

Report of Chief Officer Culture and Economy

Report to Director of City Development

Date: 23 March 2021

Subject: COVID-19 Additional Restrictions Grant Phase Two

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- In light of the roadmap published by the Government for the easing of Covid-19 restrictions in the UK it is the right time to set out plans for pivoting the focus of the Additional Restrictions Grant (ARG) to ensure that the money is focused on supporting businesses to restart and thrive from spring 2021 through to December and beyond.
- Since October 2020, in response to the introduction of Covid-19 local and national restrictions, the Government has made a number of announcements about interventions to address the economic impacts of these restrictions. This included the provision of additional funding to local authorities to provide business grants and business support locally including Local Restrictions Support grants (LRSG) and Additional Restrictions Grants (ARG).
- The Local Restrictions Support Grant (Open) allocation had to be defrayed by 31 March 2021, meaning that, since November Leeds City Council has been focused on ensuring that the full allocation of £3,789,530 was used to support businesses based in Leeds. When compared to other Local Authorities that may have had no, or limited, LRSG (Open) allocation we have therefore spent a smaller proportion of our ARG to date, although we have committed more than 63%. Having successfully exhausted the LRSG (Open) allocation and noting that the Government have made it clear that accessing a top-up to ARG will be performance related Officers have therefore taken another look at ARG and this report sets out recommendations on next steps to ensure that the allocation is maximised for the businesses of Leeds.

- Authorities are encouraged to use ARG to support businesses that have been severely impacted by the restrictions but may not be eligible for support under the Local Restriction Support Grants, who to provide grants / support to and how much assistance to provide is at the discretion of the authorities concerned. The allocation can also be used for other direct business support at the discretion of the Local Authority, for example support for re-opening the high street safely.
- ARG is a one-off payment for Local Authorities in financial year 2020/2021 and can be used in 2020/2021 and 2021/2022 but will not be renewed.
- It is vital that the primary focus of ARG continues to be supporting the businesses and organisations most severely impacted by Covid-19 and for that reason Officers are recommending the following additional commitments are made in relation to ARG:

Ref	Scheme Name	Brief Description	Estimated Allocation
1	DGF Scheme One	<p>Businesses that have received a grant through DGF Scheme One but are not eligible for mandatory LRSG grants via Business Rates will receive a one-off grant payment to cover up to 100% of their fixed property costs for Quarter 1 2021/22.</p> <p>Businesses in the retail, hospitality and leisure (RHL) supply chain that are liable for Business Rates that have received a grant through DGF Scheme One but are not eligible for mandatory LRSG grants will also receive a one-off grant of 50% of their rates costs for the period 1 July 2021 to 31st March 2022.</p> <p>The maximum DGF grant award will be increased from £25K to £100K to support RHL businesses in exceptional circumstances where they have been severely impacted by Covid-19 and are of particular strategic importance to the Leeds economy.</p>	£4,000,000
2	DGF Scheme Two	DGF Scheme Two will be re-opened for a third application window on 30 th March 2021 (to be confirmed). In this round it is proposed that any business incorporated or registered before the 1st January 2018 in retail, hospitality, leisure, childcare and associated supply chains will be eligible to apply for a grant as long as they can demonstrate some ongoing business related costs (excluding wages, salaries and directors drawings) and a covid impact on their business income.	£2,550,000
3	arts@leeds Grants	Provision of a restart grant to all current arts@leeds grants recipients in April 2021 to support re-mobilisation and programme costs.	£320,000
4	Support for Re-	Initiatives to help to bring footfall back to the	£325,000

	opening the High Street Safely	City Centre and other key locations to underpin economic recovery.	
5	innovation@leeds Grants	Provision of grants to support established organisations / networks across the innovation ecosystem to ensure they can continue to support entrepreneurs.	£200,000
		Total estimated allocation	£7,395,000

- Making these additional commitments leaves a contingency of £948,275 in the ARG allocation and a further buffer of £1,595,000 based on the fact that 409 discretionary grants have been funded through LRSG (Open). It is felt prudent to build in the contingency at this point to allow for any unknowns that emerge during April in relation to demand for the schemes.
- Officers further recommend that a review is undertaken in May 2021 to evaluate progress in the spending of ARG and that, if necessary, further recommendations be made at that time.
- The recommendations contained in this report are in line with the original Key Decision taken on 19 November 2020 which determined the approach to the administration of Leeds City Council COVID-19 Local Restrictions Support Grants and Additional Restrictions Grants both in relation to the initial funding and any subsequent funding and delegated the approval to award grants under it as set out in the Director of City Development's Sub-Delegation Scheme.

2. **Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The proposals set out in this report will support the Best City Ambition to have 'A Strong Economy and a Compassionate City'. Providing support to businesses to ensure that they can bounce back from COVID-19 will help protect jobs and livelihoods and ensure that our economy has a better chance of recovery.

3. **Resource Implications**

- Leeds City Council was initially allocated £15,862,780, for the Additional Restrictions Grant. The Government subsequently announced a top-up to the ARG. The additional allocation to Leeds City Council being £7,045, 495 taking the full allocation to £22,908,275. This will be paid to the West Yorkshire Combined Authority and transferred to Leeds City Council and can be used to support broader business support as well as business grants. The allocation can be used across FY2020/21 and 2021/22 Financial Years.
- The Economic Development team will administer DGF Schemes One and Two and be responsible for ensuring that reporting of our ARG spend is carried out in a timely and complete way for all the schemes outlined. Resources have been re-deployed from Economic Development and from other departments in the City Development Directorate to support the administration and appraisal process. New burdens funding will be used to address any reduction in income that results from the redeployment of staff and to introduce temporary resources or make overtime

payments if this is required. The broader work of the Economic Development team will be impacted by the redeployment of staff but officers will work to ensure this is minimised as far as possible.

- City Centre Management and Visit Leeds will deliver the interventions set out to support the safe re-opening of the city and district centres as part of their ongoing work programmes.
- The Cultural Development team will administer the arts@leeds grants.
- The Economic Policy team will administer the innovation@leeds grants.

4. Recommendations

- a) To note the contents of this report and the advice contained within it.
- b) To approve the proposed approach to the administration of Phase Two of Leeds City Council COVID-19 Additional Restrictions Grants and to delegate the approval to award grants under it as set out in the Director of City Development's Sub-Delegation Scheme.

1.0 Purpose of this report

- 1.1 This report sets out the details of the proposed approach to the administration of Phase Two of Leeds City Council's COVID-19 Additional Restrictions Grants. Whilst the Government has issued guidelines for the implementation of the scheme, it is for the Council to determine the detail which is set out in this report for approval.
- 1.2 A Key decision was taken on Thursday 19 November 2020: *Covid-19 Restrictions Support Grant and Additional Restrictions Grant Schemes including Discretionary Grant Funds* which set out the detail of Phase One.

2.0 Background information

- 2.1 This section provides background information on all Covid-19 Business Grants announced since 31 October 2020 and Leeds City Council's progress in administering these grants to provide context for the proposals set out in the 'Main Issues' section.
- 2.2 Between 31 October and 5 November 2020, in response to the introduction of COVID-19 local and national restrictions, the Government made a number of announcements about interventions to address the economic impacts of these restrictions. This included the provision of additional funding to local authorities to provide business grants and business support locally. The schemes announced were the:
 - a. Local Restrictions Support Grant (Open) – LRSG (Open)
 - b. Local Restrictions Support Grant (Closed) – LRSG (Closed)
 - c. Additional Restrictions Grant - ARG
 - d. Local Restrictions Support (Sector) – LRSG (Sector)
- 2.3 On 1 December 2020, the Prime Minister announced an additional business grant scheme 'Christmas Support Payments for wet-led pubs' (CSP) which provided a

one-off payment amounting to £1,000 per wet-led pub in each eligible Local Authority where Tier 2 or Tier 3 restrictions were imposed following the scheduled Tier review dates of 2 December and 16 December.

