

Delegated Decision Notification Form

1. Subject	Administration and Distribution of Discretionary grants to businesses, Additional Restrictions Grant	
2. Decision including: (a) details: (b) reasons: (c) alternatives considered and rejected:	1. To agree that Additional Restrictions Grant (ARG) will be administered by the Council using the government funding based on the detail contained within the body of the officer's report. 2. To agree that the ongoing, detailed administration and decision-making of the main and sub-schemes detailed in the report be delegated to the Deputy Chief Executive and City Treasurer. 3. To agree that schemes will be launched from 10th February 2021 and they will be reviewed on a regular basis to consider the budget position and the status of the economy and the covid related local and national restrictions, and that the authority to continue or close any scheme be delegated to the Deputy Chief Executive and City Treasurer in consultation with the Leader of the Council. 4. To agree the grant amounts and the prioritisation approach for grants, cognisant of the government funding that is available. As set out in the officer's report. The grant money has been provided by the Government to assist business and others in the city that have been badly affected by the pandemic. Funds need to be distributed quickly, efficiently and with sufficient safeguards and diligence to best help those in need of this extra support. To have each allocation of funds considered by the Council's Executive. That would have been too slow to be of real help to the recipients of the funds.	
3 Executive Member or Committee Chair consulted	N/A	
4. Reports	Report of the Deputy Chief Executive – "Covid19- Discretionary grants to businesses, Additional Restrictions Grant"	
5. Background Papers	N/A	
6. Declaration of Conflict of Interest by any Councillor Consulted	N/A	
7 Contact Person	Name: Julie Price- Director of Customer Services and Transactions	
	Telephone number (external): 0161 953 8202 (48202)	Email: julie.price@manchester.gov.uk
8. Decision Maker	Name: Richard Leese	Role Title: Leader
9. Date Of Decision	2 February 2021	

Manchester City Council

Report for Resolution

Report to: Leader – 29 January 2021

Subject: Covid19- Discretionary grants to businesses, Additional Restrictions Grant

Report of: Deputy Chief Executive and City Treasurer

Summary

This report details the Council's the policy and approach to delivering financial support to businesses as part of the Additional Restrictions Grant.

This is one of a number of grants provided to businesses in the city as a result of public health restrictions.

Recommendations

That the Leader

1. Agree that Additional Restrictions Grant (ARG) will be administered by the Council using the government funding based on the detail contained within the body of this report.
 2. Agree that the ongoing, detailed administration and decision-making of the main and sub-schemes detailed in this report be delegated to the Deputy Chief Executive and City Treasurer.
 3. Agree that schemes will be launched from 10th February 2021 and they will be reviewed on a regular basis to consider the budget position and the status of the economy and the covid related local and national restrictions, and that the authority to continue or close any scheme be delegated to the Deputy Chief Executive and City Treasurer in consultation with the Leader of the Council.
 4. Note that the criteria and supporting detail will be made available to businesses.
 5. Agree the grant amounts and the prioritisation approach for grants, cognisant of the government funding that is available.
 6. Note that the aim of this scheme is to sustain businesses and sectors key to economic recovery of the city and that the funding available means that we will be unable to help all businesses and organisations that may apply for support.
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Wards Affected – all wards

Financial Consequences – Revenue

The additional work associated with these measures will be administered by the team that has been set up from across the Council to deal with the business grants.

New burdens funding will be made available by the government.

The £11,698m funding to support these businesses is Manchester's share of the GM fund of £60m (£20 per head) negotiated with Government at the beginning of Tier 3 restrictions. This is intended to cover the current and next financial year up to March 2022.

Amount - £11,698m for the remainder of 2020/21 and 2021/22.

For discretionary support (in the scope of this document), the Council is also going to receive a further £4.9 m, which is our share of the £500m recently announced by the Government, that will be added to the £11.698m ARG grant fund for the city.

Assuming that the existing grant schemes are continued until the end of March and the lockdown payment is awarded to all existing recipients of the ARG scheme (based on the original eligibility criteria, the Council has circa £13.6m to spend of important activity to support businesses in the city.

This includes the following proposed /modelled budget amounts

(I) £2.5million

Strategically important cultural, entertainment or convention facilities in the city

(ii) £1 million

Additional support to charities

(iii) £2 million

Strategically important businesses to the city supported by the economic recovery group

(iii) £1.9m

Childcare and day care settings

(iv) £460,000

Independent retailers with no business rates liability that have been mandated to close and can show fixed property related costs as they are responsible for a rent and rates inclusive space.

(v) £1 million

Support to hackney carriage and private hire trade

Total £8.86m

This leaves £4.74m of the budget remaining. It is proposed that this funding is used to develop schemes for the following groups

- Those affected by a reduction in daytime / commuter trade (predominantly in the city centre)
- Tourism, culture and the airport Supply chain
- Self- employed company directors of small businesses without fixed property related costs

Financial Consequences – Capital

Not applicable

Contact Officers:

Name: Carol Culley
Position: Deputy Chief Executive and City Treasurer
E-mail: carol.culley@manchester.gov.uk

Name: Louise Wyman
Position: Strategic Director, Growth & Development
E-mail: louise.wyman@manchester.gov.uk

Name: Julie Price
Position: Director of Customer Services and Transactions
E-mail: julie.price@manchester.gov.uk

Name: Angela Harrington
Position: Director of Inclusive Economy
Email: angela.harrington@manchester.gov.uk

Name: Pat Bartoli
Position: Director of City Centre Growth & Infrastructure
Email: pat.bartoli@manchester.gov.uk

Background documents (available for public inspection):

The following document discloses important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Government COVID-19: support for businesses

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

Manchester City Council COVID-19 support for businesses

[https://secure.manchester.gov.uk/info/500361/coronavirus/7935/coronavirus -
businesses and employers](https://secure.manchester.gov.uk/info/500361/coronavirus/7935/coronavirus-_businesses_and_employers)

[Executive Report- Covid, Discretionary support to business, Additional Restrictions Grant November 2020.](#)

1. Background

As part of its response to COVID-19, the government has provided grant schemes to support businesses. This includes relief from rates as well as cash grants administered by the Council.

This includes the one-off grants in the spring, the ongoing support to businesses based on the local restrictions tier level/national lockdown, a couple of discretionary pots of money to be administered by the Council and two fixed grants for wet pubs and national lockdown grants.

It is now an extremely complex picture, illustrated by the following model.

Grant	Business type	Eligible payment date onwards						
		05-Aug	23-Oct	01-Nov	05-Nov	02-Dec	31-Dec	05-Jan
(Sector)	Nightclubs and sexual entertainment venues (SEVs)							
Tier 2 (Open V1)	Hospitality, hotel, bed & breakfast (B&B), leisure businesses and Tier 3 (Open)							
Tier 3 (ClosedV1)	Pubs, bars, casinos, betting shops and soft play centres and adult gaming establishments							
ARG	LRSR not eligible severely impacted businesses							
National (Closed)	ClosedV1 businesses, non-essential retail, leisure and sports facilities, hospitality accommodation, entertainment venues, personal care facilities and community centres							
ARG	LRSR not eligible severely impacted businesses							
CSP	Wet-led pubs							
CBLP	Retail, hospitality and leisure businesses							
Payment cycle (type)								
	28 days (OpenV1): RV less than 15K = £934; 15,001 to 50.999K = £1400; 51K or above = £2100							
	14 days (OpenV2) - Gym/leisure: RV less than 15K = £467; 15,001 to 50.999K = £700; 51K or above = £1050							
	Pro-rata (National Closed2): (ClosedV1)							
	Pro-rata (National Closed2): (Sector)							
	Exclude: Non essential retail, personal care and leisure Include: Hospitality, hotel, B&B and Tier 3 (Open) 14 days (ClosedV2): RV less than 15K = £667; 15,001 to 50.999K = £1000; 51K or above = £1500							
	Pro-rata (National Closed2): (Tier 4)							
	28 days (National Closed2): RV less than 15K = £1334; 15,001 to 50.999K = £2000; 51K or above = £3000							
	42 days (National Closed2): (Tier 5 - National Closed3) £2001; £3000; £4500							
	One-off pro rata (National Closed2): RV or fixed costs below £15K = £1,500; £15K or above = £3,000							
	One-off payment - 2 to 29 December 2020: £1000							
	One-off payment: RV less than 15K = £4000; 15,001 to 50.999K = £6000; 51K or above = £9000							

The majority of these payments are mandated and prescribed by government, however there are two grants that are administered within the Council's discretion. These are

- Additional Restrictions Support Grant from 5 November 2020
- Local Restrictions Support Grant from Tier 2 (1 August to 4 November) - £7,664m of which £416k remains and Tier 3 (3 December to 30 December 2020)- funding to be confirmed by government.

