

MINUTES OF MEETING URGENT CABINET MEMBER SIGNING HELD ON THURSDAY, 17TH DECEMBER, 2020, 9.00 - 9.30 AM

PRESENT: Councillor Gideon Bull, Cabinet Member for Local Investment and Economic Growth.

In attendance: Peter O'Brien, Assistant Director for Regeneration and Economic Development, Diane Southam, Head of Economic Development, and Fiona Rae, Principal Committee Co-ordinator.

58. APOLOGIES FOR ABSENCE

There were no apologies for absence.

59. DECLARATION OF INTERESTS

There were no declarations of interest.

60. COVID-19 LOCAL RESTRICTIONS GRANT (OPEN) AND ADDITIONAL RESTRICTIONS GRANT SCHEMES

The Head of Economic Development introduced the report. It was noted that the government has announced a range of financial support packages in response to the ongoing economic impact of Covid-19 and the changes to the tiering system, announced in the Winter Plan published on 23 November 2020.

This included the Local Restrictions Support Grant (Closed), providing grant support to businesses required to close under Tier 3 restrictions. This scheme was amended to provide support to businesses required during the national lockdown and guidance was further amended as a result of the changes to tier restrictions, providing grant support for businesses now required to close as a result of Tier 2 restrictions.

The Local Restriction Support Grant (Sector) provides support for those businesses which have been required to remain closed since the first national lockdown.

Two further grant schemes, the Local Restrictions Grant (Open) and the Additional Restrictions Grant, allow for local authority discretions in their application with regards to eligibility and grant levels.

It was noted that the report provided details of the guidance issued to local authorities and made recommendations on the eligibility criteria and grant levels to be awarded under these two schemes. Given the complexities of the guidance, and timing of the issuing of related clarification questions, proposals for the scheme were not available in order to take a report to Cabinet on 8 December 2020.

The Cabinet Member noted that, in paragraph 5.26, the report stated that no further funding would be provided in the event that the authority entered Very High (Tier 3) restrictions or in the event of a further national lockdown. The Head of Economic Development explained that the Additional Restrictions Grants Scheme funding had been given to the authority as a one off payment in November 2020 and that no further funding would be received as the borough was now in Tier 3.

The Cabinet Member noted that applicants would have to confirm State Aid requirements were being met and asked for clarification of these requirements. The Head of Economic Development explained that there were limits on the amount of public funding that businesses could receive. It was highlighted that this amount was normally €200,000 but this had been temporarily increased to €800,000 as a result of the Covid-19 pandemic. It was noted that businesses would be responsible for checking that they did not exceed the amount of permitted State Aid, although it was not anticipated that this would affect many businesses in Haringey. It was clarified that businesses were responsible for notifying the authority if they no longer met any relevant requirements and that there was a process for recovering any funds if necessary.

In relation to a query about capacity, the Head of Economic Development explained that, although the checking process for grant applications was largely manual, there were additional resources for processing applications and it was anticipated that there would be no capacity issues. It was added that this would be reviewed when the number of applications was known.

The Cabinet Member enquired whether support would be available for supply chain businesses, for businesses who could still operate but were impacted, and for Directors of Limited Companies. The Head of Economic Development explained that the application form would ask businesses to select their business type from a list and would provide a section for businesses to explain their activity. It was highlighted that any eligibility for grant funding would depend on the business activity and circumstances of businesses. It was noted that any businesses which could operate remotely would not be covered by the funding and it was acknowledged that Directors of Limited Companies were not covered by government schemes. It was stated that local authorities were not permitted to use any grant funding as wage support.

The Head of Economic Development explained that there was one application form and that officers would consider which scheme applicants were eligible for based on the information provided. It was noted that the closing date for applications was 4 January 2021 but that this was recognised that the closing date may need to be extended if the Christmas period had a detrimental effect on the ability of businesses to apply.

The Cabinet Member RESOLVED

1. To approve the local eligibility and grant levels as described in the report for the Local Restrictions Grant Scheme (Open) and the Additional Restrictions Grant Scheme (as set out in paragraphs 5.41-5.69).

2. To delegate authority to the Director of Housing, Regeneration and Planning in consultation with the Director of Finance and the Cabinet Member for Local Investment and Economic Growth decisions to agree the criteria for the allocation of Additional Restrictions Grant Scheme funding as described in this report (as set out in paragraphs 5.62-5.63).
3. To delegate authority to the Director of Housing, Regeneration and Planning in consultation with the Director of Finance and the Cabinet Member for Local Investment and Economic Growth decisions to agree the criteria for the application of residual Local Restrictions Grant Scheme (Open) as described in this report (as set out in paragraph 5.50).

Reasons for decision

Covid-19 is continuing to have a significant impact on both local businesses and the local economy.

The Local Restrictions Grant (Open) and the Additional Restrictions Grant Schemes will enable the council to provide support to some businesses who were not eligible for a grant under the Local Restrictions Grant Scheme (Closed) including businesses who were not supported under the grant schemes introduced at the start of the first national lockdown.

The guidance issued by the government identifies its priorities for which businesses should be supported but allows for local authorities to design their own scheme within the constraints of the mandatory criteria set out in the guidance.

Haringey Council is committed to Community Wealth Building. In the Borough Plan we have stated that we want to build the strength, depth and wealth of our local economy to support our businesses and residents to thrive. Community Wealth Building will be key element in supporting our businesses to recover from Covid-19. The Haringey local scheme will support businesses providing employment to many residents and this will in turn help to deliver the council's vision for a Good Economy by helping businesses to survive and provide Good Work for residents.

Alternative options considered

The proposals set out in the report were considered to be the most effective overall scheme and were the recommended option, taking into account the sum allocated to the council, the criteria set by the Government, and reflecting the council's intelligence on local circumstances.

A number of alternative models were considered and the Council was aware of a range of scheme designs being progressed by other boroughs.

Option 1: first come first served – advocated by a number of boroughs where the sum allocated cannot possibly cover the potential number of businesses. In Haringey's circumstances, it is felt that the scheme could be designed in a manner which would

provide a reasonable grant level to eligible applicants. Option 1 could leave potentially eligible businesses being refused once the scheme had been exhausted.

Option 2: points based approach – this approach was felt to be administratively cumbersome and time-consuming and would lead to long processing times. Given the urgency of getting support to Haringey businesses and the relatively modest sums of money involved, such a bureaucratic approach was not felt to be reasonable or proportionate.

The Chair of Overview and Scrutiny has agreed that the call-in procedure shall not apply to this urgent decision. This is because the decision is urgent and any delay in implementation caused by the call-in procedure would seriously prejudice the Council's or the public's interests due to the fact that this is a national emergency and the Council must ensure that it is providing access to funding for local businesses to continue. The Chair of Overview and Scrutiny Committee has agreed that the decision is both reasonable in all circumstances and that it should be treated as a matter of urgency. This is in accordance with Part 4, Section H, and Paragraph 18 (a) and (b) of the Council Constitution.

CABINET MEMBER: Cllr Gideon Bull

Signed by Cabinet Member

Date ...17 December 2020.....