

<b>TITLE</b>	<b>Additional Restrictions Grant (ARG) – Discretionary Grants Scheme Phase 1</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Wednesday, 2 December 2020
<b>WARD</b>	None specific;
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers
<b>LEAD MEMBER</b>	Deputy Leader of the Council - John Kaiser

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

To seek approval from The Executive to adopt the Additional Restrictions Grant – Discretionary Grants Scheme Phase 1 policy.

## **RECOMMENDATION**

That the Executive:

- 1) approves the Wokingham Borough Council's Additional Restrictions Grant - Discretionary Grants Scheme Phase 1 policy, relating to the Covid 19 pandemic as set out in Appendix 1 of the report.
- 2) delegates authority to the Deputy Chief Executive, in consultation with the Lead Member of Finance and Housing, to make minor amendments to the Policy as required for future phases.

## **1.0 EXECUTIVE SUMMARY**

1.1 The Additional Restrictions Grant funding is to be used across Financial Years 2020/21 and 2021/22. Wokingham Borough Council has been awarded £3.4m.

1.2 The funding will be administered via a phased approach until March 2022 with £400,000 being made available immediately to fund Phase 1 of a Discretionary Grant Scheme, which covers businesses impacted by the national lockdown restrictions put in place from 5<sup>th</sup> November 2020 to the 2<sup>nd</sup> December 2020.

1.3 The remaining £3m will be used to support businesses through to March 2022, predominantly in the form of future discretionary grant schemes or phases but also through funding of wider business support activities that meet a clear need and can be shown to support local businesses.

1.4 This discretionary scheme supplements the Mandatory Scheme of £1.4m which supports businesses which have been mandated to close under the national lockdown restrictions.

1.5 This report sets out a proposed Phase 1 offer to Wokingham Businesses, taking into consideration demand, economic need, and feedback from local business representatives.

1.6 This is an urgent decision as set out in Rule 6.3.35 of the Council Constitution and therefore call-in provisions will not apply for this decision. The reason for the urgency is that if businesses do not receive urgent support they may collapse and this would seriously prejudice the public's interest. The Mayor has given his consent to the urgency provision and the matter will be reported to the next available meeting of the Council, together with the reasons for urgency.

## **2.0 BACKGROUND**

2.1 The UK Government has announced a range of measures to support businesses during the Covid-19 (Coronavirus) pandemic.

2.2 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. There are two parts to the grants scheme package, the Local Restrictions Support Grant (Closed) Addendum and the Additional Restrictions Grant (ARG). Both grant schemes are fully funded by Central Government and the funds will be administered by Wokingham Borough Council in accordance with the guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS). The guidance makes it clear that no further ARG funding will be made available to local authorities for business support regardless of whether further lockdowns are imposed.

2.3 Wokingham Borough Council has already allocated £230,000 under the Local Restrictions Support Grant (LRSB), a mandatory grant scheme for businesses that have been instructed to close under the current restrictions imposed on 5<sup>th</sup> November and who have commercial property on the local valuations list.

2.4 Under the LRSB eligible businesses will receive a one-off payment of between £1,334 and £3,000 depending on the rateable value of their commercial premises. The LRSB scheme is already operational across the Borough.

2.5 The proposed Discretionary Grant Scheme Phase 1 sits alongside the LRSB scheme and is intended to provide immediate financial support to businesses significantly impacted by the current restrictions but who do not qualify for the LRSB scheme.

## **3.0 BUSINESS CASE**

3.1 The Government recognises that the mandatory grant schemes omit a number of businesses. This being due to the requirement to have liability for Business Rates. As a result, additional funding is available to Local Authorities to administer a discretionary grant scheme.

3.2 On 3<sup>rd</sup> November 2020 Guidance was issued to Local Authorities, with complete discretion being given to devise a local scheme. The Guidance confirms Local Authorities can determine how much funding to provide to businesses from the Additional Restrictions Grant funding provided, and exactly which businesses to target.

3.3 However, it encourages Authorities to develop discretionary grant schemes to help those businesses which, while not legally forced to close are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. This could include for example, businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. Local Authorities may also choose to help businesses outside the business rates system who are effectively forced to close, e.g. market traders. or, to provide additional support to larger local businesses important to the local economy (on top of the funding provided to those businesses via the LRSB (Closed) scheme and with due reference to State Aid).