- 2.4 On Tuesday 5 January 2021, the Government announced further funding to support businesses legally required to close due to national restrictions. In addition to the grants provided under the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards, the Government announced the Closed Businesses Lockdown Payment, which provided a one-off top up grant for all businesses mandated to close during national restrictions.
- 2.5 The Government also announced a top-up to the ARG. The additional allocation to Leeds City Council being £7,045, 495 taking the full allocation to £22,908,275.
- 2.6 Under these schemes the following grants have been awarded by Leeds City Council as at 19 March 2021:

Ref	Leeds scheme and status	Government allocation used	Grants awarded at 19-03-2021	Grants Value
1	LRSB (Open) for hospitality and accommodation businesses that pay rates. Status: Closed	LRSB (Open)	1502	£3,705,770
2	LRSB (Closed) Status: Operational	LRSB (Closed)	20,954	£40,373,996
3	LRSB (Sector) Status: Operational	LRSB (Sector)	30	£31,502
4	Christmas Payments to wet-led pubs Status: Closed	Christmas Payments to wet-led pubs	387	£387,000
5	National Lockdown Payments Status: Operational	National Lockdown Payments	5417	£26,904,000
6	DGF Scheme One: Support for businesses with annual fixed property costs of more than £4000 Status: Operational	LRSB (Open) and ARG	748	£3,847,750
7	DGF Scheme Two: Support for businesses with fixed property costs of less than £4000 Status: Operational	LRSB (Open) and ARG	318	£194,500
8	Free three year licences for taxi and hackney carriage drivers Status: Operational.	ARG	Grants will be awarded at licence renewal over 12 months from 1 March 2021	Forecast £2.5M

- 2.7 In addition, in November the decision was taken to commit resources from ARG to broader business support to address the impact on local businesses and support recovery. £150,000 was committed to fund support to Retail / Hospitality / leisure micro businesses building on work undertaken by the micro business support service commissioned by the Council in the spring / summer of 2020. Phase one of this work is now underway with an external contractor having been appointed to deliver content to target businesses. A further £300,000 was committed to activities to support the return of footfall back to the City Centre and other key locations as restrictions are eased in 2021.
- 2.8 The position in relation the allocations made to Leeds City Council is therefore as follows:

Government Scheme	Leeds City Council Allocation	Committed*	Remaining
LRSO (Open)	£3,789,530	£3,789,530	£0
LRSO (Closed)	£56,229,934	£39,765,174.98	£16,464,759.02
LRSO (Sector)	Included in Closed	£31,502	n/a
Christmas Payments to wet-led pubs	£300,800	£386,000	-£85,200
National Lockdown Payments	£38,97,0000	£26,494,000	£12,476,000
ARG	£22,908,275	£14,565,000	£8,343,275

*includes a forecast spend based on the backlog of grant applications (£11.6M) and the amounts committed to fund free licences for taxi and hackney carriage drivers (£2.5M) and 450K referenced at para 2.7 above.

- 2.9 On 3 March 2021, the Government announced a new 'Restart Grant' which will replace LRSO (Closed), LRSO (Open) and LRSO (Sector) from April. Non-essential shops are the first to open in April, and can get grants up to £6,000. Pubs, restaurants, gyms and salons will start to reopen months later where they can claim up to £18,000.
- 2.10 In light of the roadmap to re-opening the Government also announced a further £425 million would be made available to Local Authorities, through a conditional top-up to the ARG from 1 April 2021. Guidance issued on 17 March 2021 clarified that this funding will be subject to Local Authorities spending their existing allocations of ARG by 30 June 2021 and will be allocated based on a per-business calculation. Officers are liaising with BEIS to clarify how they will take into account committed spend in relation to this given Leeds City Council has taken decisions based on the guidance as set prior to 17 March, specifically putting in place support for taxi and licensed hire drivers which will be rolled out over a 12 month period.
- 2.11 As the LRSO (Open) allocation had to be defrayed by 31 March 2021, Leeds City Council was focused on ensuring that the full allocation of £3,789,530 was used to support businesses based in Leeds. This means that, when compared to other Local Authorities that may have had no, or limited, LRSO (Open) allocation we have spent a small percentage of our ARG to date, although we have committed more than 63%. It is for this reason that a Phase Two is proposed as outlined below.

