

Classification	Item No.
Open	

Meeting:	OVERVIEW AND SCRUTINTY
Meeting date:	25 March 2021
Title of report:	Grant Support in Response to Covid
Report by:	Leader of the Council and Cabinet Member for Finance and Growth
Decision Type:	Non- Key Decision
Ward(s) to which report relates	All

Executive Summary

1 INTRODUCTION

- 1.1 In response to the Covid pandemic, the government has made available grants to local authorities both to support them with managing the costs and loss of income resulting from the pandemic and also to support businesses and other key sectors affected by the pandemic as well as individuals suffering from hardship.
- 1.2 This report sets out the position in relation to grants received and how they have been utilised. It should be note that the position on grants is fast changing with new announcements being made in response to different stages of the pandemic.

Recommendations

The Overview and Scrutiny Committee is asked to:

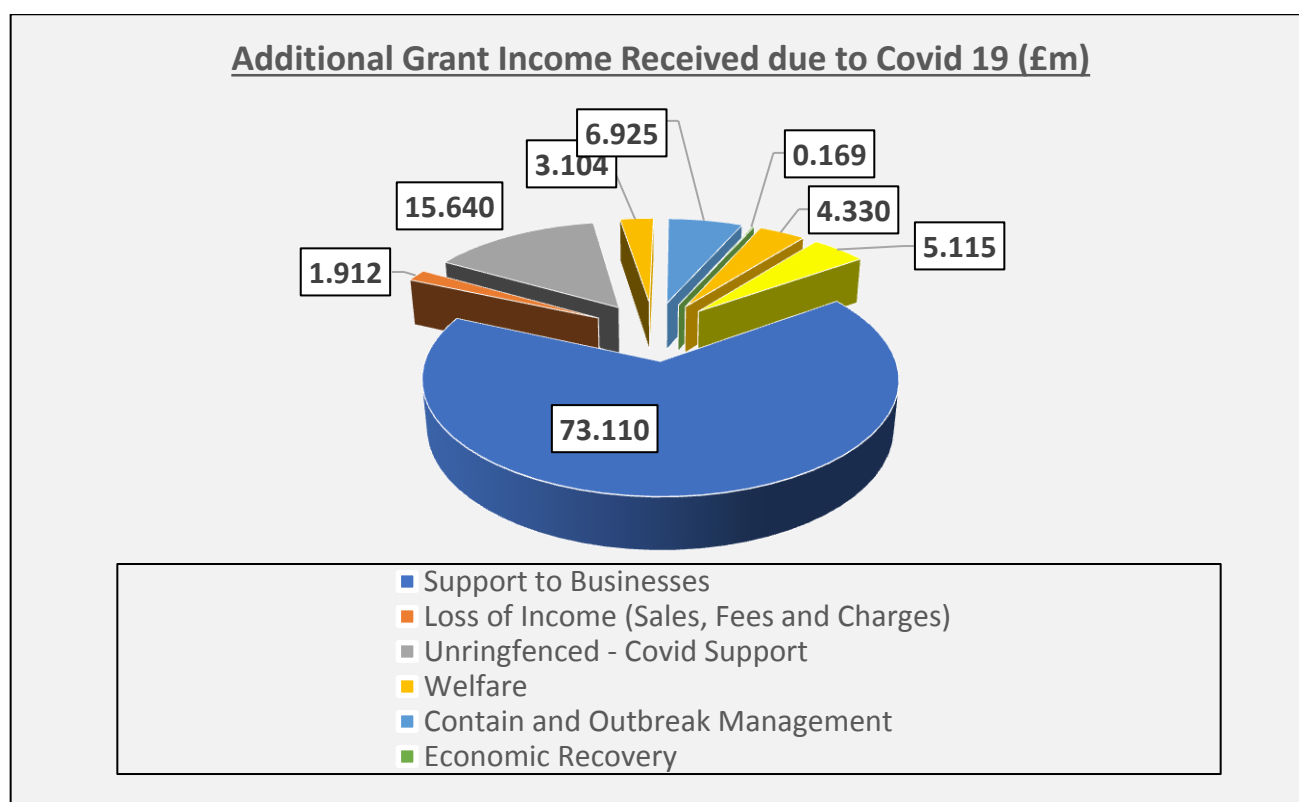
- **Note the totality of the grants received from the government in response to the Covid-19 pandemic;**
- **Note the progress to date in allocating these grants.**

