

Additional Restrictions Grant – Revised Allocation

Cabinet Member – Cllr Iain Eadie

Date: November 2021

Agenda Item:

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Key Decision? Yes

Local Ward All

Members

**CABINET
MEMBER
DECISION**

1. Executive Summary

- 1.1 This report provides information on the Additional Restrictions Grant Scheme being delivered across Lichfield District. It provides a summary of the monies allocated so far and the proposed revised allocation of funding to a new initiative under the scheme.

2. Recommendations

- 2.1 That the Cabinet Member for Economic Development approves the recommended revised allocation detailed in the report contributing to the new initiative.
- 2.2 That the Cabinet Member for Economic Development approves the High Street Business Growth Grant policy.

3. Background

- 3.1 Following on from a national lockdown having been announced, commencing on Thursday 5th November for a four week period and a three tier system having been established within England on local Covid alert levels, the government has provided additional financial support (Local Restrictions Support Grant and the Additional Restrictions Grant) for local authorities to distribute to eligible businesses. In terms of the Additional Restrictions Grant (ARG), local authorities have been provided with a one-off lump sum payment amounting to £20 per head of population, with Lichfield District's allocation being £2,095,120.
- 3.2 The ARG is a scheme allowing local authorities the discretion to how the monies are used to support local businesses and the local economy.
- 3.3 The Lichfield District Additional Restrictions Grant Scheme was approved by Lichfield District Council's Cabinet on the 1st December 2020 and commenced implementation shortly afterwards. The Authority's allocated amount from Government was divided into three strands: Direct grant funding to qualifying businesses, skills and training support & support for start-up businesses.
- 3.4 On 4 January 2021, the Chancellor announced a £594 million discretionary fund top up. Lichfield District Council's proportion is £930,553, creating a total funding pot for the Additional Restrictions Grant of £3,025,673.

- 3.5 In March 2021, the Chancellor announced a further top up allocation for the Additional Restrictions Grant Scheme (ARG). Nationally the allocation is £425 million, with Lichfield District receiving £834,841, creating a total funding pot for the Additional Restrictions Grant of £3,860,514.

Allocation so far

The Council has distributed the funding through direct funding and also combined with other partners to offer funding through various schemes.

Direct grant funding element, first two iterations

- 3.6 Initially the Council provided a one off grant of £7,500 to 269 successful micro and small businesses that were:
- involved in the direct supply chain for businesses/sectors which had had to close due to local or national restrictions, and able to show trade with closed businesses was a significant proportion of their income.
 - trading from a commercial premises which was a local franchise and the parent company had previously received a coronavirus grant.
 - involved in the events, arts or entertainment sectors.
 - involved in the rural/agriculture sector.
 - home based and with evidence to show the activity was the only source of employment and business income.

A separate one-off £30,000 grant was provided to 13 hospitality and leisure businesses with a rateable value of more than £51,001 and a one-off £1,000 grant to 8 members' clubs that did not qualify for a Christmas wet-led grant.

A further allocation of monies to LDC provided for an additional £393,173 top up to be made to 99 previous successful applicants for the £7,500 grant scheme within the leisure, events sector and their supply chain.

Skills and Training Element

- 3.7 The District Council has committed £227,000 towards Staffordshire County Council's Staffordshire Means Back to Business Support Scheme. A £5 million package of support available to Staffordshire businesses through a pooled resource and additional money to support new businesses, young people into employment and the costs of upskilling and training new employees.

The District Council's specific commitment was £125,000 to the apprentice incentive scheme, £82,000 for the training and upskilling grant & £20,000 towards the 'to thrive' grant. Further details on the schemes criteria are in **appendix 1**.

As of 31st October 2021, 31 apprenticeships have been created from the apprentice incentive scheme, 30 places have been supported by the nil cost training scheme and 4 applications approved for the 'to thrive' scheme.

Start Up Grant Scheme element

- 3.8 In March 2021, the Lichfield District Start Up Grant Scheme launched, offering a one-off £3,000 grant for residents who have been made redundant or currently economically inactive and seeking to start up a business within the financial year 21/22. The service has received 54 enquiries so far.

- 3.9 A £10,000 contribution was provided to the GBSLEP-led Enterprise for Success programme to support the operation of this scheme during the financial year 21/22, with 7 successful applicants supported over the first two bidding rounds. Round 3 closes end November with round 4 at the end of January 2022.