- 2.12 As the Authorities are encouraged to use ARG to support businesses that have been severely impacted by the restrictions but may not be eligible for support under the Local Restriction Support Grants, who to provide grants / support to and how much assistance to provide is at the discretion of the authorities concerned.. The allocation can also be used for other direct business support at the discretion of the Local Authority, for example support for re-opening the high street safely.
- 2.13 ARG is a one-off payment for Local Authorities in financial year 2020/2021 and can be used in 2020/2021 and 2021/2022 but will not be renewed.

3.0 Main issues

- 3.1 In light of the roadmap published by government for the easing of Covid-19 restrictions in the UK it is the right time to set out plans for pivoting the focus of the ARG to ensure that the money is focused on supporting businesses to restart and thrive from spring 2021 through to December and beyond. It is vital that the primary focus of ARG continues to be supporting the businesses and organisations most severely impacted by Covid-19 and for that reason Officers are recommending the following additional commitments are made in relation to ARG:

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2	DGF Scheme Two	<p>DGF Scheme Two will be re-opened for a third application window on 30th March 2021 (to be confirmed). In this round it is proposed that any business incorporated or registered before the 1st January 2018 in retail, hospitality, leisure, childcare and associated supply chains will be eligible to apply for a grant as long as they can demonstrate some ongoing business related costs (excluding wages, salaries and directors drawings) and a covid impact on their business income.</p>	£2,550,000

3	arts@leeds Grants	Provision of a restart grant to all current arts@leeds grants recipients in April 2021 to support re-mobilisation and programme costs.	£320,000
4	Support for Re-opening the High Street Safely	Initiatives to help to bring footfall back to the City Centre and other key locations to underpin economic recovery.	£325,000
5	innovation@leeds Grants	Provision of grants to support established organisations / networks across the innovation ecosystem to ensure they can continue to support entrepreneurs.	£200,000
		Total estimated allocation	£7,395,000

- 3.2 Making these additional commitments leaves a contingency of £948,275 in the ARG allocation and a further buffer of £1,595,000 based on the fact that 409 discretionary grants have been funded through LRSG (Open). It is felt prudent to build in the contingency at this point to allow for any unknowns that emerge during April in relation to demand for the schemes.

Discretionary Grant Fund (DGF) Scheme One

- 3.3 DGF Scheme One provides grants to businesses severely impacted by Covid-19 that can demonstrate a reduction in sales/income of 30% or more and annual fixed property costs of more than £4,000. The scheme was established in November 2020 and has supported 625 businesses to date at a total cost of £3m. (to 12/3/21). The scheme was originally designed to work alongside LRSG (closed) grants paid via Business Rates. Given the announcement made in January by the chancellor to provide more generous LRSG payments the scheme refocused in its second application round to prioritise Retail, Hospitality and Leisure businesses not in receipt of mandatory grants through the LRSG (Closed) scheme.
- 3.4 The 'Restart Grants' announced by the Government on 3 March 2021 will be the successor to LRSG (Closed) and will provide support directly to businesses in Retail, Hospitality and Leisure liable for rates. It will not provide support to businesses severely impacted by Covid-19 restrictions that are in the supply chain or businesses which operate from shared property/are not registered as rate payers. Officers therefore propose that businesses that have received a grant through DGF Scheme One since November 2020, that do not have access to mandatory LRSG (Closed) grants, are awarded a one-off grant to cover up to 100% of their fixed property costs (rent/mortgage interest & service charges) for the period 1 April to 30 June 2021 (subject to a maximum additional contribution of £6,000). These payments will be made without a further application being required by the business. It is estimated that this will support up to 750 businesses and amount to approximately £2.25m (an average of £3,000).
- 3.5 In addition, to mirror the support announced on the extension of rates relief to Retail, Hospitality and Leisure businesses it is proposed that for those businesses who have received a grant through DGF Scheme One since November 2020 that have not had access to mandatory LRSG grants and are suppliers to Retail, Hospitality and Leisure they receive an additional grant which will be provided at 50% of their total rates bill for the 12 month period from 1 April 2021 to 31 March

2022 (subject to a maximum contribution of £10,000). It is estimated that this will support up to 250 businesses at a cost of £1.25m.

