

NOTE TO THE LEADER (2 June 2021)

Proposed Extension to Additional Restrictions Grant (ARG) Application Deadline.

In respect of the ARG, on 31 March, the Leader revised the ARG Scheme and extended the application deadline from 31 March 2021 to 31 May 2021.

At that time, the total spent from the money made available by the Government was as follows:

Government Funding Received	Expenditure Incurred to date	Remaining Balance
£4,233,129	Grant Payments Made - £748,244 Business Support Initiatives (‘Click it Local’ Scheme – £30,000 Total Expenditure to Date – £778,244	£3,454,885

The changes to the Scheme agreed by the Leader have proved successful, with a significant level of support now paid to local businesses, with a summary at the end of May 2021 as follows:

Government Funding Received	Expenditure Incurred to date	Remaining Balance
£4,233,129	Grant Payments Made - £3,932,737 Business Support Initiatives (‘Click it Local’ Scheme – £30,000 Total Expenditure to Date – £3,962,737	£270,392

With only limited funding available, it is not proposed to amend the scheme but to simply extend the application deadline to 30 June 2021.

Based on the above, it is expected that the full £4,233,129 will have been spent by the end of June, which will enable the Council to access further Government grant

support of £804,916. Decisions in respect of this additional funding will be considered nearer the time.

In the unlikely event that money does remain unspent at the end of June, it is proposed to 'top up' the payments made to business to ensure the money is fully spent.

FOR COMPLETENESS, THE EXTRACT FROM THE ORIGINAL REPORT AGREED ON 31 MARCH SETTING OUT THE REVISED ARG SCHEME IS AS FOLLOWS:

Additional Restrictions Grant Scheme (ARG)

This scheme is a fully discretionary scheme with the current phase of the scheme operating from 2 December through to the 31 March 2021. This period is consistent with the Government's other business grant schemes.

To date the scheme has continued to be aimed at all businesses who have been severely impacted by the COVID 19 crisis who have not been able to access any of the other grant schemes. Businesses do not have to occupy a rateable property and it therefore covers the widest range of businesses as possible, such as those that operate from shared spaces, the self-employed and those operating their business from home.

In addition to direct grant payments, the Government have also allowed local authorities to use the available funding for other business support initiatives. As part of the earlier phase of the scheme, the commitment was made to 'top-slice' 10% of the available funding for such business support activities, the first of which is now underway with £30,000 being allocated to the 'click it local' initiative, which was agreed by Cabinet at its 19 March 2021 meeting.

Based on the above approach, a summary of the use of the funding as at the 24 March 2021 is as follows:

Government Funding Received	Expenditure Incurred to date	Remaining Balance
£4,233,129	Grant Payments - £748,244 Business Support Initiatives (‘Click it Local’ Scheme – £30,000	£3,454,885

	Total Expenditure to Date – £778,244	
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The above excludes the recent top up funding announced by the Government, which will only be payable if all of the funding received to date (as set out in the table above) is spent by the end of June 2021 as discussed below.

The Government originally set a deadline of 31 March 2022 by which time the money needs to be spent. Within this context, the Council has to date been clear in its aim to try to support as many businesses as possible (such as those harder to reach), which may require the scheme to operate over various phases.

However, it has been necessary to reflect on recent Government announcements which run contrary to their original guidance. The Government have now set a deadline of 30 June 2021 by which time all of the £4.2m has to be spent to qualify for further 'top-up' funding.

In addition to the above, ECC have also made additional funding available to District Councils as part of a wider initiative that aims to bring consistency to the various ARG schemes operated across Essex. As part of their funding offer, they have asked Local Authorities to prioritise a range of business sectors along with considering one-off grants of between £3,000 and £5,000. In terms of the business sectors they have prioritised, all would already be eligible for support under our existing ARG scheme, given it is open to all those who have been severely impacted by the COVID 19 crisis. There are also some additional grant conditions, but these can be accommodated within the proposed ARG scheme from 1 April 2021 as set out below.

As part of earlier phases of the scheme, one-off grants were already planned on being considered from 1 April 2021. This approach is now supported by the proposals put forward by ECC along with the Government also moving to the provision of one-off 'restart' grants as part for supporting businesses within the context of their 'roadmap' of reopening the economy over the coming months.

Therefore, subject to approval, it is planned to introduce one-off grants from 1 April 2021 to replace the existing grant scheme, which is based on 'daily' amounts. It is also proposed to extend the application deadline to 31 May 2021, which mirrors the same approach being taken by the Government in respect of their mandatory 'closed' scheme.

Although it is planned to move to one-off grants from the 1 April 2021, to ensure no one is disadvantaged, applications will still be accepted for periods prior to the 31 March where 'daily' amounts will still continue to be paid.

Based on the above, a summary of the proposals is as follows:

Rateable Value or Size of the Business	Daily Amounts Payable for the Period 2 December 2020 to 31 March 2021	One-off Amounts Payable from 1 April 2021
Business with RV £15k or under (or Micro Sized business if not operating from a rateable property)	£33.36	£3,000
Business with RV £15k or over but less than £51k (or Small Sized Business if not operating from a rateable property)	£50.00	£4,000
Business with RV £51k or over (or Medium Sized Business if not operating from a rateable property)	£75.00	£5,000

It is not proposed to change any other qualifying criteria so the scheme will continue to allow applications to be made by any business in the district who has been adversely impacted by COVID 19 and has not been able to access other financial support for the various periods of local or national restrictions since 2 December last year.

Although the above amounts are less than the one-off 'restart' grants payable under the Government's mandatory schemes (where grants range from £4,000 to £18,000), they are felt to be proportionate given that the businesses that will be supported have not been mandated to close over the periods of restrictions. However, subject to available funding, the design of further phases of the scheme can be revisited at the end of the current deadline date of 31 May 2021.

The Council will continue to promote all available grant schemes as widely as possible to maximise take-up. It is also proposed to automatically pay the one-off grants to all those who have been eligible for support under earlier phases of the scheme rather than ask them to complete a new application. However, a revised application will be made available on the Council's website for all of those who not claimed before.