



Supplementary Agenda

Dear Councillor

EMERGENCY COMMITTEE - WEDNESDAY, 18TH NOVEMBER, 2020

I am now able to enclose, for consideration at next Wednesday, 18th November, 2020 meeting of the Emergency Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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| 3. | <u>Local Restrictions Support Grants</u> (Pages 3 - 18) |
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Yours sincerely



Jonathan Stephenson
Chief Executive

Encs

Agenda Item 3

Committee: Emergency Committee	Date: 18 th November 2020
Subject: Local Restrictions Support Grant	Wards Affected: ALL
Report of: Jacqueline Van Mellaerts, Director of Corporate Resources	Public
Report Author: Rob Manser Name: Rob Manser, Shared Services Revenues & Benefits Manager Telephone: 01277 312 500 E-mail: rob.manser@brentwood.gov.uk	For Decision

Summary

The Additional Restrictions Grant was announced on 31 October 2020. This report outlines how Brentwood Borough Council will locally administer this discretionary scheme, aimed at businesses that have been adversely impacted by the national and Local Covid Alert Level (LCAL) restrictions imposed to prevent the spread of Covid-19.

The committee is being asked to delegate authority to the council's Director of Corporate Resources to finalise and implement the Additional Restrictions Grant Scheme and supporting discretionary funds as outlined in the policy.

Recommendation(s)

Members are asked to:

- R1 Approve the Additional Restrictions Grants (ARG) Scheme attached as Appendix A.**
- R2 The committee delegates authority to the Director of Corporate Resources (Section 151 Officer), in consultation with the Leader, to administer the Additional Restrictions Grants and is authorised to make technical scheme amendments in line with Government guidance.**

Main Report

Introduction and Background

Central Government have announced 4 new National grants for Essex Local Authorities to administer, these came into effect from 17 October 2020 and are as follows:

1. Localised Restrictions Support Grant (Open) – for businesses that were not legally required to close but were significantly impacted by restrictions between the period of 17 October 2020 to 04 November 2020 – 19 days - this is when we were in tier 2

Whilst there is discretion with us with this scheme, we will deliver this scheme in line with MHCLG guidelines, and in line with national communication to the public, so we will support businesses in the hospitality, hotel, bed & breakfast and leisure sectors. Grants are awarded based on the rateable value of the business with prorated figures shown in brackets;

Up to £15,000 =	£934 (£634)
From £15,001 to £50,999 =	£1,400 (£950)
From £51,000 and above =	£2,100 (£1,425)

The funding allocation is: £197,876

We estimate that there are 190 businesses who can apply for the open grant

2. Localised Restrictions Support Grant (Closed) – for businesses that are legally required to close and have been significantly impacted by restrictions for the period of local entitlement 05 November 2020 to 02 December 2020 (National Lockdown) the grants are for a set 28 day period

This support is for businesses that are in the ratings list for Business Rates and have a rateable value. Grants are awarded based on the rateable value of the business;

Up to £15,000 =	£1,334
From £15,001 to £50,999 =	£2,000
From £51,000 and above =	£3,000

The initial funding allocation is: £1,224,252

We estimate that there are 720 businesses who can apply for the closed grant

Businesses that are able to continue to trade because they do not depend on providing in-person services and can work remotely such as accountants and solicitors are not eligible for this grant.

3. Localised Restrictions Support Grant (Sector) – businesses that remain closed since March 2020) – period of local entitlement 01 November 2020 to 04 November 2020

This support is aimed at nightclubs and they will receive £3,000 every four week period, whilst they remain closed

From the 05 November they move into the (Closed) grant scheme

The above schemes do not require member approval.

The scheme that does require member approval is the Additional Restrictions Grant scheme.

4. Additional Restrictions Grant (discretionary scheme) – period of local entitlement 05 November 2020 to 31 March 2022
The funding allocation is: £1,540,420

The Additional Restrictions Grant (ARG) was announced on 31 October 2020, outlined in further guidance on 09 November 2020. As the ARG is a discretionary scheme, this requires member endorsement, as outlined in this report. This additional support is aimed at businesses that have been adversely impacted by the national and Local Covid Alert Level (LCAL) restrictions imposed to prevent the spread of Covid-19.

Central Government have provided the Council with a sum of £1,540,420 to support local businesses throughout the period of 05 November 2020 up until 31 March 2022. Central Government are committed to meeting the New Burdens cost to Local Authorities for administering this scheme; the amount of funding will depend on a New Burdens Assessment being completed.

The funding level is finite and therefore, the Council, although keen to ensure that the grants are given to the maximum number of businesses, is conscious that its expenditure cannot exceed the amount of allocated Government funding. In order to fairly administer the scheme, the Council has decided that awards will be determined by holding multiple application windows. The number of windows will depend on the number of applications and the National and LCAL Covid-19 position. Any business wishing to claim will complete an online form on the Council's website and awards will be considered against the criteria as set out within the policy in **Appendix A**.