- 3.6 Finally, Officers propose that the maximum grant awarded through Scheme One of £25,000 be increased enabling Retail Hospitality and Leisure businesses not in receipt of LRSG assistance to benefit from the additional grants described in 7.18 and 7.19. It is proposed that the maximum is set at £100,000 to enable a handful of exceptional grant awards to be made to strategically important businesses. Such awards are expected to be the exception and will be awarded on the basis that the business has been substantially impacted by Covid-19 restrictions (showing a loss of sales/income in excess of 35%) and is considered strategically important in terms of the numbers employed (in excess of 250 staff employed in Leeds) or they support a significant supply chain in the city which would be undermined if the business closed or downsized its Leeds operation.

Discretionary Grant Fund (DGF) Scheme Two

- 3.7 DGF Scheme Two provides grants to businesses based from home and those who are based from premises but who incur less than £4,000 per annum of fixed non domestic property costs. Under this scheme applicants receive a single one off payment of £500 for sole traders with a payment of £1,000 payable to businesses which employ two or more staff (including the proprietor).
- 3.8 The first application window for DGF Scheme Two was in December 2020 and was open to businesses registered for self-assessment after 1st January 2018 and on or before 1st October 2020. The second application window for DGF Scheme Two was in February 2021. In the second round, the scheme was extended to include businesses incorporated or registered before the 1st January 2018 in retail, hospitality, leisure, childcare and associated supply chains if they had not been in receipt of government Covid grant support (defined as SEISS, RHLG, SBGF or Discretionary Covid Grant Funds administered since March 2020 by Leeds City Council).
- 3.9 Officers recommend that DGF Scheme Two is opened for a third application window on Tuesday 30th March 2021 for two weeks. In this round it is proposed that any business incorporated or registered before the 1st January 2018 in retail, hospitality, leisure, childcare and associated supply chains will be eligible to apply for a grant unless they are already in receipt of covid grant assistance from Leeds City Council since national restrictions were imposed in September 2020. Businesses will need to be able to demonstrate some ongoing business costs (excluding wages/salaries) to qualify and be able to describe the impact of Covid on their sales/business income.
- 3.10 This change will support a large number of businesses such as driving instructors, taxi and private hire drivers, hairdressers, childminders, travel agents and a wide variety of self-employed occupations in retail, hospitality and leisure and childcare.
- 3.11 On the assumption that a large volume of applications are made when Scheme 2 reopens, it is estimated that 4,000 businesses could be supported at a total cost of £2.4m (average of £600).
- 3.12 Officers propose that top-up payments are considered only in May once we have worked through the applications received in the next round and have a clear picture of demand.

Arts@Leeds Grants

- 3.13 Building on the principle set out in the first phase of ARG which was that *‘Additional business support should be put in place for micro businesses focused particularly on those in retail, hospitality and leisure who have been severely impacted by the pandemic’*. Officers recommend that this support be extended to those in the cultural sector.
- 3.14 Culture has been severely impacted by Covid-19 and whilst larger organisations in Leeds have been successful in accessing support through the Arts Council Cultural Recovery Fund and Culture Capital Kickstart there has been limited support for smaller, community based arts organisations.
- 3.15 Officers are therefore proposing a one-off resilience grant to be provided to existing recipients of arts@leeds grants in April 2021. This will provide the support organisations need to restart activities and remobilise as we come out of Covid-19 restrictions.
- 3.16 The arts@leeds programme provides support for cultural, voluntary and community organisations to create opportunities for residents from across the city to engage in cultural activity as a participant, attendee or creator.
- 3.17 The scheme addresses a range of Council priorities including working with communities, supporting inclusive economic growth, promoting a positive image of the city, and making Leeds a better, richer and more diverse place to live, work and visit. It is the cornerstone of achieving the Best City outcome that people should “enjoy greater access to green spaces, leisure and the arts”.
- 3.18 For every £1 invested there is a return of £30 into the city, via ticket sales, grants and sponsorship meaning that the proposed £320,000 will result in a return of £9.6M.
- 3.19 It is proposed that development organisations receive a grant worth 75% of their total annual grant, beneficiaries will include organisations right across the city such as Dazl, Leeds Irish Arts Foundation, Morley Arts Festival, and skipkko. It is proposed that investment organisations receive a grant worth 25% of their total annual grant. Beneficiaries will include Phoenix Dance and East Street Arts. Finally, it is proposed that the largest organisations receive a grant worth 10% of their annual grant. Beneficiaries include Leeds Playhouse, Opera North, Northern Ballet and Leeds Grand. Specific terms will be placed on the largest organisations to ensure that the grant is spent on programming which supports the wider recovery of the sector and the city throughout the summer and autumn 2021.