Additional Restrictions Grant: Leisure, events sector and their supply chain (inclusive of hospitality)

- 3.10 A one off £11,471.44 grant for SME's in the leisure, events sector (inclusive of hospitality) and their supply chain who are:
- A Lichfield District micro or small business within the leisure, events sector (inclusive of hospitality) and their direct supply chain.
 - Haven't received support from the Local Restrictions Support Grant, previous Additional Restrictions Grant rounds and the Restart Scheme.
 - Seen a reduction in their net profits of at least 25% (based on evidence from their accounts for 18/19, 19/20, 20/21).

The Council has processed 23 successful applications to date.

GBSLEP Job Incentive Grant Programme

- 3.11 In partnership with the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) the Council is offering a non-match funded £3,500 grant for each new job created by Lichfield District businesses (SMEs) delivering work to individuals who are between the ages of 18 to 25 or over the age of 50.

With a new full time job role being classed as:

- Created by moving an individual from a role under the government's Kickstart scheme to an apprenticeship (at any level) or otherwise to full employment, or
- Moving an existing apprenticeship role to level 3 or above, or
- Creating a new full-time role.

Each eligible SME is limited to a maximum of five grant payments. The programme has recently launched with promotion and marketing occurring.

Specific HGV Training

- 3.12 Officers have been asked by the Cabinet Member to consider a scheme which would support HGV driver training due to the national and local shortages of qualified and available personnel. A provisional figure of £50,000 has been identified as a potential contribution and discussions are taking place with training providers as to how a scheme could work.

A proposed scheme shall be provided to the Cabinet Member to consider shortly.

Proposed revised allocation to new initiative

- 3.13 **Appendix 2** outlines the remaining allocation for individual programmes under the Additional Restrictions Grant Scheme. The direct grant funding: leisure, event sector and their supply chain & start-up schemes haven't been performing as expected, with £181,192.88 and £80,770 remaining in their allocation respectively (excluding round 3 or 4 submissions for the start-up scheme).

It is suggested that a new initiative focussing upon supporting high street businesses growth is established to assist with the defrayal of the above scheme's monies.

3.14 The High Streets Business Growth Grant shall support businesses growth plans who occupy a ground floor, commercial unit in one of Lichfield District's settlements. The growth grant shall provide up to £20,000 per applicant towards successful applicants project plans with the applicant providing at least 25% funding towards total project costs.

Eligible project items are as follows:

- Capital items such as fixtures & fittings; signage; frontage etc.
- New technology

The full initiatives policy can be found in **appendix 3**.

3.15 If the initiative is approved, these revisions can be undertaken promptly with an online form going live alongside a webpage and the adopted policy with marketing and promotion taking place.

Alternative Options	1. The Cabinet Member could decide not to allocate the monies to the proposed initiative. The allocation shall then be revised.
Consultation	1. Consultation on the allocation has been through feedback on applications and enquiries received.
Financial Implications	<ol style="list-style-type: none"> 1. A further amount of £834,841 was been provided to the Additional Restrictions Grant, creating the total funding allocation to the local authority being £3,860,514. 2. The new initiative could be inundated with applications, outweighing the remaining monies to be defrayed. This shall be monitored.
Contribution to the Delivery of the Strategic Plan	1. The amendments underpins our priority of developing prosperity encouraging economic growth and being a good council that is responsive and customer focussed.
Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> 1. An Equality Impact Assessment has been carried out. 2. A set criteria of eligible business types and activities has been outlined but this has been assessed against businesses which have benefited within previous coronavirus financial support, the local business population and sector base & business types which will be restricted the longest in the Government's Roadmap out of Lockdown.
Environmental Impact	1. The scheme if agreed will assist local business, local residents and the local economy. It is not possible to say with certainty what the environmental impacts would be but the expectation is that maintaining and growing the local economy will help deliver a number of environmental benefits including potentially an increase in businesses and residents engaged in the green economy.
Crime & Safety Issues	1. The grant payments and allocations of monies will be subject to various checks to ensure against fraud or other criminal activities.
GDPR/Privacy Impact	1. The need for a Privacy Impact Assessment has been checked and is not