This report details how the Council will continue to administer the Additional Restrictions Support Grant.

2. Previous decisions

The Additional Restrictions Support Grant is a discretionary scheme to provide support to businesses. The Council has been given fixed amounts of money to administer these grants using its own discretion, supported by government guidance. In administering the grants, the Council is using powers under s151 of the Local Government Act 1972.

As the Council is administering this grant using our local discretion a formal decision is required by the Council. In November 2020 an urgent Executive report was considered and agreed, and this was to ensure that the Council could process applications as soon as possible.

At this point, the decision was made to:

1. Agree that the Additional Restrictions Grant (ARG) would be administered by the Council using the government funding.
2. Agree that the ongoing, detailed administration of the scheme could be developed by the Deputy Chief Executive and City Treasurer as further government guidance was received.
3. Note that the criteria and supporting detail would be made available to businesses.
4. Agree the grant amounts and the prioritisation approach for grants, cognisant of the government funding that is available.
5. Note that the funding available means that we would not be able to help all businesses that may apply for support.
6. Invite applications from businesses in the city that have been significantly impacted by the Government's Tier 3 and national restrictions as determined in the report.

3. Funding and decisions to Date

The Council received an initial tranche of funding of £11.698m In November 2020. This was when Manchester was in tier 3.

The funding was given so that local authorities could provide discretionary support to businesses in their area based on local need and to promote recovery. Local authorities were advised that they had until March 2022 to use this funding.

In November 2020, the Council made the decision to use some of the money to deal with the immediate presenting need of businesses not covered by the existing LRSG schemes that were felt to be within the original spirit and scope of the government's LRSG schemes.

We therefore agreed to broadly mirror the LRSG schemes for the following groups

- Businesses that had to close but did not have a business rates liability.
- Businesses that were in the direct supply chain of businesses that were required to close; this included businesses with and without a rateable value for business rates.
- This excluded the wholesale supply chain to non-essential retail.

Businesses that have received payments have been considered for retrospective support back to August 2020 (Tier 2), as well as receiving ongoing support mirroring the main payments.

This means that we have spent £962,951 of the ARG funding to date to support 325 businesses that met the specific criteria.

4. Closed Business Lockdown Grant and expanded discretionary ARG funds

In addition to the LRSG schemes and the ARG; from January 2021, the government has introduced a further one-off lockdown grant (Closed Business Lockdown Payment) to all businesses with a rateable value that have been mandated to close and are in scope for the LRSG. This includes businesses in non-essential retail, hospitality, leisure, personal care services etc. This is paid in addition to any ongoing LRSG grants.

This has already been paid by the Council as an urgent payment file based on data held on our systems. This amounts to £14.367m to 2,743 businesses.

For discretionary support (in the scope of this document), the Council is going to receive a further £4.9 m, which is our share of the £500m recently announced by the Government, that will be added to the £11.7m ARG grant fund for the City.

The Council's Economic Recovery Group has already agreed to mirror the lockdown grant for those 325 businesses already in receipt of ARG using a proportion of the new discretionary fund. At this stage, the national scheme commits to funding until mid-February 2020. For budget purposes we have assumed that these payments will be made until the end of March 2021.

This would provide the following additional discretionary lockdown payments to affected businesses.