Support for Re-opening the High Street Safely

- 3.20 Building on the principle set out in the first phase of ARG which was that *‘Initiatives to help to bring footfall back to the City Centre and other key locations to underpin economic recovery should be boosted by funding from ARG’*. Officers recommend that in addition to the £300,000 allocated in November a further £325,000 be allocated to support the following areas.
- Hospitality support package to include night time marshal team for first 8 weekends of re-opening to cover the city centre and Headingley / Chapel Allerton if required. £15,000

- Covid-secure package to include the purchase of face coverings for distribution to high risk and / or low compliance areas and covid signage for town and district centres and the city centre where needed. £40,000
- Driving up footfall in the city centre across summer to include a programme of events and activities in Leeds city centre focused on the early recovery phase and an empty units programme to improve the appearance of the city centre. £130,000
- Animating the city at Christmas to include a combination of cultural activities, performance spaces, pop-up events, animation and marketing. £130,000

3.21 When added to the commitments already made to: support the hosting of the ITU World Triathlon; deliver the next phase of the Visit Leeds campaign to encourage visitors back to the city; and, provide small grants through Leeds Inspired to support live events, this represents a significant package of support for hospitality, retail and culture right across the city.

Backing Innovators and Entrepreneurs

- 3.22 Innovation and enterprise are key drivers to economic recovery, supporting new start-ups who are able to scale will create new jobs and new markets and create a more resilient economy. This is recognised in our Economic Recovery Framework and in the wider West Yorkshire Recovery Plan.
- 3.23 Leeds and the wider region is already well positioned as a destination for entrepreneurs and innovators. Alongside deep sector strengths it has a broad base of industries and diverse demographics which make an ideal test-bed for UK and international markets. For the past two years the city has been engaged with the Massachusetts Institute of Technology on their Regional Entrepreneurship Acceleration Program (MIT REAP) to learn more about our eco-system and develop programmes to generate more businesses and jobs.
- 3.24 The success of our innovation ecosystem to date has, in large part, been due to a range of networks, collaborations and partnerships which have been nurtured over the past five years. Examples include Leeds Digital Festival, FinTech North, NorthInvest and NextUp Mentoring. These organisations are typically funded through corporate sponsorship with small grants provided by Leeds City Council for particular events or projects. As a result of Covid-19 their ability to access sponsorship has reduced but their importance has increased.
- 3.25 Officers are therefore proposing a one-off 'Innovation@Leeds' grants scheme to provide a boost which will ensure that we protect and strengthen our innovation capacity within the ecosystem and provide a stable and sustainable foundation to achieve our ambitions for recovery.
- 3.26 Officers propose that a £200,000 fund be set aside and that the following principles be applied:
- a. Grants will be awarded of between £5,000 and £30,000
 - b. Applicants must be based in Leeds and operational before 31 December 2020.
 - c. Applicants must demonstrate collaboration and submissions from consortiums will be accepted.

- d. Proposals must support the innovation ecosystem and fit into one or more of the following categories: access to early stage risk capital; supporting the development of our Legal Tech, Fin Tech or Health Tech ecosystems; addressing the climate emergency; development of communities that promote inclusive innovation; and development of communities that showcase Leeds' innovation and inward investment opportunities nationally and internationally.
- e. Proposals must set out how they have considered their impact on diversity and inclusion.

Review

- 3.27 Officers further recommend that a review is undertaken in May 2021 to evaluate progress in the spending of ARG and that, if necessary, further recommendations be made at that time.

