

Cheltenham Borough Council
Cabinet – 17 November 2020
Additional Restrictions - Discretionary Business Grant Scheme

Accountable member	Councillor Rowena Hay, Cabinet Member Finance
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>On 31 October 2020 the Government announced a 4 week national lockdown due to the COVID-19 pandemic, commencing on 5th November 2020.</p> <p>As part of its support measures the Government is providing Local Restrictions Support Grant (closed) funding to Councils for a national business grant scheme to support those businesses that are business ratepayers required to close by law. Cheltenham has been allocated £2,349,522 for this national scheme</p> <p>In addition to the national scheme the Government has provided Additional Restrictions Grant funding for Councils to design local schemes to support businesses severely impacted by the restrictions. This funding is to be used to support businesses during the national restrictions commencing 5th November 2020 and any future period of national or local tier restrictions up to 31 March 2022. Cheltenham has been allocated £2,326,120 for this scheme</p> <p>This grant scheme gives the Council the opportunity to use its discretion to assist a range of local businesses that contribute to the Borough's local economy.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Approve the Additional Restrictions - Discretionary Business Grant Scheme in Appendix 2 2. Delegate authority to the Head of Revenues and Benefits to take decisions relating to applications made under the Additional Restrictions - Discretionary Business Grant Scheme and to delegate authority to the Executive Director Finance and Assets, in consultation with the Cabinet Member Finance, to consider and determine any reviews requested in respect of such decisions. 3. Authorises the Head of Revenues and Benefits in

consultation with the Cabinet Member Finance to make changes to the Additional Restrictions - Discretionary Business Grant Scheme in line with any changes made by Government, or, as required to ensure the successful operation of the scheme

- 4. Authorises the Executive Director Finance and Assets, in consultation with the Cabinet Member Finance to add any further category of businesses eligible for this scheme, if required**
- 5. Note The Local Restrictions Support Grant (Closed) Addendum scheme and delegate authority to the Head of Revenues and Benefits to take decisions relating to applications**

<p>Financial implications</p>	<p>Central Government is providing this Council with £2,349,522 for a national business grant scheme for business rate payers forced to close during the period of national restrictions. Additional funding will be made available if this is insufficient to support all eligible businesses. Any unspent funds must be returned to Government. Some further funding, yet to be determined is due to be received for grants to Sector businesses that have been required to close continually since March 2020.</p> <p>As detailed within the report and appendix 2, £2,326,120 is being provided to the Council for a locally designed scheme to support businesses severely impacted by national and local tier 3 restrictions between now and 31 March 2022. Government is saying that no more funding will be made available to Councils for discretionary business grant support during this time.</p> <p>Some of the funding needs to be retained for any future national or local tier 3 restrictions. However, there needs to be a balance between holding back funding and providing help now to local businesses so that they continue trading when the restrictions end. For this reason £1m will be used for this period of national lockdown from 5th November 2020.</p> <p>The amount being allocated will be monitored closely as applications for the grants are processed</p> <p>New burdens funding will be provided in respect of the administration costs of these schemes.</p> <p>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154</p>
<p>Legal implications</p>	<p>There are no additional legal implications arising from this report</p> <p>Contact officer: One Legal - legal.services@tewkesbury.gov.uk @tewkesbury.gov.uk 01684 272</p>

HR implications (including learning and organisational development)	There are none associated with this report
Key risks	See appendix 1
Corporate and community plan Implications	The payment of these grants will enable many of our valued businesses to remain trading post COVID-19.
Environmental and climate change implications	None
Property/Asset Implications	There is nothing in this report which impacts on Council properties Contact officer: Dominic.Stead@cheltenham.gov.uk

1. Introduction

- 1.1** On 31st October 2020 the Government announced a 4 week period of national restrictions due to the COVID-19 pandemic.
- 1.2** At the same time the Government announced funding would be provided to Councils for both a national and a local business grant scheme.
- 1.3** The Local Restrictions Support Grant (Closed) scheme provides for business grants where local tier 3 restrictions are in place and together with The Local Restrictions Support Grant (Closed) Addendum forms the national scheme for the period of restrictions commencing 5th November. The scheme will apply to businesses that are business ratepayers required by law to close whilst the restrictions are in place.
- 1.4** The types of business rate payers that will be eligible are those required by law to close and will include shops selling non-essential items, pubs, bars, restaurants, hairdressing and beauty salons
- 1.5** To be eligible the businesses must be closed for the whole period that the restrictions apply. There is also a requirement for businesses to complete an application form and provide certain information. Cheltenham has received funding of £2,349,522 for national scheme grants in respect of the 4 week period of national restrictions commencing on 5th November 2020. The Government will top up this funding if it is insufficient to pay all eligible businesses. Any unspent funds will need to be returned to Government
- 1.6** The levels of grant payment to businesses are as follows:
- Businesses occupying properties with a rateable value of exactly £15,000 or under on 5th November 2020 will receive a payment of £1,334 per 28-day qualifying restriction period
 - Businesses occupying properties with a rateable value of over £15,000 and less than £51,000 on 5th November 2020 will receive a payment of £2,000 per 28-day qualifying restriction period
 - Businesses occupying properties with a rateable value of exactly £51,000 or above on 5th November 2020, will receive a payment of £3,000 per 28-day qualifying restriction period
- 1.7** The Government has also introduced a national scheme for Sector businesses which are business ratepayers required to close continually since 23 March 2020. These are nightclubs, dancehalls and sexual entertainment venues.
- 1.8** The sector scheme comes into effect from 1st November. Eligible businesses will qualify for the grants as detailed in 1.7 above for the period national restrictions are in place. They will also qualify for a pro-rata payment for the period 1st November to 4th November 2020. Once the national restrictions end they will be entitled to a payment equal to half the relevant amount in 1.7 above per 14 days whilst restrictions on the Sector businesses remain in force.
- 1.9** Funding for the Sector scheme has not yet been determined but a very small number of businesses in Cheltenham will qualify for a payment under this scheme.
- 1.10** The application form for the national scheme including sector businesses is now available on the Council's website for eligible businesses to complete.
- 1.11** Cheltenham has received funding of £2,326,120 for the Additional Restrictions Grant

which is the local discretionary scheme.

