

## **Report to Leader**

**Subject:** Local Restrictions Support Grants for Businesses

**Date:** 13 November 2020

**Author:** Revenues Manager

### **Wards Affected**

All

### **Purpose**

The purpose of this report is:

- 1) To seek approval to implement, in accordance with the latest government guidance, the following grant schemes:
  - i) Local Restrictions Support Grant (Sector)
  - ii) Local Restrictions Support Grant (Open)
  - iii) Local Restrictions Support Grant (Closed)
  - iv) Local Restrictions Support Grant (Closed) Addendum
  - v) Additional Restrictions Grant
- 2) To adopt the local scheme known as the *Gedling Borough Council Local Restrictions Business Support* scheme to act as guidance for the administration of the approved grants, including those where the Council is required to exercise its discretion.
- 3) To delegate, to the Director responsible for Revenues Services, the authority to determine grant eligibility, in accordance with the Government's guidance and the Council's Local Restrictions Business Support scheme.
- 4) To delegate, to the Portfolio Holder for Resources and Reputation, the authority to determine grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses within the Local Restrictions Business Support scheme, but which provide key benefit to the local economy of the Borough of Gedling.

- 5) To establish two budgets to allow the payment of the grants where the Council is required to exercise its discretion.

### **Key Decision**

This is a key decision because it is likely to result in the Council incurring expenditure which is in excess of £500,000 and is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.

### **Recommendation(s)**

#### **THAT:**

- 1) the grant schemes detailed in appendices 2-6 of this report are implemented in accordance with the latest Government guidance;
- 2) the local scheme known as the Gedling Borough Council Local Restrictions Business Support scheme is adopted to act as guidance for the administration of the approved grants, including those where the Council is required to exercise its discretion;
- 3) a delegation is provided to the Director responsible for Revenues Services, for the determination of grant eligibility and payment award, in accordance with the Government's guidance and the Council's Local Restrictions Business Support scheme, with the exception of those grant awards delegated to the Portfolio Holder for Resources and Reputation as detailed at 4 below;
- 4) a delegation is provided to the Portfolio Holder for Resources and Reputation, for the determination of grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses in the Local Restrictions Business Support Scheme, but which provide key benefit to the local economy of the Borough of Gedling;
- 5) two budgets are established by virement to allow the payment of the grants where the Council is required to exercise its discretion, to be funded by Government grant as follows:
  - (a) Local Restrictions Support Grant (Open) £218,500; and
  - (b) Additional Restrictions Grant £2,357,900.

## 1 Background

- 1.1 On 9th September 2020, the [Government announced](#) that it would provide further funding to support businesses that are required to close in the event that localised restrictions are put in place as part of the Government's response to the Covid-19 Coronavirus.
- 1.2 On 3<sup>rd</sup> November 2020, the Government issued guidance on five grant schemes designed to assist businesses adversely affected by Covid-19 Coronavirus and the new tiered system of local restrictions. The Government's guidance documents are attached as appendices 2 - 6 of this report. A detailed table showing the grant schemes available can be found in paragraph 1 of Appendix 1 (Local Restrictions Business Support guidance).
- 1.3 The Local Restrictions Business Support scheme incorporates five schemes. Three of those schemes are mandatory schemes and must be administered in accordance with the Government's guidance. These are:
- Local Restrictions Support Grant (Sector)
  - Local Restrictions Support Grant (Closed)
  - Local Restrictions Support Grant (Closed) Addendum

The remaining two schemes are discretionary and the Council has devised guidance detailing the manner in which it will administer these schemes. (Appendix 1). These are:

- Local Restrictions Support Grant (Open)
  - Additional Restrictions Grant
- 1.4 The support in the form of Local Restrictions Support Grants will be fully funded by the Government and will be available to certain businesses subject to the payment of business rates, as well as other businesses with, and without, fixed property costs. Supply chain businesses may also be supported in line with the eligibility criteria outlined in the Government's guidance.
- 1.5 Grants will be available to businesses which have been or are currently affected by statutory localised restrictions and, where mandatory closures are in place, will be issued for each period that an eligible business is affected by the implementation of statutory localised restrictions and business closures.
- 1.6 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of

businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.

- 1.7 Applications for grants will be necessary in order for the Council to undertake diligence checks and implement anti-fraud measures. Applications will be invited by the Council and advertised as widely as possible once the grant schemes are open.
- 1.8 The Government intends that the Council should pay the Local Restrictions Support Grants to businesses in accordance with its guidance.
- 1.9 Applications will be accepted via the Council's website and once the scheme is opened, the Council will publicise the scheme through all available communication channels.

## **2 Proposal**

- 2.1 It is proposed that the grant schemes detailed in this report are implemented in accordance with the latest Government guidance.
- 2.2 It is proposed that the local scheme known as the *Gedling Borough Council Local Restrictions Business Support* scheme is adopted to act as guidance for the administration of the approved grants, including those where the Council is required to exercise its discretion.
- 2.3 It is proposed that a delegation is provided to the Director responsible for Revenues Services, for the determination of grant eligibility, in accordance with the Government's guidance and the Council's Local Restrictions Business Support scheme with the exception of those grant awards delegated to the Portfolio Holder for Resources and Reputation as detailed at 2.4 below.
- 2.4 It is proposed that a delegation is provided to the Portfolio Holder for Resources and Reputation, for the determination of grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses in the Local Restrictions Business Support Scheme, but which provide key benefits to the local economy of the Borough of Gedling.
- 2.5 It is proposed that two budgets are established to allow the payment of the grants where the Council is required to exercise its discretion.

