

Report to: Leader of the Council

Date: 19 November 2020

Title: Additional Restrictions Support Grant

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Cllr James MacCleary

Ward(s): All

Purpose of report: To consider the proposed Additional Restrictions Support Grant Policy (ARG) for businesses which have to close or are severely impacted by national or localised lockdown restrictions to manage the coronavirus pandemic.

Decision type: Non key decision

Officer recommendation(s): (1) The Leader of the Council approves the Policy as set out in Appendix 1

(2) Grant the Director of Service Delivery delegated authority, to implement, and if necessary, amend the policy (in consultation with the Leader), such delegated authority to include any measures necessary for or incidental to its management and administration

Reasons for recommendations: Cabinet approval is required for the ARG policy which will be used for the purposes of administering the scheme

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1 Introduction

- 1.1 On 31st October the Government announced a further national lockdown effective from 5th November to 2nd December which requires certain businesses to legally close due to restrictions being put in place to manage coronavirus and save lives. The announcement included a grant funding package and schemes that will operate to support rateable and non-rateable businesses.
- 1.2 The Additional Restrictions Grant Scheme (ARG) applies where local restrictions are put in place, or where a widespread national lockdown is announced. The Council is able to use this funding for business support activities and Government envisage that this will primarily take the form of discretionary grants

although it can be used for wider business support such as guidance for businesses, skills and training to support the ability to trade in changed circumstances.

- 1.3 The Council is fully aware of the importance of these grants to assist businesses and the scheme will offer a lifeline to businesses who are struggling to survive during the COVID-19 crisis.

2 Proposed scheme

- 2.1 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy and Industrial Strategy (BEIS) has set down that where ARG is used for business support grants, the same conditions of grant must apply as for the Local Restrictions Support Grant 'Closed' Scheme. However, the Council will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
- 2.2 The Council may also consider making payments to those businesses which, whilst not legally are forced to close are nonetheless severely impacted by the restrictions put in place. It can also assist businesses which are outside of the rating system and which are forced to close.
- 2.3 The sectors that will be supported and the level of grant payable will be:
- a) Shared spaces - £1,334
 - b) Bed and Breakfast - £1,334
 - c) Market traders - £667
 - d) Food, beverage, events, hospitality and leisure supply chains –
Rateable Value of £15,000 or under - £1,334
Rateable Value between £15,001 and £41,999 - £2,000
Rateable Value above £51,000 - £3,000
 - e) Home based 'in person' businesses - £800
 - f) Arts and entertainment - £1,334
 - g) Agricultural - £1,334
- 2.4 Businesses that have chosen to close but are not legally required to close will not be eligible and certain businesses will be excluded such as ATM cash machines, car parking, schools, educational establishments and storage facilities. The full list of excluded businesses are detailed in the policy.
- 2.5 One grant payment will be made to each eligible Business for the 28 day qualifying restriction period. If the national restrictions are extended further payments will be made relative to the extended period of national or very high local restrictions.
- 2.6 Applications will be made online through the Council grant portal to enable efficient management and processing as well as reducing the risk of fraud by automatic liability checking and validation of the application against the business rates database, companies house, commercial credit bureau data and previous COVID business grants data already stored on the portal.

2.7 Payments will be made to businesses via BACS within 4 working days of receipt of a received application.

3 Financial implications

3.1 BEIS have confirmed the funding allocation is for the financial years 2020/21 and 2021/22. Grant will be paid under Section 31 of the Local Government Finance Act 2003.

3.2 The Council has been allocated £2,065,360, this is a one-off lump sum and which will need to be used during any future periods the Council area may be subject to national or very high local restrictions. Therefore, the funds for this scheme will be 'apportioned' across both years so that the Council is able to respond and support businesses should future local or national restrictions come into force.

3.3 The funds will be divided as follows:

2020/21 = £1,363,138

2021/22 = £702,222

3.4 Although the allocation is covering two years, in exceptional circumstances funds may be vired between years. Any funds that remain at the end of 2020/21 will be carried forward.

3.5 Funding can be provided to provide wider business support to assist the business community, but unlike grants, cannot be used in the future outside of national or local restrictions to provide direct funding to businesses.

4 Consultation

4.1 This additional funding has been made available by Government as an emergency measure to support businesses which are required to close at short notice as the measures took effect on 05 November. Time does not permit business consultation as awards need to be made urgently, but awards will be made in accordance with existing and future government guidance and the delegation sought permits the scheme to be adjusted if that is found to be necessary or desirable.

5 Legal Implications

5.1 This is a new scheme which needs to be implemented as a matter of urgency and so executive approval for the scheme is being sought from the Leader. The Leader is being asked to authorise the Director of Service Delivery to implement and administer the scheme as there is no existing officer delegation in place. The Director of Service Delivery and the Chief Finance Officer have previously been given delegated powers to administer similar schemes such as

determining entitlement to rate relief and determining applications for housing, council tax and similar benefits.

- 5.2 Any award of grants shall comply with EU law on State Aid on the basis that the claimant shall not receive more than €800,000 in total of De Minimis aid within the current financial year (or previous two financial years) as defined in the De Minimis Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013)

6 Risk management implications

- 6.1 There is a risk that, without a scheme in place, the Council would be unable to pay grants to eligible businesses in a timely manner which could result in further financial hardship. Failure to distribute the support to businesses before the national lockdown ceases could cause reputational damage to the council.
- 6.3 It is difficult to gauge the likely demand until the application window opens. The Specialist Advisors will initially process claims, however if this proves to be insufficient to cope with the demand from both the LRSG and ARG schemes additional staff with non-urgent work activities and with suitable skill sets may be required to support.

At this stage there is not a significant risk of overspend from the funding allocation provided by BEIS, however it is not possible to determine the number of applications from certain sectors the council intends to support such as the supply chain sector and homeworking businesses. Once the national lockdown restrictions have been lifted the cost and operation of the scheme will be reviewed, and, if necessary the policy will be amended to ensure the council is able to support businesses within the remaining funding envelope should any future national or very high local restrictions being imposed.

7 Equality analysis

- 7.1 None has been undertaken for the reasons set out above i.e. this is an emergency grant award. However, payments will be made in accordance with government guidance and consistency of approach is being secured through the adoption of a countywide scheme.
- 7.2 It is our view that the policy is robust and shows no potential for discrimination.

8 Conclusions

- 8.1 The impact of Covid-19 is global continues and remains unquantified as business struggles to control the economic turbulence we have all experienced since early March.
- 8.2 In these unprecedented times the Government expects local authorities to have in place arrangements to administer and pay grants to businesses as quickly as possible in November.

9 Appendices

- Appendix 1 – Additional Restrictions Grants Policy

10 Background papers

The background papers used in compiling this report were as follows:

- Guidance for Local Restrictions Supports Grants

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