

Cabinet

21 January 2021

REPORT OF THE PORTFOLIO HOLDERS FOR ASSETS & FINANCE & HERITAGE & REGENERATION

Local Restrictions Grant Policy

Exempt Information

None

Purpose

To seek Cabinet approval for the Local Restrictions Grant Policy and to obtain delegated authority to amend this policy to reflect any future changes in guidance.

Recommendations

1. That the policy be endorsed and adopted.
2. That the policy be reviewed at a minimum on a quarterly basis, with delegated authority to the Executive Director Finance in consultation with the Portfolio Holders for Assets & Finance & Heritage & Regeneration to make any changes, including the remaining ARG funds for the development of Localised Business Support.
3. That members note the progress made to date in respect of the various grants schemes.

Executive Summary

In the response to the effects of the Covid-19 pandemic, and following the initial grants package to businesses arising from the lockdown required in March 2020, Government have now provided a further package of support grants for businesses that have been severely impacted by or required to close as part of the introduction of the Tier restrictions and indeed the subsequent national lockdown. These Local Restrictions Support Grants (LRSGs) are targeted at businesses registered for Business Rates, with grant payments up to £3k per 4-week period. They are to be administered by Local Authorities following Government guidance.

On 31st October Staffordshire entered into the Tier 2 (very high risk) level as part of the response to the Covid-19 pandemic and subsequently the country went into another National Lockdown on 5 November 2020 as a result of rising case numbers in the area. As part of the agreement with government Tamworth received a business support package of Local Restrictions Support Grant (LRSG) of £942k for properties registered for Business Rates and circa £1.534million for wider distribution, known as the Additional Restrictions Grant (ARG). The ARG is a discretionary fund that Tamworth can use to create a package of support for businesses that are unable to access governments LRSGs either as they are not registered for Business Rates or not within one of the business sectors that are able to access the grants.

This report outlines the progress made on delivering governments LRSGs and how the ARG discretionary fund is being used to complement those grants and support wider businesses in Tamworth. It also seeks endorsement of the Council's proposed use of the discretionary fund.

Options Considered

Cabinet are asked to endorse the implementation of the Local Restrictions Grants policy which includes the discretionary Additional Restrictions Grant fund scheme. There are potentially other options that the Council could consider. However, it is felt that the proposed approach outlined has the best fit to maximise support for a large number of businesses.

Resource Implications

The table shows a timeline of Government support to date

Timeline of Central Government interventions:			
Grant Types	Date Paid	Amount Retained	To pay out / add'l relief
Business Support			
Business Grants Scheme £12m	01/04/2020		£12,020,000
Business Grants Scheme - add'l allocation	15/06/2020		£2,239,000
New Burdens - Grants Schemes	07/07/2020	£130,000	
Extended Business Rates Retail relief S31 grant	Monthly		£16,220,510
Additional BR Relief Payments for Expanded Retail and Nurseries	20/11/2020		£987,801
Additional Restrictions Grant (ARG)	13/11/2020		£1,533,920
Local Restrictions Support Grant LRS (Closed) Addendum including LRS (Sector) and LRS (Closed) (90% of the estimated allocation)	13/11/2020		£942,246
Tier 2 grant allocation (LRS Open) for the period 31/10-4/11/20 (includes a 5% top up of c.£1,400)	13/11/2020		£29,318
New Burdens 2 - Grants Schemes	18/12/2020	£58,500	
LRS (Open) 2/12/20-19/12/20 (allocations for those LAs in both Tier 2: High alert and Tier 3: Very High alert.)	18/12/2020		£8,258
LRS (Closed) 02/12/20 - 19/12/20 (payment for those LAs in both Tier 2: High alert and Tier 3: Very High alert, which is 80% of the estimated grant funding based on our estimates of business closures. As per the guidance we will provide top-up funding to LAs if required.)	18/12/2020		£88,089
Christmas Support Payment for wet-led pubs (CSP) 80% of our estimated costs as per the guidance which also confirms once thresholds are met funding will be topped up	18/12/2020		£25,600
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ARG Top up January 2020	15/01/2020		£681,295
Closed Business Lockdown payment January 2020	15/01/2020		£2,826,000
Closed Addendum payment	15/01/2020		£1,413,369
Residents			
£150 each Hardship funding for LCTRS claimants	03/04/2020		£565,718
Council tax hardship scheme New Burden Admin Cost Grant	22/12/2020	£9,832	
Self isolation payments scheme funding - Discretionary Scheme	30/10/2020		£19,375
Self isolation payments scheme funding - Main Scheme	30/10/2020		£32,000
Self isolation payments scheme funding - New Burdens	30/10/2020	£24,762	
Self isolation payments scheme funding - Discretionary Scheme	TBA		£11,625
Self isolation payments scheme funding - Main Scheme	TBA		£36,000
Total		2,233,094	39,680,124

