

Delegated Decision Report



23 March 2021

ADDITIONAL RESTRICTIONS GRANT SCHEME

Name of Cabinet Member	Councillor Rob Middleton (Cabinet member for Resources)
Report sponsor	Steve Richardson Director - Finance and Resources
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Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All wards

Executive Summary

Through this decision, Milton Keynes Council plans to put in place a discretionary business support scheme from 1 April 2021 that will continue to help meet the immediate financial needs of local MK businesses who have been so hard-hit over this last year. This revised scheme will help local MK businesses to get back on their feet as the UK economy begins its recovery from the effects of the pandemic.

The Council has already delivered business support grants of £17.733m during the periods of restrictions that started in November 2020 of which £3.174m has been delivered through the existing MK Discretionary Business Support Scheme.

As set out in detail later (paragraph 2.7) this new funding is directed at:

- (a) businesses who haven't been able to access funding to date as they are not business rates payers;
- (b) local high street shops on our cherished high streets;

- (c) local business such as post offices, which although have been open during the lockdown, have suffered a steep drop in footfall;
- (d) local independent pubs and shops in our rural communities;
- (e) and local businesses which have slipped through the cracks of national and local business support schemes established to date.

Timeline of Business Support to Date

On 2 November 2020 the Government issued guidance to Local Authorities on the operation of the Additional Restrictions Grant (ARG) Scheme. It provided local authorities with a one-off payment to be used during 2020/21 and 2021/22 to provide support to businesses affected by the COVID19 pandemic. Local authorities have been encouraged to provide support to businesses through wider support initiatives, although primarily the support is envisaged to take place in the form of discretionary grant payments.

Milton Keynes Council has received a total allocation of £7.783m to date and has put in place (based on decisions on 24 November 2020, 22 December 2020 and 26 January 2021) the Milton Keynes Discretionary Business Support Schemes to provide support for businesses who have either been required to close their business during national and local restriction or have been severely impacted financially whilst under the restrictions.

Given the ongoing changes to restrictions and their impact on businesses the scheme provided for grants to be made for the period up to 31 March 2021 and for a full review to be undertaken to ensure that support for 2021/22 is targeted and meaningful providing financial support to those businesses when it is needed most.

In the Budget on 3 March 2021 the Chancellor announced that, in addition to Restart grants of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses, it would also be providing additional ARG funding to local authorities for discretionary business grants. A briefing by Department for Business, Energy and Industrial Strategy on 9 March 2021 indicated that local authorities will only be able to access this additional funding once they have spent their initial ARG allocation.

Milton Keynes Council must now put in place a discretionary business support scheme from 1 April 2021 that will ensure that the immediate needs of local businesses are met as the economy begins to recovery from the effects of the pandemic and that all available funding is accessed in order to continue to provide further support in 2021/22.

1. Decisions to be Made

- 1.1 That, due to the urgency of the decision, in accordance with Overview and Scrutiny Procedure Rule 16(j), the call-in procedure shall not apply.
- 1.2 That the updated Milton Keynes Discretionary Business Support Grant Schemes document, attached at **Annex A** to the report, be approved.

1.3 That the Director - Finance and Resources, in consultation with the Leader of the Council, retain the delegated authority to make minor amendments to the schemes to maintain alignment with possible future changes in tier restrictions and associated changes in government guidance and funding.

2. Why is the Decision Needed?

2.1 Milton Keynes Council has been allocated £7.783m by the Government to be used during 2020/21 and 2021/22 to provide support to businesses affected by the COVID19 pandemic.

2.2 The Milton Keynes Discretionary Business Support Scheme had been agreed to provide immediate financial assistance to those businesses who are not eligible for a grant under other mandatory grant schemes during the periods of national and local restrictions that have been in place from November 2020 to 31 March 2021. As of 7 March 2021, grants totalling £3.174m had been paid under this scheme and a further £0.928m set aside for applications up to be made up to 31 March 2021. This scheme will close on 31 March 2021 in line with the closure of the Government's Local Restrictions Support Grant schemes.

2.3 Remaining funding, currently £4.102m, is to be carried forward to the 2021/22 scheme and the new discretionary scheme from 1 April 2021 will provide support to businesses that are affected by the Government's Roadmap out of Lockdown announced on 22 February 2021.

2.4 In the Budget on 3 March 2021 the Chancellor announced that additional funding for ARG schemes would be made available but the indication is that this funding will only be accessed once the initial ARG funding has been allocated by local authorities . The amount of additional funding is not yet known nor is the date by which ARG must be allocated by to access this additional funding. The proposed MK Discretionary Business Support Scheme addresses this by providing scope to extend support wider in late Spring/early summer should funding is available.

2.5 The Government also announced in the Budget that it is providing Restart grants to businesses from 1 April 2021 of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses. Given that the Restart grants will only be available to business ratepayers in the above sectors the MK Discretionary Business Support scheme will continue to provide grants to those businesses that fall outside of national Restart grant criteria but are nevertheless still impacted by gradual re-opening of businesses.

2.6 The Council has already delivered business support grants of £17.733m during the periods of restrictions that started in November 2020 of which £3.174m has been delivered through the existing MK Discretionary Business Support Scheme. A review of support that has already been provided through the various grant schemes by business sector has been undertaken and can be found in **Annex B** to the report. From this review and in discussion with local business groups the Council has identified the following businesses and business types that it wishes to support through its discretionary scheme as the restrictions are eased:

- (a) Businesses which have been closed since 5 January 2021 but do not qualify for Restart grants as they are not liable for business rates.
- (b) Businesses which have been able to remain open during national restrictions, but the nature of their business is such that it has been severely impacted during restrictions and there will be a period of recovery as restrictions ease.
- (c) Additional support to specified local and independently run business types which are providing a service important to its local community. The Council has identified the following business types that it will provide an Additional Support grant to in addition to other grant support available under other schemes:
 - a shop in a rural community as defined within The Local Government Finance Act 1988 (attached at **Annex C** to the report) where the person liable for business rates is a sole trader or locally based company with no more than three retail outlets;
 - a Public House where the person liable for business rates is a sole trader or a locally based company which operates no other public houses;
 - Post Office (or shop with Post Office counter) where the person liable for business rates is a sole trader or locally based company with no more than three retail outlets; and
 - independent non-essential retail where the ratepayer is a sole trader or locally based company with no more than 3 retail outlets.

This list of businesses will be kept under review and may be extended by the Director - Finance and Resources, in consultation with the Leader of the Council, if other specific business types are recognised as needing additional financial support, subject to funding remaining available.

- (d) The Council recognises that there are certain businesses which when open encourage economic activity in the surrounding area. A discretionary award outside of the specified criteria and grant awards may be made to organisations who are considered a strategic partner to the council and who can demonstrate that an award would positively affect the continued sustainability of the organisation and would provide a significant positive economic impact to the area in which it is located. The Director for Finance & Resources, in consultation with the Leader of the Council, will have delegated authority to determine the eligibility and level of award based on the individual circumstances of the organisation and subject to the availability of unallocated ARG funding.
 - (e) The Council recognises that there are certain businesses which have been excluded from all other sources of government support and grants. A discretionary award of up to £5,000 may be made to an individual who is operating a business but has been excluded from all other business support and grants and the award would have a positive impact on the sustainability of the business. The Director - Finance and Resources will have delegated authority to determine the eligibility and level of the award based on the individual circumstances of the individual and subject to the availability of unallocated ARG funding.
 - (f) Certain businesses, such as nightclubs, have been required to be closed since 23 March 2020 and are not due to re-open until 21 June 2021, at the earliest. An exceptional grant payment of £6,000, in addition to the Restart grant, will be made to these businesses to reflect the extended period of closure.
- 2.7 The previously agreed application and decision process remain unchanged.
- 2.8 It is expected that the adopted scheme will deliver support of up to £4m to businesses in Milton Keynes in the first three months of this financial year as lockdown eases and the local economy begins to recover. The schemes and funding allocation will be kept under continuous review and consultation with local business groups will continue to identify any new groups of businesses that would benefit from additional financial support. If the funding is not allocated in full or if additional funding should become available, then further grant payments may be made to eligible businesses under these schemes. If significant changes to the proposed scheme are required or any new initiatives identified in the future further decisions will be sought.
- 2.9 Given the urgency in needing to provide support to business impacted by the current national restrictions and the consistency with the previously agreed scheme the Chair of Scrutiny Management Committee has agreed to waive call- in.

3. Implications of the Decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	N
Communication	Y	Procurement	N
Energy Efficiency	N	Workforce	N

(a) Financial Implications

The scheme is fully funded by the Government. ARG is a one-off payment to provide support to businesses in 2020/21 and 2021/22. All grant awards will be kept under constant review to ensure that funding is not exceeded, and the scheme will close if funding is exhausted. A full review will be undertaken every 3 months whilst funding remains unallocated.

(b) Legal Implications

Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments. The Council must have regard to any relevant guidance issued by the Secretary of State. The Secretary of State has provided guidance to local authorities on 4 November 2020, 10 December 2020 and 13 January 2021 on delivering the grant funding.

(c) Communications

Feedback has been sought from business groups on the delivery of these schemes and discussions will be held with local business networks before wider support initiatives are considered that may support and promote local economic recovery in Milton Keynes.

4. Alternatives

4.1 The following options appraisal has been conducted:

- (a) Agree and approve the scheme and to agree that the delegated authority remains in place for the Director - Finance and Resources, in consultation with the Leader of the Council, to make minor variations if needed to reflect changes in tier restrictions and government guidance (**recommended**).

The proposed content is considered to be in keeping with the ethos and finances of the Council. It allows the Council to deliver funding to those businesses that were required to close, or significantly impacted, by the national and local restrictions and provides support as restrictions are eased. By agreeing to continue to delegate authority for minor changes it will enable the council to deliver an immediate financial response should further national restrictions or local restrictions be imposed.

(b) Propose Amendments to the Proposed Scheme

Amendments can be proposed but must have due regard to the level of available funding and their administrative viability.

(c) Not to Adopt the Scheme

Without a local scheme the Council will be unable to provide financial support to businesses that have been adversely affected by Covid-19.

List of Annexes

- Annex A Milton Keynes Discretionary Business Support scheme
- Annex B Review of grants by type and sector from November 2020 to March 2021
- Annex C List of Rural Settlements as designated by LGFA 1988

List of Background Papers

With reference to legislation and guidance from BEIS, including:

[Section 1 of The Localism Act 2011](#).

Government guidance on LRSG & ARG

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

Government's Roadmap out of Lockdown

<https://www.gov.uk/government/publications/covid-19-response-spring-2021/covid-19-response-spring-2021-summary>