

Report to Leader

Subject: Restart Grant for Businesses (Scheme 5)

Date: 9th April 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 Restart Grant (scheme 5).
- 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 scheme detailed in appendix 1 to this report is 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 3rd March 2021, the [Government announced](#) that it would provide further funding to support businesses to re-open following third national lockdown, as part of the Government's response to the Covid-19 Coronavirus.
- 1.2 On 18th March 2021, the Government issued guidance on the grant scheme designed to assist businesses adversely affected by Covid-19 Coronavirus and to assist in their re-opening following the phased lifting of national restrictions. The Government's guidance document is attached as appendix 1 to this report.
- 1.3 The Restart Grant (Scheme 5) includes grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England.
- 1.4 The support in the form of Restart Grants will be fully funded by the Government and will be available to certain businesses subject to the payment of business rates.
- 1.5 Under the Restart Grant scheme, the Council will receive funding to be allocated in one-off grants to businesses. Grants of up to £6,000 will be paid to non-essential retail business premises, to help them reopen safely. Grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym business premises, which may open later under plans set out in [the roadmap](#) and will be more impacted by restrictions when they do reopen. The Restart Grant scheme supports businesses that are predominantly reliant on delivering in-person services for the general public in the aforementioned sectors.
- 1.6 A verification process for grants will be necessary in order for the Council to undertake diligence checks and implement anti-fraud measures. Claimants will be invited to apply by the Council upon approval of the recommendations in this report.
- 1.7 The Government intends that the Council should pay the Restart Grants to businesses in accordance with its guidance.

2 Proposal

- 2.1 It is proposed that the restart grant scheme detailed in this report is 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 restart grant scheme 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 Government's 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 Restart Grant scheme is a mandatory scheme 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 this 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 this grants is £4,068,162.00

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 subsidy (formerly state aid) requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the subsidy allowances which were established for the COVID-19 business grants schemes with effect from 4 March 2021, on the basis of the principles set out in Article 3.4 of the Trade and Cooperation Agreement (TCA) with the EU.
- 5.3 These new rules are the replacement for state aid but do not apply retrospectively, the Government has advised that previously state aid rules including limits on the amount of aid granted are to be applied up to 4 March 2021.
- 5.4 There are three subsidy allowances. Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. Any business that has reached the limits of payments permissible under the relevant subsidy allowances 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 Restart 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 - Restart Grant - Government 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:

Chief Financial Officer
9th April 2021

Approved by: Francesca Whyley
Date:

Monitoring Officer
12th April 2021