

Report to Leader

Subject Discretionary Additional Restrictions Business Grants –
Determination of Grants

Date 19th May 2021

Author Director of Corporate Resources and s151 Officer

Wards Affected

All

Purpose

The purpose of this report is to seek approval for the proposed Additional Restrictions Business Grant awards to eligible businesses that provide key benefits to the broader economy, as determined in accordance with the Gedling Borough Council Local Restrictions Business Support Scheme.

Key Decision

This is not a key decision.

Recommendation(s)

- 1) To approve the proposed list of Additional Restrictions Grant awards to eligible businesses which provide key benefits to the broader Gedling economy as determined in accordance with the Local Restrictions Business Support Scheme, and detailed in Appendix 2.**
- 2) To approved the proposed list of rejected businesses that have not demonstrated financial hardship in accordance with the requirements of the Additional Restrictions Grant criteria in the Local Business Support Scheme, as detailed in Appendix 3.**

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 Following on from this announcement, the Government released guidance on 3 November 2020 in relation to five grant schemes designed to assist businesses adversely affected by Covid-19, one of which this report relates to, being the discretionary grant scheme approved locally by the Leader of Council as the Additional Restrictions Grant (ARG).
- 1.3 The Government guidance for the discretionary scheme enables local authorities to use their own discretion to determine the level of grant awarded to businesses and which businesses to target however, it encourages local authorities to help those businesses which, whilst not legally forced to close, are nonetheless severely impacted by the restrictions.
- 1.4 On 13 November 2020, the leader approved:
 - the Local Restrictions Business Support Scheme as attached at Appendix 1;
 - the budget for £2,357,900 for the Additional Restrictions Grant element of the above scheme;
 - that the determination of eligible grants, in accordance with the Local Restrictions Business Support Scheme, be delegated to the Director responsible for Revenues Services with the exception of those grant awards delegated to the Portfolio Holder for Resources and Reputation being those cases where it is considered that there are compelling 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.
- 1.5 On 5 January 2021 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 was awarded to Gedling Borough Council.
- 1.6 On 25th February 2021, the Leader approved the top-up ARG amounts and subsequently an additional top-up ARG amount on 18th May 2021. The awards are set by Business type for payment in accordance with the criteria approved in the Local Restrictions Business Support Scheme.
- 1.7 The application process was launched on Friday 13th November 2020 and has now closed for new applicants. The scheme prioritises the following (the list is not exhaustive and the Council reserves the right to amend the list at its own discretion):
 - businesses and self-employed persons operating in the below listed sectors or whose business forms part of the supply chain to the

business in the sectors below(with the exception of supply chain businesses to the non-essential retail sector):

Beauty
Bookmakers
Leisure
Hair salon / Barbers
Meeting Assembly
Licenced premises
Restaurants / Café
Non-essential retail
Outdoor Sports
Accommodation

- Licenced taxi drivers who permanently reside in the Gedling Borough Council area

1.8 As detailed in paragraph 1.4 where it is considered that there are compelling reasons to provide support to organisations that provide key benefits to the local economy, a grant may be authorised by the Portfolio Holder for Resources and Reputation where the application does not meet all of the key eligibility criteria unless any of the mandatory eligibility exclusion criteria apply, as detailed in the scheme at Appendix 1.

Proposal

- 2.1 The businesses which fall into the category set out in section 1.7 have been considered on a case by case basis, by the corporate grants team, made up of a range of suitably qualified officers from Financial Services, Economic Growth and Regeneration and Revenues Services, with oversight provided by the Portfolio Holder for Resources and Reputation. The applications have been assessed for eligibility in accordance with the scheme criteria and on the basis of the provision of evidence demonstrating financial hardship. (The grants team have classified these applications as “Special Consideration” items).
- 2.2 On the 16 February 2021 the portfolio Holder for Resources and Reputation approved the first round of awards for “Special Consideration” ARG under the Local Restrictions Business Support Scheme for 60 businesses which submitted the required evidence with their application.
- 2.3 The Council has now assessed a further 101 applications on a case-by-case basis. 54 of these submitted the required evidence with their application. The remaining 31 were contacted directly with a follow up request for evidence and 16 have been assessed as mandatory exclusions in accordance with the scheme and have therefore not been considered further.

- 2.4 It is proposed that approval is given to the list of grant awards to those businesses that provide key benefits to the local economy, in accordance with the Additional Restrictions Grant scheme totalling £195,250, as detailed in Appendix 2, this includes the additional top up as approved by the Leader as detailed in paragraph 1.6.
- 2.5 The list presented in Appendix 3 details 45 businesses which would have been eligible for the Local Restrictions Support Grants Open scheme, this grant however has been fully spent, as the applications had been submitted before the scheme had closed and assessed as eligible it would appear unequitable to reject these grants. It is therefore, proposed that the equivalent LRSG amounts of £17,416 are awarded to these businesses from the remaining ARG grant allocation, as detailed in Appendix 3.
- 2.4 The list presented at Appendix 4 include those businesses which have made an application, on the basis of the provision of key benefits to the local economy, but have not submitted sufficient evidence to support their application. Subsequent contact with them has been made to request the evidence of financial hardship, however, the applicants have either failed to respond or have not provided evidence which demonstrates a financial loss. It is clear in the scheme guidance that the lack of provision of insufficient evidence could result in a claim being rejected. Therefore, the proposal is to reject these claims.

3 Alternative Options

- 3.1 Not to approve the recommended grants to businesses that provided key benefits to the wider economy in accordance with the approved scheme. This would not be in line with scheme approved by the Leader, or the Government expectations that a local scheme be administered using the grant funding provided to deliver some support for small business who may have “slipped through the cracks” in terms of ineligibility for other grants and reliefs available as a result of Covid-19.

4 Financial Implications

- 4.1 The total approved budget approved for the Additional Restrictions Grant is £3,405,200.

- 4.2 The proposed grants recommended for payment in this report totals £212,666 which can be accommodated within the total approved budget for the Additional Restrictions Grant.
- 4.3 Payment of the awards are subject to the satisfactory confirmation of trading and completion of the required counter fraud verification checks.

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 None arising from this report. All grant applications have been assessed equally in accordance with the approved scheme.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 None arising directly from this report

8 Appendices

- 8.1 Appendix 1 – Local Restrictions Business Support Guidance
- 8.2 Exempt Appendix 2 - Proposed Grant Awards to Eligible Businesses
- 8.3 Exempt Appendix 3 – Proposed Residual LRSG Open Applications
- 8.4 Exempt Appendix 4 – Proposed Grant Rejections

Please note the appendices 2, 3 and 4 are exempt under the Local Government Act 1972, Schedule 12A, Access to Information: Exempt Information paragraphs 1, 2, and 3.

9 Background Papers

9.1 Report to the Leader of the Council – Local Restrictions Support Grants for Businesses 13 November 2020.

9.2 Additional Restrictions Grant – Government Guidance for local Authorities.

10 Reasons for Recommendations

10.1 The Council is expected by Government to award grants in accordance with an approved local discretionary scheme which has been developed in line with Government guidance.

10.2 To ensure the timely payment of grants to eligible businesses which are beneficial to the local economy and have experienced financial difficulties as a result of the restrictions imposed due to Covid-19 pandemic.

Statutory Officer Approval

Approved by: Chief Financial Officer

Date: 19th May 2021

Approved by: Monitoring Officer

Date: 19th May 2021