2. The Local Discretionary Business Grant Scheme

- 2.1** Funding for the Additional Restrictions Grant (the local discretionary scheme) has been provided to Councils to support businesses severely impacted by the period of national restrictions commencing 5th November 2020 and for any further period of national or local tier 3 restrictions in 2020/21 and 2021/22. Cheltenham has received £2,326,120.
- 2.2** Government has not specified the types of businesses Councils should support through this scheme but suggest that consideration could be given to businesses forced to close that are not ratepayers, businesses not forced to close but severely impacted by the restrictions and businesses that supply the retail, hospitality and leisure sectors.
- 2.3** Business grants through this scheme can be awarded to both ratepayers and non-ratepayers, provided they have been impacted by the restrictions.
- 2.4** The Discretionary Business Grant Scheme in Appendix 2 sets out the Council's approach to awarding grant funding in respect of the period of national restrictions commencing 5th November 2020.
- 2.5** Although it is not possible to support every business impacted by the restrictions the scheme is aimed at supporting local businesses in Cheltenham that are either forced to close, or if able to continue trading, will be severely impacted.
- 2.6** Categories of businesses included in the scheme are
- Local businesses forced to close but not ratepayers so not included in the national scheme.
 - Local business rate payers that are shops or food and beverage outlets that have closed
 - Local business rate payers that are shops or food and beverage outlets that have opened but severely impacted by reduced trade
 - Local businesses that supply the retail, leisure and hospitality sector that have been severely impacted.
 - Local business ratepayers in manufacturing/storage/warehousing premises which includes a small retail element.
- 2.7** The eligibility criteria for each category is detailed in Appendix 2 but to be eligible all businesses must be business ratepayers or paying rent or mortgage for the business premises they occupy.
- 2.8** Approval is being sought to a further category of business should this be necessary.
- 2.9** As some of the funding needs to be retained for any future period of national or local tier 3 restrictions in 2020/21/ and 2021/22 £1 million is being allocated for this scheme in respect of the national period of restrictions commencing on 5th November 2020.
- 2.10** This ensures that support is provided to our local independent businesses now to help them stay in business after the current restrictions end.
- 2.11** Councils are able to use Additional Restrictions Grant funding to top up national scheme grants paid to businesses. This option is not being included in Cheltenham's scheme in

appendix 2.

2.12 The amount of grant paid will be as follows:

- Businesses occupying properties with a rateable value, or paying rent or mortgage per annum, of exactly £15,000 or under on 5th November 2020 will receive a payment of up to £1,334
- Businesses occupying properties with a rateable value, or paying rent or mortgage per annum, of over £15,000 and less than £51,000 on 5th November 2020 will receive a payment of £2,000
- Businesses occupying properties with a rateable value, or paying rent or mortgage per annum, of exactly £51,000 or above on 5th November 2020, will receive a payment of £3,000

2.13 An on-line application form will be available on the Council's website once software is provided by our suppliers. Due to the complexities of the schemes applying to future periods of national and local restrictions with differing rules the national scheme is being given priority.

2.14 Funding for this grant scheme is being limited and therefore it will only be open for businesses to apply for a maximum period of 14 days from the date the application form is made available on the Council's website.

2.15 Applications will be assessed in date order as they are received. If the total sum allocated is nearing £1 million with applications outstanding, these applications will be assessed in order of the date received and once £1 million has been allocated the remaining applications may need to be rejected.

2.16 A revised scheme will be prepared in respect of any future periods of restriction aimed at supporting those business sectors most affected.

3. Alternative options considered

3.1 None. The Government has made the funding available for Councils to provide support to business

4. Consultation and feedback

4.1 The six Gloucestershire districts have worked collaboratively to ensure some consistency across the county. There are some different local priorities but all are supporting businesses supplying the retail, leisure and hospitality sector.

5. Performance management – monitoring and review

5.1 The number of businesses eligible for grants and the amounts paid will be recorded in the Revenues and Benefits system. The amount of funding allocated will be closely monitored.

5.2 The Department for Business, Energy & Industrial Strategy (BEIS) will require a weekly report on progress in administering grant payments under this scheme and may publish the information.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Additional Restrictions - Discretionary Business Grant Scheme
Background information	<ol style="list-style-type: none"> 1. Local Restrictions Support Grant (Closed), Local Restrictions Support Grant (Closed) Addendum, Additional Restrictions support Grant Fund, Local Restrictions Support Grant (Sector) :guidance for Local Authorities https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If there are numerous periods of restriction during 2020/21 and 2021/22 there may be insufficient funds to support businesses	Jayne Gilpin	13/11/2020	3	1	3	Accept	Approve the scheme as detailed in this report which limits the allocation of funding to £1m	17/11/2020	Jayne Gilpin	
Explanatory notes											
<p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											