

URGENT DECISION FORM



TO BE UPLOADED ON TO THE INTERNET BY DEMOCRATIC SERVICES

Date: 23-11-2020	Ref No:
Type of Decision:	
Cabinet Decision <input checked="" type="checkbox"/>	Council Decision <input type="checkbox"/>
Key <input checked="" type="checkbox"/>	Non-Key <input type="checkbox"/>
Subject matter:	
Additional Restrictions Grant (ARG)	
Reason for Urgency:	
<p>The Government announced a series of measures to support those businesses who had been operating under Tier 2 and Tier 3 restrictions and then further packages as the country went into a second national lockdown.</p> <p>This includes a £60m Additional Restrictions Grant (ARG) that was a payment from Government made to Greater Manchester under a national formula. Whilst there is some ongoing debate about the top-slicing of this fund, to provide some programmes at a metropolitan level, we are working on the assumption that the majority of funds will be 'pass-ported' to individual Local Authorities. This will give Bury a share of c£4m to allocate over this financial year and next.</p> <p>Bury's local scheme is currently being designed and a local approach agreed to deliver the support within the funding envelope.</p> <p>The scheme is being designed to comply with national guidance and will support businesses in the borough as they deal with the impact of COVID-19.</p> <p>It is therefore imperative that any additional funding that may be available is agreed and paid out as quickly as possible. The urgency process is needed in order that this can be achieved.</p>	
Freedom of Information Status: Confidential	
Equality Impact Assessment	
<p>[Does this decision change policy, procedure or working practice or negatively impact on a group of people? If yes – complete EIA and summarise issues identified and recommendations – forward EIA to Corporate HR]</p>	
Decision taken:	

Decision taken by:	Signature:	Date:
Chief/Senior Officer/Cabinet Chair		
<i>After consultation with:</i>		
Cabinet Member (if a Key Decision) or Chair or Lead Member (as appropriate)		
If it is a Key Decision, the Chair of Scrutiny Committee to agree that the decision cannot be deferred		
Opposition Leader or nominated spokesperson (Council Decision) or Leader or Majority Group Member on Overview and Scrutiny Committee (if a Key Decision) to agree that the decision cannot be deferred		
Leader of second largest Opposition Group (if a Key/Council Decision) to agree that the decision cannot be deferred		

1. Background

- 1.1 The Government announced a series of measures to support those businesses who had been operating under Tier 2 and Tier 3 restrictions and then further packages as the country went into a second national lockdown.
- 1.2 This includes a £60m Additional Restrictions Grant (ARG) that was a payment from Government made to Greater Manchester under a national formula. Whilst there is some ongoing debate about the top-slicing of this fund, to provide some programmes at a metropolitan level, we are working on the assumption that the majority of funds will be 'pass-ported' to individual Local Authorities. This will give Bury a share of c£4m to allocate over this financial year and next.
- 1.3 This paper details how the Council will progress the deployment of ARG, which is proposed to be controlled locally with a degree of local prioritisation and determination.
- 1.4 There is a separate paper going to EPG which describes how Bury will support the administration of the Local Restrictions Support Grants (LRSg). The level of demand for this grant is unknown and it is possible that this will outstrip the grant allocation. Therefore, it is proposed that a nominated amount of the ARG will be set aside to support the LRSg - on the basis that those applications would come to the ARG.

2 Proposed Approach

- 2.1 It is proposed that the Council should prioritise the ARG to those businesses that have been forced to close and also those businesses that have been impacted by the closure of these businesses.
- 2.2 It is considered that the first tranche of resources should therefore be targeted towards the following businesses:

- Bury and Radcliffe market traders;
- Companies within the events sector;
- Companies in the retail, hospitality and leisure sectors - who are legally required to close, occupy a rateable premise, but do not pay rates;
- Companies whose main service is supplying businesses legally required to close in the retail, hospitality and leisure sector; and
- Childcare organisations within commercial settings.

2.3 Bury Market is seen as being particularly vulnerable to the national lockdown. This is because it is reliant on coach trips that have largely stopped and an older age demographic who have a heightened concern over infection. It is imperative that the market is in a position to survive the lockdown, so that a viable market can be maintained once restrictions are lifted. Market traders that are still trading but are able to demonstrate a drop in income will be eligible to apply for the ARG. The market supports the footfall which has helped to maintain the competitiveness of Bury town centre and we cannot afford to lose it.

2.4 Whilst many businesses have seen negative impacts from the lockdowns, it is the case that those businesses who service and trade primarily with businesses forced to close, such as pubs, bars and restaurants will also face significant challenges. Supporting these businesses during the current restrictions will help them survive until the point they can return to a more normalised trading pattern.

