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**COTSWOLD
DISTRICT COUNCIL**

Thursday, 11 March 2021

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DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR FINANCE DECISION- MAKING MEETING

A meeting of the Deputy Leader of the Council and Cabinet Member for Finance Decision-Making Meeting will be held remotely on **Friday, 19 March 2021 at 12.00 pm.**

Rob Weaver
Chief Executive

To: Members of the Deputy Leader of the Council and Cabinet Member for Finance Decision-Making Meeting
(Councillors Mike Evemy)

Due to the current social distancing requirements and guidance relating to Coronavirus Regulations 2020 – Part 3 – Modification of meetings and public access requirements this meeting will be conducted remotely using Cisco Webex.

Members of the public will be able to follow the proceedings through a broadcast on [Cotswold District Council Facebook account](#) (You do not need a Facebook account for this).

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

AGENDA

- I. **Additional Restriction Grants (Pages 3 - 10)**
To seek approval to make additional amendments to the Additional Restrictions Grant Policy.

Reporting Officers: Jon Dearing (01993 861221) / Mandy Fathers (01993 861232)

DATE OF DECISION: NO EARLIER THAN FRIDAY 19 MARCH 2021

DEADLINE FOR COMMENTS: NOON ON THURSDAY 18 MARCH 2021

Note: Any Member who wishes to comment on an item is requested to send those comments (preferably by e-mail) to the Reporting Officer, copied to Democratic Services, by the deadline identified.

Any comments received will be reported to the Decision-Maker prior to the decision(s) being taken.

(END)

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR FINANCE DECISION-MAKING MEETING – 19 MARCH 2021
Report Number	ITEM I
Subject	ADDITIONAL RESTRICTIONS GRANTS
Wards affected	ALL
Accountable member	Cllr Mike Evemy– Deputy Leader and Cabinet Member for the Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Jon Dearing – Group Manager for Resident Services Tel: 01993 861221 Email: jon.dearing@publicagroup.uk
Author	Mandy Fathers – Business Manager for Operational Support and Enabling Tel: 01993 861232 Email: mandy.fathers@pubicagroup.uk
Summary/Purpose	To seek approval to make additional amendments to the Additional Restrictions Grant Policy
Annexes	Annex A – The Additional Restrictions Grant Policy (V3)
Recommendation/s	That the Cabinet Member for the Economy and Skills: <ul style="list-style-type: none"> a) Approves the inclusion of discretionary grant payments for those self-employed persons eligible for the self-employed income support scheme (SEISS) who have identifiable fixed costs as per paragraph 2.8. b) Approves the principle of funding allocations to facilitate partnership working to support economic recovery from Covid-19. c) Delegates authority to the Deputy Chief Executive to approve funding allocations to support economic recovery in consultation with the Cabinet Member for the Economy and Skills and the Deputy Leader and Cabinet Member for Finance. d) Approves the inclusion of the ability to fund grant payments made to businesses under other Government Covid-19 Business Grants Schemes, where the value of grants awarded exceeds the funding provided by Government.
Corporate priorities	Delivering services to the highest standards Helping residents and communities access they support they need for good health and wellbeing.
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The Leader of the Council, The Deputy Leader and Cabinet Member for Finance, The Cabinet Member for the Economy and Skills, The Chief Executive Officer, The Deputy Chief Executive, Monitoring Officer, Group Manager, Economic Development Lead.

I. BACKGROUND

- 1.1. On 3 October 2020, the Government announced the introduction of additional support for local authorities under the National and Local Covid Alert Level 3 Restrictions.
- 1.2. The purpose was to enable a Local Authority to support its local economy and businesses adversely impacted by the national restrictions and any future restrictions.
- 1.3. This support, Additional Restrictions Grant (ARG), is a funding scheme for the financial years 2020/2021 and 2021/22.
- 1.4. On 20 November 2020, the then Interim Chief Executive Officer approved the Additional Restrictions Policy in accordance with the provisions of Part III, paragraph 37 of Cotswold District Council's constitution.
- 1.5. Further recommendations were later made to the Policy to include Taxi Drivers and Tenanted Publicans. These recommendations were approved on 13 January 2021 and the Policy was subsequently amended.

2. MAIN POINTS

- 2.1. The Policy is constantly under review to ensure the Council is able to support as many businesses as possible whilst ensuring the guidance from the Department for Business, Energy and Industrial Strategy (BEIS) is adhered to.
- 2.2. During the period since November 2020, the Council has received 572 grant applications for this funding and paid out £1,445,533 to 417 businesses.
- 2.3. So far, 155 of these applications have been declined. There are varying reasons for these declined applications, including:
 - A duplicate application
 - Not an active business
 - A takeaway business
 - Not in the Cotswold District
 - Not able to provide any evidence that they are financially impacted or have any fixed property cost
 - Not forced to close
 - Potentially fraudulent applications
- 2.4. The list above covers 118 applications. There were a further 17 applications declined as they had applied for the wrong grant and were therefore invited to apply again for the correct one.
- 2.5. There are currently a total of 20 applications that have been declined as those applicants have received assistance through the self-employed income support scheme (SEISS). These applicants are mainly mobile workers without fixed property costs who work in the following business areas:
 - Mobile beauty/hairdressing
 - Private Hire/chauffeurs/Taxi Drivers
 - Photographers
 - Language Teachers

