

**Report to:** Leader of the Council

**Date:** 31 March 2021

**Title:** Restart Grant

**Report of:** Tim Whelan, Director of Service Delivery

**Cabinet member:** Cllr James MacCleary, Leader of the Council

**Ward(s):** All

**Purpose of report:** To consider the proposed Restart Grant Scheme (RGS) 'Closed' for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses which may open later under plans set out in the Government's roadmap.

**Decision type:** Key decision

**Officer recommendation(s):** (1) The Leader of the Council Approves the RGS as set out in Appendix 1

(2) Grant the Director of Service Delivery delegated authority, to implement, and if necessary, amend the scheme (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 RGS policy which will be used for the purposes of administering the scheme

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## **1 Introduction**

- 1.1 On 3<sup>rd</sup> March the Government announced additional support to certain business sectors that have been legally required to close due to national restrictions being put in place to manage coronavirus and save lives. The announcement included additional grant funding support that will operate to support non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses within the business rates system. This will be a 'one-off' grant payment made to eligible businesses.

- 1.2 The Council is fully aware of the importance of these grants to assist businesses re-open in the coming months who have been struggling to survive during the COVID-19 crisis.

## **2 Proposed scheme**

- 2.1 Whilst Government wants Councils to exercise their local knowledge and discretion, it has set national criteria and the Council will only consider businesses where all eligibility criteria are met. The Restart Grant Scheme supports businesses that are predominantly reliant on delivering in-person services for the general public as follows:

- 2.2
- Strand One – non-essential retail businesses
  - Strand Two – hospitality, accommodation, leisure, personal care and gyms

- 2.3 Eligible businesses must have been trading on 01 April 2021 to receive funding. The property must be shown on the rating list from the effective date of 01 April 2021. The government has set out definitions of the business classifications under both strands as set out in Appendix 1

- 2.4 In its guidance document the government details those businesses that will not be eligible to receive a grant which are listed in Appendix 1.

- 2.5 The amount of grant and the frequency of awards in respect of the national restriction are fixed as follows:

### Strand One

- Businesses with a rateable value of £15,000 or under will receive a payment of £2,667
- Businesses with a rateable value of £15,001 to £51,000 will receive a payment of £4,000
- Businesses with a rateable value of £51,001 or above will receive £6,000

### Strand Two

- Businesses with a rateable value of £15,000 or under will receive a payment of £8,000
- Businesses with a rateable value of £15,001 to £51,000 will receive a payment of £12,000
- Businesses with a rateable value of £51,001 or above will receive £18,000

- 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 The Council will receive 90% of the estimated funding based on an initial government estimate which has not yet been confirmed. Funding however isn't expected until early April and the Government have stipulated that Authorities must not make payments to businesses before the 01 April 2021.

### **4 Consultation**

4.1 This additional funding has been made available by Government as an emergency measure to support businesses which have been required to close to restart. 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 COVID grant schemes.

5.2 The EU State Aid rules no longer apply to subsidies granted in the UK following the end of the transition period. The UK remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement with the EU.

5.3 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under EU State Aid Temporary Framework.

### **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 or at worst bankruptcy or insolvency. Failure to distribute the support to businesses in early April could cause reputational damage to the council.

### **7 Equality analysis**

7.1 None has been undertaken for the reasons set out above ie 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 continues to impact businesses a year on from when the pandemic started.

8.2 In these unprecedented and difficult times the Government expects local authorities to have in place arrangements to administer and pay grants to businesses as quickly as possible in April.

## **9 Appendices**

- Appendix 1 – Restart Grant Scheme April 2021

## **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>

- Subsidy Control Guidance for Local Authorities

[Complying with the UK's international obligations on subsidy control: guidance for public authorities - GOV.UK \(www.gov.uk\)](#)