

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet Member for Resources	
MEETING/ DECISION DATE:	On 13th November 2020	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3247
TITLE:	RULE 4 and RULE 16 - COVID-19 Business Support Grants: Additional Restrictions Grant Policy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 - Covid Business Support Grants: Additional Restrictions Grant Policy		

1 THE ISSUE

- 1.1 The government has announced a further Covid 19 business support funding package to be administered by Local Authorities. The funding is available either at the point the area enters tier 3 local restrictions or on the imposition of national restrictions. National restrictions came into effect on 5th November 2020 triggering the need to implement the business support schemes in all Local Authority areas.
- 1.2 Part of the business support package is to be provided through the “Additional Restrictions grant scheme” which is a discretionary fund available to support local economies and businesses that have been adversely impacted by the national restrictions that have been imposed to prevent the spread of Covid-19.
- 1.3 The Government has provided guidance to support Local Authorities in administering the Additional Restrictions Grant. This report seeks approval of the Additional Restrictions Grant Policy for Bath & North East Somerset Council.

2 RECOMMENDATION

The Member is asked to;

- 2.1 Approve the Additional Restrictions Grant scheme policy as set out in Appendix 1.
- 2.2 To delegate the application of the grant fund to the Director of Finance, in consultation with the Cabinet Member for Resources, the CX, and the Monitoring Officer to ensure the grant is distributed within the £3.866m government funding, with fair distribution across the eligible business groups.

3 THE REPORT

- 3.1 A package of business support grants has been announced by the government to support businesses impacted by the restrictions implemented to try and prevent the spread of Covid 19. There are two main grant schemes as follows:
 - Local Restrictions Support Grant Scheme – to support businesses required to close as a result of national restrictions being put in place. This is operated under national guidance to businesses who are liable for Business Rates.
 - Additional Restrictions Grant Scheme – local authority run discretionary scheme to support businesses more broadly that are severely impacted by the new restrictions.
- 3.2 This report relates to the policy for administering the discretionary Additional Restrictions Grant scheme.
- 3.3 The West of England unitary authorities (Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council) and the West of England Combined Authority have developed a regional policy to provide some consistency in the additional support available to businesses across the wider region.
- 3.4 The proposed policy is attached to this report as Appendix 1. The policy sets out how the fund will operate including, criteria for grants, eligible businesses, exclusions from the scheme and individual grant levels.
- 3.5 Taking into account the government guidance, the policy proposes the following criteria is used to consider businesses eligible for grants from the Additional Restrictions Grant fund:
 - Businesses trading on the day before the restrictions came into force (actively buying/selling goods or services, excluding activities undertaken for the purposes of acquiring or setting up a proposed new trade)

- Businesses within Bath & North East Somerset with ongoing fixed business-related costs e.g. rent, service charges, tool and equipment hire and Council Tax
- Businesses not entitled to a grant under the Local Restrictions Support Grant (C)A
- Businesses which can demonstrate they have suffered a significant fall in income (including online activity) due to the Covid-19 crisis
- Businesses with 49 or fewer employees (a person who has received remuneration via your payroll system in the last 3 months and who has a contract of employment)

3.6 The government will provide funding equivalent to £20 per head of population to fund the Additional Restrictions Grant Fund. This equates to a funding cap for the council's scheme of £3.866m.

3.7 To provide support to as many businesses as possible it is proposed that the discretionary grants which the council will award will be set at the following levels:

- For businesses with 10 or less employees – grant of up to £1,000
- For businesses with 11 to 49 employees – grant of up to £1,500

3.8 Where exceptional circumstances exist, the Council reserves the right to vary the criteria of the scheme to be able to respond effectively to local economic need.

3.9 To ensure grant awards under the scheme are contained within the government funding limits, it is proposed that a defined application period will be used, following which applications will be assessed against criteria and, where necessary, prioritisation measures will be used to ensure fair distribution across the business groups.

4 STATUTORY CONSIDERATIONS

4.1 Local authorities will be responsible for delivering grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments.

4.2 State Aid rules will apply and these are documented in Appendix 1.

4.3 This decision is to be made under part 4G Rule 4 and Part 4B Rule 16 of the council's constitution as an urgent decision. This matter is urgent because the council needs to implement the Additional Restrictions Grant Scheme at pace to allow the grant application process to be opened urgently, so that support to businesses impacted by Covid19 and the national restrictions can be provided as quickly as possible.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The Council's confirmed allocation of funding for the Additional Restrictions Grant Scheme is £3.866m.
- 5.2 The government funding is available to be used across both the 2020/21 and the 2021/22 financial years. The government has stated that if a Local Authority exits national or local restrictions then no additional discretionary grant funding will be provided under the Additional Restrictions Grant scheme if it then re-enters national or local restrictions at a future date.
- 5.3 In order to maintain costs of the scheme within the available funding, grants have been limited to up to £1,500. Where eligible claims exceed the funding available, the award of grants will be prioritised to ensure fair distribution across the business groups.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 Due to the uncertainty around the numbers of claims for support under the proposed scheme it is proposed to delegate the application of the grant fund to the Director of Finance, in consultation with the Cabinet Member for Resources, the CX, and the Monitoring Officer to ensure the grant is distributed within the funding envelope with fair distribution across the eligible business groups.

7 CLIMATE CHANGE

- 7.1 This grant scheme aims to provide access to support to businesses who are severely impacted by the national restrictions put in place to reduce the spread of Covid-19. The proposed eligibility criteria is in line with government guidance which does not include climate change impacts as a basis on which to award grants under this scheme.

8 OTHER OPTIONS CONSIDERED

- 8.1 Various grant levels were considered across the eligible businesses, a limit on individual grants of up to £1,500 is proposed to enable the Council to support as many businesses as possible within the funding available.

9 CONSULTATION

- 9.1 The report has been cleared by the S151 Officer, the CX and Monitoring Officer.

Contact person	Andy Rothery (Director of Finance & S151 Officer) John Wilkinson (Director of Economy & Growth)
Background	Additional Restrictions Grant – guidance for local authorities: - https://assets.publishing.service.gov.uk/government/uploads/syst

papers

em/uploads/attachment_data/file/932623/V.1. Additional Restrictions Grant - FINAL LA guidance 03112020.pdf

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