


REPORT TO EMERGENCY COMMITTEE

11 November 2020

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| Subject: | Additional Restrictions Grant |
| Director: | Chief Executive- David Stevens |
| Contribution towards Vision 2030: |  |
| Contact Officer(s): | Tammy Stokes |

DECISION RECOMMENDATIONS

That Emergency Committee:-

1. Agree the Additional Restrictions Grant Policy (as set out in Appendix A) with immediate effect.
2. Delegates authority to the Chief Executive in consultation with the Section 151 officer and the Cabinet Member for Resources and Core Services to make such amendments to the Policy as are deemed necessary to effectively achieve the aims and objectives of the Additional Restrictions Grant.

1 PURPOSE OF THE REPORT

1. At the end of October Government, through the Department for Business, Energy and Industrial Strategy (BEIS), announced a series of additional grants to support businesses impacted on by Covid-19 and the local economy.

- 2 This report specifically relates to the discretionary element of these grants regime, namely, the Additional Restrictions Grant (ARG).
3. It seeks Emergency Committees approval of the policy that will be implemented to distribute grants to businesses under the ARG. It also seeks delegations to senior officers and the Cabinet Member for Resources and Core Services to make such amendments to the Policy as are deemed necessary to effectively achieve the aims and objectives of the Additional Restrictions Grant and related guidance.

2 **BACKGROUND AND MAIN CONSIDERATION**

The Additional Restrictions Grant (ARG) was announced on 31 October 2020 to enable Local Authorities to support businesses in their areas under Local Covid Alert Level Very High (LCAL 3) or national restrictions and to provide support to businesses alongside the Local Restrictions Support Grant

Under the ARG, Local Authorities will receive a one-off lump sum payment amounting to £20 per head of population (ONS 2019 Mid-Year population estimates). In Sandwell this equates to circa £ £6.569m. The funding is to be spent during financial year 2020/21 and financial year 2021/22 (with a review point for the scheme in January 2021). Importantly, BEIS has confirmed that there will be no additional discretionary funding should we re-enter a further national lockdown or enter LCAL3 restrictions.

The ARG allows Local Authorities to have discretion to determine which businesses to support and how much funding to provide. The Government is encouraging Local Authorities to support businesses that have been severely impacted by the restrictions but may not qualify under other Local Restrictions Support Grant schemes. Local Authorities are required to set out the scope of their discretionary grant scheme on their website and provide clear guidance to businesses on who is eligible and how they can apply. The attached policy (appendix A) sets out how Sandwell intends to implement the ARG.

The guidance also sets out that whilst it is expected that the majority of the ARG will primarily be used for discretionary grants, it can also be used for wider business support activities. Given this provision, some funding can be used for strategic business support activities and this element of the ARG can be used in a more sustainable way which will promote economic recovery in Sandwell. This could include support to assist local businesses to improve their digital platforms and remain competitive in the market, pop up business schools, access to specialised advice through the Chamber of Commerce, and additional business growth advisors.

The scope of this support package is currently being developed. Other Black Country Authorities are also considering using an element of their funding to provide wider economic recovery and business support activities.

3 THE CURRENT POSITION

During the period June to September 2020, in an earlier round of funding the council distributed approximately £3 million of Discretionary Business Grants to 362 local businesses. This funding was non-recurring and was available for small and micro businesses which were not eligible for support from the Small Business Grant Fund or the Retail, Leisure & Hospitality Fund.

The policy (appendix A) sets out those businesses that the Council wish to support under the ARG. This includes local businesses which:

- a) have been required to close by the restrictions but are not on the rating list; such as businesses which lease part of the accommodation from another business and market traders
- b) have not been legally forced to close but have been severely impacted by the restrictions put in place but are not on the rating list; for example businesses which supply the retail, hospitality and leisure industries
- c) are considered strategically important to the local economy

The following categories will be ineligible for funding under the ARG scheme:

- a) Businesses that are in administration, insolvent or where a striking-off notice has been made.
- b) Businesses which were not trading immediately before national or LCAL 3 restrictions come into effect.

It also sets out the amount of grant funding and frequency of payments as similar to those provided for by other Support Grants;

| | Local Restrictions Support Grant (Open) £ per 28 days | Local Restrictions Support Grant (Closed) £ per 28 days |
|--------|--|--|
| Band 1 | 934 | 1,334 |
| Band 2 | 1,400 | 2,000 |
| Band 3 | 2,100 | 3,000 |

Which band a business falls within will be dependent on the circumstances of that business.

Should the policy be approved an application process shall be put in place to enable applications on line and payments will be made in line with the policy.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

Given the timeframe involved there has been little stakeholder engagement on the policy, however, the policy can be amended if necessary through the delegations proposed in this report.

5 ALTERNATIVE OPTIONS

Do nothing – the Council could decide not to draw down ARG but this would not support or local businesses or the local economy in this time of need.

6 STRATEGIC RESOURCE IMPLICATIONS

The grant is a one-off payment and once the funding is exhausted no further funding will be provided in relation to discretionary business grants.

Due diligence will be undertaken to ensure as far as practically possible grants are not claimed fraudulently.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

BEIS requires councils to publish their ARG scheme on its web-site. Any update to the policy will be communicated via the council's website

8 EQUALITY IMPACT ASSESSMENT

An equality impact assessment is not required.

9 DATA PROTECTION IMPACT ASSESSMENT

All applications will be processed in accordance with GDPR regulations

10 CRIME AND DISORDER AND RISK ASSESSMENT

10.1 A full risk assessment will be undertaken and updated throughout the scheme with a particular emphasis on managing the risk of fraud.

11 SUSTAINABILITY OF PROPOSALS

11.1 The total payment of ARG cannot exceed the allocated funding.

11.2 Grant payments will help businesses survive the impact of the pandemic which directly impacts the wealth of the borough and helps to keep people in employment

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

12.1 There are no direct implications on health and wellbeing arising from the decisions being sought.

13. IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 The provision of discretionary grant will support market traders and leaseholders to continue to trade in Sandwell many of which occupy Council assets.

14. CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 The proposed policy will enable the council to publish its ARG and support businesses that are currently suffering losses due to the national lockdown and funding permitting during any future lockdown or LCAL3 restrictions.

15. BACKGROUND PAPERS

None

16. APPENDICES:

ARG Policy November 2020