

<b>Covid-19 Additional Restrictions Grant</b>		<b>Agenda No:</b>
<b>Portfolio</b>	<b>Economic Development</b>	
<b>Corporate Outcome:</b>	<b>A prosperous district that attracts business growth and provides high quality employment opportunities</b>	
<b>Report presented by:</b>	<b>Cllr David Bebb, Cabinet Member for Finance and Performance Management</b>	
<b>Report prepared by:</b>	<b>Dominic Collins, Corporate Director of Growth</b>	
<b>Background Papers:</b>	<b>Public Report</b>	
None	<b>Key Decision: Yes</b>	
<b>Executive Summary:</b>		
<p>Braintree District Council (the Council) is delivering several programmes of business support and financial assistance to help our businesses survive and then thrive through the Covid-19 crisis. The Council is now required to further support businesses by distributing newly available Covid-19 business support funding in response to the country moving into the current phase of social and business operational restrictions.</p> <p>Following the Government’s announcement on the Additional Restrictions Grant (ARG) the Council is now required to determine how this discretionary funding will be allocated. The Council has been allocated £3,052,080 ARG funding for spending across the 2020/21 and 2021/22 financial years.</p> <p>The Council recognises that it is vital to support businesses impacted by the current crisis immediately with direct funding, to support the payment of their fixed costs and to support considerable income losses. The Council also recognises that businesses will need further support to augment their current business practises and operations in the medium term, in order to bounce back from the current economic situation. The Council has therefore agreed in principle to partner with Local Authorities in North Essex to top slice 10% the ARG allocation of each authority in order to pool that funding to deliver a series of wider business support and skills development interventions across the 2020/21 and 2021/22 financial years.</p> <p>It is probable that other funding will be made available to the Council by Essex County Council to distribute to Braintree businesses in support of their operation during and post the Covid-19 crisis. Therefore the Council needs to be ready to distribute any future funding at speed to support businesses survival.</p> <p>The Cabinet is therefore asked to agree;</p>		

1. On the eligibility criteria to be used to distribute funding from the ARG to Braintree businesses; and
2. The retaining of 10% of the ARG to be spent alongside North Essex local authorities to deliver a programme of business support and skills interventions.

**Recommended Decision:**

The Cabinet agrees to:

1. The distribution of the Additional Restrictions Grant to local business in accordance with the criteria set out in paragraph 1.6 below, with any surplus grant being used to provide business support through the Councils schemes already in place.
2. Retain up to 10% of the Additional Restrictions Grant for future allocation. If it is not possible to establish a collaborative approach with the North Essex Authorities through the North Essex Economic Board by March 2021, then this retained funding will be returned to the Additional Restrictions Grant and be distributed in accordance with recommendation 1 above.
3. Delegate authority to the Cabinet Member for Finance and Performance Management, in consultation with the Deputy Leader and Cabinet Member for Economic Development and Infrastructure, to approve the collaborative approach with the North Essex Authorities for the distribution of the retained 10%.
4. Accept all future requests from Essex County Council to distribute additional funding received as a result of the Covid-19 Pandemic, following consultation with the Cabinet Member for Finance and Performance Management and the S.151 Officer.

**Purpose of Decision:**

To ensure the effective and efficient distribution of ARG funding to Braintree businesses whilst also ensuring that the ARG funding is used to support businesses to bounce back from Covid-19 in 2021.