For business with a rateable value, pay the following:

- Rateable value of £15,000 or under: £4,000
- Rateable value of £15,000-£51,000: £6,000
- Rateable value of £51,000+: £9,000

For businesses who are not registered for business rates with property related costs rather than rateable value:

- Fixed property related costs of £15,000 or under: £4000
- Fixed property related costs of £15,000-£51,000: £6,000
- Fixed property related costs of £51,000+: £9,000

Based on the current cohort of businesses, the cost of the extension of ARG to 31 March 2021 would be £1,726,406.86

The one-off grants would be £1,164,000

Total costs: £2,890,406.86

It is proposed that a figure of £3 million is used to support businesses entitled to support based on the original ARG criteria until the end of March 2021. This will provide some contingency for new applications to come through and be backdated based on the original criteria.

5. Next Steps

5.1 Assumed Funding

Using the rest of the original ARG funding and the secondary pot of money it is assumed that the Council has £13.6m remaining (£8.7m ARG and £4.9m ARG top up January 2021).

5.2 Proposed next steps

Given the position with the pandemic, it is proposed that the Council extends the scheme to support some additional cohorts of businesses. Support would be effective from the 5 January 2021 (when the current national lockdown started) and for this cohort there would be **no** backdating.

The aim of the extended scheme is to support the immediate, presenting need of businesses affected by the pandemic and the wider lockdown issues, and to target some additional funds to areas that are essential to the city's economic recovery and success.

The main aim is to protect jobs, services, and businesses vital to the Manchester economy.

The remainder of this paper will describe the scope of the extended scheme and the support to various cohorts of businesses.

5.3 Areas where additional support is proposed

- (i) Additional business groups
 - Day nurseries in the city;
 - Those affected by a reduction in daytime / commuter trade (predominantly but not exclusive to the city centre);
 - Tourism, culture, and the airport supply chain; and
 - Independent retailers with no business rates liability that have been mandated to close and can show fixed property related costs as they are responsible for a rent and rates inclusive space.
- (ii) Support to other groups outside of the main scheme
 - Taxi drivers
 - Self-employed company directors of very small businesses without fixed business property related costs or a business rates liability
- (iii) Development of further sub-schemes to support strategic recovery
 - Strategically important cultural, entertainment, live music or convention facilities
 - Charities
 - Businesses which are of strategic importance to the city's economy

6. Additional business groups (section (i) above only)

The following paragraphs describe the proposed payments (ARG plus lockdown grant) and the associated costs for the businesses described in paragraph 5.3(i) above, as well as further detail as to which businesses would be in scope.

Officers would consider each request for support on its own merit and would only pay a grant to bona fide businesses that we are satisfied make a positive contribution to the city's economy. We reserve the right to refuse grants based on this and there is no guarantee of a grant.

Eligibility for a discretionary grant would be on the basis that eligible businesses would not be eligible for the other LRSG grant schemes.

6.1 Financial implications

Where possible assumptions have been made on the cost of support to the expanded range of business cohorts that are being brought into scope.

The proposals and costings are based on the agreed support being provided up until 29 March 2021 and the timescales mirroring the ongoing LRSG payments determined by the government criteria.

For this cohort the proposals are for two elements of funding:

- An ongoing package of support mirroring the LRSG scheme (initially for six weeks to 15 February and potentially a further six weeks to 29 March)
- A one-off payment to mirror the lockdown grant for in-scope businesses.

6.2 Proposed payment amounts to in-scope businesses

6.2.1 Ongoing ARG Funding

It is proposed that the payment model mirrors arrangements for LRSG payments and businesses that are determined to be in-scope from 5 January 2021 receive the following payments for each six-week period:

For business with a rateable value:

- Rateable value of £15,000 or under: £2,000
- Rateable value of £15,000-£51,000: £3,000
- Rateable value of £51,000+: £4,500

For businesses that are not registered for business rates with property related costs rather than a rateable value:

- Fixed property related costs of £15,000 or under: £2,000
- Fixed property related costs of £15,000-£51,000: £3,000
- Fixed property related costs of £51,000+: £4,500

6.2.2 One-off Grant funding

Businesses that we determine to be in-scope will also receive a one-off grant that mirrors the main scheme as follows (based on the commencement of national restrictions on 5 January 2021):

- Businesses with a rateable value of £15,000 or under will receive a payment of £4,000.
- Businesses with a rateable value over £15,000 and less than £51,000 will receive a payment of £6,000.
- Businesses with a rateable value of £51,000 or above will receive a payment of £9,000.

