

# URGENT OFFICER DECISIONS- EXECUTIVE DECISIONS

Friday, 8th January, 2021  
8.19 pm





# URGENT OFFICER DECISIONS- EXECUTIVE DECISIONS

Friday, 8th January, 2021 at 8.19 pm

## AGENDA

1) *Additional Restrictions Grant*

3 - 14

PUBLISHED

8<sup>th</sup> January 2021



## URGENT DELEGATED DECISION BY THE CHIEF EXECUTIVE

BURNLEY TOWN HALL

### PRESENT

**OFFICERS** Christine Wood - Democracy Officer

<b>4</b>	<b>Additional Restrictions Grant</b>
----------	--------------------------------------

**Purpose** To seek approval to amend the criteria of the Additional Restrictions Grant Scheme approved on 13<sup>th</sup> November 2020 and to approve the use of Additional Restrictions Grant (ARG) for a Business Hardship Fund and Town Centre Recovery Support.

**Reason For Decision** On 31<sup>st</sup> October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. It is for Local Authorities, within the broad parameters set out in the ARG Guidance, to determine how to use the fund.

The Council approved a scheme on the 14<sup>th</sup> November 2020. This revised scheme reflects the on-going escalation from Tier 3 to tier 4 and current national restrictions and the wider impacts of the pandemic on businesses.

The scheme is in addition to funding delivered through the Local Restrictions Support Grant (Closed) and Local Restrictions Grant (Open).

**Decision** That the Chief Executive under urgency powers:

- a) Approves the amended eligibility criteria and grant rates as set out in Appendix 1 of the report to reflect the on-going Tier 3 and 4 restrictions and current national restrictions.
- b) Approves the use of ARG to establish a Business Hardship Fund as set out in paragraphs 11-13 of the report.
- c) Approves the use of ARG for Town Centre Recovery Support as set out in paragraphs 14-16 of the report.

The decision is an urgent decision, and in order to implement the amendment to the scheme from 8<sup>th</sup> January 2021 is not subject to call-in,

as agreed by the Chair of Scrutiny, in accordance with part 4.5 of the constitution.

Decision made by:



Chief Executive

Date: 8<sup>th</sup> January 2021

Decision Published on: 8<sup>th</sup> January 2021.

**Additional Restrictions Grant**

**Report to the Chief Executive**



<b>DATE</b>	8 <sup>th</sup> January 2021
<b>PORTFOLIO</b>	Economy & Growth
<b>REPORT AUTHOR</b>	Kate Ingram
<b>TEL NO</b>	01282 477271
<b>EMAIL</b>	kingram@burnley.gov.uk

**PURPOSE**

1. The purpose of the report is to seek approval to amend the criteria of the Additional Restrictions Grant Scheme approved on 13<sup>th</sup> November and to approve the use of ARG for a Business Hardship Fund and Town Centre Recovery Support.

**RECOMMENDATION**

2. It is recommended that the Chief Executive under urgency powers:
  - a) Approves the amended eligibility criteria and grant rates as set out in Appendix 1 of this report to reflect the on-going Tier 3 and 4 restrictions and current national restrictions.
  - b) Approves the use of ARG to establish a Business Hardship Fund as set out in paragraphs 11-13 of this report.
  - c) Approves the use of ARG for Town Centre Recovery Support as set out in paragraphs 14-16 of this report.

**REASONS FOR RECOMMENDATION**

3. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. It is for local authorities, within the broad parameters set out in the ARG Guidance, to determine how to use the fund.
4. The Council approved a scheme on the 14<sup>th</sup> November. This revised scheme reflects the on-going escalation from Tier 3 to tier 4 and current national restrictions and the wider impacts of the pandemic on businesses.
5. The scheme is in addition to funding delivered through the Local Restrictions Support Grant (Closed) and Local Restrictions Grant (Open).

