

Hambleton District Council

Report To: Cabinet

Date: 13 April 2021

Subject: **Business Grants - Additional Restrictions Grant Scheme**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 This report seeks approval for the further development and delivery of the Additional Restrictions Grant which was originally to provide financial support to businesses until the end of 2021/2022 financial year during and outside National Lockdown or COVID Alert Level Tier 3 (Very High) restriction periods.
- 1.2 The Additional Restrictions Grant is a discretionary grant to support businesses in the local economy where the Council must determine the scheme criteria when providing funding directly to individual businesses, where the grant can also be used to support businesses generally across the wider economy. The current criteria to support individual businesses for the scheme was approved by Management Team on 25 November 2020 has now been running for the national lockdowns since November (5 November – 2 December 2020 and 5 January – 15 February 2021, 16 February – 31 March 2021) and Tier 3 restriction period (31 December 2020 – 4 January 2021). The grant amounts awarded to individual businesses under the ARG scheme are £500, £1,334, £2,000 and £3,000 per 4-week period depending on costs and income losses associated with individual businesses.
- 1.3 The payments paid from the 31 December onwards have been made on an automatic basis, based on the November lockdown applications where the Council holds relevant details in relation to individual businesses.
- 1.4 Additional Restrictions Grant money distributed since the November lockdown is as follows:

Scheme - ARG	Amount Paid £	Number of grant payments
5 November – 2 December 2020	308,700	238
31 December – 4 January 2021	55,036	237
5 January – 15 February 2021	443,547	223
16 February – 31 March 2021	432,459	208
Total	1,239,742	

2.0 Additional Restrictions Grant Scheme Details, Criteria and Proposals

- 2.1 The Additional Restrictions Grant scheme supports individual businesses and can also support the wider economic area and for funding business support activities, advice and guidance for businesses and skills training to support their ability to trade in changed circumstances.
- 2.2 Councils have complete discretion with how they use the Additional Restrictions Grant funding along with flexibility around grant amounts and the frequency of these payments. In addition, councils can support any business they deem requires help regardless of that business having to close or remain open or having already received a grant payment through other support scheme. Support can be provided to large businesses to reflect local economic impact with due reference to State Aid before 31 March 2021 and Subsidy Control subsequently.
- 2.3 The Council have received two grants of £1,831,880 and £813,634 totalling = £2,645,514 and will have paid out £1,239,742 = 46% of the grant up 31 March 2021 leaving £1,405,772 to allocate.
- 2.4 Initially the Additional Restrictions Grant was intended to be used across Financial Years 2020/21 and 2021/22 and no further funding was available, and we therefore needed to be mindful how we draw on it over the remainder of 2021/22. The latest Government guidance now states that if the Additional Restrictions Grant is completely spent by June 2021, then a conditional top-up grant to the Additional Restrictions Grant is available, with funding allocations being provided at the beginning of 1 April 2021. Local authorities must meet certain conditions and prove that they have spent or made a validated attempt to spend 100% of their first two Additional Restrictions Grant Allocations to be eligible for the top -up allocation.
- 2.5 A Restart Grant has been announced by the Government from the 1 April and guidance for the restart scheme is currently being considered where the funding will be allocated for business rated businesses on the 1st April 2021 and provided week commencing 6th April 2021. The Additional Restriction Grant is also being reviewed to operate a Restart Grant scheme for non-business rated business and further to this the scheme will be launched and information will be included on the website. Within the remaining ARG funds £445,772 has been allocated to provide this funding to businesses outside the business rates system for the Re-start phase.
- 2.6 In addition, it should be noted that businesses that are business rated are eligible for the Local Restrictions Support Grant (LRSG) January lockdown (5 January – 15 February 2021) and entitled to a one-off Closed Business Lockdown Payment of £4,000, £6,000 or £9,000 depending on their rateable value. This payment was not originally available to businesses receiving Additional Restrictions Grant funding however in considering how to support businesses further the Additional Restrictions Grant Scheme will now pay an additional payment of £1,000 each as a one -off Lockdown payment. The estimate currently is £260,000 but this will increase slightly with further applications.