Assessment	required in this case.
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Businesses who may be eligible may not apply.	Publicity shall be undertaken outlining who eligible applicants are and information shared with strategic partners.	Likelihood - Green Impact - Yellow
B	The funding may be exhausted and businesses may not have applied in time or submitted completed applications.	Enquiries received after the funding has been fully allocated will be directed to suitable external support if available.	Likelihood - Yellow Impact - Yellow
C	There may be an undersubscription of businesses applying.	To review the scheme making sure that amendments made from the initial scheme meet the guidance set out on the grant distribution and make a meaningful contribution to the local business community and economy.	Likelihood - Yellow Impact - Yellow

Background documents

Department for Business, Energy & Industrial Strategy, Additional Restrictions Grant Guidance (published 8 March 2021) - <https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant>

Useful links

Additional Restrictions Grant, direct grant funding (£7,500) - <https://www.lichfielddc.gov.uk/news/article/388/additional-restrictions-grants>

Start Up Grant Scheme - <https://www.lichfielddc.gov.uk/business-advice/lichfield-district-start-grant-scheme/1>

GBSLEP Job Incentive Grant Programme - <https://www.lichfielddc.gov.uk/coronavirus-2/support-businesses-coronavirus-covid-19/14>

Lichfield District Additional Restrictions Grant, direct grant funding: leisure, events sector and their supply chain: <https://www.lichfielddc.gov.uk/coronavirus-2/support-businesses-coronavirus-covid-19/7>

Apprentice Incentive Scheme - <https://www.staffordshire.gov.uk/Business/Coronavirus-COVID-19-support-for-businesses/Staffordshire-Apprenticeship-500-Grant-Scheme/Funding-Nows-your-time-to-get-a-grant-to-recruit-an-apprentice-for-less.aspx>

Nil Cost Training Scheme - <https://www.staffordshire.gov.uk/Business/Coronavirus-COVID-19-support-for-businesses/Funding-Nows-Your-Time-to-Grow-and-Thrive.aspx>

'To Thrive' Scheme - <https://www.staffordshire.gov.uk/Business/Coronavirus-COVID-19-support-for-businesses/To-Thrive-Business-Grant-Scheme/Funding-%E2%80%93-Now's-your-time-to-get-a-grant-to-thrive.aspx>

Appendices

Appendix 1 – Staffordshire County Council's Staffordshire Means Back to Business Support Scheme Criteria

Apprentice Incentive Scheme

The Apprentice Incentive Scheme provides a £5,000 grant to support businesses with creating an apprenticeship opportunity. The grant can be used to cover any costs associated with recruiting and retaining an apprentice, alongside the current available government grant schemes.

Nil Cost Training Grant Scheme

The Nil Cost Training Grant Scheme provides a grant of up to £5,000 per person per subject to support their upskilling or reskilling in their current or new employment.

'To Thrive' Scheme

The 'To Thrive' Scheme provides grant from £2,000 to £5,000 for small businesses to seek professional help or purchase small pieces of equipment or technology that will support growing businesses to make a significant change in their development.

Appendix 2 – Additional Restrictions Grant: Allocation per Initiative, Spend and Remaining Allocation

	Allocated	Spent	Remaining
Direct Grant Funding, first two iterations	£2,842,041	£2,842,041	£0
SCC Scheme: Apprenticeship	£125,000	£125,000	£0
SCC Scheme: Top Up Training	£52,000	£52,000	£0
Start Up Grant Scheme	£111,770	£31,000	£80,770
Direct Grant Funding: Leisure, Events Sector	£445,036	£263,843.12	£181,192.88
New Schemes:			
SCC Scheme: Top Up Training, top up	£30,000	£11,896	£18,104
SCC Scheme: To Thrive Scheme	£20,000	£16,435	£3,565
HGV Driver Training Scheme	£50,000	£0	£50,000
GBSLEP Job Incentive Scheme	£184,667	£0	£184,667
	£3,860,514	£3,342,215	£518,299

**Additional Restrictions Grant
High Street Business Growth Grant
November 2021**

Approved by:	
Approval date:	
Author/owner:	Jonathan Percival
Review frequency:	
Next review date:	not applicable
Location:	