## SUMMARY OF KEY POINTS

### **Additional Restrictions Grant**

6. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England. For authorities, such as Burnley, that had already entered into a Tier 3 arrangement the ARG replaces the previously agreed Tier 3 discretionary fund.
7. Billing authorities have received an amount of £20 per head of population. Burnley will receive an allocation of approximately £1.8m. This support will take the form of a funding scheme in Financial Year 2020/21 and can be used across Financial Years 20/21 and 21/22.
8. The ARG was initially a one off payment and with no additional payments for extended periods in Tier 3 or 4 or further national lockdowns, although the Local Restrictions Support Grant (Open and Closed) has been extended. This has now changed and government has announced that local authorities will receive additional ARG/discretionary support but details have not yet been released.
9. In line with government's expectations Burnley Council approved a discretionary grant scheme on the 14<sup>th</sup> November 2020 to help those businesses which are severely impacted by the restrictions put in place to control the spread of Covid-19 but are not eligible for either LRSG (closed) or LRSG (Open).
10. The approved scheme only covered the National Restrictions period from 5<sup>th</sup> November to 2<sup>nd</sup> December 2020. An updated scheme, reflecting the Tier 3 restrictions during December and the escalation to Tier 4 on 31<sup>st</sup> December and National Restrictions on the 5<sup>th</sup> January is set out in Appendix 1 of this report. The new guidance extends the periods for which the grants are available and also extends the eligibility criteria to reflect Tier 4 and national restrictions including the closure of schools. Some other amendments have been made to the criteria, based on feedback from businesses, in order to provide clarity.

### **Business Hardship Fund**

11. The ARG guidance states "Local Authorities could use ARG funding to provide additional support to larger local businesses that are important to the local economy, on top of support via LRSG".
12. As well as businesses immediately affected by Tier 3,4 and national restrictions there are a number of businesses that are not forced to close but that continue to be under pressure due to the wider impacts of the COVID pandemic, notably the impact on international travel.
13. It is therefore proposed that the Council uses the ARG to establish a Discretionary Business Hardship Fund as follows:

*The Hardship Fund is open to businesses in key sectors that either provide an important service to the borough or provide a significant economic/employment benefit that are facing significant and potentially longer term financial difficulties due to the COVID 19*

*pandemic. Businesses may be eligible for a one off grant where they have significant on-going overheads and where an ARG intervention would safeguard jobs. The scheme is open to businesses that have not been in receipt of other government grant assistance (excluding CRJS).*

*Businesses would need to submit a business case, including the last 2 years audited (if applicable) accounts, a cash flow forecast compared to pre-COVID projections and a recovery plan. This is a similar process to the current Business Rates Hardship Relief. Grants of up to £100,000 may be awarded in exceptional circumstances. Applications will be assessed and approved in line with the existing scheme of delegation for grants.*

### **Town Centre Recovery Support**

14. Local authorities can use the ARG funding for business support activities. It is expected that this will primarily take the form of discretionary grants, but LAs could also use this funding for wider business support activities.
15. The Business Improvement District (BID) has an important role to play in the recovery of Burnley Town Centre. The BID manager has been fully engaged with our recovery work. The ARG Frequently Asked Questions state that “ARG can be provided to BID’s to support them with the shortfall in their levy income”. As of the 23<sup>rd</sup> December there was a £46,000 projected shortfall in this year’s BID levy collection. It is proposed that this is reviewed at the end of January and that a payment is made from the ARG to the BID to cover the shortfall. Subject to funds being available the exercise will be repeated in January 22 with a balancing sum being paid to the BID for any levy shortfall in 21/22.
16. Padiham Town Centre is the second largest retail centre in the borough. As well as the impacts of COVID 19 businesses have also suffered pre-covid from floods in February 2020 and is facing additional difficulties created by temporary partial road closures. It is proposed to allocate £20,000 towards a Padiham Recovery Fund to be used for a range of marketing and business support activities including a Padiham Virtual High Street Project that will give independent traders free on-line shopping pages.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

17. The total fund allocation for ARG is approx. £1.8m and is available to spend until end March 2022.
18. Take up of the ARG has initially been very poor. Up to the 18<sup>th</sup> December the Council had only received 55 applications for ARG funding, of which 8 were ineligible. Ten applications with a total grant value of £7,636 have been approved and paid.
19. Officers continue to promote the schemes via social media and business networks. The BID continues to promote the business grants to Burnley Town Centre businesses. All Councillors have received a letter asking them to promote the scheme.

