

Additional Restrictions Grant – Third Top Up Payment

Cabinet Member – Cllr Iain Eadie

Date: January 2022

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 allocation of the third top up payment

2. Recommendations

- 2.1 That the Cabinet Member for Economic Development approves the recommended allocation of the third top up payment.
- 2.2 That the Cabinet Member for Economic Development approves the Travel and Tourism Grant Scheme policy.
- 2.3 That the Cabinet Member for Economic Development approves the revised allocation of £50,000 from the Job Incentive Scheme to the High Street Business Growth Grant Scheme to meet the increased demand for this scheme.
- 2.4 That the Cabinet Member for Economic Development approves the broadening of the scheme if required to include non-ratepayers within the travel and tourism industry.

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 December 2021, 31 apprenticeships have been created from the apprentice incentive scheme, 30 places have been supported by the nil cost training scheme and 5 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 14 successful applicants supported over the first three bidding rounds. Round 4 closes 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 29 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.

6 applications have been approved so far, supporting 14 roles.

High Street Business Growth Grant

- 3.12 In December 2021, a High Street Business Growth Grant Scheme was established, providing a grant of up to £20,000 available to businesses that occupy a commercial unit on the ground floor of one of Lichfield District's high streets, with applicants having to provide at least 25% of the total project costs.

33 applications have been received so far.

- 3.13 There is a high demand of applications being received for the High Street Business Growth Grant, creating applications to outweigh the allocation available and the closing date of the scheme being 31st January 2022. Whilst the low uptake and defrayal of the Job Creation Incentive Scheme remains slow.

The Economic Development Service suggests that the Cabinet Member for Economic Development reallocates £50,000 from the Job Creation Incentive Scheme to the High Street Business Growth Grant.

This amendment shall create the Job Creation Incentive Scheme allocation to be £134,667 and the High Street Business Growth Grant allocation to be £257,134.

Third top up payment

3.14 Following the Omicron variant creating a challenging trading period for some sectors during December 2021, central government announced a new hospitality and leisure sector grants, aimed at businesses within a rateable premises in these sectors. Also a third top up payment to the Additional Restrictions Grant, with Lichfield District Council's third top up allocation being £202,643.81.

Lichfield District Council's overall total funding pot for the Additional Restrictions Grant, having received an original amount followed by three top up allocations, is £4,063,157.81.

3.15 The Economic Development Officer has liaised with the Cabinet Member for Economic Development analysing data and discussing sectors to target with the third Additional Restrictions Grant top up amount.

3.16 Following this exercise the Cabinet Member has recommended the third top up payment to be focused upon ratepayers within the travel and tourism sector, including group travel, travel agents, tour operators and coach operators, who are not eligible for the hospitality and leisure grants.

Each eligible business shall receive a £5,000 one off grant payment, having met the following criteria:

- Businesses must provide a balance sheet as at 31/12/21.
 - o If the amount within their account exceeds current liabilities by more than £10,000 they will not be eligible for a grant.
- Businesses must provide a bank statement for all accounts they have showing their bank balance at 31/12/21.
- Businesses must provide a profit and loss statement as at 31/12/21 and this must show the business is an ongoing financial concern for their current trading year.

3.17 The travel and tourism sector have been negatively impacted within the pandemic by the increasing cost of travel with mandatory testing and isolation periods, varying countries travel restrictions and low consumer confidence to travel creating a much smaller demand.

3.18 If there is a low amount of applications received for the above eligible business type, the scheme shall open up to non-ratepayers within the travel and tourism sector. A review shall take place mid-February. The broadening of the scheme further outside of these two business types (rate and non-rate payers of the travel and tourism industry) shall be consulted and decided with the Cabinet Member for Economic Development.

3.19 **Appendix 2** provides the policy for this new scheme targeting the travel and tourism sector.

Alternative Options	
	1. The Cabinet Member could decide not to allocate the monies to the proposed initiative. The allocation shall then be revised.