Background

- 2.1 Bury Council has received a number of grants since the pandemic and a full breakdown is attached at Appendix 1. As the pandemic has continued the government has announced new grant funding streams in recognition of the ongoing pressures on councils and to also fund new requirements. This means that the position on grants continues to change and is

likely to for the remainder of the current financial year. As of 18 March 2021, the Council has received grants for 2021/22 totalling £105.190m and a further £5.115m has been received for schools in Bury giving an overall total of £110.305m. A summary position is set out in the diagram below.

Table 1



- 2.2 Of the £110.305m received, a total of £98.947m has been spent or committed leaving an uncommitted grant of £11.358m. It should be noted that some of the funding has only been received in the last few days as the government continues to make more announcements on funding.
- 2.3 A summary on the financial position on the grant streams, by theme, is set out in Table 2 below. It should be noted that where additional spend is to be incurred, as set out by the government, it has been assumed that this will be spent by the end of the financial year or, where appropriate, will be carried forward into 2021/22 in line with the grant conditions.

Table 2

Financial Position on all Grants Received – As At 22 March 2021			
	Amount Received	Amount Paid/Committed	Uncommitted
	£m	£m	£m
Support to Businesses	73.110	61.752	11.358
Loss of Income (Sales, Fees and Charges)	1.912	1.912	0.000
Un-ringfenced Covid support	15.640	15.640	0.000
Welfare	3.104	3.104	0.000
Economic Recovery	0.169	0.169	0.000
Infection Control to providers	4.330	4.330	0.000
Contain and Outbreak Management	6.925	6.925	0.000
Schools and Education	5.115	5.115	0.000
TOTAL	110.305	98.947	11.358

Support to Businesses

- 2.4 In total £73.110m has been received to support businesses. These have been allocated in phases in response to lockdown and subsequent Tier restrictions. New grants have been announced for 2021/22 but the details of the allocations are not yet known. This includes further monies for the Additional Restrictions Grant.
- 2.5 In response to Wave 1, Bury received £42.920m to allocate grants of £10,000 and £25,000 to businesses in the retail, hospitality and leisure sectors. Government criteria determined eligibility for the grants. Included in the allocation was the provision for 5% of the grants paid out for a discretionary scheme.
- 2.6 The council was responsible for administering the scheme until it closed at the end of September. In total, £41.769m was paid out to 3,727 business across the borough leaving a small surplus of £1.151m which, based on current guidance, will be recovered by central government. It should be noted that the Council is only able to pay to those businesses that met the government's grant criteria and therefore there is no other alternative way of utilising this funding. The government's initial allocation to Bury was greater than anticipated and initially it was envisaged that c£3m would be repaid. The Council however worked to ensure that the grant was maximised as much as possible. Representations were made as part of Greater Manchester for surplus funds to be retained however this was not accepted. A summary of the grants paid are set out in the table below.

Table 3

Analysis of Covid Business Grants Scheme				
	£10k Grants	£25k Grants	Discretionary Grants	TOTAL
Number Paid	3,056	366	305	3,727
Value Paid (£m)	30.560	9.150	2.059	41.769
Total Paid	39.710		2.059	41.769
Grant Available	(40.865)		(2.055)	(42.920)
Surplus (To be repaid)	(1.155)		0.004	(1.151)

- 2.7 More recently announced grants are the Locals Restrictions Grants (LRSG) and the Additional Restrictions Grant (ARG). The LRSG is made up of multiple grants and eligibility is subject to government criteria. The ARG is available for discretionary payments to business including those not eligible for the LRSG. A summary of these grants is set out in the Table below and a diagram showing the grants and eligibility over time is set out at **Appendix 2**.