20. Based on existing knowledge and previous discretionary grant applications officers are now pro-actively identifying and approaching potentially eligible businesses.
21. The proposal to roll forward the payments for each 28 day period of Tier 3/4/national restrictions may make it more attractive for businesses to apply. Where businesses have already had grants approved they will not need to re-apply for subsequent payments, but will be asked to sign a disclaimer stating that they were still trading at the start of the 28 day period.
22. Under Category 5, Supply Chain we have awarded discretionary higher rates to some businesses and will continue to make payments at this rate.
23. Even with the potential for Tier 3 and 4 restrictions to remain in place well into the next year, it is unlikely that the ARG as it is currently approved will exceed payments of £600,000. Therefore, the proposed alternative uses are well within the funding envelope. The grants awarded and funding available will be regularly monitored to ensure that the schemes remain within budget.

#### **POLICY IMPLICATIONS**

24. The decision supports the Council's strategic priorities for economy and growth and the recently adopted Economic Recovery and Growth Strategy

#### **DETAILS OF CONSULTATION**

25. All Executive Member  
26. All Group Leaders

#### **BACKGROUND PAPERS**

27. None

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Kate Ingram Ext 7271**

**ALSO:**

# Burnley Additional Restrictions Grant Scheme Eligibility Criteria

Amended and applicable from 3<sup>rd</sup> December 2020

**PLEASE READ THE ELIGIBILITY CRITERIA CAREFULLY AND IF YOU FEEL YOUR BUSINESSES MEETS THE CORE ELIGIBILITY CRITERIA AND ONE OF THE SCHEME'S CATEGORIES LISTED BELOW PLEASE CLICK ON PROCEED TO THE APPLICATION TAB.**

To be eligible Businesses must meet all the core eligibility criteria and the criteria set out in one of the categories below.

## Core Eligibility Criteria:

- the business is not eligible for Local Restrictions Support Grants Open or Closed
- the business was open and trading as usual on 4 November 2020, 31<sup>st</sup> December 2020 or 5<sup>th</sup> January 2021.
- the business must be based in Burnley
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that are able to continue to trade and can operate their services effectively remotely are not eligible.
- Businesses that have chosen to close but are not required to close will not be eligible.
- For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

## Category 1

Hospitality and Leisure businesses that are required to close, on 5<sup>th</sup> November as a result of either national closures and subsequent Tier 3 or 4 closures.) but do not occupy commercial premises and are not liable for business rates. This could include for example, small B&B/Guest houses/self-catering accommodation that pay Council Tax, leisure craft and boat hire operators. These businesses will be eligible for single grant payment of £500 for the period 5<sup>th</sup> November to 2<sup>nd</sup> December 2020 and each 28 day period thereafter as long as Tier 3, 4 or national restrictions remain in place

Hospitality and Leisure businesses may also be eligible for support back dated to 5<sup>th</sup> August<sup>1</sup> at a rate of £500 per 28-day period.

*Businesses must complete the application form and provide evidence requested.*

*Businesses that have already applied for and been awarded grants for the period 5<sup>th</sup> November to 2<sup>nd</sup> December do not need to re-apply for subsequent payments.*

*Should businesses wish to apply for the additional funding backdated to 5<sup>th</sup> August then they must supply a written statement with their application setting out how the restrictions have impacted on their business and also show how the businesses income levels have been affected during that period.*

## Category 2

Hospitality, Leisure and non-essential retail/personal service businesses that are required to close as a result of either national closures and subsequent Tier 3 or 4 restrictions but occupy premises where the landlord is liable for the business rates. These businesses will be eligible for single grant payment of £500 for the period 5th November to 2nd December 2020 and each 28 day period thereafter as long as Tier 3 4 or national restrictions remain in place.