**Any Corporate implications in relation to the following should be explained in detail.**

<p><b>Financial:</b></p>	<p>On 6<sup>th</sup> November 2020 the Department for Business' Energy and Industrial Strategy (BEIS) wrote to confirm the arrangements of the Additional Restrictions Support Grants and an allocation of £3,052,080. The amount was calculated at £20 per head of population: using the Office National Statistics mid-year population estimates published March 2020. The grant allocation was received on 13<sup>th</sup> November 2020.</p> <p>Conditions of the allocated funds are to:</p> <ol style="list-style-type: none"> <li>a. Ensure recipients meet the criteria set out in the Additional Restrictions Grants: guidance for Local Authorities.</li> <li>b. Record and retain records of individual payments of Grant. This information is to be stored in accordance with the data protection requirements and shared with Government upon request.</li> <li>c. Provide timely monitoring information in line with the guidance provided by the Department.</li> <li>d. Provide summaries of any issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities.</li> <li>e. Allocate all monies by 31<sup>st</sup> March 2022.</li> </ol> <p>Where all or a portion of the allocation remains unspent at the end of the grant programme the unspent monies will have to be repaid to the Government.</p> <p>A copy of the government guidance is available via this <a href="#">Link</a>.</p>
<p><b>Legal:</b></p>	<p>No matters arising out of this report</p>
<p><b>Safeguarding:</b></p>	<p>No matters arising out of this report</p>
<p><b>Equalities/Diversity:</b></p>	<p>No matters arising out of this report</p>
<p><b>Customer Impact:</b></p>	<p>The distribution of ARG funding and the development of an associated business support and skills programme will support businesses in Braintree to survive through the Covid-19 restrictions and develop their operating models to bounce back in 2021</p>
<p><b>Environment and Climate Change:</b></p>	<p>No matters arising out of this report</p>
<p><b>Consultation/Community Engagement:</b></p>	<p>No matters arising out of this report</p>

<b>Risks:</b>	There is a risk that businesses will still not survive even if provided financial support from the ARG (or other support funds).
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## 1. The Additional Restrictions Grant

1.1 The Council is delivering several programmes of business support and financial assistance to help businesses within the District survive and then thrive through the Covid-19 crisis. The Council is now being asked by Government to further support businesses by distributing newly available Covid-19 business support funding in response to the country moving into the current phase of social and business operational restrictions.

1.2 To that end three new Covid-19 support funds have been made available to local authorities:

### A. Local Restrictions Support Grant (open):

- Braintree District Council has been provided with £322,663 to distribute to businesses that had been impacted by but remained open as Essex moved to the Tier 2 'high level' category of Covid related social and business operation restrictions.
- This funding is primarily for businesses in the hospitality, accommodation and leisure sectors with a rateable value (i.e. with fixed property related costs) based on the period between 16 October and 4 November 2020 as defined and determined by government.

### B. Local Restrictions Support Grant (closed)

- Braintree District Council has been provided with £2,049,570 to distribute to businesses that have been forced to close due to the new Covid-19 national restrictions imposed from the 5<sup>th</sup> November 2020.
- This will be paid as one-off grants directly to eligible businesses to cover a 28-day period for businesses with a rateable value as defined and determined by government.

### C. Additional Restrictions Grant

- Braintree District Council has been provided with £3,052,080 to support businesses which have had their trade affected by Covid-19 restrictions.
- This includes closed businesses that don't pay business rates and businesses that have not been required to close but are still severely impacted.
- Government guidance for this Grant states that the criteria and eligibility for its distribution it to be set at the discretion of the local authority.
- The ARG is a one off payment to local authorities in the 2020/21 financial year however it is to be used across the 2020/21 and 2021/22 financial years and will not be renewed.

1.3 Given that the eligibility criteria for the two Local Restrictions Support Grants has been set by government the Cabinet Member for Finance and Performance Management agreed, under delegated authority, that the Council exercises its discretionary power to implement the two funds and these were duly launched by the Council to Braintree businesses on the 18<sup>th</sup> November,

with initial payments having already been made to the first applying businesses.

1.4 As the ARG is a discretionary grant, Local Authorities have been given the freedom and flexibility to determine which businesses in their local area should receive funding from their ARG allocation. To that end Government guidance has confirmed that the ARG is for discretionary grants to businesses and wider business support measures. Based on the experience gained from operating similar grant schemes on behalf of Government earlier in the year, the Council is proposing a criteria of eligibility to primarily support businesses with ARG funding that have not qualified for the LRSG-closed grant but have suffered considerable income losses due to the Covid-19 restrictions.

