

Report to Leader

Subject: Local Restrictions Support Grant for Business - Additional Restrictions Grant Top-Up Awards

Date: 22 February 2021

Author: Director of Corporate Resources and s151 Officer

Wards Affected

All

Purpose

The purpose of this report is:

- 1) To seek approval to establish a budget of £1,047,300 to allow payment of the top-up Additional Restrictions Grant where the Council is required to exercise its discretion;
- 2) To seek approval for the top-up Additional Restrictions Grant amounts to be set by business type for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme.

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) **A budget of £1,047,300 is established by virement to allow payment of the top-up Additional Restrictions Grant to be funded by Government Grant;**

2) the top-up Additional Restrictions Grant amounts be set by business type as detailed in paragraph 2.1 of this report as an addition to the original approved scheme amounts, for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme.

1 Background

- 1.1 On 9 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 November 2020, the Government issued guidance on five grant schemes one of which was the Additional Restrictions Grant, a discretionary scheme designed to assist businesses adversely affected by Covid-19. The criteria for the award of the Additional Restrictions Grant was approved by the Leader on 13 November 2020 as part of the Council's Local Restrictions Business Support scheme.
- 1.3 On 5 January 2020, the Government announced a further £500m to be made available to Local Authorities through a top-up to the Additional Restrictions Grant, of which £1,047,300 has been awarded to Gedling Borough Council. They further announced that there would be no change to the guidance for this scheme, and therefore there are no changes required to eligibility criteria in the Council's current approved Local Restrictions Business Support Guidance attached at Appendix 1. There are also no changes proposed to the delegations approved by the Leader on 13 November 2020 under the Local Restrictions Support Grant scheme for the determination of grant eligibility and payment awards.

2 Proposal

- 2.1 It is proposed that a budget of £1,047,300 be established to enable the payment of the top-up Additional Restriction Grant. The proposed top-up grant amounts by business type are proposed in the table below, as an addition to the original Additional Restrictions Grant scheme amounts which were previously approved in the Local Restrictions Business Support Guidance.

| Business Type | Grant Award £ |
|---|--------------------------|
| Businesses who have no fixed property costs | |
| Eligible businesses who can continue to trade | 750 |
| Eligible businesses who must close | 1,500 |
| Businesses eligible for ARG and national LRSG Grants with a Rateable Value: | |
| RV up to £15,000 | 1,000 |
| RV of £15,001 to £51,000 | 1,500 |
| RV over £51,000 | 2,000 |
| Businesses eligible for ARG Grant only with a Rateable Value: | |
| RV up to £15,000 | 1,500 |
| RV of £15,001 to £51,000 | 2,250 |
| RV over £51,000 | 3,500 |
| Businesses eligible for ARG only with no rateable value but with fixed property costs: | |
| Closed Businesses: | |
| Rent under £15,000 | 4,000 |
| Rent of £15,000 to £51,000 | 6,000 |
| Rent over £51,000 | 10,000 |
| Open Businesses: | |
| Rent under £15,000 | 1,500 |
| Rent of £15,000 to £51,000 | 2,250 |
| Rent over £51,000 | 3,500 |

The proposed grant amounts have been set to ensure an equitable and proportionate award for all businesses that have been severely impacted by national restrictions, taking into account: whether a business has fixed property costs; if it is mandated to close or can remain open; and if they are also eligible for other nationally set local restriction grants which are only available to businesses meeting specific criteria that have a rateable value.

- 2.2 The top-up grant amounts will be available to existing Additional Restrictions Grant scheme applicants as a top-up to the original Additional Restriction Grant amount they have already received under the Local Restriction Business Support Grant Scheme, subject to the receipt of declarations of continued eligibility of the business in accordance with the scheme eligibility criteria and to ensure the required due diligence and counter-fraud checks are undertaken.
- 2.3 The Additional Restrictions Grant scheme will remain open for new applications from businesses which meet the scheme eligibility criteria and

grant amounts will be based on the original Additional Restrictions grant scheme amounts which were previously approved in the Local Restrictions Business Support Grant Scheme plus the top-up amounts proposed in the table above at paragraph 2.1.

- 2.4 All Additional Restrictions Grant awards are subject to funding availability. Applications will be processed on a first come first served basis in accordance with the Local Business Support Grant Scheme.

3 Alternative Options

- 3.1 An alternative option is to set a different top-up grant amount for each business type to those proposed in paragraph 2.1, for example not to pay a higher amount to those businesses with property costs which are required to close but do not have a rateable value, however, this would not provide an equitable or proportionate allocation to those businesses which are severely impacted but cannot access the nationally set local restriction support grants which are only for businesses with a rateable value.

4 Financial Implications

- 4.1 The value of the budget required for the top-up Additional Restrictions Grant is £1,047,300. This value is fixed as the Government has stipulated that this is a one off grant. 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 eligibility declaration, the Council will contact businesses via e-mail, 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 declaration. 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

9 Background Papers

- 9.1 ARG Government Guidance

10 Reasons for Recommendations

- 10.1 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.

Statutory Officer approval

Approved by: Chief Financial Officer

Date: 23/02/21

Approved by: Monitoring Officer

Date: 24/02/21