

Additional Restrictions Grant

Report to the 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 and expand the criteria of the Additional Restrictions Grant Scheme approved on 13th November 2020 and amended on 8th January 2021

RECOMMENDATION

2. It is recommended that the Executive under urgency powers:
 - a) Approves the amended eligibility criteria and grant rates as set out in Appendix 1
 - b) Approves a one off top up grant for Nightclub businesses as set out in paragraph 13
 - c) Approves an amendment to criteria for the Hardship Grant scheme set out in paragraph 15
 - d) Authorises a grant application closure date of Friday 26th February 2021
 - e) Delegates authority to Strategic Head of Economy and Growth and Head of Finance and Property to determine grant applications up to £3000/28 day period that fall outside of the ARG scheme but where there is a clear justification, in consultation with Exec Member for Economy and Growth
 - f) Delegates authority to the Exec Member for Economy and Growth to agree future changes to the ARG criteria.

REASONS FOR RECOMMENDATION

3. In line with government's expectations Burnley Council approved a discretionary Additional Restrictions 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). The

scheme was amended on 8th January to reflect the on-going restrictions and national restrictions introduced on the 31st December and 4th January respectively.

4. In setting the criteria the Council sought to cover as many businesses as possible and set out a scheme that was fair and proportionate to the size and scale of businesses affected. In line with the national guidance the scheme cannot be used solely for salary costs and businesses must be able to demonstrate some on-going business overheads. As the national lockdown has been extended it has become clear that a wider range of businesses and organisations are being affected that are not eligible under the scheme or are experiencing greater hardship as a result of the extended national restrictions period. Various changes and recommendations are set out in this report to reflect this.
5. The Night Club top up reflects the fact that they have had to remain closed since March 2010 but have not received the same level of government support as wet pubs. The prolonged closure is having a disproportionate impact on the sector.
6. The proposed grant closure date will enable the Council to take stock of the scheme taking into consideration funds available and the roadmap for re-opening expected to be announced in mid-February. Applications already approved and eligible applications received by the closing date will receive payments under the current criteria. The scheme or a revised scheme may re-open for further applications subject to resources and following the review.
7. In order to be flexible to further changes in restrictions and to individual specific business circumstances it is recommended that authority is delegated to Strategic Head of Economy and Growth and Head of Finance and Property in consultation with the Executive Member for Economy and Growth.

SUMMARY OF KEY POINTS

Additional Restrictions Grant Criteria

8. The ARG Scheme approved on the 14th November and amended on 8th January is set out in Appendix 1 together with a number of updates as set out below;
9. ARG scheme category 2 seeks to support "*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, 4 or 5 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 5 restrictions remain in place*". It was anticipated that most businesses falling into this category would have very low rental overheads. However, there has been two applications where the business is paying a substantial rent (inclusive of business rates) which is not reflected in a grant of £500/28 day period. It is proposed therefore to extend this category to offer grants of between £500 and £1334 per 28 day period depending on the value of the lease and ensuring that occupiers of larger properties receive grants comparable to the LRSG Closed scheme.

10. An amendment is proposed to Category 7 – Support to small independent essential retailers. The criteria currently state that to be eligible the business would need to remain open for the duration of the restrictions. Whilst this was not an unreasonable requirement when drafted ahead of a month-long lockdown in November, it is becoming clear that there are an increasing number of traders for whom footfall is so low that it is unviable to remain open or where they are needing to close to shield either themselves or other members of their household. This leaves these very small business with on-going overheads and no income. The amended criteria are set out in appendix 1.
11. It is proposed to extend Category 9 to include self employed driving instructors, where they can demonstrate on-going vehicle related costs.
12. It is also proposed to establish two new categories including:

Category 10 – Charitable Organisations. – for charities that are currently in receipt Charitable Relief that would otherwise be eligible for small business rates relief. To be eligible the charities would need to demonstrate that their ability to operate and raise funds has been significantly affected by COVID 19 or that they have had additional pressures as a result of COVID 19.

Category 11 – ARG Open – this is for businesses (excluding essential retail) that are not required to close but where they are unable to operate or are operating at significantly reduced capacity as a result of COVID 19 restrictions in order to protect staff and customers. This could include for example nurseries, non-statutory education and training providers, social care settings.

Businesses and charities eligible under category 10 and 11 would be paid at the following rates per 28 day period:

	Open/Reduced Capacity	Closed
Properties with an RV of less than £15,000;	£934	£1334
Properties with an RV between £15,001 to £50,999	£1,400	£2000
Properties with an RV over £51,000	£2,100	£3000

ARG Top Up Payment for Night Clubs

13. All wet led pubs, i.e. those pubs that derive less than 50% of their income from food, received a one off Christmas Payment from the Government of £1000 covering the period 2nd December to 29th December when they had to remain closed. They also received LRSO closed support from 17th to 31st October whilst Burnley was in Tier 3 measures. Although nightclubs were subject to the same restrictions, they were not eligible for these payments. The prolonged closure of nightclubs together with their limited ability to provide a food offer mean that they have been particularly hard hit by the pandemic. It is proposed to extend the ARG to provide nightclubs with a one off payment of £4100 for night club businesses with the RV of less than £15,000 and £5,700 for night club businesses with an RV greater than £15,000. There are five eligible businesses. It is proposed to administer the grant in the same way as the Pub Christmas Payment.

Hardship Grants

14. In 8th January a Hardship scheme was approved. The amendments set out below reflects the extended lockdown period and to permit in exceptional circumstances and where it can be demonstrated that the extra support will aid recovery, investment and job safeguarding the Hardship scheme to support businesses that have been in receipt of LRSG funding.

“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 **primarily aimed** at ~~open to~~ businesses that have not been in receipt of ~~other government grant assistance~~ LRSG. **In exceptional circumstances business in receipt of LRSG will be considered, subject to grant availability and where they can demonstrate that additional assistance through the Hardship scheme would support recovery and safeguard jobs.**

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

15. Burnley Council was initially awarded an ARG allocation of approximately £1.8m, available to spend until end March 2022. Following the announcement of the latest national restrictions the Council was informed that it would receive an additional £700,000.
16. Initial take up of the ARG was poor although applications have increased since the start of the new year. Up to the 2nd February 347 applications have been received. 93 have been approved and payments worth £416,069 have been made with on-going commitments of approximately £77,000 per month that the lockdown continues. 50 applications were ineligible or should have applied for LRSG. There are 204 grants pending assessment. Should all of these be approved there would be a commitment of £538,000 to the 21st of April, plus any on-going commitments as long as restrictions apply. This will be reviewed following the grant closure date on 26th February.
17. 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.
18. Based on existing knowledge and previous discretionary grant applications officers are now pro-actively identifying and approaching potentially eligible businesses.

POLICY IMPLICATIONS

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

DETAILS OF CONSULTATION

- 20. All Executive Member
- 21. All Group Leaders

BACKGROUND PAPERS

- 22. None

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO: