

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

06 January 2021

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 BUSINESS GRANTS SCHEMES

A report detailing the latest Government schemes to assist businesses and charities affected by the COVID-19 lockdown and ‘tiered’ measures.

1.1 Background

1.1.1 I reported to the Advisory Board in July with details of the business grant schemes that were in place for businesses during the first national lockdown.

1.1.2 Since then we entered a second lockdown in England from 5 November to 2 December, and Kent emerged from that in the highest Tier 3 category in respect of ongoing restrictions.

1.1.3 This report sets out the grant schemes that applied during the lockdown, and others that apply in Tier 3.

1.1.4 Funding is being provided by government for the cost of the grants.

1.2 Local Restriction Support Grants (LRSG)

1.2.1 Members may not be aware of the plethora of new schemes that have been announced recently, so I thought it would be useful to list the ones that are currently available for businesses that are affected by the lockdown restrictions.

- 1) **LRSG (Closed Addendum) scheme** – this is for the period of national restrictions from 5 November to 2 December. Applications are currently being processed with payments being made weekly. Approximately half of the expected applications have come through so a mailshot has been issued advising businesses they may be eligible
- 2) **LRSG (Closed) scheme** – this is applicable from 00:01 on 2 December 2020, when the Borough was placed in Tier 3. This grant scheme will offer support to businesses required to close by Government in 14 day tranches (in line with the Tiers being reviewed).

The amount of grant is dependent on the rateable value of the property:

- rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions will receive a payment of £667 per 14-day qualifying restriction period.
- rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions will receive a payment of £1,000 per 14-day qualifying restriction period.
- rateable value of exactly £51,000 or above on the commencement date of the local restrictions, will receive £1,500 per 14-day qualifying restriction period.

The list of businesses is shown on <https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know>

We are still awaiting funding after which we will be contacting those that are affected

- 3) **LRSB (Open) scheme** – this is for businesses that are not legally required to close but are severely impacted by Tier 2 or Tier 3 lockdown restrictions. We are awaiting further guidance and funding from Government as the scheme will be changing to 14 day payment periods shortly.
- 4) **LRSB (Sector) scheme** – this is for businesses that have remained closed since 23 March i.e. nightclubs. We haven't received any funding so far, so I do not believe we have any businesses that are eligible for this funding.
- 5) **Christmas Support Payment for wet-led pub scheme** –this is a one-off payment of £1,000 during December for pubs that have closed due to being in Tier 2 or Tier 3. A 'wet-led pub' is one that derives less than 50% of their income from food sales. No funding as yet from Government, and businesses will have to apply, so another application form will need to be created to make the process as simple as possible.

1.2.2 It should be noted that in addition to implementing these grants, MHCLG and BEIS are sending numerous statistical returns and post payment assurance reports, which is placing officers under considerable pressure as they also have to do their 'normal' day job!

1.2.3 I am pleased to advise though that since the start of the second lockdown, over £600,000 has already been paid to nearly 400 businesses under the LRSB (Closed Addendum) scheme.

1.2.4 Feedback from businesses shows how important this funding is for them, and we will endeavour to keep distributing the grants in a timely fashion as soon as funding is received.

1.3 Additional Restrictions Grant

1.3.1 The Additional Restrictions Grant (Discretionary) scheme was established to support those businesses in the borough that were ineligible for the Local

Restrictions Support Grant (LRSG) – either because they did not have a Business Rates liability or were not required to close as a result of the national restrictions - and yet could demonstrate that their business had been adversely affected.

1.3.2 In order to align with the LRSG Scheme, grants awarded by the Council were capped at £3,000 per 28 day restriction period. Where a business had a rateable value, the same thresholds were applied as the LRSG. However, for those without a rateable value, the following indicative breakdown was used to highlight the likely level of grant offer:

- £3,000 per 28 day qualifying restriction period for larger local businesses
- £2,000 per 28 day qualifying restriction period for small businesses
- £1,334 per 28 day qualifying restriction period for micro-businesses; and
- £750 per 28 day qualifying restriction period for home-based businesses and regular market traders.

1.3.3 The scheme was opened for applications on 17 November 2020, and was promoted through the council's website and social media, business e-newsletter as well as via direct emailing to over 1,000 businesses in the borough.

1.3.4 As of 10 December 2020, 270 businesses had applied to the scheme, with 228 having been awarded funding support totalling just under £350,000.

1.3.5 Having been open for applications for nearly a month, the Additional Restrictions Grant Scheme closed on 16 December 2020.

1.3.6 There will be further discretionary grant schemes, along with wider business support, over the course of the period up to March 2022 as the Borough Council looks to use the remaining funding from Government to support businesses in the borough.

1.4 Legal Implications

1.4.1 Nil.

1.5 Financial and Value for Money Considerations

1.5.1 Central government will fully reimburse Local Authorities, in line with guidance and the grant offer letter, for the cost of the grant (using a grant under section 31 of the Local Government Act 2003).

1.5.2 Members are advised that funding of £1,413,378 was allocated to TMBC in respect of The Local Restrictions Support Grant Scheme (Closed) to cover the lockdown period.

1.5.3 A larger pot of funding (£2,643,060) has been allocated to TMBC to support the award of grants under the Additional Restrictions Grant scheme. Member should note this has a longer timespan – i.e. potentially until March 2022.

1.5.4 Other funding allocations are awaited.

1.6 Risk Assessment

1.6.1 The Government will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

Background papers:

Nil

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