

## **Report to Leader**

**Subject:** Additional Restrictions Grant – Business Support Scheme 2021/22  
Top-Up Awards

**Date:** 14 December 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 top-up amounts to the Additional Restrictions Grant amounts, to be set by business type, for payment in accordance with the criteria approved in the Council's approved Additional Restrictions Grant – Business Support Scheme 2021/22.
- 2) To seek approval for top-up amounts to the Restart grants for those businesses eligible for Strand 1 Restart Grants paid in accordance with Restart Grant for Business 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 top-up amounts for the Additional Restrictions Grant amounts be set by business type as detailed in paragraph 2.1 of this report and paid as an addition to the original grant amount awarded to eligible applicants in accordance with the criteria approved in the Council's approved Additional Restrictions Grant – Business Support Scheme 2021/22.**

**2) The top-up amounts for the businesses eligible for Strand 1 Restart Grants be set by business type as detailed in paragraph 2.2 of this report and paid as an addition to the original Restart Grant amount awarded.**

## **1 Background**

- 1.1 On 9 September 2020, the Government announced that it would provide further funding to support businesses that were 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.
- 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. On 6 July, the Leader approved the Additional Restrictions Grant – Business Support Scheme 2021/22 (ARGBSS) which determined the scope and eligibility criteria for the allocation of these funds.
- 1.8 This latest round of ARG funding was announced at the same time as the Government’s Restart Grants which were 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 eligibility criteria for the Restart Grant were defined by Government and was available only to certain businesses which are subject to the payment of business rates in those sectors which were required to close under the lockdown restrictions, including:

Rateable Value	<b>Strand 1</b> Non-essential retail	<b>Strand 2</b> Hospitality, accommodation, leisure, personal care and gym.
	<b>Restart Grant</b> <b>£</b>	<b>Restart Grant</b> <b>£</b>
Less than £15,000 RV	2,700	8,000
£15000 - £51000 RV	4,000	12,000
More than £51,000 RV	6,000	18,000

The Government’s ARG guidance was designed to be complementary to the Restart Grants, and encourage the provision of support to businesses from all sectors that may have been severely impacted by restrictions but may not be eligible for a Restart Grant, including those outside of the business rates system.

- 1.9 The proposed ARGBSS grant amounts approved by the Leader on 6 July 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 was mandated to close or could 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 i.e. the scheme was not available to those businesses which were eligible for a Restart Grant. The grant amounts were set with reference to the number of previous eligible applications for ARG and the total grant funding available, and also with reference to level of grant available for comparable businesses with a rateable value under Restart Grants i.e. Non-essential retail businesses with comparable property rents were eligible for the same amount

as rate-paying businesses under Strand 1 Restart grant. Given that awards for Strand 2 Restart Grants were substantially higher than Strand 1, and based on the anticipated number of applications and the finite amount of funding, the original grant amounts for the ARGBSS equivalent Strand 2 rent paying businesses were set lower than the Strand 2 Restart Grants.

- 1.10 The ARGBSS was launched for applications on 14 July 2021 and was initially set to run for a period of 4 weeks. After 4 weeks the scheme was reviewed and due to funds remaining available the scheme remained open and was promoted for a further 12 weeks.
- 1.11 The ARGBSS closed to new applications on 2 November and grant awards have been committed to 247 applicants. The number of applications has been lower than anticipated and £214,000 of the ARG grant funding remains available for additional award to businesses. Government grant conditions require that all remaining ARG funding received to date be spent by 31 March 2022.

## 2 Proposal

- 2.1 To ensure that all of the funding can be spent by 31 March 2022 and is paid to local businesses rather than be returned to government, it is proposed that a top-up grant amount as detailed in the table below be approved, to be awarded to existing eligible applicants, as an addition to the original grant amount previously approved by the Leader on 6 July 2021 in the Additional Restrictions Grant Business Support Scheme.