### **3 Alternative Options**

- 3.1 An alternative to the proposal to adopt the local scheme known as the Gedling Borough Council Local Restrictions Business Support scheme, would be to abandon the current scheme and adopt an alternative. However, this scheme has been drafted in consultation with other Nottinghamshire Councils and in consultation with the Council's Leader and is considered to be fit for purpose and a good solution to suit the needs of the local business community taking account of the funding available. Further, to abandon this scheme now would cause delay in payments being made in line with the Government's intention.
- 3.2 An alternative to the proposal to delegate the authority to exercise the Council's discretion would be to report each grant case to the Leader for his determination in accordance with the national and local guidance. This would mean that the Leader would have to consider multiple applications over a potentially long period. This would place an unnecessary burden on the Executive and may prevent the timely award of the grants.

### **4 Financial Implications**

- 4.1 The Local Restrictions Support Grant (Sector), the Local Restrictions Support Grant (Closed) and the Local Restrictions Support Grant (Closed) Addendum schemes are all mandatory schemes where, in line with eligibility criteria, the Council is obliged to make payments to eligible businesses. The Government specifies all of the scheme criteria and will provide funding that equates to the actual scheme cost in a final scheme end reconciliation process.
- 4.2 For these schemes the Council will be acting as an agent for government in the distribution of grant monies over which it has no control of either the amount of grant, or the eligibility criteria to determine its award.
- 4.3 The Council only has discretion to refuse the grant until a verified recipient is identified. In accordance with the Code of Practice on Local Authority Accounting, where a local authority acts as an agent, the transactions do not need to be reflected in authority's financial statements and therefore in this circumstance, a budget does not need to be established.
- 4.4 The Local Restrictions Support Grant (Open) and the Additional Restrictions Grant schemes are discretionary schemes where the Council has devised its own method of identifying eligible recipients and award values in the form of the Local Restrictions Business Support scheme (Appendix 1).
- 4.5 For these schemes the Council is acting as the principal in its own right with a finite level of resources, therefore the transactions must be reflected

in the Council's financial statements and two budgets need to be established.

- 4.6 The value of the budget required for the Local Restrictions Support Grant (Open) is £218,500. This value may need to be increased in the future as this scheme is available in tiers 2 and 3 of the Government's local restrictions. It is not known at this stage whether the Council will fall in to either of these tiers of restrictions in the future, but it is considered to be likely. If future government grant becomes available additional budgets will be established in accordance with Financial Regulations.
- 4.7 The value of the budget required for the Additional Restrictions Grant is £2,357,900. This value is fixed as the Government has stipulated that this is a one off payment which will not be repeated regardless of the future levels of local restrictions. The funding enables the payment of grants under the Additional Restrictions Grant. When the full budget has been allocated, (and in the absence of any further Government funding), this particular discretionary scheme will be closed.

## **5 Legal Implications**

- 5.1 The Secretary of State for Health and Social Care has the power to require the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 5.2 There are elements of the Local Restrictions Business Support scheme which require the exercise of local discretion. For openness and transparency, those criteria should be clearly set out in the adopted guidance.
- 5.3 The Council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
- 5.4 Proposed grant payments made can be provided under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).

- 5.5 Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

## **6 Equalities Implications**

- 6.1 The proposed eligibility criteria for the schemes provides the transparent basis for the assessment of all applications for the Local Restrictions Support Grants which will be applied equally to all scheme applicants.
- 6.2 To ensure equal accessibility for all to make an application, the Council will have both its own online application system available for completion on the Council's website, and non-digital users will be able to contact the Council's Customer Services Team by telephone and they will be supported to complete the form. Appropriate adjustments will be made as required to ensure the accessibility of forms for individuals across languages and disabilities.

## **7 Carbon Reduction/Environmental Sustainability Implications**

- 7.1 There are no carbon reduction/sustainability implications arising from this report.

## **8 Appendices**

- 8.1 Appendix 1 - Local Restrictions Business Support Guidance
- 8.2 Appendix 2 - LRSB (Sector) Guidance
- 8.3 Appendix 3 - LRSB (Open) Guidance
- 8.4 Appendix 4 - LRSB (Closed) Guidance
- 8.5 Appendix 5 - LRSB (Closed) Addendum Guidance
- 8.6 Appendix 6 - ARG Guidance

## **9 Background Papers**

- 9.1 Code of Practice on Local Authority Accounting

## **10 Reasons for Recommendations**

- 10.1 The Council is expected by Government to award grants in line with the guidance it has published.

- 10.2 The Council is expected by Government to award discretionary grants in line with the guidance it has published and to adopt readily available and easily understood guidance for the administration of those grants.
- 10.3 Delegations are requested to ensure the timely award of the grants, efficient decision making and to avoid the Executive from becoming overwhelmed by applications. It is appropriate that this function is delegated to Officers for determination in line with established guidance and to a Portfolio Holder for exceptions.
- 10.4 Budgets are required where the Council acts as a “principal” in line with the Code of Practice on Local Authority Accounting.

**Statutory Officer approval**

**Approved by:**  
**Date:**

**Chief Financial Officer**  
**13 November 2020**

**Approved by:**  
**Date:**  
**On behalf of the Monitoring Officer**

**Deputy Monitoring Officer**  
**13<sup>th</sup> November 2020**