Hospitality and Leisure businesses may also be eligible for support back dated to 5<sup>th</sup> August at rate of £500 per 28-day period.

*Businesses will be required to provide to complete an application form and provide evidence of a lease/licence agreement.*

*Businesses that have already applied for an been awarded grants for the period 5<sup>th</sup> November to 2<sup>nd</sup> December do not need to re-apply for subsequent payments.*

*Should businesses wish to apply for the additional funding backdated to 5<sup>th</sup> August then they must supply a written statement with their application setting out how the restrictions have impacted on their business and also show how the businesses income levels have been affected during that period.*

### **Category 3**

Businesses that are required to close on 4<sup>th</sup> November and remain closed after the 2<sup>nd</sup> December, but lease or sub lease a property that is exempt from business rates, e.g., places of worship, properties in historic parks and gardens, are eligible for a single grant payment equal to one month's rent up to a maximum value of £1,500 for the period 5<sup>th</sup> November to 2<sup>nd</sup> December and for each 28 day period thereafter as long as Tier 3,4 or national restrictions remain in place

Hospitality and Leisure businesses may also be eligible for support back dated to 5<sup>th</sup> August on the same basis.

*Businesses will be required to provide to complete an application form and provide evidence of a lease/licence agreement. Businesses that have already applied for and been awarded grants for the period 5<sup>th</sup> November to 2<sup>nd</sup> December do not need to re-apply for subsequent payments*

*Should businesses wish to apply for the additional funding backdated to 5<sup>th</sup> August then they must supply a written statement with their application setting out how the restrictions have impacted on their business and also show how the businesses income levels have been affected during that period.*

### **Category 4**

Businesses that are required to close that have a RV in excess of £100,000 that meet the definition of a small and medium sized enterprise<sup>2</sup>, will receive a single top up payment of £2000 to cover the period 5<sup>th</sup> November to 2<sup>nd</sup> December, and each 28 day period thereafter as long as Tier 3, 4 or national restrictions remain in place

*Businesses will need to complete an application form, provide evidence that they meet the criteria of an SME. Businesses that have already applied for an been awarded grants for the period 5<sup>th</sup> November to 2<sup>nd</sup> December do not need to re-apply for subsequent payments.*

## Category 5

Businesses that supply products and services to businesses that have been forced to close (for example the hospitality, leisure and events sectors, non-essential retail and education) ,that are liable for business rates where they are able to demonstrate that at least 50% of their income is derived from supplying closed businesses. Grants will be paid at the following rate:

Properties with a rateable value of less than £15,000;	£934
Properties with a rateable value between £15,001 to £50,999	£1,400
Properties with a rateable value over £51,000	£2,100

Qualifying businesses will be eligible for further payments for each 28 day period of Tier 3,4 or national restrictions at the above rate.

In exceptional circumstances the Council can award a higher rate in line with LRS (Closed) for example where a business is effectively unable to trade even though it is permitted to open.

Business supplying the Hospitality and Leisure sector may be eligible for support back dated to 5th August at the same rate.

*Businesses will be required to provide a written statement which demonstrates that the businesses supplies into that 50% or more of the businesses turnover is from these sectors. Businesses that have applied and been awarded grants for the period 5<sup>th</sup> November to 2<sup>nd</sup> December do not need to re-apply for subsequent payments.*

*Should businesses wish to apply for the additional funding backdated to 5th August then they must supply a written statement with their application setting out how the restrictions have impacted on their business and also show how the businesses income levels have been affected during that period.*

## Category 6

Businesses that supply products and services to businesses that have been forced to close (for example hospitality, leisure and events, non-essential retail and education) that are outside of the rates system but are able to demonstrate on-going fixed overheads (excluding wages) that are effectively closed. These businesses will be eligible for a single grant of £500 covering the period 5<sup>th</sup> November to 2<sup>nd</sup> December and each 28 day period thereafter that Tier 3,4 or national restrictions apply.