For those businesses that are not registered for business rates, we will consider applications for support where they have other business property related costs as follows:

- Businesses with business property related costs of £15,000 or under will receive a payment of £4,000.
- Businesses with business property related costs over £15,000 and less than £51,000 will receive a payment of £6,000.
- Businesses of business property related costs of £51,000 or above will receive a payment of £9,000.

6.2.3 Cost of support for each business determined to be in scope or supported

Each business accepted for support (based on support being provided until 29 March 2021), will receive awards of ARG for two six-week periods (based on rateable value/property costs) and one payment of the lockdown grant.

This will mean the following awards for each business that is supported (NB this is based on the national lock down continuing until the end of March 2021)

- Businesses with a rateable value or property related costs of £15,000 or under will receive a payment up to £8,000 between January and March 2021.
- Businesses with a rateable value or property related costs of over £15,000 and less than £51,000 will receive payments of £12,000 between January and March 2021.
- Businesses with a rateable value of £51,000 or above will receive a payment of £18,000 between January and March 2021.

6.3 Day nurseries in the city (Early Years to administer)

Ofsted registered nurseries in the city have been significantly impacted by Covid and changes to working arrangements etc.

It is proposed that specific support including both ARG and a lockdown grant is provided to this cohort of businesses that will be needed to support business recovery, This will be to all day nurseries that have fixed property related costs including those that do not have a liability for business rates as they are responsible for rent and rates inclusive space.

Based on the 126 providers in the city and the mid-point range of awards, this is expected to cost £1,893,000.

This scheme would be administered in liaison with the Director of Children's Services to identify eligible businesses.

6.4 Those affected by a reduction in daytime / commuter trade (predominantly, although not exclusively in the city centre)

The lockdown restrictions and increase in homeworking have resulted in a significant decrease in the number of workers, commuters, and tourists in the city. This has had a detrimental impact on businesses that support the Manchester daytime economy.

Where a business can show that it has been **significantly** impacted, we will consider the award of the ARG and lockdown grant and they will be paid according to their rateable value or the amount of building related costs.

This will include the following businesses (not an exhaustive list) which would have a fixed presence in the city and be an independent SME.

- Businesses renting workstations and short-term meeting space that support innovation, micro and small businesses in the city.
- Independent food and drink retailers, that, although not required to close, can show a significant loss of income as their main source of income is the daytime and lunchtime economy e.g., a small sandwich shop or coffee shop.
- Independent retailers, that, although not required to close, can prove a significant loss of income as their income is normally derived from commuters, city centre workers or tourists e.g., essential retail within a station concourse, a post office with wider retail that must stay open but does not receive grants.
- Manufacturers or wholesalers whose primary purpose is supplying goods or services as part of the supply chain to the daytime economy of the city e.g. office supplies.

As volumes are not known we are unable to calculate costs.

6.5 Tourism, cultural and the airport supply chain (excluded from the Airport and Ground Operations Support Scheme (AGOSS) funding)

The tourism, cultural and airport supply chain has been significantly affected by Covid. Where a business can prove that it has been significantly impacted, we will consider the award of the ARG and lockdown grant. This is where they are excluded from claiming via the Airport and Ground Operations Support Scheme (AGOSS) funding)

This will include the following businesses (not an exhaustive list)

To qualify we would expect the business to have a fixed presence in the city and be an independent SME.

- Businesses that derive most of their income from Manchester tourism e.g. the Christmas Markets, Manchester Day, the Jazz Festival and Manchester event organisers.
- Businesses that derive most of their income from major sporting events in the city.
- Businesses whose primary business activity is linked to the airport supply chain or services.
- Businesses supplying business travel support and conference services that would not be eligible as a retail business.
- Marketing companies whose primary purpose is directly supporting tourism, culture or the airport.
- Manufacturers or wholesalers whose primary purpose is supplying goods or services as part of the supply chain to the airport or tourist trade.

As volumes are not known we are unable to calculate costs.

6.6 Independent retailers with no business rates liability that have been mandated to close and can show fixed property related

There are a small number of retailers in the city that work from shared rent and rates inclusive space. The fixed costs associated would normally be below £15,000 per year.

It is proposed that these businesses can claim support and would receive both ARG and the lockdown grant for the period.

Each award would be £8,000 in total and we have assumed up to 45 businesses for costing purposes at a cost of £360K

7. Other Groups of Support outside the main scheme

The following groups are outside the main ARG scheme but could be considered for support using ARG funding.

These groups would not get the grant funds described earlier in this report and each area would be subject to its own payment and grant scheme as describe below.

7.1 Hackney carriage and private hire trade

Many taxi drivers are struggling and, as they are mainly self-employed, they will be able to claim means tested benefits if their family circumstances support this. There are a number that are doing a small amount of work and may be doing other things to supplement their income. Some are struggling with the Council's licensing fees and the Licensing Team have already agreed some discretion and extended payment plans.

We are unable to pay salary costs as part of this scheme.

The Council could use the ARG funding to make a one-off payment equivalent to a proportion of the licensing fees for for the 21/22 financial year or other support to taxi drivers in the city.

If approved, it is proposed that £1.5 million is set aside to develop a scheme to support hackney carriage and private hire trade in the city. This scheme should be developed by Louise Wyman, Strategic Director, Growth & Development, Julie Roscoe, Director of Planning and Licensing in conjunction with the Cllr Akbar, the Executive Member for Neighbourhoods to develop a scheme that could be rolled out for the 2021/22 financial year.

7.2 Self- employed company directors of small businesses without fixed business property related costs

Company Directors without property related costs or a business rates liability are within a group that has been generally excluded from Council and government support. This is because they cannot be fully furloughed if they are still undertaking the management of the business or are not eligible for the Self Employment Income Support Scheme.

We are unable to pay salary costs as part of this scheme.

There are some small businesses either set up as limited companies with or without franchise arrangements where the Council could offer support especially where they are in areas significantly impacted by Covid, including the leisure, entertainment and hospitality sectors. This will be the case where these directors have had to continue trading to support residents e.g. rearranging flights/holidays/refunds.

The Council would not be able to mitigate the impact of Covid on all company directors in the city and we will have to prioritise support to businesses in those sectors that have been hardest hit by the restrictions and lockdown. For example, we would not expect to offer support to builders, plumbers etc., as well as financial service providers e.g. accountants etc. providing services that may have had a reduced income but have been able to continue trading throughout the pandemic.

Any payments made would have to be on the basis that there was not a household claim for means tested benefits including UC (as this would just be classed as earnings by the DWP), there is a liability for tax and the company is registered and the payment must be declared as part of the annual tax return.

The applicant must be able to prove a **significant** loss in trading, because of covid.

Areas where support might be provided are: (list not exhaustive)

- Specialist travel agents working under wider franchise arrangements with ongoing costs and commitments.
- Freelancers supporting the cultural sector e.g. sound and lighting engineers.

It is proposed that each business owner would receive £1,500 for each six-week period along with an additional lockdown grant of £1,500. This would mean that they would receive an award of £3,000 to cover 5 January to 15 February and, if required, a further £1,500 for the period 15 February to the end of March if required.

8. Sub-Schemes to support strategic objectives and priorities

It is proposed that funding is allocated to a further three sub-schemes under the ARG umbrella.

This would be to support:

- Strategically important cultural, entertainment or convention facilities in the city.
- Local charities and third sector organisations.
- Businesses which are of strategic importance to the city's economy.

If approved, it is proposed that these sub schemes would be delegated to be developed. This would be to ensure that they consider the appropriate technical expertise about the cohorts and how recipients will be identified.

8.1 Strategically important cultural, entertainment or convention facilities in the city

Cultural, entertainment, live music and convention facilities have been eligible for 100% rates relief for the 2020/21. Those with a rateable value below £51,000 could also claim the Retail, Leisure and Hospitality grants in the spring and all of them could claim the LRSF grants from Tier 2 onwards (5 August 2020). However, this still leaves significant gaps in funding that are often worse for this kind of venue due to the age, size and scale of the buildings and the associated on-costs impacted by a range of restrictions that have been in place for almost a year. In addition. There are organisations who were not awarded any funding through the Cultural Recovery Fund.

