

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
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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.