

Additional Restrictions Grant**Report to Executive**

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PORTFOLIO	Economy & Growth
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PURPOSE

1. The purpose of the report is to seek approval for the use of the remaining Additional Restrictions Grant Funds

RECOMMENDATION

2. It is recommended that the Executive:
 - a) Approves the proposals for the use of the remaining ARG grant as set out in paragraph 12.
 - b) Delegates authority to Strategic Head of Economy and Growth in consultation with the Head of Finance and Property and Executive Member for Economy and Growth to agree the detailed criteria and associated policy.

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. The Council approved a scheme on the 14th November 2020 and it was revised in January 2021 following further announcements in December 2020.
4. The Council has committed £2.5m of funding to over 508 businesses to date. There is £503,000 of funding remaining to be committed. The recommendations and revised proposals reflect the amount of money available and the revisions in restrictions since the ARG scheme was last approved earlier this year and aim to support those businesses most affected by on-going restrictions.

SUMMARY OF KEY POINTS

5. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions. Billing authorities were allocated funding based on £20 per head of population. Burnley received an allocation of £1,778,400 in 2020/21 to be used across Financial Years 2020/21 and 2021/22.
6. Following the announcement of a national lock down on 31 December 2020 the Council received a second tranche of £789,881 to utilise at its discretion to support the local economy, taking the total amount of funding received to £2,568,281.
7. 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 were not eligible for either LRSG (Closed) or LRSG (Open). The scheme was updated following further announcements in December 2020. The Council also established a Business Hardship Grant offering larger grants to support key businesses to survive and invest in recovering from the pandemic.
8. Applications for the ARG closed on 26th February 2021.
9. In total £2,560,695 has been awarded to 508 businesses.
10. In light of the extended restrictions billing authorities have been allocated further funding subject to spending tranche 1 and 2. As Burnley BC has almost spent all of its tranche 1 and 2 allocations an additional sum of £495,678 has been made available. Government also updated its guidance to local authorities on the use of the funding stating:

“Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions but are not eligible for the Restart Grant scheme, including those outside of the business rates system. Following the decision to delay stage 4 of the roadmap, Local Authorities are also encouraged to focus their support on those sectors that remain closed or are severely impacted by the extended restrictions, even if those businesses have already been in receipt of Restart Grants. There is no restriction on the number of grants a business may receive. This may include but is not limited to the travel and tourism sector, including group travel, travel agents and tour operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), and other businesses that may have not received other grant funding. This list is not directive nor exhaustive, and Local Authorities should continue to issue grants at their discretion, based on local economic needs. In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs of the business, the number of employees the business has, whether it is unable to trade online and the consequent scale of coronavirus losses.”
11. The government's guidance encourages local authorities to support a wide range of potentially affected businesses but is not directive. Based on information from previous LRSG and ARG grants it is clearly not feasible to continue to support the wide range of businesses listed above with the limited resource available. Tranche 1 & 2 of the ARG scheme provided support to a wide range of businesses that fell outside of the LRSG scheme and for businesses outside of the rates system with payments made every 28 days until the respective re-opening date for their sector. In determining how best to

utilise the remaining funds the Council has taken into account whether or not businesses have already received funding and the degree of fixed overheads. Therefore businesses that have received LRSG, ARG and Re-start support and businesses operating outside of the rates system (the business rates system provides an indication of their fixed overheads) are omitted by the scheme in order to make best use of a small amount of resource.

12. It is therefore proposed that the Council utilises the remaining ARG funding (and for the avoidance of doubt, the relevant financial support shall be discontinued when the remaining £503,273 ARG funding is exhausted) to support businesses as follows:

- The Council received c120 applications from taxi drivers that have a Burnley Licence but those drivers resided outside of the borough before the previous scheme closed on 26th February 2021. These taxi drivers were not offered support by the Council. These drivers also did not receive financial support from Pendle Council as their scheme was restricted to taxi drivers with a Pendle Licence. It is proposed to offer a one-off grant of £750 to each of those taxi drivers which is broadly in line with Pendle Council's policy at the time of their application.
- To support businesses that are forced to remain closed after the 21st June. This includes 5 night clubs that were in receipt of LRSG until the 29th March 2021 and have also received a Restart Grant. It is proposed to make a payment equivalent to LRSG (Sector) for the period 21st June to 19th July and each 28-day period, or part thereof, afterwards should the closure order remain in place. The additional support for each 28-day period shall expire on the earlier of the date when the closure order is lifted or 12th September 2021.
- To support businesses in the events sector that were in receipt of ARG assistance until 20th June 21 for an additional 28-day period until 19th July and each 28-day period, or part thereof, afterwards that restrictions remain in place. The additional support for each 28-day period shall expire on the earlier of the date when the restrictions are lifted or 12th September 2021.
- To support catteries and kennels where the business is impacted by on-going restrictions on international travel. Catteries and Kennels were not eligible for LRSG or Re-start grants as they were not forced to close. There are approximately 9 licenced boarding kennels and catteries in the borough that pay business rates and only 1 has claimed ARG grant even though they would have been eligible. It is proposed to make a 1 off payment equivalent to a Restart Grant to assist these businesses.
- To extend the Hardship Grant scheme which will be open to businesses in key sectors that either provide an important service to the borough or provide a significant economic/employment benefit and are facing significant and potentially longer-term financial difficulties due to the COVID 19 pandemic.
- To offer grant support to small businesses, that are either business rate payers or pay an all-inclusive rent and business rates, small grants of up to £1000 to mitigate losses incurred as a result of closures due to workplace outbreaks. A new application process will be established for this and the application window will close once all the funding is allocated.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

13. The Council has £503,273 ARG funding remaining.
14. The Council has already committed funding of up to £20,000 for Burnley Business Improvement District and £20,000 for Padiham Town Centre Management to offset non-collection of BID Levy and to support town centre recovery activities.
15. The cost of supporting taxi drivers resident in Pendle with a Burnley licence on the basis of the previously agreed ARG scheme would leave no head room to support other businesses through the on-going restrictions. It is therefore proposed to award these applicants a one of grant payment of £750, in line with the Pendle scheme, with a total cost of circa £90,000
16. The cost of the additional payments to nightclubs would be £12,334 per 28-day period from the 21st June 2021. The total cost would increase to £37,002 if the closure order remained in place until 12th September 2021.
17. The cost of supporting Catteries and Kennels with a one-off payment, equivalent to the Restart Grant, would be £76,000.
18. The cost of extending ARG support to events businesses already in receipt of ARG funding would be £19,108 per 28-day period. The total cost will increase to £57,324 if restrictions remain in force until 12th September 2021.
19. Assuming that night clubs are able to re-open and restrictions are lifted for events businesses on 19th July this would leave £265,831 of ARG funding for a COVID outbreak closure grant and an extension of the Hardship Grants Scheme. Should restriction go beyond the 19th July then the funding available to the COVID outbreak closure grant and the Hardship Grants Scheme would reduce proportionately.
20. It should be noted that should there be further serious outbreaks leading to a full or partial lockdown the Council would not have resources available to provide grants to businesses unless it is provided with additional government support.

POLICY IMPLICATIONS

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

DETAILS OF CONSULTATION

22. All Executive Members

BACKGROUND PAPERS

23. None

FURTHER INFORMATION

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ALSO: