

Delegated Decision Report



8 June 2021

ADDITIONAL RESTRICTIONS GRANT SCHEME

Name of Cabinet Member	Councillor Robert Middleton Cabinet member for Resources
Report sponsor	Steve Richardson Director for Finance & Resources
Report author	Debra Collins Service Delivery Manager Revenues & Benefits 07881 035408 Debra.Collins@milton-keynes.gov.uk

Exempt / confidential / not for publication	No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 continue & expand its financial support scheme for small businesses across MK which was put in place on 1 April 2021. This expansion will mean the Council will continue to support MK's business community as we move out of restrictions and look to move to a post-pandemic world. This expansion will look to provide an additional circa £2million in support to safeguard businesses up and down MK.

To date, the Council has already provided business support grants totalling £30.935m during the periods of restrictions that started in November 2020. Of this circa £31million, circa £5.8m has been provided through this financial Support Scheme.

As set out in detail later (paragraph 2.4) this financial support scheme is targetting additional funding at hard-hit businesses in the leisure & hospitality sector which are central to the economic recovery of MK in the coming months. As an example:

- (i) local independent restaurants and cafes in a similar manner to the additional support already provided to local independent pubs and shops;

- (ii) businesses who were required to close during restrictions but are not ratepayers in order that the funding available to them is similar to that available to business ratepayers in similar circumstances;
- (iii) businesses who were able to remain open but have been severely impacted as they provide goods and services to the hospitality and leisure sectors which were forced to close during restrictions;
- (iv) local venues that promote arts and culture or tourism and offer a unique experience that draws in regional visitors to Milton Keynes; and
- (v) the charitable trusts that provide our local community leisure facilities.

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 received a total allocation of £7.783m and put in place (based on decisions on 24 November 2020, 22 December 2020, 26 January 2021 and 23 March 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 has been kept under continuous review to ensure that it continues to meet the needs of local businesses by providing targeted and meaningful 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.

The decision taken on 23 March 2021 put in place a discretionary business support scheme from 1 April 2021 to ensure that immediate needs of local businesses were met as the economy begins to recovery from the effects of the pandemic whilst ensuring that funding remained available to support businesses for the remainder of this financial year. The Department for Business, Energy & Industrial Strategy announced on 15 April 2021 that local authorities would only be able to access the additional funding if the full initial ARG allocation has been spent by 30 June 2021.

Milton Keynes Council is extending the existing scheme to ensure that all available funding can be accessed in order to continue to provide further support in 2021/22.

1. Decision/s to be made

- 1.1 That the updated Milton Keynes Discretionary Business Support Grant Schemes document (Annex A) be agreed and approved.
- 1.2 That the Director for Finance & 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.
- 1.3 That given the short period of time in which to deliver these changes in order to be able to access the additional funding that call in of the decision be waived.

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 since November 2020. As of 24 May 2021, grants totalling £5.801m had been paid under this scheme.
- 2.3 In the Budget on 3 March 2021 the Chancellor announced that additional funding for ARG schemes would be made available and Milton Keynes has been advised of an indicative top up allocation of £2.335m. However the Government has also advised that access to this top up is only available if the existing ARG allocation of £ 7.783m is fully allocated by 30 June 2021.
- 2.4 The Milton Keynes Discretionary Support Scheme introduced in April 2021 has already delivered business support grants of £0.825m but as at 24 May 2021 a further £1.982m will need to be allocated in order to access the additional funding. Whilst take up of the current scheme is being promoted it is unlikely to meet that target by 30 June 2021 deadline.
- 2.5 A review of support that has already been provided through the various grant schemes by business sector has been undertaken and the Council has identified the following businesses and business types that it wishes to extend support to through its discretionary scheme as the restrictions are eased:
 - i) Local Restart Plus - to provide additional support to businesses who have already received a Restart grant. Currently rural shops, independently run pubs, post offices and non-essential local shops receive a top up to their Restart Grant of between £2,500 and £7,500. This top up scheme is to be

extended to include additional grants for local independently run cafes and restaurants who were eligible for a Restart grant.

- (ii) Closed business that are not liable to Business Rates – To provide a top up to existing April ARG awards for businesses who were required to close during restrictions but are not ratepayers to match the grants given to under the Restart scheme. Throughout restrictions awards to non-ratepayers have been at a lower amount than those to ratepayers and this would address this imbalance.
- (iii) Open businesses who support the hospitality and leisure sector – to provide a top up to existing ARG awards for businesses who were able to remain open during restrictions but were severely impacted as they provide goods and services to the hospitality and leisure sectors which were required to close.
- (iv) Arts, Culture and Tourism Summer Restart Support Scheme - to provide additional funding for local venues that promote arts and culture or tourism by offering unique experiences that bring regional visitors to Milton Keynes.
- (v) Community Leisure Centres Summer Top Up - to provide additional funding to the charitable trusts that provide local community leisure facilities.

2.6 The previously agreed application and decision process remain unchanged.

2.7 Given the urgency in needing to provide support to business impacted by the current national restrictions as well as meet the 30 June deadline in order to secure the additional funding the Chair of Executive Scrutiny 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, 13 January 2021 and A5 April 2020 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

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 for 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 and will not be able to access the additional funding.

List of Annexes

Annex A – Milton Keynes Discretionary Business Support scheme

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>