3.4 In addition to the above, funding may be used to provide wider business support designed to assist the business community as a whole. This may include advice and guidance for businesses and/or skills training to support their ability to trade in changed circumstance etc.

3.5 The government recognise that economic need will vary across the country, and so the precise design of the discretionary fund will be up to each local authority. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.

#### **4.0 NATIONAL CRITERIA**

4.1 The Government has set the following eligibility criteria for receipt of this funding:

- A business must have been trading before restrictions came into force to be eligible
- Businesses that 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 are ineligible.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

#### **5.0 NATIONAL GRANT AWARDS**

5.1 Local authorities have the discretion to determine the amount of funding offered to individual businesses and the frequency of payment.

#### **6.0 NATIONAL GUIDANCE PROCESS**

6.1 The Government recognise that there will likely be a need to run some form of application process as the potential beneficiaries are unlikely to be known directly by local authorities.

6.2 The application process will enable proportionate pre-payment checks to be undertaken to confirm eligibility for the scheme. Prepayment checks must include confirming that by accepting payments recipients are in compliance with State aid rules.

6.3 Local authorities must use their discretion in identifying the right person to receive the funding, based on the application process.

6.4 Authorities are required to call or write to individual businesses advising them that by accepting the grant, they are confirming they are eligible for the grant scheme and that any payments accepted will be in compliance with State aid requirements.

#### **7.0 ALLOCATION OF ADDITIONAL RESTRICTIONS GRANT (ARG)**

7.1 The total ARG funding for Wokingham is £3.4m to cover both the current financial year 2020/2021 and the following financial year 2021/2022. Once we exit national or LCAL 3 restrictions there will be no additional funding under this grant scheme if we re-enter national or LCAL 3 restrictions within these financial years.

7.2 £400,000 of the total ARG funding has been initially allocated for this proposed Phase 1 of a Discretionary Grants Scheme covering the 4-week period from 5<sup>th</sup> November 2020. However, if demand from eligible businesses exceeds that amount then we would anticipate additional resources being released from the total ARG funding stream with the approval of the Deputy Chief Executive.

7.3 The remaining £3m will be used to support businesses through to March 2022, predominantly in the form of future discretionary grant schemes or phases but also through funding of wider business support activities that meet a clear need and can be shown to support local businesses. Proposals for new Grant schemes or support activities will be developed in consultation with local businesses and representative groups with appropriate approval sought.

## 8.0 POLICY REVIEW

8.1 To ensure that the Additional Restrictions Grant reaches those businesses most in need, this policy will be reviewed in January 2021 by the Income, Payments and Recovery Manager together with the Assistant Director of Housing, Income and Assessments, Interim Assistant Director - Housing & Place Commissioning and Director of Resource and Assets. The Council reserves the right to modify eligibility criteria, and funding thresholds, as a result.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Funding has been made available from Central Government up until March 22. For WBC this will be in the region of £3.4m.	Yes	Revenue (Grant funded)
Next Financial Year (Year 2)			Revenue (Grant funded)
Following Financial Year (Year 3)			

### Other Financial Information

The cost of these grant payments will be met through additional government funding, a one-off lump sum payment amounting £3.4m and equating to £20 per head.

The £3.4m allocation is to cover financial years 2020/2021 and 2021/2022 and will need to be drawn on during any future period we may spend under LCAL Very High or national restrictions

Local authorities will be required to report on their progress in developing and delivering the Additional Restrictions Grant Fund weekly to the Department for Business, Energy and Industrial Strategy alongside the existing reporting on the Local Restrictions Grant Scheme (Closed) Addendum.

#### **Stakeholder Considerations and Consultation**

Internal key stakeholder contributed to the creation of the policy

#### **Public Sector Equality Duty**

Having reviewed the equality requirements this discretionary policy relates to individual businesses and not specific individuals. Therefore, no Equality Impact Assessment is required.

**Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030***

No impact on the Council's carbon neutral objective.

#### **List of Background Papers**

- The Local Restrictions Support Grant (Closed)
- V.1 Addendum Local Restrictions Support Grant (Closed)
- V.1 Additional Restrictions Grant
- BEIS FAQ's

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