

# LEADER

25 NOVEMBER 2020

## REPORT OF CHIEF EXECUTIVE

### A.1 ADDITIONAL RESTRICTIONS GRANT SCHEME

(Report prepared by Richard Barrett)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To set out the proposed Additional Restrictions Grant Scheme for approval.

##### EXECUTIVE SUMMARY

- A number of business support schemes have recently been announced by the Government with 4 relating to the Essex Area.
- As set out further on in this report, 2 of the schemes are mandatory and are being administered in line with associated Government guidance. The remaining 2 Schemes allow local discretion.
- Of the two discretionary schemes, the Local Restrictions Grant Scheme (OPEN) was agreed on 20 November 2020 and is now open for applications until the initial deadline of 29 November 2020.
- The remaining discretionary grant scheme is the subject of this report and is titled the Additional Restrictions Grant Scheme (ARG) – the proposed policy is attached.
- The scheme has been based on a limited level of collaboration across Essex Authorities as the main eligibility criteria is likely to differ across the various Local Authority areas.
- The ARG is designed to support all businesses who have been impacted by the national restrictions associated with COVID 19 regardless of whether they occupy a property in the rating list or not and who have not been able to access the mandatory schemes, which limits support to only those businesses that have been required to close.
- The Government have stated that the funding of **£2.9m** made available to the Council needs to cover the period up to the end of March 2022 and therefore will not be 'topped up' if there are future periods of local or national restrictions.
- The design of the scheme therefore needs to accommodate the overall cost of the scheme within the funding made available but also to provide future support to businesses if we enter periods of national or local restrictions again. This is therefore very challenging given the uncertainty that remains around COVID 19 restrictions going into December and next year.
- As has been the case with previous discretionary grant schemes, the ARG has been designed to support more businesses than that suggested to be prioritised by the Government and is based on the earlier discretionary grant scheme administered during the summer where the aim was to support as many businesses as possible where they could demonstrate that they had been impacted by COVID 19.

- To ensure consistency with other support schemes, the proposed policy attached sets out grant amounts of between **£934** and **£2,100k**. Given the scheme needs to be administered within the overall funding allocation the proposed policy allows the Council to review the actual grant amounts once all applications have been received.
- To effectively administer the scheme and to support as many businesses as possible, an application process will be introduced along with an initial deadline of the 13 December.
- It is also proposed to top slice the overall grant funding amount for more general business support initiatives along with a phased approach to application 'windows' which will need to respond to any changes to the national tiered system. These considerations will form part of separate decisions over the coming weeks / months.
- The recommendations below also seek a delegation to the Assistant Director Finance & IT to implement the scheme amend the policy in line with any emerging Government guidance.

#### **RECOMMENDATION(S)**

- a) That the Leader approves the policy as set out as attached.**
- b) That the Leader delegate's authority to the Assistant Director Finance & IT to implement and administer the scheme and amend the policy in line with any emerging Government guidance.**

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

#### **FINANCE, OTHER RESOURCES AND RISK**

##### **Finance and other resources**

The Government have paid the Council a one-off amount of **£2,931,220** to support local businesses over the period from November 2020 to the end of March 2022 via an Additional Restrictions Grant Scheme. The amount received is based on £20 per head of population.

The Additional Restrictions Grant scheme is based on a 'fixed' amount of funding and therefore will not be 'topped' up by the Government. Therefore the design of the scheme and the proposal to operate the scheme over a number of phases, reflects the need to ensure that the overall cost can be accommodated within the overall funding levels with no net financial impact on the Council.

It is also proposed to top slice the funding highlighted above to provide wider business resilience / support initiatives which will be considered separately and will form of a future report as part of future phases of utilising the available funding.

There will be some advertising costs associated with the scheme, which will be met from within existing budgets.

##### **Risk**

Risks in administering the scheme have been set out in the policy and include complaints / appeals and the risk of fraud error.

## LEGAL

Section 1 of the Localism Act 2011, known as the 'General Power of Competence' provides all local authorities with the power to make these payments and is expressly referred to in the grant determination / guidance issued by the Government.

## OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

There are no direct implications with the design of the scheme providing the opportunity to access financial support to various businesses / organisations across the district.