Officers of the Council will administer the scheme, however as part of this report it is recommended that it be agreed that the Section 151 Officer is authorised to make technical scheme amendments, to ensure the scheme meets the criteria set by the Council and in line with Central Government guidance.

This policy aims to help those businesses with their fixed property related costs if they are in financial hardship. The model has been considered to ensure that as many businesses as possible receive funding, especially where they do not have business rates accounts and eligibility to claim other grants and support. It is important to remember that the intention of these grants is to provide support with business related

costs and not to subsidise earnings which is the purpose of the furlough and self-employed income support schemes and alike.

All four schemes are subject to an application process, state aid requirements and are taxable.

This new support for our businesses in local restrictions grants totals just over £2.9m, this is new funding and is in addition to the £17.7m in grants and the £12.6m in Business Rates Relief we have already paid to support businesses in the first 6 months since COVID.

In addition to the above the service continues to deliver the Test and Trace payments and wider support to residents and businesses through the community and business hubs.

OPTIONS

Approve the local policy as set out in **Appendix A** – this is the preferred option.

Do nothing – not recommended as the scheme will be delivered without member oversight and based on national guidance not supported by local policy.

Legislation/Policy

Consultation

None

References to Corporate Plan

This report reflects all areas of the Corporate Plan.

Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Director of Corporate Resources
Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no significant implications on the Council's Medium Term Financial Strategy (MTFS). Central Government has provided the Council with a grant fund of £2,962,548 and grant awards will be limited to this amount.

In order to simplify the process for our businesses, the Council is able to redirect any associated discretionary funds from other Local Covid Alert Level (LCAL) Covid-19 schemes. This enables one application to support local economies and businesses with the most need that may not be eligible for mandatory schemes as set out by Central Government.

Central Government are committed to meeting the New Burdens cost to Local Authorities for administering this scheme, the amount of funding will depend on a New Burdens Assessment being completed. There is a risk that the new burdens funding received will not be sufficient to meet the delivery of the grant process, in which case resources will be reprioritised from other areas of the service.

Legal Implications

Name & Title: Amanda Julian, Director of Law and Governance & Monitoring Officer.

Tel & Email: 01277 312500/Amanda.julian@brentwood.gov.uk

The General Power of Competence was introduced by the Localism Act 2011 and came into force in February 2019. It gives the Council the power to do anything an individual can do unless prohibited by law. The Council can rely on this power to administer the grants.

The Emergency Committee is being called to make the decision to adopt the Brentwood Additional Restrictions Grant Scheme. The Government introduced a discretionary business scheme which needs to be administered to local businesses as soon as possible, in order for officers to do this they need to have the delegated authority to administer the scheme.

Economic Implications

Name & Title: Phil Drane, Director of Planning & Economy

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

The economic impact of COVID-19 is unprecedented. Significant levels of support have been put in place to maintain the borough's economy. The Additional restrictions Grant Scheme is a potentially vital source of financial support for those businesses who were not eligible for the other three schemes that Government announced for supporting local businesses in local and national lockdown. The funds are for small and micro businesses who have ongoing fixed commercial property-related costs. Informed by Government guidance, the eligible criteria is set out in **Appendix A**.

Equality and Diversity Implications

Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager

Tel/Email: 01277 312634/kim.anderson@brentwood.gov.uk

There are no additional Equality and Diversity implications.

Other Implications

None

Background Papers

None

Appendices to this report

Appendix A – Additional Restrictions Grant Scheme.



Brentwood Borough Council Additional Restrictions Grants (ARG) Scheme

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 14th October 2020;

‘Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have three Tiers. Tier 1 (Medium): Tier 2 (High) and Tier 3 (Very High). For the purposes of these schemes the definitions used are LCAL1, LCAL2 and LCAL3.

‘Local lockdown’; means the same as **‘Local restrictions’;**

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Local Restrictions Support Grant Scheme (Closed); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020 and amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

‘Local Restrictions Support Grant Scheme (Closed) Addendum; means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

‘Ratepayer’; means the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

‘State Aid Framework’; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

‘Temporary Framework for State aid’; means the same as the **‘State Aid Framework’.**

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Additional Restrictions Grant Scheme (ARG). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 31st October 2020 which sets out the basic circumstances whereby an additional restriction grant payment may be made by the Council to a business which has to close or are severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 The scheme applies where local restrictions (LCAL3) are put in place **or** where a widespread national lockdown is announced.
- 1.5 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 1.6 National restrictions are nationally binding widespread restrictions imposed by Parliament under legislation. The current national restrictions are made under the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020.
- 1.7 Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only.
- 1.8 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 14th October 2020.
- 1.9 Where any area enters either a localised restriction (LCAL3) or where a national restriction applies, additional assistance may be given to businesses under the Council's Local Restrictions Support Grants (Closed) Scheme (as amended).