2.5 Bury has a noticeable cluster of companies operating within the hospitality and events sector, employing local people. These sectors have been particularly impacted at a national and local level and cannot envisage a return to pre Covid business activity until this crisis is under control. The Government identifies these sectors should be supported.

2.6 Childcare providers are a vital part of the Borough's economic infrastructure. If our network of providers starts to fall, the ability of large portions of the workforce being able to return to work will be compromised, which in turn, increases the general challenges around economic recovery.

2.7 When applying the previous Discretionary Grant Fund, priority was given to those businesses that occupied rateable premises but were not directly responsible for paying business rates. There are a number of such businesses across the Borough and they would not qualify for LRSF support. As such, it is proposed to support those businesses that are legally required to close, who occupy a rateable premise, or part of a rateable premise but do not pay business rates directly. This does not extend to businesses renting part of a room, for instance, a chair within a salon.

3 Proposed Payment Model

3.1 It is vital that we maintain a payment system which is demonstrably equitable. For this reason we are proposing to 'mirror' the systems of payment that have been made through the national LRSF programme.

This would see the eligible businesses being awarded a payment on a 28-day cycle which is graded on a scale based on the rateable value of the business premises. This would see the payments scaled down if and when Greater Manchester re-enters either a Tier 3 or Tier 2 lockdown.

Rates Payable/equivalent rent paid	ARG Payment	Tier 3 payment
Under £15k pa	£1,334	£677
£15k to £50k	£2,000	£1,000
£51k and above	£3,000	£1,500

- 3.2 For clarity, payments would be backdated to the 5th November (the commencement of the national lockdown).
- 3.3 For daily licence traders on the Markets (who don't have a rateable value) we propose to pay one month's rent with the exception of those traders who have committed to the Market for over 10 years.
- 3.4 It is proposed that we initially operate this support scheme for a period of 84 days (equivalent to 3 payment batches but with a review in the New Year).

4 Financial Implications (estimated)

Sector	RV/annual rent	ARG (84 Days)	LRSB (post Lockdown)
Market Traders with a licence	Annual Rates below 15K	£85,710	£44,005
	Annual Rates Above £15K	£128,000	£8,000
Daily Licence Traders	1-month rent > 15K	£16,000	£8,000
	1-month <15k	£62,698	£31,819
Daily Licence Traders	Annual rent above 15K	£16,000	£8,000
Organisations serving/supply chain the R, H & L sector	Unknown – (estimated at 100 organisations)	200,000	100,000
Organisations in R, H & L sector, closed but, not directly responsible for BR	Unknown - (estimated at 100 organisations)	200,000	100,000
Events Sector	Based on 20 organisations as per application for previous grant	£40,000	20,000
Childcare Settings in commercial premises	Based on 200 organisations as per application for previous grant	£400,000	£200,000
Potential shortfall in LRSB		£800,000	
Estimated Total		£1,948,408	£519,824

- 4.1 The figures presented above are estimations. Some of the figures are based on the volume of previous applications received through the Discretionary Grant.
- 4.2 The number of organisations who may apply under the retail, hospitality and leisure sector cannot be quantified. An estimate of 200 applications is presented here but this will be reviewed as we move through the restriction tiers.

- 4.3 The Council will reserve the right to vary the terms of the scheme, at any time and without notice, should it be necessary to do so.
- 4.4 Explicit guidance will be published which will give further clarity to applicants.
- 4.5 An online form will be available to collate the evidence required and company information. Support will be available for any organisations that cannot navigate or access the online application form.
- 4.6 The risk of not deploying support effectively and at pace can have a negative impact on the local economy, in terms of business closures, redundancies and a reduction in business rates and council tax revenue now and in the future. This support will contribute to safeguarding local jobs and maintain some spend in the local economy.

5. Legal Implications

- 5.1 The proposals are in line with the Council's ongoing response to the current Covid situation. They do not give rise to any legal implications, but clarity around the eligibility criteria for certain elements will be required. The potential for a funding gap will need to be monitored.

6. Financial Implications:

- 6.1 The proposals outlined in the report will maximise the use of the grant funding available. There is the potential that demand for support will exceed the level of funding available and the situation will need to be carefully monitored as the impact of the pandemic continues.

7. Recommendations

- 7.1 Members of the EPG agree that a decision to approve the above measures should not be deferred until the next Cabinet meeting given the urgency of distributing financial aid to businesses which have been impacted by Covid.

Paul Lakin
Director of Regeneration