4.0 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation on the development of Covid-19 business grants has been ongoing and has been undertaken with the following groups:
 - Elected members through the Members Outbreak Control Board.
 - Business representative bodies through the Leeds City Council silver command group for Business and Economy including the Chamber of Commerce, the Federation of Small Businesses, LeedsBID, Leeds Hotels and Venues Association and Tech Nation.
 - Independent businesses through the representative group established as part of COVID-19 Emergency Structures.
 - Through the West Yorkshire Combined Authority with Business Support teams of Local Authorities (LAs) across West Yorkshire (WY) and those of LAs in York, Harrogate, Selby and Craven.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The information we provide on the Leeds City Council website about our grant schemes and any application forms will be reviewed to ensure that they meet web accessibility legislation. There will be the ability for an applicant to flag that they require language support if required.
- 4.2.2 The arts@leeds scheme addresses a range of Council priorities including working with communities, supporting inclusive economic growth, promoting a positive image of the city, and making Leeds a better, richer and more diverse place to live, work and visit. It is the cornerstone of achieving the Best City outcome that people should “enjoy greater access to green spaces, leisure and the arts”.
- 4.2.3 The innovation@leeds scheme will include a requirement for applicants to set out how they will address diversity and inclusion.

4.3 Council policies and the Best Council Plan

- 4.3.1 These schemes will support the Best City Ambition to have ‘A Strong Economy and a Compassionate City’. Providing support to businesses to ensure that they can bounce back from COVID-19 will help protect jobs and livelihoods and ensure that our economy has a better chance of recovery.
- 4.3.2 By boosting the arts@leeds grants the Best City outcome that people should “enjoy greater access to green spaces, leisure and the arts” will also be supported.
- 4.3.3 Data relating to the allocation of grants will be published on Data Mill North once the scheme is complete.

Climate Emergency

- 4.3.4 These schemes will be delivered as ‘digital by default’ removing the need for paper letters to applicants or paper record storage.
- 4.3.5 Applications to innovation@leeds will be invited to consider how they can boost our innovation ecosystem to address climate change.

4.4 Resources, procurement and value for money

- 4.4.1 The Economic Development team will administer DGF Schemes One and Two and be responsible for ensuring that reporting of our ARG spend is carried out in a timely and complete way for all the schemes outlined. Resources have been re-deployed from Economic Development and from other departments in the City Development Directorate to support the administration and appraisal process. New burdens funding will be used to address any reduction in income that results from the redeployment of staff and to introduce temporary resources or make overtime payments if this is required. The broader work of the Economic Development team will be impacted by the redeployment of staff but officers will work to ensure this is minimised as far as possible.
- 4.4.2 City Centre Management and Visit Leeds will deliver the interventions set out to support the safe re-opening of the city and district centres as part of their ongoing work programmes.
- 4.4.3 The Cultural Development team will administer the arts@leeds grants.
- 4.4.4 The Economic Policy team will administer the innovation@leeds grants.
- 4.4.5 All schemes, have been designed to provide a one-off payment rather than recurring payments. Further the Discretionary Grant Fund (Scheme Two) will only open for applications for a period of two weeks. These measures will ensure that we do not overcommit the council financially. The scheme design also allows for flexibility to make further payments without additional applications based on an initial appraisal – meaning that further recommendations can be brought forwards by officers if there are significant funds remaining after this first round of grant awards.

4.5 Legal implications, access to information, and call-in

4.5.1 Grants will be provided pursuant to Section 1 of the Localism Act 2011.

4.5.2 As set out in the Government's guidance, grants must be provided so as to be compliant with the provisions of the Trade and Co-operation Agreement (TCA) with the European Union.

4.5.3 Grants awarded after 4 March 2021 must comply with the following restrictions:

Grants of up to 325,000 Special Drawing Rights (circa £335,000 as at 2 March 2021) can be given without limitation provided that the recipient will not receive more than that amount in subsidy during a period of three fiscal years.

Grants of up to £1,600,000 can be given provided that they are given to address issues arising from the pandemic and are targeted, proportionate and effective in order to remedy those issues. The amount of any previous Covid related support given to the recipient must be taken into account in determining the amount of assistance they are eligible for.

Grants of up to £9,000,000 can be given in exceptional circumstances and subject to conditions prescribed by the Government, but it is highly unlikely that it will be necessary to rely on these provisions.