Table 4

Grant	Details	Calculation per business	Bury Allocation (£m)
Local Restrictions Support Grant Closed (Addendum)	Businesses legally required to close during a national lockdown restrictions (6 Nov to 1 Dec).	Payments cover 14 day periods Based on Rateable Value (RV): <ul style="list-style-type: none"> RV of £15,000 or under: £667 RV of £15,000-£51,000: £1,000 RV of £51,000+: £1,500 	3.013
Local Restrictions Support Grant (Sector)	Businesses legally closed since March (e.g. nightclubs).		
Local Restrictions Support Grant (Closed)	Businesses in Tier 3 and 4 areas legally required to close.		1.202
Grant	Details	Calculation per business	Bury Allocation

			(£m)
Local Restrictions Support Grant Closed (Addendum)	Businesses legally required to close during a national lockdown restrictions. (5 Jan to 15 Feb)	Payments cover 28 day periods. Based on RV: <ul style="list-style-type: none"> RV of £15,000 or under: up to £2,001 RV of £15,000-£51,000: up to £3,000 RV of £51,000+: up to £4,500 	4.519
Local Restrictions Support Grant Closed (Addendum)	Businesses legally required to close during a national lockdown restrictions.(16 Feb to 31 Mar)	Payments cover 28 day periods. Based on RV: <ul style="list-style-type: none"> RV of £15,000 or under: up to £2,096 RV of £15,000-£51,000: up to £3,143 RV of £51,000+: up to £4,714 	4.735
Local Restrictions Support Grant (Open)	Businesses that remain open but who are severely impacted by the restrictions.	Payments cover 28 day periods. Based on RV: <ul style="list-style-type: none"> RV of £15,000 or under: up to £934 RV of £15,000-£51,000: up to £1,400 RV of £51,000+: up to £2,100 	1.618
Christmas Support Package (Wet Pubs)	For wet-led pubs closed during December 2020.	One-off payment of £1000 per pub. Application deadline 31/1/21 Payments are being made in advance of 31 January as applications are received. Outstanding applications are currently being	0.083
Closed Business Lockdown Payment Jan-Feb 2021	One-off top-up grant for retail, hospitality and leisure businesses closed in national lockdown Jan-Feb 2021.	Additional to other grants. Based on RV, 6 week payment: <ul style="list-style-type: none"> RV of £15,000 or under: £4000 RV of £15,000-£51,000: £6,000 RV of £51,000+: £9,000 	9.036
Additional Restrictions Grant	Fund for local authorities for discretionary business grants and wider business support measures.	Allocations made on a population basis in November 2020 and January 2021. GM agreed 2 overarching principles for ARG: <ol style="list-style-type: none"> Businesses badly affected by restrictions, but not receiving other grant support. Businesses important for the economy, e.g. because they drive footfall, are a major employer, or part of supply chains. 	5.738
New Burdens	Funds for Local Authorities to administer grants.	Formulaic allocation to all Local Authorities with billing responsibilities.	0.246
Rolling total grant allocations so far			30.190

2.8 A summary of the payments made to date is set out in the table below. The table excludes the new burdens grant of £0.246k which is to support local authorities with the administration of the grants.

Table 5

Grant	Amount Received £m	Amount Paid Out £m	Number of Payments Made
Local Restrictions Support Grant Closed (Addendum & Sector)	3.013	2.108	1348
Local Restrictions Support Grant (Closed)	1.202	1.180	1744
Local Restrictions Support Grant (Open)	1.618	1.842	461
Christmas Support Package (Wet Pubs)	0.083	0.087	87
Local Restrictions Support Grant Closed (Addendum 5 Jan to 15 Feb)	4.519	3.165	1344
Local Restrictions Support Grant Closed (Addendum 16 Feb to 31 Mar)	4.735	3.276	1329
Closed Business Lockdown Payment Jan-Feb 2021	9.036	6.345	1351
Additional Restrictions Grant	5.738	1.980	912
Total	29.944	19.983	8576

2.9 Progress on paying the Local Restrictions Support Grants has been good with £18.003m paid out of the available £24.206m, representing 74% of all funding available. Good

progress has also been made contacting businesses that have not claimed for the LRSG Closed (Addendum and Sector) with the unclaimed grants reduced from the last reported figure of £3.4m to £0.9m

- 2.10 Officers in Bury are continuing with the practice of contacting those businesses that are considered to be eligible to encourage take-up.
- 2.11 Cabinet received a report on 24 March 2021 setting out new phases and eligibility for the Additional Restrictions Grant to speed up the allocation of the grant. The government has recently announced that further Additional Restrictions Grant funding is to be made available to local authorities. Some high level guidance has been received w/c 22 March 2021, however allocations have not yet been announced.

