



# HARTLEPOOL BOROUGH COUNCIL

## MANAGING DIRECTOR'S DECISION RECORD

Date of Decision:

Officer Making  
Decision:

Managing Director, in consultation with the Leader (or in his absence the Deputy Leader), Chair of the relevant Committee (or in his absence Vice Chair) and Monitoring Officer.

Subject / Description  
& Reason for  
Decision:

Scheme for allocation of Local Restrictions Support Grants which is consistent with approach adopted to ensure businesses in different council areas receive the same financial support.

The Government is providing grant funding to support businesses with a Rateable Value (RV) operating in the hospitality, accommodation and leisure sectors. This grant covers the period Hartlepool was in Tier 2 (i.e. from 03.10.20 to the commencement of national lock down when other mandatory grants are available).

Funding is cash limited and based on the Government assessment of eligible businesses, with a 5% top-up to recognise local changes in eligible businesses/outdated VOA data. The estimated allocation is £226,372 per 28 day period, including 5% top-up.

Whilst, councils potentially have discretion regarding businesses supported and the grant levels, it is recommended that the council follows intentions of the Government scheme as these are the sectors most affected by the Tier 2 restrictions. In addition, local flexibility is best addressed through the Additional Restrictions Grant.

On this basis businesses in the hospitality, accommodation and leisure sectors will be eligible for the following grants:

- RV £15,000 and under, £934 per 28 day period.
- RV over £15,000 and less than £51,000, £1,400 per 28 day period.
- RV £51,000 and over, £2,100 per 28 day period.

There is a small financial risk that the cost of supporting eligible businesses may be higher than the funding allocated by Government. This risk will in the first instance be managed from the 5% top-up, with any additional cost being funded from the Additional Restrictions Grant up to the value of £25,000.

### **Additional Restrictions Grant**

The Government have also allocated councils an un-ringfenced grant of £20 per head, which can be used to support business activities wider than simply providing grant support. This is a one off payment and can be used in 2020/21 and 2021/22.

As this is one off funding and the ongoing financial support needs of business arising from the continuing impact of Covid remain uncertain and will depend on the measures implemented after the current national lock down it is recommended that a phased approach is adopted for using this funding.

**Phase 1** - will involve three strands:

#### **1. Support for business without a Rateable Value**

A number of businesses without separate RV have been forced to close under the national lockdown and this may continue under tier 3 restrictions if applied after the national lockdown.

During the first national lockdown period, the Councils discretionary scheme paid grants to in person businesses that did not pay rates on a property or occupants of shared premises. This included for example, occupants of HEC, market traders and hairdressers who rent a space in a premise.

It is therefore proposed to pay a grant of £934 per 28 day period to these businesses, which is the same level as small business with a RV under £15,000.

Based on an estimate of 100 eligible businesses the cost per 28 day period is £93,400. For planning purposes it is prudent to plan for in 3 eligible 28 day periods (i.e. one period of national lock down and two tier 3 periods), which equates to an estimated cost of £280,200.

#### **2. Support for businesses supplying retail, hospitality and leisure businesses**

Supply chain business to the retail, hospitality, accommodation and leisure businesses are not eligible for Local Restrictions Support Grants (Open) or (Closed). However, they will have been adversely impacted by the closure of the businesses they supply.

The proposal is to provide eligible supply chain businesses with the following grant whilst in national restrictions or Tier 3 equivalent.

- RV £15,000 and under, £934 per 28 day period.
- RV over £15,000 and less than £51,000, £1,400 per 28 day period.
- RV £51,000 and over, £2,100 per 28 day period.

Supply chain businesses will cover both physical goods and services.

Based on an estimate of 50 eligible businesses the cost per 28 day period is £46,700. For planning purposes it is prudent to plan for in 3 eligible 28 day periods (i.e. one period of national lock down and two tier 3 periods), which equates to an estimated cost of £140,100.

### **3. Support for Larger Impacted Business**

A number of larger businesses (over 100 employees for the purposes of this grant) may need financial support at a level higher than that set out above

Additionally, these businesses were not eligible for the grant schemes available during the first national lockdown, or qualified for 100% business rates relief during 2020/21 to support business affected by the pandemic.

The proposal is to therefore provide eligible supply chain businesses with a grant up to £25,000 for the current national lockdown period (and to partly recognise the previous national lockdown) and potential further grants of £25,000 per two month period if there are further national or local lockdowns.

The grant of £25,000 is the amount made available to eligible businesses under the previous national lockdown scheme with a RV above £15,000.

Business would have to provide a detailed case to support their application to demonstrate the financial impact.

At this stage funding for up to five eligible supplier chain business will be earmarked. This scheme will demonstrate the Council's support for major employers.

Applications for these grants will be assessed by a panel of officers and recommendations referred to the Managing Director for consideration, in consultation with the Chair of Finance and Policy Committee.

On both schemes there will be the rules around state aid, solvency and also being based within Hartlepool. Self-employed businesses will be excluded.

**Phase 2 - Use of Uncommitted funding**

It is anticipated the proposals detailed above will commit £0.570m, leaving an uncommitted balance of £1.303m.

It is recommended that proposals for allocating this funding are considered in January 2021. This will enable the actual costs of proposals set out above to be confirmed and the prevailing Covid impact to be assessed.

As highlighted earlier this is one off funding and resources may be needed to support local business in the remainder of 2020/21 and the early part of 2021/22.

**Type of Decision:**

In accordance with Article 12 – 12.3 - the decision is not defined as a Key decision for the following reason:-  
The Expenditure is inevitable as a result of the Government providing a Section 31 grant ('New Burden' Funding) to help fund the impact of specific legislative commitments where there is no in year cost, or future commitment for the General Fund. Details of any Section 31 grants and the commitments which need to be funded will be reported to the Finance and Policy Committee and the relevant Policy Committee as soon as is reasonably practicable thereafter.

**Nature of Delegation Being Exercised:**

Constitution Reference – CE15 – urgent decisions normally reserved to a Committee. The Managing Director (or in his/her absence the Director of Resources and Growth) may take a decision normally reserved to Full Council or a Committee where:

- (a) Failure to take the decision quickly would, or would be likely to, harm the interests of the Council and the public.
- (b) The decision is so urgent that it cannot wait until the next meeting of the Committee at which the decision would normally be taken

**Alternative Options Considered & Rejected:**

Scheme development in line with Government criteria and to be consistent across Tees Valley councils.

**Any Declared Register of Interest**

No

Signatures for retained copy only

Managing Director – Denise McGuckin

Decision made in consultation with:

Leader of the Council - Cllr Shane Moore

Chair of [Reg Committee] – Cllr C Akers-Belcher

Chief Solicitor and Monitoring Officer – Hayley Martin