## PART 3 – SUPPORTING INFORMATION

### PROPOSED ADDITIONAL RESTRICTED GRANT SCHEME

Following the Government's implementation of COVID 19 national restrictions for the period 5 November to 2 December, and recognising potential hardship for businesses operating in areas that moved to LCA Levels 2 and 3 before 5 November, they have announced new business grant schemes, with the ones relevant to Essex as follows:

- 1) **MANDATORY SCHEME - Local Restrictions Grant Scheme (CLOSED)** – This covers the period where national restrictions apply (from 5 November to the 2 December) and focuses on those businesses legally required to close and who occupy a property in the rating list.
- 2) **MANDATORY SCHEME - Local Restrictions Grant Scheme (SECTOR)** – This covers the period up to 4 November and relates primarily to businesses such as night clubs which have not been allowed to open since 23 March 2020 and who occupy a property in the rating list.
- 3) **DISCRETIONARY SCHEME - Local Restrictions Grant Scheme (OPEN)** – This scheme is intended to support businesses that have been most negatively impacted by Essex moving into LCAL2, predominantly the hospitality, hotel, B&B and leisure sectors. These grants cover the period from 17 October (the date Essex moved into LCAL2) to the 4 November when the national restrictions came into force.
- 4) **DISCRETIONARY SCHEME - Additional Restrictions Grant Scheme** – This scheme is a fully discretionary scheme and can be applied over the period from now until the end of 2021/22.

Officers are already administering schemes 1) to 3) based on Government guidance and the Local Restrictions Grant Scheme (OPEN) policy that was agreed on 20 December 2020.

This report therefore sets out for approval the policy for Scheme 4) only – the **Additional Restrictions Grant Scheme**.

### **DISCRETIONARY SCHEME – Additional Restrictions Grant Scheme (ARG)**

The proposed policy is attached.

Work has been undertaken in collaboration with other Local Authorities across Essex in terms of designing the scheme. This work has provided a general framework but it has been up to each individual authority to determine its own local eligibility criteria etc.

The design of the scheme is very challenging as the Government have stated that the one-off funding provided to Local Authorities needs to cover potential further periods of national or local restrictions up to the end of March 2022. As it is very unclear what the future looks like in terms of further periods of restriction within the Government's tiered approach, a balance needs to be struck between making sure support gets to business as soon as possible in response to the current national restriction period but recognising that money needs to be remain available to provide further support to business if required over the next 15 months.

As has been the case with previous discretionary grant schemes, the Government has stated that it is up to each local authority to determine local eligibility criteria etc. but then go on to suggest a number of priority business sectors that should be considered, which in turn raises expectation within the relevant business sectors.

Therefore as has been the previously the case, the proposed scheme is 'built' on the sectors highlighted within Government's guidance, with the following being prioritised:

- Businesses that supply the retail, hospitality and leisure sectors
- Businesses who operate in the events sector
- Businesses outside of the business rates system that have effectively been forced to close e.g. shared/ flexible spaces and market traders.
- Along with the above, any other local business as described in the paragraph below.

To be consistent with the Council's last discretionary grants scheme that ended back in August, any other local business outside the scope of the first 3 bullet points above who has been severely impacted by the national restrictions will also be eligible to apply regardless if they operate from a property in the rating list or not. Businesses will be asked to confirm and certify that they have been severely impacted by the national restrictions as part of the application process.

The ARG can be used to 'top' up grants under the mandatory LRG Scheme (CLOSED). However given the financial restriction associated with having to potentially support businesses through future national or local restriction periods, any business who has received support under the LSRG (CLOSED) scheme will not be eligible for support. However this does not mean that they will remain ineligible in future phases of the scheme.

The Government have stated that where a local authority does provide grants under the ARG scheme, then the same conditions as the LRG Scheme (CLOSED) should apply. However the Government go on to say that each local authority can decide their own grant amounts and frequency of payment.

Based on the above and to ensure a level of consistency across the various schemes, it is proposed to offer the same level of grants as under the Local Restriction Grants (OPEN) Scheme. Many businesses who are likely to be eligible for support under the ARG scheme may have been able to remain open so 'matching' the grant amounts to the LRG (OPEN) Scheme is both reasonable and logical.

The proposed level of grants are therefore as follows:

<b>Rateable Value</b>	<b>Amount payable for every applicable 28 day period</b>
Business with RV £15k or under	£934
Business with RV £15k or over but less than £51k	£1,400
Business with RV £51k or over	£2,100

As with previous discretionary grant schemes, and due to the funding having to potentially cover future periods of national or local restrictions, it is proposed to administer the scheme in phases with the first phase covering the period of national restrictions from 5 November 2020 to 2 December 2020. It is proposed to set an application deadline of midnight on 13<sup>th</sup> December for this first phase.

The attached policy therefore reflects the above approach. However, given the limited funding available, the policy also highlights that the Council reserves the right to amend the level of grants based on the number of applications received.

The Council will be promoting the scheme through as many communication channels as possible.

Although Officers will be implementing and administering the scheme once the policy is approved, a recommendation is included to provide a delegation to the Assistant Director Finance and IT to make changes to reflect any further guidance that may emerge from the Government.

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

**Attached** – Additional Restrictions Grant Policy (November 2020)