<b>Business Type</b>	<b>Original Grant Award £</b>	<b>Top Up Grant Award Now Proposed £</b>	<b>Total Revised Top Up Grant Award £</b>
<b>Businesses with no fixed property costs</b>			
Eligible businesses who can continue to trade	750	175	925
Eligible businesses who must close	1,500	350	1,850
<b>Businesses Remaining Open and Evidencing Reduced Trading During Lockdown Restrictions with Rateable Value or Rent Value:</b>			
RV up to £15,000	1,800	400	2,200
RV of £15,001 to £51,000	2,600	600	3,200
RV over £51,000	4,000	900	4,900
<b>Businesses Required to Close During Lockdown:</b>			
<b>Non Essential Retail without a Rateable Value but with a comparable rent as a proxy for RV (equivalent Strand 1 Restart):</b>			

Rent under £15,000	2,700	500	3,200
Rent of £15,000 to £51,000	4,000	900	4,900
Rent over £51,000	6,000	1,400	7,400
<b>Hospitality, Leisure, Personal Care, Accommodation without a Rateable Value but with a comparable rent as a proxy for RV (equivalent Strand 2 Restart):</b>			
Rent under £15,000	5,000	3,000	8,000
Rent of £15,000 to £51,000	7,500	4,500	12,000
Rent over £51,000	12,000	6,000	18,000

The proposed additional top-up grant amounts are set pro-rata to the previously approved grant amounts to ensure continuity and consistency with the previously approved scheme, 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 was mandated to close or could 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 proposed top-up amounts to the awards made under ARGBSS detailed at paragraph 2.1 above will result in those non-essential retail businesses with comparable rent as a proxy RV receiving an award higher than those equivalent rate-paying businesses received under the Strand 1 Restart Grant. There are sufficient funds remaining to enable the same top-up amount to the Strand 1 businesses and so ensure consistent payments for comparable businesses right across the Borough. As the ARG funding is discretionary funding its use can be determined by the Council and the provision of a top-up to the Government's Restart Grant would be appropriate and consistent with the ARG guidance and similarly has been applied in previous rounds of ARG allocations. It is proposed that the following top-up amounts are paid to 182 Strand 1 Restart Grant recipients as follows:

	<b>Restart Grant Award £</b>	<b>Top Up Grant Award Proposed Using ARG Funds £</b>	<b>Total Grant to Strand 1 Business Restart/ARG £</b>
Less than £15,000 RV	2,700	500	3,200
£15000 - £51000 RV	4,000	900	4,900
More than £51,000 RV	6,000	1400	7,400

- 2.3 Given the finite level of funding available it should be noted that top-up awards are not proposed for payment to Strand 2 Restart Grant recipients which received a substantially higher Restart grant than Strand 1 businesses as detailed in paragraph 1.9. However, as included in paragraph 2.1 it is proposed to provide a top-up award for the equivalent ARGBSS businesses (Hospitality, Leisure, Personal Care, Accommodation without a Rateable Value but with a comparable rent as a proxy for RV) to ensure they now receive the same amounts as the equivalent rate-paying businesses received under Strand 2 Restart.
- 2.4 The top-up amounts are designed to ensure that the remaining funding is allocated in full.

### **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 and not pay a top-up to those equivalent businesses in receipt of Strand 1 Restart Grant, for example to pay a higher amount to those businesses under ARGBSS than was received by similar businesses as a Restart Grant. However, this would not provide an equitable grant allocation to all of the businesses in the Borough.
- 3.2 A second alternative is to also award a top-up to the recipients of the Strand 2 Restart Grant and consequently lower amounts to all other business due to the finite level of funding. However, given the already substantially higher level of grant received in the Strand 2 category, this option may not be considered as equitable.
- 3.3 A third option is to approve a new ARGBSS 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 March 2022 and therefore the grant funding is highly likely to be repaid to Central Government. This is not recommended as the government grant available to support local businesses will not be maximised.

### **4 Financial Implications**

- 4.1 The payment of the top-up awards as detailed in the proposal will be contained within the current approved budget for the Additional Restrictions Grant Business Support Scheme of £624,300. Payment of the top up to Strand 1 Restart Grant businesses who were not originally eligible for ARG under the Council's ARG Business Support scheme will be made from the ARG budget. This is a departure from the original scheme, which did not permit ARG payment to those businesses who received the Restart Grant. Government guidance provides that

Local Authorities are encouraged to focus their support on those sectors that remain closed or were severely impacted by the extended restrictions, even if those businesses have already been in receipt of Restart Grants. It is therefore within the Council's discretion to utilise ARG funds to top up Restart Grants if this is a reflection of local need.

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 None

## **9 Background Papers**

- 9.1
- Additional Restrictions Grant – Guidance for Local Authorities (June 2021)
  - Gedling Borough Council, Additional Restrictions Grant – Business Support Scheme 2021/22
  - Restart Grant Government Guidance for Local Authorities (May 2021)

## **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 December 2021**

**Approved by: Monitoring Officer**

**Date: 14 December 2021**