*Businesses will be required to provide a written statement explaining the nature of the businesses and how the current restrictions mean that the business is effectively closed. ARG cannot be used to pay for wage costs (the SEISS and the JRS provide for this) but can be used to cover other fixed over heads. Fixed overheads could include for example, insurances, hire purchase/lease costs for business equipment, storage costs, pitch fees, and applicants will need to set out these costs in their written statement of these costs.*

## Category 7

Small independent essential retail businesses (including takeaways) that are able to remain open and are liable for business rates, but where they can demonstrate a substantial reduction in either

footfall or turnover of at least 20% as a result of national, tier 4 and travel restrictions, the closure of offices and neighbouring retail businesses. To be eligible the business must be open and trading on the 5<sup>th</sup> November, or on any subsequent date that Tier 4 restrictions come into place and remain open throughout the restrictions period. Grants will be paid at the following rate as a single payment for the period 5<sup>th</sup> November and ending on 2<sup>nd</sup> December 2020 and each 28 day period thereafter that Tier 4, or national restrictions apply:

Properties with a rateable value of less than £15,000; £934

Properties with a rateable value between £15,001 to £50,999 £1,400

*Businesses will be required to provide a written statement explaining how they have been affected including financial information to demonstrate a decrease in turnover or footfall of 20% or more, compared to the previous three-month period (Aug – October 2020). Businesses that have applied and been awarded grants for the period 5th November to 2nd December do not need to re-apply for subsequent payments.*

## Category 8

Taxi hire businesses that occupy premises with a rateable value that are able to demonstrate a significant reduction of at least 20% in turnover will be eligible for a grant at the following rate per 28-day period starting 17<sup>th</sup> October<sup>3</sup> and each 28 day period thereafter that tier 3, 4 or national restrictions apply

Properties with a rateable value of less than £15,000; £934

Properties with a rateable value between £15,001 to £50,999 £1,400

Properties with a rateable value over £51,000 £2,100

*Businesses will be required to provide a written statement demonstrating how the business has been impacted due to the restrictions. The statement will also need to include a financial statement demonstrating a 20% financial reduction in the business for the period 17<sup>th</sup> October to 2<sup>nd</sup> December. . Businesses that have applied and been awarded grants for the period 5th November to 2nd December do not need to re-apply for subsequent payments.*

## Category 9

Self Employed Hackney Cab and Private hire drivers are eligible for a one-off grant of £500 for the period 17<sup>th</sup> October to 2<sup>nd</sup> December, where they are able to demonstrate a substantial (20%+) reduction in business (e.g., turnover, income) as a result of the Tier 3 and national restrictions and where they can demonstrate on-going fixed overheads This will be extended to a £500 payment for each 28 day period that Tier 3,4 or national restrictions are applicable.

*Businesses will be required to provide a written statement demonstrating how the business has been impacted due to the restrictions. The statement will also need to include a financial statement demonstrating a minimum 20% financial reduction in the business for the period 17<sup>th</sup> October to 2<sup>nd</sup> December. Additional Restrictions Grant cannot be used to pay for wage*

*costs (the Self-Employed Income Support Scheme and the Job Retention Scheme provide for this) but can be used to cover other fixed over heads. Fixed overheads could include for example, insurances, hire purchase/lease costs for business equipment, storage costs, license fees, and applicants will need to provide evidence of these costs. Businesses that have applied and been awarded grants for the period 5th November to 2nd December do not need to re-apply for subsequent payments.*

The Council's decision is final and there is no process of appeal.

**Notes: -**

<sup>1</sup> This is the date Burnley entered Local Covid Alert Level 2.

<sup>2</sup> Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.”

<sup>3</sup> This is the date Burnley entered Local Covid Alert Level 3

Businesses Required to Close: <https://www.legislation.gov.uk/uksi/2020/1200/schedule>

This page is intentionally left blank