For the initial Business Support Scheme (for the lockdown period commencing March 2020) the Council received funding of £14,259,000 with a new burdens allocation of £130,000. £12,047,500 was paid to a total of 1,190 businesses. The reconciliation is below.

Grants reconciled				
Total paid to Local Authority	Small Business Grant Fund/Retail Hospitality and Leisure Grant Fund	Local Authority Discretionary Grant Fund	Total	Value to be returned to BEIS
£14,259,000	£11,590,000	£457,500	£12,047,500	£2,211,500

The Council's ARG allocation from Government totals £1,533,920 and is for use up to the end of March 2022. Through Member consultation it is proposed to allocate 80% of this fund to grants and the remaining 20% towards the development of localised business support, proposals are currently being developed.

As detailed above, the Council has also received funding to support residents through a one-off up to £150 for each Local Council Tax Reduction scheme claimant and through the one-off self isolation scheme payments of £500 for those required to self isolate as a result of Covid-19.

Legal/Risk Implications Background

Fraudulent applications - Ensure that banking details are independently verified and other checks are in place ahead of payments are being made.

Additional resource – This continues to be required to manage and administer the grants. The level of this additional support will be costed and recorded under the reporting for the New Burden grant funding in line with government instruction to Local Authorities for Covid-19.

Complaints from Businesses that applications are rejected - The proposed policy is attached at Appendix 1 and is based upon guidance from BEIS. There is no automatic right of appeal against a decision not to award a grant, or against the value of any grant. The only further recourse available to applicants is a challenge by way of a judicial review, and/or a complaint to The Local Government and Social Care Ombudsman.

Equalities Implications

The ARG discretionary scheme will support some businesses that are run by people with protected characteristics that were previously prohibited from applying for Government's original business support grant scheme.

Sustainability Implications

The Council has received direct funding from Government for all of the prescribed grants outlined. The funds will be available until they have been fully allocated and spent, or until there is a Government amendment to the current terms.

Background Information

Since March 2020 Tamworth Borough Council has been responsible for administering grant schemes to support businesses in response to Coronavirus. From March until September 2020 these schemes were known as the: Small Business; Retail, Hospitality and Leisure and Discretionary grant funds and the Council distributed £12.047m, to 1,090 businesses within Tamworth. These grant fund schemes were formally closed by the Department for Business, Energy and Industrial Strategy (BEIS) at the end of August 2020.

On 9 September 2020 the Chief Secretary to the Treasury announced that Government would provide businesses with additional grants in the event that they are asked to close as part of a local restriction. Local authorities are required to adopt policies to distribute grants to business, through periods of national and local restrictions.

In Staffordshire, Tier 2 restrictions were imposed from 31 October and superseded by national restrictions imposed from 5 November to the 2 December 2020, which required many businesses to close until 2 December. Following this announcement, further revisions of the grants guidance from the Department of Business, Energy and Industrial Strategy were published. The guidance outlines the various means of funding that Councils are to administer to support businesses affected by the November/December 2020 national restrictions, but also future periods of national and local restrictions under a High or Very High Covid-19 threat level. A new tiered system was developed from 2 December onwards which will be reviewed on a 14 day rolling basis. Subsequently a further national lockdown has been announced covering the period 5 January 2021 to 15 February 2021.

In the period leading up to the end of December, the Council had been making preparations to design its Additional Restrictions Grant Fund, with an outline policy presented to Overview & Scrutiny ahead of approval planned for a Cabinet meeting. A scheme of delegation report was endorsed and the Additional Restrictions Grant scheme was launched on 14 December 2020. However, due to delays in the revised guidance on the intended scheme from BEIS, the decision was taken to defer the report to the January Cabinet meeting.