1. Introduction

- 1.1 On 12 October, the Prime Minister announced a new three tiered system (medium, high or very high) on local Covid alert levels. The level which a region is labelled depends on the rate of local outbreaks of Covid cases within that area, creating a tightening of rules on social gatherings and measures which impact on businesses, inclusive of specific business closures. As part of this new regional, tiered system, additional business support was announced and is being administered by local authorities in the form of new strands (as England moved into a national lockdown) to an existing grant scheme (Local Restrictions Support Grant) and a new discretionary grant scheme (Additional Restrictions Grant).
- 1.2 The Additional Restrictions Grant is a one-off lump sum payment for local authorities amounting to £20 per head when tier 3 or widespread national restrictions are imposed. Lichfield District Council's allocation for the Additional Restrictions Grant to distribute is £2,095,120 (calculated using the ONS midyear population estimates published March 2020).
- 1.3 On 4 January 2021, the Chancellor announced a £594 million discretionary fund has been made available for Local Authorities which is a further 'top up' amount for each local authorities Additional Restrictions Grant allocation. Lichfield District Council's proportion is £930,553, creating the total funding pot for the Additional Restrictions Grant to be £3,025,673.
- 1.4 On 15 April 2021, the Chancellor announced an overall national additional £425 million 'top up' available for each local authorities Additional Restrictions Grant allocation. Lichfield District Council's proportion is £834,841, creating the accumulative, local funding pot for the Additional Restrictions Grant to be £3,860,514. To access the 'top up' allocation, conditions must be met to defray or make a valid attempt to defray 100% of the existing two allocations received by local authorities and provide evidence of spend and validated attempts to spend the allocation.

The evidence required was:

- A screenshot from the Local Authorities' finance system showing 100% of the current cumulative ARG allocation having been spent.
- A letter signed by the Finance Director confirming conditions have been met to release the ARG top-up payment.

- 1.5 The District Council had a total of £393,173 remaining unspent from the existing allocations, which was allocated to the Skills & Training element and the Start Up Grant Scheme element.

In May 2021, a Cabinet Member decision was approved and adopted that the remaining unspent monies in the existing allocation was to be defrayed equally between previously success applicants of the direct grant funding element who are within the leisure, events sector and their supply chain.

99 previous successful applicants were identified as meeting this criteria for the remaining unspent allocation, which provided an additional £3,971.44 per applicant.

The 'top up' allocation of £834,841 has contributed towards the following live schemes:

- Direct Grant Funding: Leisure, event sector and their supply chain (inclusive of hospitality) - £445,036
- Job Incentive Grant Scheme - £184,667
- Training Grants - £30,000
- To Thrive Grants - £20,000
- HGV Driver Training Grant - £50,000
- Start Up Grant Scheme – £105,138

The direct grant funding: leisure, event sector and their supply chain & start up schemes haven't been performing as expected, with £181,192.88 and £80,770 remaining in their allocation respectively. The new High Street Business Growth Grant has been established to support high street businesses with their growth plans.

- 1.6 Local authorities are encouraged to develop discretionary grant schemes to help those businesses which, while not legally forced to close, are severely impacted by the restrictions put in place.
- 1.7 The Additional Restrictions Support grant guidance is at: <https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant>
- 1.8 This guidance sets out some mandatory criteria and suggested business types to target, for local authorities to follow.

2. Purpose of policy

- 2.1 This policy sets out the criteria to provide financial assistance to eligible businesses that fall within the scope of the policy, in accordance with the guidance issued by BEIS and through analysis of previous and current coronavirus business support & local key and at risk sectors.

3. Scope of policy

- 3.1 The funding is available to support local economies and businesses that have been adversely impacted by national and Local Covid Alert Level Very High, alongside the Local Restrictions Support Grant.
- 3.2 National guidance further states that:
 - A business is considered to be trading if it is engaged in business activity, interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover.
 - Local authorities should use the funds to support businesses (active businesses) affected by the pandemic.
 - Local authorities can use this scheme to support businesses outside of the business rating system.
 - Local authorities have the freedom to use funds from the Additional Restrictions Grant to provide top-up grants to businesses that are in receipt of grants under other schemes.
 - Companies must have been significantly financially impacted by local and national restrictions & the pandemic.
- 3.3 Local authorities are able to determine how much funding to provide to businesses from the scheme and exactly which businesses to target, using their local knowledge and existing information to assess which businesses they wish to support.
- 3.4 The following information provides the eligibility criteria for the High Street Business Growth Grant aimed at micro and small businesses who occupy ground floor, commercial units within Lichfield District's settlements seeking to grow their business.
 - a. The grant is aimed at micro and small businesses that have plans to grow and expand their business, providing up to £20,000 towards growth plans per eligible business who must contribute at least 25% towards the overall project costs.
 - b. Micro and small businesses are defined by the following definitions:

