

Hambleton District Council

Report To: Cabinet

Date: 8 June 2021

Subject: **Business Grants – Revised 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 Further to the report presented to Members at cabinet on 13 April 2021 regarding Business Grants – Additional Restrictions Grant Scheme, this report seeks approval for a revised scheme.
- 1.2 The Additional Restrictions Grant is a discretionary grant provided by the Department for Business, Energy and Industrial Strategy to all Council's to support businesses in the local economy where the Council has the discretion to determine the scheme criteria when providing funding directly to individual businesses; the grant can also be used to support businesses generally across the wider economy for funding business support activities, advice and guidance for businesses as well as skills training to support businesses ability to trade in changed circumstances.
- 1.3 A revised Additional Restrictions Grant Scheme is being suggested just two months after the initial scheme was approved because the position with supporting local business through this grant scheme is fast changing.
- 1.4 Initially the Additional Restrictions Grant of £1,831,634 was allocated when national restrictions were announced on 31 October 2020 and was intended to be used across Financial Years 2020/21 and 2021/22 where no further funding would be available; the Council therefore needed to be mindful how it would be allocated over the remainder of 2021/22. The Council then received a top-up to the Additional Restrictions Grant scheme £813,634 in January 2021, as a result of further national restrictions being imposed. A further top-up was announced in the 2021 Budget, where this Council will receive £953,008 subject to spending the existing allocations of Additional Restrictions Grant by 30 June 2021.
- 1.5 At the time the Business Grants – Additional Restrictions Grant Scheme was reported to Cabinet in April 2021, the Council had to have spent or made a 'valid attempt' to spend 100% of their first two Additional Restrictions Grant Allocations to be eligible for the top -up allocation. However, in the last few weeks the Department for Business, Energy and Industrial Strategy has clarified that all funding has to be expended by 30 June and not just a 'valid attempt' be made to spend the first two allocations in order to be eligible to receive the additional top-up allocation.

- 1.6 In light of this the ‘Business Grants – Additional Restrictions Grant Scheme’ has been reviewed to undertake that businesses in the district are being supported to their maximum whilst ensuring that best value is being assured from the Government allocations.
- 1.7 In the Cabinet report on 13 April 2021, a table was included at paragraph 2.12 (shown below for reference) which detailed how the Additional Restriction Grant scheme funding was to be expended, where Members specifically approved the last two lines in the table as follows: “that the remaining Additional Restriction Grant is used to:
- (1) set up £400,000 ‘Additional Restrictions Grant Business Support Grants’ and
 - (2) allocate £100,000 to LEP Business Support Activities

Funding	Amount £
Funding Received	2,645,514
Lockdown Periods -Grants Paid from 2 November – 31 March 2021	-1,239,742
Restart Grants estimated from 1 April 21 One Off Payment	-445,772
One-Off Payment £1,000 per business	-260,000
Further grant payments in all current schemes	-200,000
ARG Business Support Grants – new Scheme	-400,000
Contribution Y&NY LEP business support activities	-100,000
Total spend	2,645,514
Balance	0

- 1.8 Further to the Cabinet report on 13 April 2020, the approval and the table detailed above, the following paragraphs explain the changes now proposed for the use of the Additional Restrictions Grant.
- 1.9 **Lockdown Periods and restart Grants** - Changes to the way the funding is being used from the Additional Restrictions Grant scheme before the 30 June is that an increased number of grant requests have been received and are being assessed for the ‘Lockdown Periods’ grants the council is offering and also the ‘Restart Grants’ where the majority of awards are for businesses that do not have a business rate number and a minority of cases where it is felt that additional support is required.
- 1.10 The ‘**One-Off Payment £1,000 per business**’ has now been reassessed and it is now considered more appropriate to support those business that applied for an Additional Restrictions Grant for the January period to receive additional funding in line with business rated businesses which received a one-off Closed Business Lockdown Payment and therefore the initial allocation of £1,000 as the one-off payment as detailed in the table above will be increased so that different amounts will be allocated to business in line with the costs and losses that their businesses incurred.

