

Rother District Council

Report to: Cabinet

Date: 8 April 2021

Title: Additional Restrictions Grant - Discretionary Business Restart Grant Scheme

Report of: Robin Vennard, Assistant Director Resources

Cabinet Member: Councillor Dixon

Ward(s): ALL

Purpose of Report: To agree a new Additional Restrictions Grant scheme to provide business restart funding ahead of the reopening of businesses in line with the Government's COVID-19 Pandemic roadmap.

Decision Type: Non-Key – URGENT Decision

Officer

Recommendation(s): It be **RESOLVED:** That:

- 1) the Additional Restrictions Grant - Discretionary Business Restart Grant Scheme outlined in the report be approved;
- 2) the other proposals for utilising the Government funding outlined in this report be approved, subject to guidance from the department for Business, Energy and Industrial Strategy; and
- 3) the Chief Executive be granted delegated authority in consultation with the Cabinet Portfolio Holders for Finance and Performance Management and Economic Development and Regeneration to finalise the amounts of grants and detailed criteria.

Reasons for

Recommendations: To maximise the use of the available funding to support local businesses. Any unspent funds will have to be repaid to the Government.

The Chairman of Council has already agreed that, subject to the approval of Cabinet, this decision can be taken as an urgent decision to allow the Council to implement the scheme as soon as possible.

Introduction

1. Members will be aware that the Government announced as part of the Chancellors' Budget, that grants would be made available to businesses to assist with the costs of restarting trading. This scheme is available to businesses with a national non domestic rating liability and further details are shown below.

2. The Council has also operated a discretionary business grant scheme in various forms since the first countrywide lockdown in March 2020. As part of the Budget announcement, it was confirmed that a further discretionary start up grant scheme would also be available for those businesses without a rating liability, subject to national and locally set criteria. This report makes proposals for this new discretionary grant scheme as detailed below.

National Business Restart Grant

3. Under the national Restart Grant Scheme, local authorities will receive funding to be allocated in one-off grants to businesses. Funding of £9.36m has been confirmed for Rother. Grants of up to £6,000 will be paid to non-essential retail business premises, to help them reopen safely. Grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym business premises, which may open later under plans set out in the roadmap and will be more impacted by restrictions when they do reopen. The Restart Grant Scheme supports businesses that are predominantly reliant on delivering in-person services for the general public in the aforementioned sectors. The amount of grant will depend on the rateable value of the business premises and further details are shown at Appendix A.

ARG Discretionary Restart Grant Scheme

4. The Government guidance says that local authorities may wish to consider businesses outside of the business rates system where they have not received any other grant support, 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. These criteria are already part of the Council's approach to the previous schemes and should be familiar to local businesses. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible for the grant.
5. The guidance is explicit that the grant should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby local authorities are the recipients. Previous guidance for the Additional Restrictions Grant indicated that businesses must have been trading before relevant restrictions were introduced in order to be eligible. This is no longer the case. All businesses that are trading and meet other eligibility criteria may apply to receive funding under this scheme. There is no starting date from which businesses must have been trading in order to qualify for grant funding.
6. As a starting point it is sensible to review the previous business sectors supported by the Council and consider whether these sectors require an additional one off grant to support their reopening. Appendix B provides comments on the business sectors previously supported and which should be carried through to the new scheme.
7. An assessment has also been undertaken as to the appropriate level of grant that could be offered to these business sectors as follows:

Category	Grant
Shared Accommodation	£2,667
Retail, hospitality and Leisure supply chain #	Minimum £2,667
Bed & Breakfast	£8,000
Market Traders	£500
Holiday accommodation including self-contained holiday lets and small campsites	£8,000
Events	£8,000
Home Based 'in person' businesses – hair and beauty	£500

to align with minimum amount under the national scheme, otherwise will be based on rateable value of business premises

Charities

8. No specific mention is made in the guidance of charities, although as previously, the Council has the freedom to support this sector. Charity shops will be covered by the national scheme so are not affected by this omission.

ARG Discretionary Grant Scheme Funding

9. The current ARG discretionary grant scheme has a total fund of £2.7m and as of 29 March 2021, £1.5m had been paid out. Based on the grant amounts detailed in the table above, and the number of businesses previously applying for support, it is estimated that a further £860,000 could be paid out in discretionary restart grants.

Scheme Name	Estimated number of businesses	Estimated Total spend
		£
Home Based	50	25,000
Arts and Entertainment	20	160,000
B&Bs	14	112,000
Holiday Accommodation	37	296,000
Hospitality and Leisure supply chain	45	135,000
Shared Accommodation	51	136,017
Total	217	864,017

10. This would leave approximately £300,000 of funding for which further proposals for its use are discussed below. Further funds of £425m were announced for the discretionary restart grants by Government but accessing this is dependent on spending the original allocation of funding. Whilst the Council has delivered grants efficiently and effectively it is unlikely that the balance of the original funding will be expended by the 30 June deadline to receive this extra funding.

