

Policy agreed 19th November 2020 for Phase 2 of the discretionary grant scheme in consultation with the Section 151 Officer & Cabinet Member for Finance

1. Overview

Following the announcement of the Local Covid Alert Level Tier system and National Lockdown which started on the 5th November 2020 a range of financial support was announced Nationally.

This policy covers the “Additional Restrictions Grant” and the “Local Restrictions Support Grant (Open)”. The (Open) designation indicates whether or not that business is required to close or can remain open. Both of these grants are essentially for businesses that have been affected by, but not closed due to local or national restrictions.

These schemes are discretionary, albeit the Government has been clear with which types of businesses and sectors the support should be targeted towards.

Officers have worked across the region with neighbouring Local Authorities to agree consistency in how these discretionary schemes are administered across Devon.

2. Additional Restrictions Grant - ARG

Torbay Council will receive a one-off allocation of £20 per head of population. The Department of Business, Energy and Industrial Strategy (BEIS) has confirmed that this funding will not be topped up in the 2020/21 or 2021/22 and is a “one-off lump sum payment” which can be used across Financial across both financial years 2020/21 and 2021/22.

This 17 month timeframe therefore provide a degree of difficulty in how & when to allocate this funding to support businesses in a meaningful way given the unpredictability of when and where restrictions will be imposed and how long these will last.

The Additional Restrictions Grant is for discretionary grants and wider business support measures. Taking all of this on board, it is currently expected that; approximately up to £1m of this funding is will be made available immediately through grant funding, with approximately up to £1m for use early 2021 and the remainder to be earmarked for future support in 2021/22. These allocations are subject to local demand and how national and local restrictions change.

3. Local Restrictions Grant (Open) – LRSG (open)

During Tier 2 or Tier 3 local restrictions, Torbay will receive a rolling funding allocation based on Valuation Office Agency (VOA) data. The guidance advises that Local Authorities will receive funding based on the number of hospitality, hotel, bed & breakfast and leisure businesses there are in their area. Data on business types will be provided by the Valuation Office Agency.

This funding is to be delivered to businesses through a grant which is awarded per 28-day period the restrictions apply.

4. Torbay Funding Allocation

For Torbay, the ARG equates to £2,725,280.

At this stage the LRSG (Open) allocation is yet to be announced. This adds to the complexity when designing a discretionary scheme of this nature.

5. Eligibility

For the purposes of eligibility the ARG and LRSG (Open) are intended to operate within the same parameters.

Businesses must be able to evidence that the **restrictions have severely impacted their business**. Businesses which do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors) are excluded from the mandatory schemes.

The Governments guidance encourages the focus of these funds to be on supporting the following business types;

- 1) Supply Chain businesses for Retail, Hospitality & Leisure. This includes the supply of both goods and services.
- 2) Businesses operating outside the rates system that have been closed by, or affected by restrictions

Local Authorities across Devon have also agreed to include;

- 1) Home workers, sole-traders and self-employed individuals who do **not** qualify for other support such as the Self-Employed Income Support Scheme. These applicants must have a Unique Taxpayer Reference (UTR) Number.
- 2) Any other businesses type that is affected by Covid-19 and is not eligible for the LRSG (Closed) scheme.

Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

6. Torbay Approach - Prioritisation

Based on local intelligence the number of businesses that could apply, far outstrips the funding allocated so far.

The payment of grants will be in tranches;

Tranche 1 will include the Government priority groups.

- 1) Supply Chain businesses for Retail, Hospitality & Leisure. This includes the supply of both goods and services.
- 2) Businesses operating outside the rates system that have been closed by, or affected by restrictions

Grants to this group will be made as a priority, following the required pre-payment fraud screening.

Tranche 2 will include the discretionary groups;

- 1) Home workers, sole-traders and self-employed individuals who do not qualify for other support such as the Self-Employed Income Support Scheme. These applicants must have a Unique Taxpayer Reference (UTR) Number.
- 2) Any other businesses type that is affected by Covid-19 and is not eligible for the LRSG (Closed) scheme.

Grants to this second group will be made in December i.e. once the levels of demand from the priority groups is clear. If there is remaining funding the scheme will be expanded accordingly in consultation with the Section 151 Officer and Cabinet Member for Finance.

7. Levels of Award

In accordance with the guidance, and in consultation with Devon-wide Local Authorities Torbay has agreed the following levels of grants which provide equity for businesses across the region. These grant levels are based on the Government Guidance and provide consistency as local businesses transition between different levels of restrictions.

The below table shows which grant schemes various businesses are eligible for during National or Local Restrictions. During Tier 2 / 3 restrictions individual grants can be funded from either the ARG or LRSO (Open) fund, not both.

Total value of payment per 28 days of National Lockdown		
Schemes	ARG	LRSO (Closed)
Affected or Closed Non-Ratepayer	934	
Home workers, sole-traders and self-employed individuals who do not qualify for other support such as the Self-Employed Income Support Scheme	934	

Affected Ratepayer – Rateable Value exactly £15,000 and under	934	
Affected Ratepayer - Rateable Value over £15,000 and less than £51,000	1,400	
Affected Ratepayer - Rateable Value of exactly £51,000 or above	2,100	

Closed Ratepayer - Rateable Value exactly £15,000 and under		1,334
Closed Ratepayer - Rateable Value over £15,000 and less than £51,000		2,000
Closed Ratepayer - Rateable Value of exactly £51,000 or above		3,000

Total value of payment per 28 days Local Restrictions (T2/3)			
Schemes	ARG	LRSO (Closed)	LRSO (Open)
Affected or Closed Non-Ratepayer	934		934
Home workers, sole-traders and self-employed individuals who do not qualify for other support such as the Self-Employed Income Support Scheme	934		934

Affected Ratepayer - Rateable Value exactly £15,000 and under			934
Affected Ratepayer - Rateable Value over £15,000 and less than £51,000			1,400
Affected Ratepayer - Rateable Value of exactly £51,000 or above			2,100

Closed Ratepayer - Rateable Value exactly £15,000 and under		1,334	
Closed Ratepayer - Rateable Value over £15,000 and less than £51,000		2,000	
Closed Ratepayer - Rateable Value of exactly £51,000 or above		3,000	

Note the LRSO (Closed) is a mandatory scheme with grant levels prescribed by Government and the values on the table above are shown to demonstrate the full range of grant support available to businesses. However, this policy is specifically for the ARG and LRSO (Open) scheme.

If the limited funding for the ARG is oversubscribed, awards to businesses will be prioritised based on their relative levels of ongoing fixed property-related costs, number of employees and relevance to the Local Economy.

8. Further discretion

Any discretionary award outside of this policy must approved in writing by the Section 151 Officer in consultation with the Cabinet member for finance.

The Councils decision is final.