1.5 Accordingly the Council are developing a policy to support the distribution of ARG funding to businesses which is currently being finalised but will be made available on the Councils website in time for the launch of the scheme to applications. This policy will set out the suggested types of businesses which the Council would like to see supported through the ARG funding and the eligibility criteria that must be met through an application process. The policy will offer detailed eligibility criteria however these are summarised as follows:

1.6 Business types including (but not limited to):

- Supply the retail, hospitality, and leisure sectors, and businesses in the events sector
- are outside the business rates system e.g. market traders, mobile/home workers, shared space users, animal groomers,
- Accommodation providers (if excluded from previous schemes)
- Private hire vehicles, taxi's/licenced cabs
- Community type facilities (if excluded from previous schemes)
- any other business that can evidence a strong business need

Eligibility criteria:

- are based within the Local Authority area of Braintree District Council
- are not part of a larger national chain or franchise
- were trading on 5 November 2020
- have relatively high ongoing fixed costs for their business (e.g. business premises and/or equipment costs critical to the continued operation of the business, excluding staffing costs); and
- can evidence a significant fall in turnover due to coronavirus;

1.7 An application process will be released subsequent to this Cabinet meeting. Applications will be assessed individually against the above criteria with grant payments being made up to a maximum of £3,000, using three payment bands of £1,334, £2,000 and £3,000, in order to be in line with the LRSG funding. Exceptional circumstances payments of up to £10,000 will also be considered, if impacted businesses can evidence that the survival of their business is at risk and that the realising of that risk would impact significantly on the wider Braintree economy.

- 1.8 The Grant will remain open for applications until a review of the scheme is held in January 2021 (as per government guidance). Subsequent to that review the Council will use all or part of any remaining funds to support businesses in the remainder of the 2020/21 and the 2021/22 financial year either through future rounds of financial support grants offered directly to businesses and/or through a mix of business support, skills and inward investment programmes across the Braintree district as determined by the Council.

## **2 Retention of a Proportion of ARG**

- 2.1 The Council recognises that it is vital to support businesses impacted by the current crisis immediately with direct funding, to support the payment of their fixed costs and to support considerable income losses. The Council also recognises that there is a need to support businesses to access other business support to ensure the medium and long term survival and growth of their business, to support their need to change business operating models in response to working in the current and post Covid economy and to support them to recruit the employees they will need to bounce back from the current crisis.
- 2.2 The Council has therefore agreed in principle to partner with Local Authorities in North Essex through the North Essex Economic Board (which includes the Local Authorities of Colchester, Tendring, Uttlesford, Maldon and Chelmsford) to top slice 10% of the ARG allocation of each Authority in order to pool that funding to deliver a series of wider business support and skills development interventions across the 2020/2021 and 2021/2022 financial years. Work will progress in partnership with the North Essex Economic Board Local Authorities to establish a programme of business support and skills development activities that will be commissioned (where relevant) and delivered across North Essex in the calendar year of 2021.
- 2.3 Further engagement will be undertaken through the North Essex Economic Board to establish the mechanism around the management and distribution of the pooled funding, and once this information is known a further decision will be sought from Cabinet Member for Finance and Performance Management (in consultation with the Deputy Leader and Cabinet Member for Economic Development and Infrastructure) who will be responsible for approval of the collaborative approach taken with the North Essex Authorities.
- 2.4 However, in order to ensure that there isn't any delay in the support offered to business, if a process cannot be established for the pooled ARG by 31 March 2021, then the Councils retained part will be returned the ARG funding held by the Council and distributed in accordance with the process set out under section 1 above.

## **3. Essex County Council Funding**

- 3.1 It is probable that other funding will be made available to the Council by Essex County Council, for distribution to Braintree businesses in support of their operation during and post the Covid-19 crisis. In such instance, Essex County Council are expected to set out the criteria through which applications are to

be considered, and the parameters around the funding. However, the Council needs to be ready to distribute any future funding at speed to support businesses survival and therefore it is considered appropriate that the Council has in place an agreement that where a request is received from Essex County Council it is able to agree to assist going forward.