

Additional Restrictions Grant

Report to the Chief Executive



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PORTFOLIO	Economy & Growth
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PURPOSE

1. The purpose of the report is to seek approval to amend the criteria of the Additional Restrictions Grant Scheme approved on 13th 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 14th 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 14th 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 5th November to 2nd December 2020. An updated scheme, reflecting the Tier 3 restrictions during December and the escalation to Tier 4 on 31st December and National Restrictions on the 5th 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 ongoing 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 23rd 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 18th 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:

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ALSO: