## **8 Climate and Sustainability Implications**

- 8.1 There are no specific climate or sustainability implications relating to these decisions.

## **9 Safeguarding and/or Community Safety Implications**

- 9.1 There are no direct safeguarding or community safety implications relating to these decisions, although the scheme could enable us to provide financial support to help maintain businesses or charities which offer medical services or other community support services.

## **10 Equality and Diversity Implications**

- 10.1 There are no specific equality and diversity implications relating to these decisions, but the scheme could enable us to provide financial support to businesses which offer support services.

## **11 Social Value Implications**

- 11.1 There are no specific social value implications relating to these decisions. However, one of the ARG grant schemes principal purposes is to help target funding at small locally based/independent businesses.

## **12 Partnership Implications**

- 12.1 There are no specific partnership implications relating to these decisions. However, we have worked closely with organisations such as the Taunton Chamber of Commerce and Minehead BID Group in order to publicise the availability of grants. We have also worked closely with the Economic Development departments of other Somerset Local Authorities to broadly align schemes where possible.

## **13 Health and Wellbeing Implications**

- 13.1 The grant funding is specifically intended to support businesses and help them to survive through very uncertain times. By providing some stability this has positive well-being benefits for business owners, employees of those businesses and the wider community. Our local qualifying criteria to access the ARG scheme has been defined with this in mind.

## **14 Asset Management Implications**

- 14.1 There are no asset management implications relating to these decisions.

## **15 Data Protection Implications**

15.1 There are no specific data protection implications relating to these decisions.

## **16 Consultation Implications**

16.1 The timescales requested by Government prohibited any significant consultation. However, the top-up was discussed in conjunction with the Portfolio Holder.

## **16 Scrutiny Comments / Recommendation(s)**

16.1 These decisions were taken under the urgency rules within the Constitution and, as such, were not formally considered by Scrutiny. In accordance with the Constitution the Chair of Scrutiny was consulted regarding the requirement for urgent decisions and consented to the decision being made by the Chief Executive.

### **Democratic Path:**

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Executive – No**
- **Full Council – Yes**

**Reporting Frequency:**  **Once only**

### **List of Appendices**

Appendix A	Record of Decision taken by the Chief Executive on 12 <sup>th</sup> January 2022
------------	--

### **Contact Officers**

Name	Gordon Dwyer, Economic Development Specialist
Direct Dial	07881 218 674
Email	<a href="mailto:g.dwyer@somersetwestandtaunton.gov.uk">g.dwyer@somersetwestandtaunton.gov.uk</a>