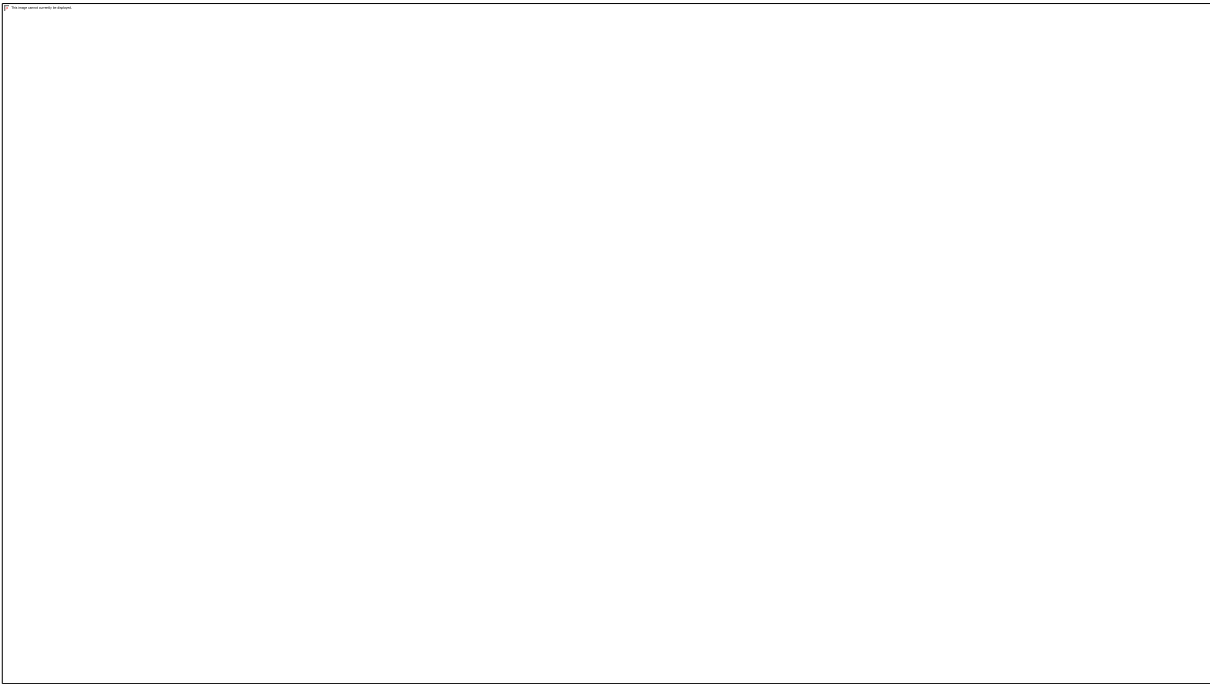
These various grants include discretionary grants (as set out in this report) as well as mandatory grants payable to businesses who occupy business premises.

Cabinet endorsement is now sought in respect of the Additional Restrictions Grant scheme that will support businesses through the current period of national restrictions and any future periods of national or local restrictions, where they are not funded via mandatory grants through the Business Rates system. Along with other support for businesses in rateable premises during periods of national or local Very High restrictions, these grants provide a system of business support grant schemes that work alongside to support those most affected by restrictions.

This Policy (as attached in appendix1) describes the manner in which this Council will distribute its funding to local businesses.

Summary of Grants

The table below outlines all the grants that have been in place for businesses affected by Covid-19 since March 2020.



Retail Leisure and Hospitality Grant (RHLG)

The Government announced in March that occupied retail, leisure and hospitality properties liable for business rates would receive a 100% discount on their business rates in respect of the 2020/21 financial year irrespective of their rateable value. This is known as the Expanded Retail Discount.

Subsequently the Government announced that, in addition to the 100% discount, under the terms of the RHLG scheme business properties in receipt of the Expanded Retail Discount with a rateable value below £51,000 would be entitled to cash grants for each property (hereditament) as follows:

Eligible businesses in these sectors with a property that has a rateable value of up to £15,000 received a grant of £10,000 and with a rateable value of less than £51,000 received a grant of £25,000, subject to eligibility criteria.

Businesses with a rateable value of £51,000 or over were not eligible for this grant.