- 1.11 **‘Further grant payments in all current schemes’** is funding allocated to support businesses across all categories of the grant schemes and this has been reduced as time has moved forwards and less funding is identified to be required.
- 1.12 For the **‘ARG Business Support Grants’** and **‘Contribution Y&NY LEP business support activities’** that were approved at Cabinet on 13 April 2021 to be expended before 30 June 2021, it is recommended in this report that there is insufficient funding to provide these grants at this stage due to the limited amount of grant funding now available as funding has been distributed through the other schemes set up in the last two months. This has been discussed with York & North Yorkshire Local Enterprise Partnership and they are in agreement that the allocation of £100,000 will still be allocated to them from the further top-up if the initial £2,645,145 is expended. This is the same for the **‘ARG Business Support Grants’** where the Council will still offer these grants but after 30 June 2021. If the current allocation is not spent, then no further funding will be received and this support will not occur.
- 1.13 **Wider local economy support for business, guidance, advice and skills** – in addition to supplying individual businesses support through grant funding the Additional Restrictions Grant can also be used to support the wider economy of the district. An example of this is as described above providing funding to the Local Enterprise Partnership but also to other external bodies who have delivered training / workshops /guidance /advice. It may also be used to fund individual businesses who request support directly from the Council where the Council will use local knowledge to determine if the economy and the district will benefit from providing this individual support. Additional Restrictions Grant can also be used to fund staff employed by the Council for the sole purpose of providing business support but cannot be used as a wage support mechanism, for infrastructure and capital projects, or any initiative whereby the Local Authority is the direct recipient.
- 1.14 It is proposed that the expenditure of the grant schemes already set up is the focus of the current allocation provided from Government of £2,645,145. This **Business Grants – Revised Additional Restrictions Grant Scheme** is detailed in the following table:

Funding	Amount £
Funding Received	2,645,514
Lockdown Periods - Grants paid and to be paid from 2 November – 31 March 2021 as paragraph 1.9	-1,502,458
Restart Grants from 1 April 21 as paragraph 1.9	-616,012
One-Off Payment various amounts per business as paragraph 1.10	-435,000
Further grant payments in all current schemes as paragraph 1.11	-15,000
Wider local economy support - Guidance / Skills Workshop – Insight with Passion Ltd as paragraph 1.13	-77,044
Total spend	2,645,514
Balance	0

1.15 It should be noted that there is a risk that the funding currently received will not be expended by 30 June 2021 and no further funding will be allocated from Government. The table above is the current estimate as to where the Additional Restrictions Grant funding will be allocated, however it is recommended that delegated authority is provided to the Deputy Chief Executive in consultation with the Deputy Leader (Portfolio Holder for Economic Development and Finance) to allocate funding as is appropriate in a fast changing environment regarding this matter as estimates vary.

3.0 Link to Council Priorities

3.1 The Business Grants – Additional Restrictions Grant Schemes aims to support economic recovery in response to the Covid-19 pandemic and backs the Economic Response and Recovery Plan to build future resilience of businesses based within Hambleton district; this supports the Council priority of Driving Economic Vitality.

4.0 Risk Assessment

4.1 Risk in 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 by 30 June 2021 and the further allocation is not received	5	4	20	Approve the Scheme in the awareness that the further allocation will not be received	3	4	12

5.0 Financial Implications

5.1 The Council has received £2,645,514 of Additional Restrictions Grant funding where £1,831,634 was allocated when national restrictions were announced on 31 October 2020 and a top-up allocation of £813,634 in January 2021, as a result of further national restrictions being imposed. If this funding is expended by 30 June 2021 then a further allocation announced in the 2021 Budget of £953,008 will be allocated

5.2 If the current allocation of £2,645,514 is not expended by 30 June 2021 then no further allocation will be received.

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:

- (1) the remaining Additional Restriction Grant is used to support businesses as detailed in the table in paragraph 1.14 of the report; and
- (2) delegated authority is given to the Deputy Chief Executive and Deputy Leader (Portfolio Holder for Economic Development and Finance) to allocate the remaining Additional Restriction Grant as appropriate as detailed in paragraph 1.15 of the report.

Mick Jewitt
Deputy Chief Executive

Background papers: Cabinet 13 April 2013 - Business Grants: Additional Restrictions Grant Scheme report

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