- 2.6. Within the current policy, those working from home who are not eligible for SEISS or Coronavirus Job Retention Scheme (CJRS) and have high fixed business costs such as rent, lease, hire purchase costs or franchise payments other costs that would be saved by not trading, are eligible to apply.
- 2.7. The businesses referred to in 2.5 above are classified as 'working from home' as they do not have any business premise and under the current scheme are therefore not eligible for ARG funding. However, it is now realised that this group has been unfairly disadvantaged as fixed costs does not have to be related solely to premises and can relate to other fixed costs the business may be still liable for as detailed within 2.5 above. Although the amendments approved on 13 January 2021 did include taxi drivers, this did not stipulate whether taxi drivers would be eligible if the applicant was in receipt of or eligible for SEISS.
- 2.8. Although the ARG is a discretionary scheme and can be used to support those in self-employment, the BEISS guidance is very clear in that it 'must not be used as a wage supplement but as a support to the business that the self-employed person runs'. The BEIS guidance does not stipulate that a person in receipt of or eligible for SEISS is not able to receive grant funding. It is therefore recommended that those self-employed persons who can demonstrate that they have fixed costs, whether related to a property, vehicle or other assets are considered under the ARG.
- 2.9. The SEISS is restricted in that it only pays a self-employed person 80% of their average monthly trading profit. It does not take into account or support any ongoing liabilities a small business may have.
- 2.10. Further support to local businesses is possible through partnership working with agencies such as Gloucestershire County Council or GFirst LEP. It is proposed that the ARG Policy is updated to allow funding to be made available for partnership working to support economic recovery from Covid-19. To enable timely decision-making, it is recommended that delegated authority is granted to the Deputy Chief Executive to approve funding allocations in consultation with the Cabinet Member for the Economy and Skills and the Deputy Leader and Cabinet Member for Finance.
- 2.11. The final change proposed to the ARG Policy is to include the ability to fund grant payments made to businesses under other Government Covid-19 Business Grants Schemes, where the value of grants awarded exceeds the funding provided by Government. The Department of Business, Energy and Industrial Strategy (BEIS) has confirmed that the ARG grant may be used for this purpose.

3. FINANCIAL IMPLICATIONS

- 3.1. BEIS have allocated funding to local billing authorities to cover the ARG scheme. The allocation for Cotswold District Council is £2,595,489. However this funding is to support businesses in dealing with restrictions during 2020/21 and 2021/22, "or to provide additional support to larger local businesses which are important to the local economy" on top of the funding provided to those businesses via the Local Restrictions Support Grant scheme.
- 3.2. As of 26 February 2021, the Council has spent £1,445,533 of its allocation (approx. 55.7%) supporting businesses to 31 March 2021; leaving £1,149,956 remaining to support businesses.
- 3.3. If ARG payments were awarded to the small businesses described in 2.5 (above) this would cost £118,140 for those 20 businesses whose applications were declined.

GFirst LEP has approached the Council with a proposal for providing support with access to digital media, which fits well with the Council's Green Economic Growth Strategy. Funding of £60,000 is sought for this.

- 3.4. The final reconciliation of business grants paid out during the first Lockdown in March 2020, resulted in grants of £95,000 paid to businesses, which BEIS is refusing to fund as they were paid after the deadline for grant payments. Grants allocated under the LRSO (Open) scheme, which is also a discretionary grant and will not be topped up by the Government, exceed the funding from BEIS by around £500,000 and will need to be funded from the ARG allocation.
- 3.5. Some applications for ARG support are still being assessed and the balance of the ARG allocation of £376,816 is expected to be fully utilised. The Council therefore closed its discretionary grant schemes, ARG and LRSO (Open), to new applications on 27 February 2021. Any surplus funding has to last until 31 March 2022. Should the Government impose any further local or national restrictions the remaining funds can be used to support local businesses.

4. LEGAL IMPLICATIONS

- 4.1. There are no specific legal implications associated with these recommendations.

5. RISK ASSESSMENT

- 5.1. There continues to be a risk of fraud within the scheme. However, Internal Audit and the Counter Fraud Unit officers have been involved in the process design and will be using Government software to assist in fraud detection. Where fraud is detected, the Council will take action to recover the funds.
- 5.2. There is a risk that the value of grants awarded under the LRDG (Open) and the ARG scheme will exceed the value of the grant awarded by BEIS. Closing the schemes to new applications should mitigate this risk.

6. EQUALITIES IMPACT

- 6.1. None

7. CLIMATE CHANGE IMPLICATIONS

- 7.1. None

8. ALTERNATIVE OPTIONS

- 8.1. There is discretion within the scheme, so Members could decide to assist businesses or the business economy in ways not already referred to within the Policy.

