

Committee: Cabinet

Date: 7 December 2020

Wards: All

Subject: Local Restriction Support Grants

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Tobin Byers, Cabinet Member for Finance

Contact officer: David Keppler, Head of Revenues and Benefits

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency. The policy was still being developed on the deadline date. It is important that the Additional Restrictions Grant Policy is agreed at Cabinet on 7 December 2020 otherwise the implementation and payment of these grants will be delayed.

Recommendations:

1. For Cabinet to review and agree the Additional Restrictions Grant Policy for Phase one
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To update Cabinet on the new Additional Restrictions Grant
- 1.2. For Cabinet to identify if any changes to the policy are required.
- 1.3. For Cabinet to note that demand for this discretionary scheme is very likely to outweigh the funding available and the council will not be able to help all businesses and business sectors with this funding.

2 DETAILS

- 2.1. On the 22 October 2020 the government announced additional funding to businesses under restrictions in Local Covid Alert Level High (LCAL2) and Very High (LCAL3).
- 2.2. This support is for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place.
- 2.3. National restrictions were announced on 31 October 2020 to come into force from 5 November 2020. From this date the Local Restrictions Support Grants (Closed) Addendum 5 November to 2 December scheme was introduced for businesses.
- 2.4. When the national restrictions were announced the government announced further support for businesses. The scheme is the Additional Restrictions Grant (discretionary scheme) and can be used across financial years 2012/21 and 2021/22.

- 2.5. The Local Restrictions Support Grants (Closed) Addendum 5 November to 2 December scheme was opened for applications on the 18 November 2020. As at 29 November, 260 grants totalling £458,424 have been paid.
- 2.6. The Local Restrictions Support Grants (Open) tier 2 is due to go live on 17 December 2020. Applications will be invited for the period 17 October to 4 November 2020 when London were in tier 2 restrictions.
- 2.7. Appendix A is a table detailing all the new Government grant schemes as at 30 November 2020.
- 2.8. **Additional Restrictions Grant**
- 2.9. Funding of £4,130,960 has been provided for this discretionary scheme.
- 2.10. The Government envisage that this will primarily take the form of discretionary grants, but authorities can use it for wider business support activities.
- 2.11. Government guidance states authorities can determine how much funding to provide to businesses and exactly what businesses to target.
- 2.12. The Government encourage authorities to develop a discretionary grant scheme to help businesses which while not legally forced to close have been severely impacted by restrictions put in place. The guidance examples businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. These types of businesses were excluded from the initial Government grant scheme. Many of these have made numerous representations to the Council for support.
- 2.13. The Council could choose to help businesses outside of the business rates system, although the initial discretionary business grant scheme in the summer targeted these businesses.
- 2.14. Other London boroughs have indicated that they are looking at wider business support, such as supporting start-up businesses or employing support staff.
- 2.15. The Additional Restriction Grant fund is to support businesses up until March 2022 and the Government have stated that no further funding will be available even if there is another national lockdown.
- 2.16. The scheme will be application based and businesses will be expected to complete web forms and provide relevant evidence and information to validate applications.
- 2.17. It is proposed to have an initial application window, phase one, for the Additional Restrictions Grant scheme which opens on 17 December and will close on 6 January 2021.
- 2.18. For phase one, £2 million will be available to support businesses that meet the criteria.
- 2.19. It is hoped that grant payments will commence in January 2021. However, all applications will have to be reviewed before any payments are made. If there are more qualifying applications than funding available grant awards will have to be proportionately reduced.

- 2.20. In February 2021, there will be a review of the policy and report to Cabinet for agreement of phase two criteria. At this stage consideration will be given to wider business support initiatives.
- 2.21. The discretionary policy for Additional Restrictions Grant is detailed in Appendix B
- 2.22. For all grant schemes the Government expects the Council to undertake pre and post payment validation. Validation measures will be implemented prior to payment and the Fraud service will be engaged to assist with post payment assurance.
- 2.23. The Government also requires Council's to collate and report data for all businesses receiving grants. Performance returns are required.
- 2.24. The Chamber of Commerce and MVSC will be asked to promote the scheme and application process.
- 2.25. The Council will undertake a communication strategy to reach businesses in the borough to encourage applications. This will include using the Chamber of Commerce and BIDS to reach businesses.
- 2.26. The Revenues and Benefits team will review all applications. A decision making panel will sit and agree applications. The Director of Corporate Services will make final decisions on grants.

3 ALTERNATIVE OPTIONS

- 3.1. The Council could look to implement different local priorities for the policy.
- 3.2. Any unspent funding will need to be returned

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Consultation has been undertaken with the Chamber of Commerce.

5 TIMETABLE

- 5.1. Estimated time frame for implementation of schemes

Task	Time frame
Policy agreed Cabinet	7 December 2020
Testing of software and web form	11 - 16 December 2020
Call in period ends	14 December 2020
Web form goes live and applications open	17 December – 6 January 2021
Communications with businesses	17 December 2020
Payment awards from	20 January 2021
Phase one review	1 – 21 February 2021
Phase two approach agreed by Cabinet	22 March 2021
Call in period ends	29 March 2021

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. The Council received £4,130,960 Additional Restrictions Grant funding. This discretionary scheme runs from 3 December 2020 to 31 March 2022. As this is a discretionary scheme if the Council pays out more than the funding the Council will have to meet the shortfall.
- 6.2. The Council's business rates system supplier have provided a solution to administer and award all grants. The cost of the new software is £17,500.
- 6.3. Staffing levels to administer the scheme will come from existing resources.
- 6.4. The Government have indicated that New Burdens funding will be provided to all Council's for the administration of the grants

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The Council is able to make such grants under the Localism Act and in line with Central Government Guidance as a result of the Covid 19 Pandemic.
- 7.2. In keeping with the Council's duties for transparency and to ensure that the Council is not subject to any judicial review challenge of its decisions the application criteria, application process and decision making process should transparently be available and all decisions on grants should be based solely on the criteria and clearly evidenced in any decision letter.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. An Equalities Analysis has been completed. (Appendix C)
- 8.2. The web form that has been designed links automatically to the business rates system. This enables the payments of the grants to be automated. Therefore, the web form will not enable the capture of equalities data.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. The Government expect pre-payment checking and have stated they will pursue and prosecute fraudulent awards.
- 9.2. The government have provided an online tool to help with verification.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. Plans must be made to ensure the service is not overwhelmed by the number of applications received.
- 10.2. The Council will need to monitor and ensure that applications can be reviewed, financially vetted and decisions made within the timeframes indicated above.
- 10.3. Additional resource should be made available if required.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix 1 – Table detailing the different grant schemes

- Appendix 2 – Additional Restrictions Grant Policy
- Appendix 3 - Equality Analysis

12 BACKGROUND PAPERS

12.1. Government Guidance and FAQ's

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