4.5.4 Applicants will be required to complete a declaration giving details of any other subsidies or Covid related assistance they have already received. Grants will not be provided where the Council is not satisfied that the provisions of the TCA will be complied with.

4.5.5 In administering any grant scheme, the Council must have due regard to the Government guidance and must act in a proportionate, objective, rational and reasonable manner. In addition, the Council must also act in a business-like manner with reasonable care, skill and caution and with a due and alert regard to the interests of the council tax and business rate payers of Leeds.

4.5.6 The recommendations contained in this report are in line with the original Key Decision taken on 19 November 2020 which determined the approach to the administration of Leeds City Council COVID-19 Local Restrictions Support Grants and Additional Restrictions Grants both in relation to the initial funding and any subsequent funding and delegated the approval to award grants under it as set out in the Director of City Development's Sub-Delegation Scheme.

4.6 Risk management

4.6.1 To inform scheme design, Officers took into account data available from a range of sources including the council's business rates database and data gathered during the administration of previous rounds of the Discretionary Grant Funds. Whilst there remains a risk that insufficient resources are in place to administer grants, this has been mitigated by introducing an application window for the Discretionary Grant Funds and by recruiting additional staff funded by burdens payments.

4.6.2 Leeds City Council schemes are broadly in line with the schemes established across the West Yorkshire Authorities. Where there are differences it was felt, on balance, that this was appropriate given the different circumstances of each Authority.

- 4.6.3 Whilst it is always possible that a legal challenge could be made that the Council's proposed schemes are unlawful, in designing them we have had due regard to both the Government's guidance and the principles of public law. For such a challenge to be successful it would have to be shown that, in adopting the proposed schemes, the Council had acted contrary to public law (i.e. that it had not acted proportionately, objectively, rationally or reasonably). For the reasons set out in this report, we do not believe that that is the case and that we would be able to rebut any such challenge that might be made.
- 4.6.4 A simple appeals process will be put in place and details will be included in the guidance for applicants on this.

5.0 Conclusions

- 5.1 In light of the roadmap published by the Government for the easing of Covid-19 restrictions in the UK it is the right time to set out plans for pivoting the focus of the ARG to ensure that the money is focused on supporting businesses to restart and thrive from spring 2021 through to December and beyond. It is vital that the primary focus of ARG continues to be supporting the businesses and organisations most severely impacted by Covid-19 and for that reason Officers are recommending additional commitments in relation to ARG.
- 5.2 The proposed schemes have all been designed with due regard to both the Government's guidance and the principles of public law and are believed to be fair and reasonable in all respects. A process will operate so that any business which feels that it has not been fairly treated can appeal.
- 5.3 The position should be reviewed in May both in terms of progress towards spending the full ARG allocation and in the lifting of Covid-19 restrictions.

6.0 Recommendations

- 6.1 To note the contents of this report and the advice contained within it.
- 6.2 To approve the proposed approach to the administration of Phase Two of Leeds City Council COVID-19 Additional Restrictions Grants and to delegate the approval to award grants under it as set out in the Director of City Development's Sub-Delegation Scheme.

7.0 Background documents¹

- 7.1 None.

8.0 Additional information

- 8.1 Please refer to the previous decisions taken in relation to Additional Restrictions Grants:
- COVID-19 Local Restrictions Support Grant and Additional Restrictions Grant Schemes including Discretionary Grant Funds [Council and democracy \(leeds.gov.uk\)](https://www.leeds.gov.uk/council-and-democracy)
 - COVID-19 Additional Restrictions Grant Schemes - Discretionary Grant Fund Scheme Two [Council and democracy \(leeds.gov.uk\)](https://www.leeds.gov.uk/council-and-democracy)

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

- COVID-19 Business Support Package January Lockdown [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy)
- COVID-19 Grant support for Business Improvement Districts [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy)
- COVID-19 Additional Restrictions Grant – Funding of free three year driver licences to existing private hire and hackney carriage drivers and access to grants [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy)

8.2 Please refer to the detailed guidance received from government relating to The Additional Restrictions Grant. The guidance available at 23 March is available here: [Additional Restrictions Grant: guidance for Local Authorities \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance-for-local-authorities)