(END)



Additional Restrictions Grant Policy

1. Introduction

- 1.1 On 3 October 2020, the Government announced the introduction of additional support for local authorities under the National and Local Covid Alert Level 3 Restrictions.
- 1.2 This support will take the form of a funding scheme in the financial year 2020/2021 and can be used across the following financial year 2021/2022. The scheme is called the Additional Restrictions Grant (ARG) and is to be administered by business rate billing authorities in England.
- 1.3 Businesses that are required to close, but do not pay business rates may be eligible for funding at the discretion of the local authority and may also include businesses not required to close but which are severely impacted.
- 1.4 This Policy is specifically intended to address those businesses which have been forced to close under the national lockdown or are severely impacted for the four week period of 5 November to 2 December 2020; or should the national lockdown period be extended, for any additional period following that. It will also address any future periods of national lockdowns, or Tier 3(or higher) restrictions, if imposed on the local district.

2. Eligibility

- 2.1 The grant funding is for those businesses that were trading on 4 November 2020 or the day before a new set of local or national restrictions came into force. Businesses must have high fixed property costs and/or have been severely impacted. In addition the council will prioritise the following types of businesses:
 - Regular market traders with fixed building costs, such as rent and who do not have their own business rate assessment
 - Bed and Breakfast establishments which pay council tax instead of business rates

- Charity properties who do not have their own business rate assessment
- Taxi drivers
- Tenant Publicans (where the public house owner pays business rates and is therefore eligible for a business grant – but the tenant landlord is responsible for other business related costs).
- Businesses that supply goods or services to the retail, hospitality, leisure and events sector who do not have their own business rate assessment, or where permitted to continue to trade the business has been severely impacted by the closure of the retail, hospitality, leisure and event sectors. (These will include those businesses with or without a business rate assessment).
- Travel companies or those transport providers who have been severely impacted by restrictions
- Small businesses in shared office or other flexible workspaces who do not have their own business rate assessment and have been severely impacted
- Those working from home who are not eligible for the self-employed income support scheme (SEISS), or coronavirus job retention scheme (CJRS) and have high fixed business costs such as rent, lease, hire purchase costs or franchise payments or other costs that would not be saved by not trading.
- Mobile self-employed persons, in receipt of SEISS, such as hairdressers and taxi drivers, who have been severely financially impacted by restrictions who have identifiable fixed costs whether related to property, vehicle or business.

3. Exclusions

3.1 The following businesses are those not considered eligible for the ARG payments:

- Businesses that are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely; such as accountants and solicitors
- Businesses that have chosen to close, but not required to
- Businesses which has 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

- Businesses that are in administration, are insolvent or where a striking off notice has been made
- Businesses that were not trading on 4 November 2020
- Businesses which are able to continue to trade on-line
- Businesses not severely impacted by recent national lock-down, or Tier 3 (or higher) restrictions
- Businesses that are eligible for a mandatory Local Restrictions Support Grant (LRSB)
- Directors who receive dividends

4. Application Process

- 4.1 Applications, along with supporting documentation will be accepted electronically through the council website.
- 4.2 For each period of national lockdown or tier 3 (or higher) restrictions an 'application window' will be given in which the council will accept applications. Application windows will be communicated through various media platforms to ensure maximum take-up for those eligible businesses to apply.

5. Grant Allocations

- 5.1 Where there is evidence of a financial impact the ARG payment will be in-line with the grant payments made under the LRSB as follows:
- a) Businesses whose annual property costs (e.g. rent, mortgage, council tax) is exactly £15,000 or below will receive £1,334 per 28-day qualifying restriction period
 - b) Businesses whose annual property costs (e.g. rent, mortgage, council tax) is between £15,001 to £50,999 will receive a payment of £2,000 per 28-day qualifying restriction period
 - c) Businesses who annual property costs (e.g. rent, mortgage, council tax) is exactly £51,000 or above will receive a payment of £3,000 per 28-day qualifying restriction period
- 5.2 Successful grant payments will be made electronically to the businesses bank account provided at the time of application.
- 5.3 In addition the Council will ring-fence an amount of funding to support partnership

working with agencies such as Gloucestershire County Council or GFirst LEP to support the economic recovery from Covid-19; as well as funding those grant payments made to businesses under the Government Covid-19 Business Grants Schemes, where the value of grants awarded exceeds the funding provided.

6. State Aid

6.1 The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments. Where it is anticipated that the trading entity may exceed the De Minimis threshold, a state aid declaration will be required prior to the issue of any payment.

6.2 Payments made can be provided under the existing De Minimis rules, to any one organisation over a three fiscal year period, providing doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities, providing that it does not exceed the €800,000 threshold.

7. Appeals

7.1 The Council will not be required to provide a right of appeal against any decision not to award an ARG. Businesses will not be eligible if they do not meet the criteria.

8. Fraud

8.1 The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain an ARG may face prosecution. The Local Authority will seek recovery of any grant paid as a result of fraud or payments made in error.