

Report to Portfolio Holder for Resources and Reputation

Subject Discretionary Additional Restrictions Business Grants – Determination of Grants 2021/22

Date 03 September 2021

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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 1.**

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 either the deadline set to deliver the grant funding which remained at 31 March 2022 or to the guidance for the scheme, and therefore there were no changes required to eligibility criteria in the Council's approved Local Restrictions Business Support Guidance.
- 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 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 were advised that they would only be able to access the additional funding subject to their meeting the necessary conditions, which required that the whole amount of the previous funding allocation as announced on 5 January be spent by 30 June 2021, which was an acceleration of the deadline which was previously set at 31 March 2022. The indicative grant allocation for Gedling for the second top-up was £623,800.
- 1.6 To enable the distribution of the remaining grant to meet the Government's conditions, on 17 May, the Leader approved a second top-up to the Additional Restrictions Grant (ARG) amounts for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme. Full distribution of the grant was completed by 11 June 2021.
- 1.7 On 11 June 2021 the Council claimed the conditional top-up funding of £623,800 from Government and the funds were received on 16 July. On 5 July the Leader approved the adoption of the local ARG – Business Support Scheme 2021/22 to guide the administration of this grant.

The Scheme was launched on Wednesday 14th July 2021. 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

- 1.8 In addition 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.

Proposal

- 2.1 The businesses which fall into the category set out in section 1.8 are being considered on a case by case basis, by the corporate grants team, made up of a range of suitably qualified officers from Financial Services, and Revenues Services, with oversight provided by the Portfolio Holder for Resources and Reputation. The applications have being 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 The Council has so far assessed 49 applications on a case-by-case basis, which have been assessed as eligible for a grant payment. At the time of this report there are a number of applications still to be assessed which will be presented for approval in a later report.
- 2.3 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 £79,200, as detailed in Appendix 1.

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 Business Support Scheme 2021/22 is £623,800.
- 4.2 The proposed grants recommended for payment in this report totals £79,200 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

None arising directly from this report

8 Appendices

- 8.1 Exempt Appendix 1 – Proposed Grant Awards to Eligible Businesses

Please note the appendices 1 is 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 6 July 2021 – Additional Restrictions Grant - Business Support Grant Scheme 2021/22

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.