The list of organisations that would be in scope includes:

- Theatres
- Concert halls and gig venues
- Cultural and entertainment venues
- Convention centres
- Rehearsal spaces and production support
- Dance studios
- Maker spaces

These organisations are strategically important to the city's economy and other sectors, as they bring tourists and visitors to the city and are often large employers of both creative and support staff, many of whom live within the city.

It is proposed that a fixed budget is set aside of £2.5m to award grants to this sector. If this proposal is agreed a more detailed specification would be developed and funding decisions would be made by a panel under delegated authority consisting of Carol Culley, Deputy Chief Executive and City Treasurer, Louise Wyman, Strategic Director, Growth & Development, Neil MacInnes, Strategic Lead for Libraries, Galleries and Culture and the Cllr Rahman the Executive Member for Skills, Culture and Leisure.

8.2 Charities

As a result of the pandemic many charities have been incredibly busy in delivering community-based services and they play a key role in supporting many of our most vulnerable residents in a community setting.

We estimate, from evidence from the last round of grants in the summer, that we could support local community-based charities who have ongoing fixed property related costs, which could account for circa £1m of expenditure.

It is proposed that a fixed budget of £1m is set aside to award grants to this sector. If this proposal is agreed a more detailed specification would be developed and funding decisions would be made by a panel consisting of Carol Culley, Deputy Chief Executive and City Treasurer, Fiona Worrall, Director of Neighbourhoods, Michael Salmon, Programme Lead and Cllr Stogia, the Executive Member with responsibility for the VCSE sector, under delegated authority.

8.3 Businesses which are of strategic importance to the city's economy

There are businesses in the city, which have been impacted by Covid but have the ability to survive, grow and recover in the medium term but might struggle in the short-term. Many of them may have been able to continue to operate but at a much-reduced level. However, with the right support they could become more sustainable and accelerate their growth. These businesses would include but not limited to:

- Export-oriented businesses
- Manufacturing
- Businesses with a high-level skills base, which would not be easy to replace if lost;
- Businesses in key growth sectors
- Businesses providing a large number of good quality jobs
- Businesses in emerging sectors which we want to grow in the city e.g. green tech, retrofit, clean energy
- Support to businesses to improve online presence and increase productivity.

There is more work to do with the Growth Company, Chamber of Commerce and business networks in the City and to draw from the intelligence that we are gathering on the impact of Covid on key businesses in the City, before we can determine the detail of a scheme. However, it is likely to be a smaller number of larger grants and if successful we would look to augment this budget should the opportunity arise. As a result, the criteria for this scheme will need to be

developed over the next 2-4 weeks as the evidence of the impact of the latest lockdown emerges.

It is therefore proposed that a fixed budget of £2m is set aside to support these businesses. If this is agreed, a more detailed specification would be developed, and funding decisions would be made by a panel under delegated authority by Louise Wyman, Strategic Director of Growth & Development and Cllr Richard Leese, the Leader of the Council.

9. Summary of proposals and spend

Given the national lockdown and economic position affecting businesses in the city it is appropriate to use the ARG and the ARG top up (January) funds, immediately, rather than saving this money until later on in the year and to use for strategic recovery objectives.

Assuming that the existing grant schemes are continued until the end of March and the lockdown payment is awarded to all existing recipients of the ARG scheme (based on the original eligibility criteria, the Council has circa £13.6m to spend of important activity to support businesses in the city.

This includes the following proposed /modelled budget amounts

(I) £2.5million

Strategically important cultural, entertainment or convention facilities in the city

(ii) £1 million

Additional support to charities

(iii) £2 million

Strategically important businesses to the city supported by the economic recovery group

(iii) £1.9m

Childcare and day care settings

(iv) £460,000

Independent retailers with no business rates liability that have been mandated to close and can show fixed property related costs as they are responsible for a rent and rates inclusive space.