2.0 Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each area when local restrictions (LCAL3) or widespread national restrictions are imposed.

- 2.2 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, no additional funding will be received from Government even if either the local restrictions or widespread national restrictions are re-instated.

3.0 Eligibility criteria and awards

- 3.1 The Council is able to use this funding for business support activities and Government envisage that this will primarily take the form of discretionary grants although it can be used for wider business support activities.
- 3.2 If Local Authorities use the Additional Restriction Grant for direct business support grants, Government has stated that the same conditions of grant **must** apply as for the Local Restrictions Support Grant (Closed) scheme. However, the Council will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
- 3.3 Government has stated that the Council *may* also consider making grant payments to those businesses which, while not legally forced to close are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. Government has also stated that the Council may also wish to assist business which are outside of the rating system and which are effectively forced to close.

Eligibility Criteria

- 3.4 Businesses who will be supported will include but will not be limited to:
- Businesses where business rates are included within rents;
 - Businesses in the supply chain for retail, hospitality, leisure, events and accommodation sectors; and
 - Event and event management businesses
- 3.5 For the purposes of this scheme the Council has decided that any of the above businesses must meet the following eligibility criteria, at the effective date, in order to receive an Additional Restriction Grant:
- (a) **The business must be a Micro or Small business, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006;**
- (b) **Other businesses that fall into both categories of (c) and (d);**
- (c) **Businesses must have ongoing business related costs;** - for the purpose of this scheme, the Council determines fixed business related costs to be:
- Payments of mortgage, lease, rent or licence for business premises;
 - The payments must represent a high proportion of expenses in relation to the overall income of the business; and
 - The payments are unavoidable business overheads.
- The Council has determined that each business will have to provide evidence of high on-going fixed related costs. The Council may require the business to provide evidence of liabilities including mortgage, lease, tenancy, service charges or licence documentation; and

- (d) **Businesses must demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis;** - the Council has determined that businesses certify there has been a significant fall in income due to the implementation of restrictions. Businesses may be required to provide evidence to the Council of their income and the Council must be sure that the fall in income is due to the COVID-19 crisis and not a general failure of business;
- (e) **No grant shall be paid** – where the business receives or is entitled to any Local Restriction Support Grant from the Council (under any scheme) for the same period.

Award Levels

- 3.6 The Council has decided the following grant award levels will apply:
- Up to £10,000 in exceptional cases where the business has high property costs and the failure of the business would have a significant impact on the residents of the Borough;
 - Up to £3,000 where 'small' businesses meet the required criteria;
 - Up to £2,000 where 'micro' businesses meet the required criteria; and
 - Up to £1,000 where all 'other' businesses meet the required criteria
- 3.7 The Council reserves the right to change the amount of the grant awards, depending on the number of applications received.

Excluded businesses – both local and national restrictions

- 3.8 The following businesses will **not** be eligible for an award:
- (a) Businesses in areas outside the scope of the localised restrictions, as defined by Government and not subject to a widespread national restriction;
- (b) Businesses that have chosen to close but not been required to, will not be eligible;
- (c) Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the COVID-19 Temporary State Aid Framework; and
- (d) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or widespread national restriction.

The Effective Date

- 3.9 The effective date for eligibility is the date of the widespread national or local restrictions (LCAL3). Businesses **must** have been trading on the first full day of national or LCAL3 restrictions to be eligible to receive grant support.

Who can receive the grant?

- 3.10 Government has stated that the person who would normally receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date. Where the business is not subject to Non-Domestic Rates, the Council will decide who should receive the award.

- 3.11 Where the Council has reason to believe that the information it holds about a ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 3.12 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.13 Where any business misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.
- 3.14 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

4.0 How will grants be provided to Businesses?

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Details of how to obtain grants are available on the Council's website:
<https://www.brentwood.gov.uk/index.php?cid=1877>
- 4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 4.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 4.5 An application for an Additional Restriction Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.
- 4.7 The Council reserves the right to make changes to this scheme and to allow further application periods.

5.0 EU State Aid requirements

- 5.1 Any grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 5.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.
- 5.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

6.0 Scheme of Delegation

- 6.1 The Council has approved this scheme.
- 6.2 Officers of the Council will administer the scheme and the Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

8.0 Reviews of Decisions

- 8.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 8.2 All such requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 8.3 The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.
- 8.4 The amount of any grant awarded by the Council cannot be challenged.

9.0 Complaints

9.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

10.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

10.1 The Council has been informed by Government that all payments under the scheme are taxable.

10.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

11.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.

11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13.0 Data Protection and use of data

13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

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