- 2.7 Additional Restriction Grant has also been allocated at £200,000 to provide funding for further applications that have as yet not been processed prior to 31 March 2021 due complications and enquiries. If this funding is not used for this purpose, then it will be allocated as described below in paragraphs 2.8 and 2.10.
- 2.8 To ensure that the Additional Restriction Grant funding makes the biggest impact for the local economy and supports businesses when they need it, a plan for the allocation of remaining funds has been drawn up. The plan considers which sectors continue to need support, pressure from government to spend the funding efficiently and to ensure it is a robust and fair scheme. The following paragraphs detail these plan proposals.
- 2.9 Following consultation with partners it is apparent that the support required is varied. e.g.
- Hospitality and retail - suffered the most but have also received the most in grant funding.
 - New business start-ups -missed out on any grant funding because they were not trading on the date to make them eligible.
 - Businesses trying to diversify to keep their business in operation - haven't the funding to make the changes they require to move forward.
 - Businesses may require capital funding to help towards an expansion programme or for a smaller business moving to a digital platform
- 2.10 The proposal for the Additional Restrictions Grant is to open up an application process for 'ARG Business Support Grants' with wide-ranging criteria to support the following situations.
- Diversification/Innovation
 - Capital funding – for expansion projects
 - Small businesses, High Street Retail/Hospitality
 - Tourism
 - New Start ups
- 2.11 There is also government suggestion to provide some of the funding to the Local Enterprise Partnerships (LEP's) to use in a wider sense with other local authorities. They would work with Department for Business, Energy and Industrial Strategy (BEIS) and other partners to ensure a value-added element to the funding.
- 2.12 The proposal is that the remaining grant £1,405,772 is split into the funding proposal in the following table:

Funding	Amount £
Funding Received	2,645,514
Lockdown Periods -Grants Paid from 2 November – 31 March 2021 as paragraph 1.4	-1,239,742
Restart Grants estimated from 1 April 21 One Off Payment as paragraph 2.5	-445,772
One-Off Payment £1,000 per business as paragraph 2.6	-260,000

Funding	Amount £
Further grant payments in all current schemes as paragraph 2.7	-200,000
ARG Business Support Grants – new Scheme as paragraph 2.9	-400,000
Contribution Y&NY LEP business support activities as paragraph 2.10	-100,000
Total spend	2,645,514
Balance	0

3.0 Link to Council Priorities

3.1 The business grants schemes support the Council's priority of driving economic vitality.

4.0 Risk Assessment

4.1 Risk in not approving the recommendations

Risk	Implication	Prob	Imp.	Total	Preventative Action	Net Prob	Net Impact	Net total
Reputational Risk to the Council	Council may be criticised if the opportunity to spend the grant is missed	5	4	20	Approve the Scheme	2	3	6

5.0 Financial Implications

5.1 The Council has received £2,645,514 of Additional Restrictions Grant and paid out £1,239,742 leaving £1,405,772 to allocate as detailed in paragraph 2.12.

6.0 Legal Implications

6.1 There are no legal implications.

7.0 Equality/Diversity Issues

7.1 Equality and diversity issues have been considered however there are no issues associated with this report.

8.0 Recommendation

8.1 That Cabinet approves and recommends to Council that the remaining Additional Restriction Grant is used to:

- (1) set up £400,000 'Additional Restrictions Grant Business Support Grants' as detailed in paragraph 2.8 and 2.9; and
- (2) allocate £100,000 to LEP Business Support Activities as detailed in paragraph 2.10 of the report.

Mick Jewitt
Deputy Chief Executive

Background papers: None
Author ref: NP
Contact: Nicole Patterson
Business and Economy Manager
Tel: 01609 767233