Consultation	<ol style="list-style-type: none"> 1. Consultation on the allocation has been through feedback on applications and enquiries received. 2. Data has been reviewed on sectors which have received previous Covid grants and also sectors which have been impacted the most by the Omicron Variant.
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Financial Implications	<ol style="list-style-type: none"> 1. A further amount of £202,643.81 was been provided to the Additional Restrictions Grant, creating the total funding allocation to the local authority being £4,063,157.81. 2. The new initiative could be inundated with applications, outweighing the remaining monies to be defrayed. This shall be monitored. 3. If an underspend occurs, the criteria shall be reviewed, in consultation with the Cabinet Member for Economic Development.
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Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. The amendments underpins our priority of developing prosperity encouraging economic growth and being a good council that is responsive and customer focussed.
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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.
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Environmental Impact	<ol style="list-style-type: none"> 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.
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Crime & Safety Issues	<ol style="list-style-type: none"> 1. The grant payments and allocations of monies will be subject to various checks to ensure against fraud or other criminal activities.
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GDPR/Privacy Impact Assessment	<ol style="list-style-type: none"> 1. The need for a Privacy Impact Assessment has been checked and is not 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	Likelihood - Yellow Impact - Yellow

make a meaningful contribution to the local business community and economy.

Background documents

Department for Business, Energy & Industrial Strategy, Additional Restrictions Grant Guidance (published 30 December 2021) - <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

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>

High Street Business Growth Grant - <https://www.lichfielddc.gov.uk/coronavirus-2/support-businesses-coronavirus-covid-19/15>

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.

**Additional Restrictions Grant
Travel and Tourism Grant
January 2022**

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 Following the Omicron variant creating a challenging trading period for some sectors during December 2021, central government announced a new hospitality and leisure sector grants, aimed at businesses within a rateable premises in these sectors. Also a third top up payment to the Additional Restrictions Grant, with Lichfield District Council's third top up allocation being £202,643.81.
- Lichfield District Council's overall total funding pot for the Additional Restrictions Grant, having received an original amount followed by three top up allocations, is £4,063,157.81.
- 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 Travel and Tourism Grant Scheme aimed at micro and small businesses who are ratepayers in the travel and tourism sector who won't receive the Omicron Hospitality and Leisure Grant.
- a. The grant is aimed at micro and small businesses that have been impacted by the Omicron variant who are ratepayers within the travel and tourism sector.
 - 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 be a ratepayer within the travel and tourism sector in Lichfield District
 - Companies must have been a ratepayer in November 2021.

- 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 within the travel and tourism sector based in Lichfield District who have been impacted by the Omicron Variant.

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

5.3 Each eligible business shall receive a £5,000 one off grant payment per eligible micro or small business and not per property.

5.4 The local authority will undertake proportionate pre-payment checks. In the first instance, an applicant must provide the following evidence and meet the criteria set out:

- Businesses must provide a balance sheet as at 31/12/21.
 - o If the amount within their account exceeds current liabilities by more than £10,000 they will not be eligible for a grant.
- Businesses must provide a bank statement for all accounts they have showing their bank balance at 31/12/21.
- Businesses must provide a profit and loss statement as at 31/12/21 and this must show the business is an ongoing financial concern for their current trading year.

5.5 The applicant must outline how they've been impacted by the Omicron Variant.

5.6 The applicant must not have benefited from the Omicron Hospitality and Leisure Grant.

5.7 An applicant must have been a ratepayer in November 2021.

5.8 Taxi and private hire drivers aren't included within this eligible criteria.

5.9 The grant must go towards the business directly and not be used as a wage supplement.

5.10 An application form is required from the director or other authorised signatory for the business and should include evidence as requested.

5.11 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.

5.12 The business must confirm that in accepting the grant payment they are in compliance with the state aid rules.

5.13 The application will be considered by delegated officers within the economic development team

5.14 Payments will be made by BACS into an account used by the business.

5.15 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.

5.16 If changes were to be made following the Additional Restrictions Grant review by government, such would be reflected in an amendment to our scheme.

5.17 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.

5.18 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 application who is dissatisfied with a grant determination may request that it be reviewed by a more senior officer within the department.