

Report to Leader

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

Date: 14 May 2021

Author: Director of Corporate Resources and s151 Officer

Wards Affected

All

Purpose

The purpose of this report is:

- 1) To seek approval for the additional 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 overall 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 additional 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 first top up grant amounts, and 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, with funding of £2,357,900 allocated to Gedling. 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 allocated to Gedling. They further announced that there would be no change to the guidance for this scheme, and therefore there were no changes required to eligibility criteria in the Council's current approved Local Restrictions Business Support Guidance attached at Appendix 1. Therefore, there were also no changes required 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.
- 1.4 On 25 February, the Leader approved the top-up Additional Restrictions Grant (ARG) amounts set by business type for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme.
- 1.5 The proposed grant amounts were 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.
- 1.6 All original ARG scheme applicants were invited to claim the top-up to the original ARG amount they had 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 were undertaken.
- 1.7 The ARG scheme remained available for new applications from businesses which met the scheme eligibility criteria with grant amounts based on the original

ARG scheme amounts which were previously approved in the Local Restrictions Business Support Grant Scheme plus the top-up amounts.

- 1.8 The Local Restrictions Business Support Scheme, and therefore the ARG, is now closed to new applications and in the region of £390,000 of the current ARG funding remains available for award to businesses. Government conditions require that all remaining ARG funding received to date be spent by 31 March 2022 and therefore there is time remaining to disburse the remaining fund to support businesses and this was anticipated in the original scheme design.
- 1.9 However, on 3 March 2021, the Government announced that a further £425m funding would be made available, through a conditional second top-up to Additional Restrictions Grant from 1 April 2021. Councils will only be able to access the additional funding subject to their meeting the necessary conditions, which requires that the whole amount of the previous funding allocation be spent by 30 June 2021. The indicative grant allocation for Gedling for the second top-up is £623,300. To claim this amount, proof must be provided to Government that all of the funding for the current approved scheme has been fully spent by 30 June 2021. Therefore, this report now proposes a methodology to allocate the existing grant amount to ensure the new grant allocation can be secured for the maximum benefit of the businesses in the borough.

2 Proposal

- 2.1 It is proposed that an additional top-up grant amount as detailed in the table below be approved, to be awarded as an addition to the first top up grant previously approved by the Leader on 25 February 2021, and the original ARG grant amounts which were previously approved in the Local Restrictions Business Support Guidance.

Business Type	Previously Approved Top Up Grant Award £	Additional Top Up Grant Award Now Proposed £	Total Revised Top Up Grant Award £
Businesses who have no fixed property costs			
Eligible businesses who can continue to trade	750	250	1,000
Eligible businesses who must close	1,500	500	2,000
Businesses eligible for ARG and national LRSR Grants with a Rateable Value:			
RV up to £15,000	1,000	500	1,500
RV of £15,001 to £51,000	1,500	500	2,000
RV over £51,000	2,000	500	2,500
Businesses eligible for ARG Grant only with a Rateable Value:			
RV up to £15,000	1,500	500	2,000
RV of £15,001 to £51,000	2,250	600	2,850
RV over £51,000	3,500	1,000	4,500
Businesses eligible for ARG only with no rateable value but with fixed property costs:			
Closed Businesses:			
Rent under £15,000	4,000	1,250	5,250
Rent of £15,000 to £51,000	6,000	1,500	7,500
Rent over £51,000	10,000	2,750	12,750
Open Businesses:			
Rent under £15,000	1,500	500	2,000
Rent of £15,000 to £51,000	2,250	600	2,850
Rent over £51,000	3,500	1,000	4,500

The proposed additional top-up grant amounts are set pro-rata to the previously approved top-up amounts to ensure continuity and consistency with the award basis previously approved, which was designed to offer 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. The amounts are also designed to ensure that the remaining funding is allocated in full.

- 2.2 It is proposed the additional top up amounts be paid to those businesses that have made either a new application or a declaration to claim the first top-up amount, since the approval of the current scheme values by the Leader on 25 February and for which appropriate due diligence and current proof of eligibility is available. This will ensure that payments can be made a timely manner and

continue in accordance with the current criteria approved in the Council's Local Restrictions Business Support Scheme.

- 2.3 Proposals for a new ARG scheme will be the subject of a future decision report when the conditions for accessing the new grant allocation of £623,300 detailed in paragraph 1.9 have been met.

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 and would also be inconsistent with first top-up award amount.
- 3.2 A second option is to approve a new ARG scheme with new eligibility criteria to allocate the remaining funding. However, given the time required to devise and launch a new scheme and application process, and to complete the required eligibility assessments, it will not be possible to guarantee payments of awards by 30 June and therefore the new conditional grant funding is highly likely to be forgone. This is not recommended as the government grant available to support businesses will not be maximised.

4 Financial Implications

- 4.1 The payment of the additional top-up award will be contained within the current approved budget for the top-up Additional Restrictions Grant of £1,047,300. The funding enables the payment of grants under the Additional Restrictions Grant. When the full budget has been allocated this particular discretionary scheme will be closed.

5 Legal Implications

- 5.1 From 4 March 2021, new subsidy allowances were established for the COVID-19 business grant schemes. From this date the new regime must be applied to grants awarded. The government guidance has been updated to reflect the new subsidy scheme rules. Applicants may receive up to £335,000 over a 3 year period as a Small Amounts of Financial Assistance Allowance, once this threshold is reached, grants may be paid in compliance with Article 3.2 (3) of the EU-UK Trade and Co-operation Agreement under the COVID -19 Business Grant Allowance. This allowance is up to £1.6 million per single economic actor, this figure would include any previous grants given under the Covid business grant scheme and any aid previously received under the old regime Temporary

Framework, but is on top of the Small Amounts of Financial Assistance Allowance. Once these amounts are exceeded, further grants, "COVID-19 Business Grant Special Allowance" may be awarded in line with the conditions set out in the updated ARG guidance. Further funding under the latter scheme rules could be up to £9 million per single economic actor.

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 has been applied equally to all scheme applicants.

6.2 To ensure equal accessibility for all to make an eligibility declaration, the Council have contacted businesses via e-mail, and non-digital users have been able to contact the Council's Customer Services Team by telephone and supported to complete the declaration. Appropriate adjustments are made as required to ensure the accessibility of application 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: 14 May 2021

Approved by: Monitoring Officer

Date: 14 May 2021