To be a micro business, under the Companies House Act 2006, a business must satisfy two or more of the following requirements:

- Turnover: Not more than £632,000
- Balance sheet total: Not more than £316,000
- Number of employees: a headcount of staff of not more than 10

To be a small business, under the Companies House Act 2006, a business must satisfy two or more of the following requirements:

- Turnover: Not more than £10.2 million
- Balance sheet total: Not more than £5.1 million
- Number of employees: a headcount of staff of not more than 50

3.7 The following criteria must also be satisfied to be eligible for a grant:

- Companies must not be in administration, insolvent or where a striking-off notice has been given
- Companies must be registered in Lichfield District
- Companies must occupy a ground floor, commercial unit in one of Lichfield District's settlements
- Companies must utilise the grant towards their growth plans with eligible project items as outlined below

3.8 In addition to the above, any other grant or reserves that a business has may be taken into account for the assessment of the grant award.

3.9 The council has the right to review the criteria without prior notice based on the scheme's performance. Businesses shall be made aware of any changes through publicity material.

4 How it relates to/underpins our strategic ambitions

4.1 The policy underpins our priority of developing prosperity encouraging economic growth and being a good council that is responsive and customer focussed.

5 Policy details

5.1 This scheme is designed to support businesses growth plans who occupy a ground floor, commercial unit in one of Lichfield District's settlements.

5.2 The government grant funding will be distributed based on eligible applications made prior to the closure of the scheme.

5.3 The growth grant shall provide up to £20,000 towards successful applicants project plans with the applicant providing at least 25% funding towards total project costs.

5.4 The applicant must outline their growth plans and eligible project costs with the funding going towards the businesses expansion and not support cash flow issues.

5.5 Businesses must provide a list of the project items requested to support these plans, alongside items quotes and how they shall support their growth.

5.6 The proof of contribution, of at least 25% must be provided through evidence of the latest monthly bank statement.

5.7 Eligible project items are as follows:

- Capital items such as fixtures & fittings; signage; frontage etc.
- New technology

5.8 Ineligible project items are as follows:

- Items which don't support the businesses growth plans
- Laptops, tablets or mobile phones
- Ongoing premises or business costs e.g. rents, business rates, insurance, utility bills
- Stock
- Salaries
- Towards rent, lease or mortgages
- Any other activities or costs that the council deem to be ineligible
- Any activities or costs that are seen to be counterproductive to the Council's ambitions, strategies and policies

- 5.9 Once you have received a confirmation letter via email, you must purchase all eligible items outlined on the confirmation letter and provide proof of purchase (e.g. receipts, invoices etc.) to the economic development service within two weeks of receiving the letter to release the grant amount. Without proof of purchase the grant won't be released.
- 5.10 If applicants do not provide the evidence as requested with their application and for claiming, they will not be eligible for payment.
- 5.11 You are unable to claim for items paid for retrospectively before receiving the confirmation letter.
- 5.12 The economic development team must be made aware of any amendments to items or quotes requested after approval, for them to be confirmed as satisfactory.
- 5.13 The grant must go towards the business directly and not be used as a wage supplement.
- 5.14 An application form is required from the director or other authorised signatory for the business and should include evidence as requested.
- 5.15 If your project involves work on a property, you will be expected to comply with and have approval for all legislation such as planning permission and building regulations, if required, beforehand and provide evidence.
- 5.16 The business must confirm that in accepting the grant payment they are in compliance with the state aid rules.
- 5.17 The application will be considered by delegated officers within the economic development team
- 5.18 Payments will be made by BACS into an account used by the business.
- 5.19 The grant will not need to be repaid. However the government will not accept deliberate manipulation and fraud and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
- 5.20 If changes were to be made following the Additional Restrictions Grant review by government, such would be reflected in an amendment to our scheme.
- 5.21 The funding pot is limited and the scheme shall operate on a first come, first serve basis for successful applicants that meet the eligibility criteria. The scheme shall close for applications if the amount of applications received outweighs the amount of funding available.
- 5.22 Grants are paid at the discretion of the Council with awards being determined within the Economic Development team as appropriate. No formal right of appeal exists, but an applicant who is dissatisfied with a grant determination may request that it be reviewed by a more senior officer within the department.