Other Proposals

11. The flexibility of this funding does afford the Council to be creative with how it can support businesses restart the local and national economy. The following uses are proposed:

- a. **Late applications for national lockdown 3 grants** – there are likely to be eligible businesses that have failed to apply for the latest grant support. The national scheme to cover the period of the last lockdown closed on the 31 March 2021. It proposed to use some of the remaining discretionary funding to support businesses that would have previously qualified. The same criteria and grant amounts would apply as for the national scheme.
- b. **Promotion of the Rother area** – some of the grant can be used for marketing and promotion of the Rother area. This could be both for attracting new businesses to set up or relocate and to promote visitors to the district through the 1066 country brand and as recently approved by Cabinet, Sussex Modern.
- c. **Business Start-up/expansion/relocation support** – leading on from marketing and promotion, it is possible for the Council to use part of the remaining grant to establish a fund (to be expended by March 2022) to help businesses start, expand (with increased employment) or relocate to the Rother area. It is proposed that a fund of £200,000 be established for this purpose. If supported, a detailed scheme will be worked up for presentation to Members at their next meeting.

12. Proposals b and c have been referred to the department for Business, Energy and Industrial Strategy for guidance.

Conclusion

13. From the operation of these grants over an extended period of time, it is clear that many businesses are struggling to access the support they need. The use of ARG funding to support a business restart scheme will provide much needed support to many businesses to get them up and trading fully. Members are therefore asked to approve the scheme as detailed in the report. It is also proposed to delegate authority to the Chief Executive in consultation with the Cabinet Portfolio Holders for Finance and Performance Management and Economic Development and Regeneration to finalise the amounts of grants and detailed criteria. Expanding the use of the funding to further promote the area to business and visitors will also make an important contribution to restarting the local economy and ensuring our businesses have the best opportunity to survive and prosper.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Chris Watchman, Revenues and Benefits Manager		
e-mail address:	chris.watchman@rother.gov.uk		
Appendices:	None.		
Relevant Previous Minutes:	None.		
Background Papers:	None.		
Reference Documents:	None.		

National Business Restart Grant Scheme

The Restart Grant will support non-essential retail premises with one-off grants of up to £6,000 in Strand One of the Restart Grant. The following thresholds apply for these businesses:

- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £2,667.
- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £4,000.
- c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £6,000.

The Restart Grant will also support hospitality, accommodation, leisure, personal care and gym business premises with one-off grants of up to £18,000 in Strand Two of the Restart Grant. The following thresholds apply for these businesses:

- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £8,000.
- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £12,000.
- c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £18,000.

Previous Business Sectors supported by the ARG Discretionary Grant Scheme

Category	Comment
<p>Shared spaces – this relates to Non-rate paying businesses required to close because of the national lockdown measures (e.g. those operating in shared office space that do not have their own separate rating assessment).</p>	<p>Recommended for inclusion in the restart scheme. Businesses in shared spaces that have had to close under restrictions have not been eligible for the national scheme but clearly have the same costs to restart their businesses.</p>
<p>Bed & Breakfast – this relates to property that is domestic and therefore subject to council tax rather than business rates, provides short stay accommodation for no more than six persons; and the property is the sole or main residence of the proprietor.</p>	<p>Recommended for inclusion in the restart scheme to help ready these businesses prepare for the reopening of an integral part to the district's visitor economy</p>
<p>Market Traders – this relates to market traders that have been instructed to close as they sell non-essential items to visiting members of the public from a stall, pitch or similar that is recognised by the Council as a market.</p>	<p>Recommended for inclusion in the restart scheme to help ready these businesses prepare for reopening of markets. So far, no qualifying applications for support have been received but it is felt important to retain this grant for a sector that does generate footfall to local towns</p>
<p>Holiday accommodation including self-contained holiday lets and small campsites – this relates to property that is domestic or land that forms part of a domestic property and therefore subject to council tax. This does not include businesses where the letting is by way of home sharing (e.g. where a bedroom is let within a domestic property).</p>	<p>Recommended for inclusion in the restart scheme to help ready these businesses prepare for the reopening of an integral part to the district's visitor economy</p>
<p>Retail, Hospitality and Leisure Supply Chain – this relates to businesses wholly or mainly involved in providing goods and services to businesses undertaking the provision of food, beverage, hospitality, events or leisure where the current national restrictions have severely curtailed their ability to operate.</p>	<p>It is considered that this should be restricted to businesses that supply goods as if services then they are unlikely to incur significant further restart costs in supplying the retail, hospitality and leisure industries.</p>
<p>Arts and Entertainment – this relates to cultural, tourist and entertainment Industries not eligible under the main scheme where the current national restrictions have severely curtailed their ability to operate.</p>	<p>It is proposed to narrow the criteria to events only as venues will be eligible for national scheme.</p>
<p>Home Based 'in person' businesses – this relates to businesses that are primarily home based and as at 18 December 2020 provided services that were wholly or</p>	<p>The Government criteria make specific reference to providing help to the hair/beauty industry. Whist home based businesses are unlikely to incur significant restart costs, for personal</p>

Category	Comment
mainly 'in person' and which cannot be provided remotely.	service businesses there will be outlay for such items as PPE/increased cleansing costs.
Small or micro business - this relates to businesses still able to trade but significantly reduced income due to COVID - 19 restrictions.	It is considered that as these businesses have been able to continue to trade during the pandemic, albeit reduced, then they are unlikely to incur significant further restart costs.