

Decision Maker: Director of Finance and Corporate Services (Section 151 Officer) **Date:** 24 November 2020

Title: Covid-19 Business Support Grants - Local and Additional Restrictions Grants

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Summary

1. In response to the public health emergency, Coronavirus (Covid-19) the Government has provided additional financial support for businesses during the periods of local and national lockdowns
2. The Government have introduced the following additional grants
 - I. Local Restrictions Grant (open) LCAL2 to support businesses severely affected by the move of the Council's area into Tier 2 (high) local restrictions.
 - II. Local Restrictions Grant (closed) LCAL3 which supports businesses that have been affected by either Tier 3 (very high) local restrictions or a national lockdown
 - III. Additional Restrictions Grant to support businesses that do not meet the criteria of LCAL3, but have been required to close or suffered severe disruption to their business either due to Tier 3 local restrictions or a widespread national lockdown

Recommendations

3. It is requested that the Director of Finance and Corporate Services approves the following grants as set out in this report and the full policies attached as appendices A to C under emergency powers;
 - I. Appendix A - Local Restrictions Grant (open)
 - II. Appendix B – Local Restrictions Grant (closed)
 - III. Appendix C – Additional Restrictions Grant (Discretionary)

Financial Implications

4. All grant payments will be fully reimbursed under S31 of the Local Government Finance Act 2003.
5. New burdens funding will also be provided to support the cost of the administration of the new grants.

Background Papers

6. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Impact

7.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

8. In response to the Coronavirus emergency and subsequent trading restrictions for all shops and premises where people gather, or are provided with person to person services the government have provided additional support for businesses whilst they are unable to operate and these have been passed to Local Authorities to administer.

9. The full policies are set out in Appendices A to C and the government guidance is available on the government website and a link to this is attached in paragraph 10 (Background Papers).

Local Restrictions Grant (LRG) (open) and (closed)

10. The Government announced new levels of financial support for businesses affected by the new tiered system (medium, high and very high) of local restrictions which came into force on the 14 October.

11. These grants have been aimed primarily at the hospitality, hotel, bed and breakfast, leisure organisations or businesses that provide person to person services as these are the ones to have been directly affected by both the tiered system and local or national lockdowns. The grant has been extended to any business that can demonstrate that it has been severely impacted by the local restrictions.

12. The Local Restrictions Grants (open) is for the periods where local areas were put into high alert and businesses were required to adapt how they provided their service. For example, restaurants could only provide a takeaway service.
13. Essex went into tier 2 (medium) restrictions on the 17 October, which was then overtaken by the national lockdown tier 3 (very high) on 5 November. The LRG (open) is only payable whilst the district was in tier 2 restrictions.
14. The Local Restrictions Grants (closed) is for where the local area has been put into high alert or there is a national lockdown in place and came into effect on the 5 November.
15. The Council will receive funding equal to the grants paid and this has been calculated using Valuation Office Agency (VOA) data, based on the categories of businesses impacted by the Government restrictions.
 - LRG (open) £246,155 (includes a 5% top up)
 - LRG (closed) £1,209,348
16. Full details of all the eligibility criteria has been set out in the attached policies Appendices A and B.

Additional Restrictions Grant (ARG)

17. The ARG is an additional grant to support businesses who do not have a rateable value so do not qualify for the LRG (closed).
18. The ARG is only payable for the period the district is in tier 3 (very high) restrictions either locally or nationally.
19. Although there is some criteria set by Government the council has some flexibility to apply their own discretion to the criteria and the levels of grants payable. Full details of the policy are set out in Appendix C.
20. The funding for the ARG has been calculated on £20 per head using ONS data (September 2019) which equates to £1,825,680. This funding is for the periods 5 November 2020 – 31 March 2022, once the grant is spent there will be no additional funds issued.
21. Uttlesford is one of six Local Authorities as part of the North Essex Economic Board (NEEB) who have agreed to a 10% top slice of the ARG (£182,568) to fund a programme to provide specialist business advice.
22. This specialist advice will be available to all businesses within the Uttlesford District to support them during the ongoing restrictions and help them put together a recovery strategy.
23. These payments are subject to state aid limits.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That the grants are not administered based on the guidance and eligibility criteria	<p>2 – data is collected and checked. Need to be aware of the urgency of the situation and detailed checks may not be done due to current emergency measures</p> <p>ARG funds are not enough to cover all periods of lockdown</p>	<p>2 – incorrect allocations of grants, loss of income from government reimbursement</p> <p>Businesses outside of the Business Rates listing to not receive any support funding</p>	<p>Staff are collecting and checking details against data bases and will have the support of new software provided by HMRC to check for fraudulent claims</p> <p>Audit are providing support as an external check</p> <p>There will be a 'window' for applications of 4 weeks for each lockdown</p>

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.