

Leader of the Council

Item

19th November 2020

Report of	Assistant Director of Customer	Author	Samantha Preston Group Manager - Customer
Title	COVID19 – Business Grants		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report provides information on the Government's new package of support measures for businesses. It details the Council's proposals for how the grants are being validated and distributed with effect from 27th November 2020.

2. Recommended Decision

- 2.1 To agree to the approach for distributing the mandatory government grant schemes.
- 2.2 To approve the local discretionary scheme for the Additional Restrictions Grant and Local Restrictions Support Grant (open).
- 2.3 To approve the release of payment of the business grants to those businesses within the Borough which meet the criteria as detailed in this report.
- 2.4 To delegate decisions on any minor technical changes to the Assistant Director for Customer, in consultation, where needed, with the Portfolio Holder for Business and Resources.

3. Reason for Recommended Decision

- 3.1 To implement the schemes as quickly as possible whilst ensuring that discretionary schemes meet the needs of the local economy in line with government guidance.

4. Alternative Options

- 4.1 To consider alternative options around process and eligibility for the business grants.

5. Background Information

- 5.1 The Government announced a new package of business grants on 1 November 2020, in response to the impacts of further Covid-19 restrictions. Guidance and FAQ's have been released for the five separate schemes which are to be implemented by Local Authorities.

The following schemes were included:

Mandatory schemes

- Addendum to Local Restrictions Support Grant (Closed)
- Local Restrictions Support Grant (Closed)

- Local Restrictions Support Grant (Sector)

Discretionary schemes

- Local Restrictions Support Grant (Open)
- Additional Restrictions Grant

Details of the schemes can be found in Appendix A.

It is also expected that another scheme will be introduced by Essex County Council. Although the details have yet to be finalised it is expected the scheme will provide funding of up to £1,500 for businesses to adapt how they may operate in light of the restrictions being imposed.

- 5.2 The schemes are triggered by different levels of restriction. As Colchester entered Tier 2 prior to the national restrictions, some funding will be received on a pro-rata basis for this period.
- 5.3 The Government have requested that payments to businesses are made as quickly as possible. As such a 'register your interest' form has been added to the Council website, businesses who register will receive a link to an online application form as soon as it is available.

Proposed implementation

- 5.4 In order to implement the schemes in a simple and accessible way for businesses, it is proposed that one application form be developed for all of the schemes (excluding the sector scheme). The form will ask a number of criteria-based questions and will automatically lead them into the appropriate grant scheme.
- 5.5 For the Local Restrictions Support Grant (Sector) scheme, it is proposed that a manual process be implemented, due to the limited scope.

Mandatory schemes

- 5.6 The Government guidance for mandatory schemes provides clear criteria which can be implemented quickly based on the business type. The Council will aim to distribute the funds as quickly as possible following pre-payment verification checks.

The initial funding period will cover 5th November – 2nd December 2020, this will become a rolling 28-day payment whilst national restrictions are in place. Businesses will not be required to reapply should restrictions be extended.

Discretionary scheme

- 5.7 It is proposed that 10% of the funding allocation is retained for other and long-term business support.

The remainder of the fund will be distributed as follows:

- 5.8 Phase 1

To provide grant support to the following sectors where they have been required to close or severely affected by the national restrictions.

- suppliers to the retail and hospitality sectors
- creative industries
- Colchester market traders with fixed on-going costs, such as rent and who have been trading weekly for at least 1 year.
- taxi firms with business premises
- event and event hire companies
- Tourism

Eligibility criteria:

- Business must have fixed property related costs
- The business must have been open and trading to visiting members of the public on 4th November
- Business must have been required to close OR be severely impacted by the restrictions imposed.

Exclusions:

- This scheme is not intended to support those who are self-employed or to cover personal income. Other support schemes are available for those who need income support.

5.9 Grant levels/payments

It is proposed that the initial phase is paid in line with the Addendum to Local Restrictions Grant (Closed). This therefore means that the initial payment will cover 5th November – 2nd December. If national restrictions are extended this will then become a rolling payment until they are lifted or until the funding allocation is exhausted.

- Businesses with RV, rent or mortgage of exactly £15,000 and under will receive £1,334*
- Businesses with RV, rent or mortgage over £15,000 to less than £51,000 will receive £2,000*
- Businesses with RV, rent or mortgage of £51,000 exactly and above will receive £3,000*
- Regular Colchester market traders will receive £500*

*The above amounts may be reduced if demand is higher than the allocated amount.

5.10 Phase 2

Following the implementation of the above scheme, the Council will seek to distribute any of the remaining funding allocation to local independent businesses in the following:

- independent retailers
- Independent bars, cafes and restaurants
- independent hair and beauty

The details of the scheme will be finalised once phase 2 is complete and will be dependent on the amount of funding available. It is proposed that grants of up to £10,000 will be available.

6. Equality, Diversity and Human Rights implications

6.1 There are no specific implications relating to equality, diversity or human rights.

7. Strategic Plan References

There are no particular references to the Strategic Plan; consultation; community safety; health and safety.

8. Publicity Implications

- 8.1 A communications plan has been developed to ensure that as many eligible businesses as possible are made aware of the grant schemes and application process.
- 8.2 Businesses which have registered will be notified that the application form will be available on the Council's website.
- 8.3 The Council is working with colleagues across Essex to establish a joint approach on communications.

9. Financial implications

- 9.1 The Government has confirmed allocations for two of the schemes and the Council awaits allocations for the pro-rata schemes prior to the national restrictions.
 - Addendum to Local Restrictions Support Grant (Closed) - £2,538,648
 - Local Restrictions Support Grant (Closed) - No allocation at this stage
 - Local Restrictions Support Grant (Sector) - Awaiting allocation

Discretionary schemes

- Local Restrictions Support Grant (Open) - Awaiting allocation
- Additional Restrictions Grant - £3,894,124

Due to the number of schemes a financial structure will be developed in the Council's finance system. This will enable effective monitoring of the individual funds.

10. Risk Management Implications

- 10.1 Government will be supporting Council's to take steps to prevent fraud. A full verification process will be used when making assessments on the applications as well as post grant assurance checks.

Appendices

A. New Business Grants

Background Papers

Local Restrictions Support Grants – Guidance for Local Authorities

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