(v) £1 million

Support to hackney carriage and private hire trade

Total £8.86m

This leaves £4.74m of the budget remaining. It is proposed that this funding is used to develop schemes for the following groups

- Those affected by a reduction in daytime / commuter trade (predominantly in the City Centre)
- Tourism, culture and the airport Supply chain
- Self- employed company directors of small businesses without fixed property related costs

At this stage it is not possible to model spend and take up across some areas. Officers will make decisions based on the merits of the case, cognisant of the Council's wider objectives and the ongoing economic recovery post lockdown. Given the level of funding, if there is a high demand for this support then this may have to be managed based on a first come first served basis.

It is expected, based on intelligence from other schemes that there will be some budget remaining. It is proposed that spend against this budget is monitored on a weekly basis, that general performance activity is reported fortnightly to the Economic Recovery Group chaired by the Leader and that appropriate governance agreement is secured that allows the ongoing scheme to be developed as the economic position changes, future tier changes are announced, and government support packages are rolled out. It is also proposed that the funds distributed to each area can be vired where needed to support the efficacy and impact of the schemes as they develop.

If approved, we will develop a wider comms plan and work with business groups to ensure take up for the grants and support, linking in with experts within the Council, external partners, key members and the business community.

10. Award Priority

The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

The number of grants paid will ultimately depend upon the money that is available and even if a business meets all the criteria within this document there will be no guarantee that a grant will be paid.

The Council will not be able to pay out more than the government funding.

11. Applications and decision making

Applications for the grant can be made online and payments will be made directly into approved recipients' bank accounts by electronic transfer.

Applicants previously refused as part of other schemes will have to submit new applications if they want to be considered for this scheme.

The Council's decision is final. If, however, a business feels that a decision is not correct within the Council's policy it can ask for a review of this decision and this will be considered by a senior manager on behalf of the Chief Executive.

11.1 Key Dates

- The Council will launch schemes from 10th February 2021, and they will be reviewed on a weekly basis to consider the budget position and the status of the economy and the covid related local and national restrictions.
- The decision to close the scheme will be made by the Deputy Chief Executive and City Treasurer in liaison with the Leader of the Council.

12. Tax Implications

Grant income received by a business is taxable and any grant paid as part of this scheme will be subject to tax.

Only businesses which make an overall profit once grant income is included will be subject to tax.

13. State Aid

Grants are subject to published state aid restrictions and businesses must confirm that they have not reached the published de minimis levels that would exclude them from receiving further funding that could be classed as state aid. The Council is required to provide the Government with details of the businesses we have given grants to.

14. Fraud

The Council reserves the right to check eligibility of all applications to mitigate and prevent fraud and error in the system. This will include both pre and post payment checks.

The government has stated that it will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

15. Contributing to a Zero-Carbon City

Not applicable

16. Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

Supporting our residents and businesses at difficult times is a key part of the Our Manchester Strategy. Working across service areas with the citizen at the heart of this is key.

(b) A highly skilled city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

(c) A progressive and equitable city

This initiative supports businesses during difficult and challenging times and saves them money and time.

(d) A liveable and low carbon city

See above

(e) A connected city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

17. Key Policies and Considerations

Equal Opportunities

There are no specific equality issues identified.

Risk Management

The principal risk is that claims will be made by people who are not eligible for the grant to defraud. Internal Audit are involved in the application process to ensure such claims are identified and, where appropriate, action taken against the fraudulent claimant.

Legal Considerations

Legal considerations are within the body of the report

18. Recommendations

That the Leader

1. Agree that Additional Restrictions Grant (ARG) will be administered by the Council using the government funding based on the detail contained within the body of this report.
2. Agree that the ongoing, detailed administration and decision-making of the main and sub-schemes detailed in this report be delegated to the Deputy Chief Executive and City Treasurer.
3. Agree that schemes will be launched from 10th February 2021 and they will be reviewed on a regular basis to consider the budget position and the status of the economy and the covid related local and national restrictions, and that the authority to continue or close any scheme be delegated to the Deputy Chief Executive and City Treasurer in consultation with the Leader of the Council.
4. Note that the criteria and supporting detail will be made available to businesses.
5. Agree the grant amounts and the prioritisation approach for grants, cognisant of the government funding that is available.
5. Note that the aim of this scheme is to sustain businesses and sectors key to economic recovery of the city and that the funding available means that we will be unable to help all businesses and organisations that may apply for support.