

Additional Restrictions Grants Scheme - action taken under the urgency provisions of Standing Order 35

Strategy & Resources Committee Thursday, 25 March 2021

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and/or Local Covid Alert Level (LCAL) 3 restrictions.

The Department for Business, Energy and Industrial Strategy published guidance for Local Authorities in administering the Additional Restrictions Grant (ARG) Scheme (discretionary scheme) to support businesses in their areas.

This support will take the form of a funding scheme in Financial Year 2020-2021 and can be used across Financial Years 20/21 and 21/22. The ARG Scheme shall be administered by all business rate billing authorities in England. Business who do not meet the eligibility criteria for other grant schemes, can submit an application for an Additional Restrictions Grant at the discretion of the Local Authority.

This report supports the Council's priority of: Supporting economic recovery in Tandridge

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Recommendation to Committee:

That the Additional Restrictions Grant Scheme detailed at Appendix A be ratified.

Reason for recommendation:

The Additional Restrictions Grant Scheme has been developed to ensure businesses facing financial hardship because of a requirement under national restrictions to close or part close are able to receive financial support.

Introduction and background

1. Since December 2020 the Council has been operating an Additional Restrictions Grant Scheme with the assistance of an Officer/ Member Advisory Panel. This scheme was approved by Strategy & Resources Committee on 16 December 2020. In consultation with the advisory panel, the scheme was closed on 14 February 2021, allowing for review and to incorporate the lessons learnt and best practice into a new, Spring 2021 scheme launched on 8 March 2021.
2. At the time of closing the first scheme, the Council had administered 283 applications and had spent £278,400 of its total allocated pot, this being in the region of £2.2m. This funding is to be administered to businesses throughout the 2020-21 and 2021-22 financial years.
3. The Spring 2021 scheme was approved by the Chief Executive and Group Leaders by means of an Urgency Decision in February 2021, pending review and ratification by the Strategy and Resources Committee.
4. The Government has guided Local Authorities as to the types of business that the Government considers should be a priority for the scheme. This includes hospitality venues, cinemas and personal care establishments including barbershops and nail salons. Local Authorities have the discretion to determine for themselves whether particular situations not listed in the guidance are broadly similar in nature to those listed in the guidance and, if so, whether they should be eligible for payments under the ARG Scheme.
5. Local Authorities may choose to make payments to other businesses based on local economic need, including if it can be demonstrated that the grant will make a significant contribution to protecting local jobs, if the business is in a prominent location, or if the business makes a significant contribution to the local economy.
6. The Additional Restrictions Grant is primarily and predominantly aimed at:
 - Businesses with relatively high ongoing fixed property-related costs
 - Businesses which can demonstrate that they have suffered a significant fall in income due to the Covid-19 crisis

- Businesses which occupy a property, or part of a property, with a rateable value or annual rent or annual mortgage payments

- Businesses that were trading on or before 4 November 2020.

Companies that are in administration, are insolvent or where a Striking off Notice has been made are not eligible for funding under this scheme.

7. Some Criteria and the level of grant available within the Spring 2021 scheme has been amended to ensure consistency in the approval of grants. Both the qualifying criteria and levels of grant are set out clearly in five categories ranging from Micro-businesses to large businesses with an annual Rateable Value over £51,000.
8. The level of grant available under the new scheme has increased by 50% and now ranges between £750.00 for Micro-Businesses and £4,500 for large qualifying businesses. Details of the proposed grant amounts are set out in paragraph 18 (page 3) of Appendix A.
9. Discretion may be exercised to approve a grant, where a business owner resides outside of the district but operates a business within and employs local Tandridge residents. Micro-businesses, where an owner resides out of the district and is licenced by the Council, such as taxi drivers, may be eligible for a grant if all criteria is met.
10. Businesses are limited to only one grant per premises in the District.
11. The application form will be available on the Council's website only. The electronic form, including the declaration, must be fully completed with all the required evidence to be considered for a grant.

Evidence required for the ARG Scheme application

12. For an application to be considered, the Council requires businesses to demonstrate that they meet the eligibility criteria stated above. In order to do so, applicants may be asked to provide the following:
 - Evidence of property costs such as rent, rates or mortgage payments above the de minimis level (see table below). This should take the form of leases/agreements showing an obligation to pay and bank statements evidencing that payments have been made;
 - Evidence to demonstrate a substantial loss in income as a result of the Covid-19 crisis. This is likely to be in the form of filed accounts for previous years and management accounts/bank statements for the current period; and

- Confirmation of State Aid compliance.

Other options considered

- 13 It is a Government requirement that local authorities develop and publish an Additional Restrictions Grant Scheme.
- 14 Although not a requirement under the guidance, a cross party Officer / Member Advisory Panel has been convened, to ensure transparency and fairness in the Council's decision to administer grant payments to businesses.

Consultation

15. The Spring 2021 scheme was approved by the Chief Executive and Group Leaders by means of an Urgency Decision in February 2021, pending review and ratification by the Strategy and Resources Committee.

Key implications

Comments of the Chief Finance Officer

Funding for the payment of grants is received from Central Government. If any grant remains unspent this will need to be returned to Government.

Local Authorities must ensure the safe administration of grants and appropriate measures are put in place to mitigate against the risks of both fraud and payment error.

Comments of the Head of Legal Services

The Additional Restrictions Grant ('ARG') scheme is intended to aid businesses which either have closed (and do not pay business rates) or have not closed but nevertheless have been impacted by Covid-19. The Council has discretion to determine its own eligibility criteria for making grants, in addition to the national eligibility criteria. The criteria set out in this report are therefore in line with the national scheme.

The urgency decision is identified under Standing Order 35 in the Council's Constitution. The reason the decision was urgent was due to the launch of the latest scheme on the 8th March 2021.

Standing Order 35 provides for the Chief Executive to take decisions that Committee or Full council would normally take, in emergency situations subject to consultation with Group Leaders. As reported, the Acting Chief Executive exercised this power in February 2021.

Equality

An Equality Impact Assessment has been completed which has not identified any negative impacts as a result of this Policy. A copy of the EIA is available in the background papers to this report

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Additional Restrictions Grant Scheme 2- Spring 2021

Background papers

Equality Impact Assessment

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