

Report to Leader

Subject: Local Restrictions Support Grants for Businesses (Scheme 3)

Date: 21st January 2021

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 (Closed) Addendum (Tier 4)
 - ii) Local Restrictions Support Grant (Closed) Addendum (5th January onwards)
 - iii) Closed Business Lockdown Payment
- 2) To delegate, to the Director of Corporate Resources, the authority to determine grant eligibility, in accordance with the Government's guidance.

Key Decision

This is a key decision because it is possible it will 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 1 and 2 to this report are implemented in accordance with the latest Government guidance;**

2) a delegation is provided to the Director of Corporate Resources, for the determination of grant eligibility and payment award, in accordance with the Government's guidance

1 Background

- 1.1 On 5th January 2021, the [Government announced](#) that it would provide further funding to support businesses that are required to close in the third national lockdown as part of the Government's response to the Covid-19 Coronavirus.
- 1.2 On 13th January 2021, the Government issued guidance on the grant scheme designed to assist businesses adversely affected by Covid-19 Coronavirus and the new national restrictions. The Government's guidance documents are attached as appendices 1 and 2 to this report.
- 1.3 The Local Restrictions Business Support (Scheme 3) incorporates three schemes, all of which are mandatory schemes and must be administered in accordance with the Government's guidance. These are:
 - Local Restrictions Support Grant (Closed) Addendum (Tier 4)
 - Local Restrictions Support Grant (Closed) Addendum (5th January onwards)
 - Closed Business Lockdown Payment
- 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.
- 1.5 Grants will be available to businesses which are currently affected by statutory national restrictions and, where mandatory closures are in place. Local Restrictions Support Grants (Closed) Addendum (5th January onwards) will be issued for each period that an eligible business is affected by the implementation of statutory national restrictions and business closures. Local Restrictions Support Grant (Closed) Addendum (Tier 4) and Closed Business Lockdown Payments will be paid as one off grants to eligible businesses.
- 1.6 National restrictions are legally binding restrictions imposed on specific nations, where the Secretary of State for Health and Social Care requires the closure of businesses in a nation 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 A verification process for grants will be necessary in order for the Council to undertake diligence checks and implement anti-fraud measures. Potentially eligible claimants will be contacted directly by the Council upon approval of the recommendations in this report.
- 1.8 The Government intends that the Council should pay the Local Restrictions Support Grants and the Closed Business Lockdown Payments to businesses in accordance with its guidance.

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 a delegation is provided to the Director of Corporate Resources, for the determination of grant eligibility, in accordance with the Government's guidance.

3 Alternative Options

- 3.1 An alternative to the proposal to implement the listed grant schemes in accordance with the latest government guidance would be to decline the Government's offer of grant funding and not pay grants of this nature in the Borough of Gedling. To do so however, would be to deny businesses in the Borough a significant amount of grant funding which is likely to assist in business recovery and continuity following the Covid-19 coronavirus pandemic.
- 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 (Closed) Addendum (Tier 4), the Local Restrictions Support Grant (Closed) Addendum (5th January onwards) and the Closed Business Lockdown Payment 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 funding received from Government so far for these grants is as follows:

Local Restrictions Support Grant (Closed) Addendum (Tier 4) - £0.00

Local Restrictions Support Grant (Closed) Addendum (5th January onwards) - £1.971.594

Closed Business Lockdown Payment - £3,942,000

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 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.
- 5.3 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).

- 5.4 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 an application. 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 Support Grant (Closed) (Addendum) - Guidance
- 8.2 Appendix 2 - Business Support Package for January Lockdown - 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.
- 10.3 The delegation is 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.

Statutory Officer approval

**Approved by: Alison Ball
Date:**

**Deputy Chief Financial Officer
21st January 2021**

**Approved by: Francesca Whyley
Date:**

**Monitoring Officer
21st January 2021**