Small Business Grant (SBGF)

Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rate Relief (RRR) in the business rates system will be entitled to a payment of £10,000, subject to some detailed eligibility criteria.

Discretionary Grant

The discretionary fund provided vital financial support to businesses which did not meet the criteria of the RHLG & SBGF grant schemes for rate-paying businesses. This particular grant scheme was aimed at small and micro businesses with relatively high ongoing fixed property-related costs, which demonstrated that they have suffered a significant fall in income due to the Covid-19 crisis.

Additional Restrictions Grant (ARG1) (Closed Business Scheme)

This scheme covers from the 5th November 2020 and is aimed to support businesses mandated to close during the National Lockdown and Local Tier restrictions and will therefore be paid to:

- Businesses mandated to close which were trading on 4 November from commercial premises for which they are not the direct ratepayer (e.g. shared spaces or premises under a paramount control of another party)
- Market Traders who have, up to 5 November, traded regularly on either a Tuesday or Saturday on Tamworth Street market, who have not been allowed to trade, due to the nature of their business
- Businesses based from home that were unable to trade from 5 November, due to either their business activity being not allowed to trade

Businesses will receive a grant payment of £1,334.00 for each 28-day qualifying restrictions period.

Additional Restrictions Grant (ARG2) (Severely Affected Scheme)

This scheme covers businesses who, whilst not mandated to close provide goods or 'business to business services' to a customer base that is mandated to close either as a result of a National Lockdown or Localised Restrictions (Tier system).

All businesses will receive a one off grant payment of £5,000. Recipients will not be allowed to access any further ARG grant until after April 1st 2022.

Additional Restrictions Grant (ARG3) (Additional help for businesses in the Hospitality and Leisure Sector with a Rateable Value of £51,000 or above)

Business may be eligible for an additional grant if they meet the following criteria:

- The business is in the hospitality sector, leisure sector or be a hotel that is not part of a chain and the business has not previously received a £25,000 grant
- The business is liable for business rates and your rateable value is £51,000 or above

- The business has received a Localised Restrictions (Tier) and/or a National Lockdown Grant
- The business has adhered to and implemented all of the restrictions required in response to Covid-19

The grant will be a one off payment of £25,000.00

Local Restrictions Support Grant (Sector) (LRSO Sector)

Nightclubs and sexual entertainment venues closed since 23 March 2020

Local Restrictions Support Grant (Closed) (LRSO Closed) & Local Restrictions Support Grant (Closed) Addendum (LRSO Closed Addendum)

Payments of £667.00/ £1,000.00/ £1,500.00 per fortnight (depending on Rateable Value) where national restrictions dictate that the business must close. Not applicable during local restrictions.

Local Restrictions Support Grant (Open) (LRSO Open)

Fortnightly payments of £467/ £700/ £1,050 (depending on Rateable Value) where local restrictions dictate that the business must close. Not applicable during national lockdown (**may** instead qualify for LRSO (closed) Addendum grant).

Christmas Support Payment for Wet led pubs grant (CSP)

Additional support over the festive period for wet-led pubs in areas under Tier 2 or 3 restrictions. Pubs that predominantly serve alcohol rather than provide food will be eligible for a one off additional grant of £1,000. This scheme closed on 29 December 2020.

New Lockdown Grant

On 4 January 2021, the Prime Minister announced a national lockdown, with many non-essential businesses required to close once again until at least February half-term. On 5 January 2021, the Chancellor announced a one-off top up grant for affected businesses in the retail, hospitality and leisure sectors, worth up to £9,000 per property to help businesses through to the Spring.

The new one-off grants come in addition to existing business support grants of up to £3,000 for ratepaying businesses who are forced to close, and £2,100 per month for impacted businesses once they reopen.

Government has announced that the one-off top-ups will be granted to closed businesses on a per property basis as follows:

- £4,000 for businesses with a rateable value of £15,000 or under
- £6,000 for businesses with a rateable value between £15,000 and £51,000
- £9,000 for businesses with a rateable value of over £51,000

At present we await further details from Government about this scheme and fund allocations.

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List of background Papers

Local Restrictions support guidance

Scheme of Delegation report - Local and Additional Restrictions Grant Policy, December 2020

Appendices

Appendix 1 – Local Restrictions Grant policy