Other Grants

- 2.12 All other grants received are either un-ringfenced to support councils in meeting the additional costs of Covid and also loss of income or have specific criteria on how they are to be utilised and spent and are therefore fully committed.

3 2021/22

- 3.1 In recognition of the fact that the impact of Covid is not limited to the current financial year, the government has made some recent announcement for funding that will be received in 2021/22. The extent to which the funding is sufficient to cover demand is not yet known and will require detailed monitoring throughout the year. Key trigger points are likely to be ending of furlough and the ending of support to businesses. Both of these events are likely to create an increase in demand for welfare support and we are anticipating an impact on collection rates for council tax and business rates. All of this will need to be carefully managed in the context of the Council's financial strategy and will feature in monitoring reports to Cabinet throughout the year.

Community impact / Contribution to the Bury 2030 Strategy

Delivery of the Bury 2030 strategy is dependent on resources being available. The delivery of the strategy may be impacted by changes in funding and spending.

Equality Impact and considerations:

- 24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

- 25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are*

paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Assessment of Risk:

The following risks apply to the decision:

Risk / opportunity	Mitigation
The information set out in the report forms part of the Council's financial monitoring process. Covid has had a significant impact on the council's financial position and of residents and businesses across the Borough.	The speed at which the grants are paid is supporting local businesses and individuals who are severely impacted by the Covid pandemic. Monitoring of the grants ensures that the Council's financial position is fully understood and can be reported to cabinet on a regular basis.

Consultation:

There are no consultation requirements arising from this report.

Legal Implications:

There are no legal implications arising from the report

Financial Implications:

The financial implications are set out in the report.

Report Author and Contact Details:

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Background papers:

The Council's Financial Position as at the end of September 2020

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning

Appendix 1

Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	
Business Rates Grants	42.920	Grant payments of £10k and £25k to eligible business and funding for a discretionary scheme.	The scheme is now closed.
Local Restrictions Support Grant Closed (Addendum & Sector)	8.358	Funding to support businesses legally required to close during a national lockdown and those legally closed since March (e.g. nightclubs).	New Allocation received January 2021
Local Restrictions Support Grant (Closed)	0.376	Funding to support businesses in Tier 3 and 4 areas legally required to close.	
Local Restrictions Support Grant (Open)	1.618	Funding to support businesses that remain open but who are severely impacted by the restrictions.	
Christmas Support Payment – Wet-pubs	0.083	Funding to support wet-led pubs where tier 3 restrictions imposed	
National Lockdown Top-Up Grant Jan-Feb 2021	9.036	One-off top-up grant for retail, hospitality and leisure businesses closed in national lockdown Jan-Feb 2021	
Additional Restrictions Grant (ARG)	5.738	One-off funding of approx. £20/head of population for business support activities, primarily in the form of discretionary grants during restrictions in November and January.	Top Up received January 2021.
New Burdens (Revenues and benefits) for the administration of the business rates grants.	0.170	New costs to support the administration of grants to businesses and increase in welfare and benefit claimants.	Decision made and funding used to increase capacity in the revenues and benefits team.
New Burdens – Administration of Retail, Leisure and Hospitality Grants	0.076	New costs to support the administration of grants to businesses and increase in welfare and benefit claimants.	Top Up Received January 2021
LRSG allocation 16 February – 31 March	4.735		
Sub Total	73.110		

Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	
Sales Fees & Charges compensation scheme 1 st round	1.912	No additional costs. This grant is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	
Sub Total	1.912		
COVID-19 Tranche 2	5.253	No additional costs. This grant is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	
COVID-19 Tranche 1	5.364	No additional costs. This grant was received in 2019/20 and is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	
COVID-19 Tranche 3	1.699	No additional costs. This grant is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	
COVID-19 Tranche 4	3.324	No additional costs. This grant is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	
Sub Total	15.640		
Hardship Relief Fund	1.880	Criteria on how this should be allocated was provided by government. Majority to be used to fund £150 credit on council tax bills to working age residents eligible for local council tax support scheme. Remainder allocated to hardship and welfare schemes.	Currently held within the Collection Fund as most of the costs will be incurred within the fund.
DEFRA Food and Essentials Hardship Grant	0.229	Allocated to wider food offer to support vulnerable people and FSM provision at October half term, and to support those suffering from hardship as a result of self-isolation. Working with Bury Community Support Network to identify vulnerable group and to target support.	

Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	Detail
Self-Isolation Grant	0.171	Grant payments to eligible claimants who are self-isolating	Government Criteria
Self Isolation Grant Top Up	0.124	To Up Grant	Received January 2021
Next Steps Accommodation Programme	0.081		
COVID Winter Grant scheme	0.619	To support families/vulnerable households particularly with food, energy and water bills to the end of March. Is being utilised to fund free school meals since Christmas holidays and for the remainder of the financial year.	
Sub Total	3.104		
Re-Opening High Streets	0.169	New costs will be incurred. Monitoring assumes that the grant will be offset fully by new additional costs.	This grant will be paid in arrears on qualifying expenditure.
Sub Total	0.169		
Infection Control Tranche 1	2.396	New Costs will be incurred. Monitoring assumes that the grant will be offset fully by new additional costs.	All of the grant received has been allocated to care home and other organisations as specified in the grant criteria.
Infection Control Tranche 2	1.934	New Costs will be incurred. Monitoring assumes that the grant will be offset fully by new additional costs.	All of the grant received has been allocated to care home and other organisations as specified in the grant criteria.
Sub Total	4.330		

Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	Detail
Test and Trace	1.080	New Costs. Monitoring assumes that the grant will be offset fully by new additional costs.	Additional costs will be reflected within the OCO department
Test and Trace Enhanced Support	0.150	Monitoring assumes that new costs will be incurred. Focus on communications and approval for additional support obtained.	Report approved.
COVID Marshall Funding	0.104	Monitoring assumes that new costs will be incurred.	Report approved via Emergency Powers Group.
Test, Track & Contain grant	1.528	Allocation of resource has been submitted to MHCLG.	Additional costs will be reflected within the OCO department.
Clinically Extremely Vulnerable (CEV) funding	0.142	Monitoring assumes that the grant will be offset fully by new additional costs.	Additional costs will be reflected within the OCO department
Contain Outbreak Management Fund	0.764	Monitoring assumes that the grant will be offset fully by new additional costs.	Funding received for December 2020
Contain Outbreak Management Fund	0.764	Monitoring assumes that the grant will be offset fully by new additional costs.	Funding received for January 2021
Contain and Outbreak Management	0.764	Monitoring assumes that the grant will be offset fully by new additional costs	Funding received for February 2021
Workforce Capacity Fund	0.408	Yes. 80% allocated to care homes. 20% discretionary.	EPG decision February 2021
Adult Social Care Rapid Testing Fund	0.592	Yes. 80% allocated to care homes. 20% discretionary.	EPG decision February 2021
Community Champions Fund	0.467		EPG decision February 2021
Clinically Extremely Vulnerable	0.162	Monitoring assumes that the grant will be offset fully by new additional costs	
Sub Total	6.925		

Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	Detail
Wellbeing for Education Grant	0.030	Allocated to Schools	Non-ringfenced grant to better equip education settings to support wellbeing and psychological recovery as they return to full time education.
Covid catch-Up Premium	2.367	Allocated to Schools	Additional funding to help children catch up on lost learning and reach expected curriculum levels during the 2020/21 academic year. It should be noted that £0.875m of the funding was received by the council to be passported to academies. Funding will be received in 3 tranches (Autumn, Spring and Summer terms).
Covid Exceptional Cost Re-Imbursement Scheme	2.645	Allocated to Schools	Reimbursement scheme to allow schools to reclaim any exceptional costs incurred during lockdown from March – July 2020 in relation to premises, cleaning and free school meals plus other costs that are subject to DfE scrutiny and validation. Of the funding allocated £0.660m is for academies.
Holiday Activities and Food Programme 2020/21	0.073	Allocated to Schools	To be used for FSM and activity over Easter
Sub Total	5.115		
TOTAL	110.305		
The Council is also assuming £5.5m grant funding made available to CCGs to cover health related costs. Further grant to offset the loss on sales, fees and charges income is anticipated although the value of the grant is not known.			