

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

21 July 2021

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 BUSINESS GRANTS SCHEMES

A report detailing the Government schemes that have assisted businesses and charities affected by the COVID-19 lockdown.

1.1 Background

1.1.1 I reported to the Advisory Board in January with details of the multitude of business grant schemes that had been in place for businesses during the period of local restrictions from November 2020.

1.1.2 Since then, the Local Restriction Support Grant (LRSG) scheme was initially extended for the period from 5 January 2021 to 15 February 2021 and then for the period from 16 February 2021 to 31 March 2021.

1.1.3 A one-off top up grant called the 'Closed Businesses Lockdown Payment' was also introduced to provide more funding for all businesses mandated to close during national restrictions. This was paid alongside the LRSG award for the period 16 February 2021 to 31 March 2021.

1.1.4 This report further sets out the grant schemes introduced since local restrictions ended and gives an overview of the total amount of funding awarded by the Council.

1.2 Restart Grant Scheme

1.2.1 On 3 March 2021, Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England from 1 April 2021 to help them reopen safely.

1.2.2 This 'Restart Grant' scheme offered one-off grants of up to £6,000 to non-essential retail business premises and up to £18,000 to hospitality, accommodation, leisure, personal care and gym business premises.

1.2.3 Applications for these grants closed on 30 June 2021, with any outstanding claims needing to be processed by 31 July 2021. It is anticipated that all eligible claims will have been paid by the meeting of this Board.

1.3 Additional Restrictions Grant (ARG)

1.3.1 Since November 2020, the Borough Council has received £3,816,982 of discretionary funding to support our local businesses, chiefly through the use of grants. The funding rounds that have been delivered by the Borough Council through the ARG have been designed to work alongside and complement the Local Restrictions Support Grant and Restart Grant schemes, in order to create a fair level of support to businesses in the Borough.

1.3.2 Whilst the original deadline for spending this ARG funding was March 2022, in February 2021, Central Government announced that it would need to be spent by the end of June 2021 (subsequently extended to the end of July 2021). Any Local Authority that did not do so would not receive any further ARG funding (top-up funding). Meeting this new deadline at short notice obviously had quite a substantial impact on workloads during the first half of 2021.

1.3.3 Overall, the Borough Council launched a number of funding rounds in order to distribute this funding to local businesses most in need of funding support, as expediently as possible. The following list sets out the funding rounds and the amount of funding allocated:

- 17 November – 16 December 2020: £461,182 of funding distributed
- 05 January – 21 January 2021: £269,773 of funding distributed
- 02 February – 05 March 2021: £2,243,382 of funding distributed
- 21 April – 10 May 2021: £872,518 of funding distributed
- Total - £3,846,855 of funding distributed.

1.3.4 Each round had slightly different eligibility criteria in response to Government guidance and the need to align sensibly with other available funding streams. The most recent round in April-May 2021 was badged as Round 1 of the ARG (Discretionary) Restart Grant Fund in order to complement the mandatory Restart Grants Scheme as set out in section 1.2.

1.3.5 In total, over 1,300 individual grant payments were made to our businesses over the course of November 2020 – May 2021.

1.3.6 Our ARG funding had all been allocated by May 2021, with final payments being made in early June 2021. Having successfully spent the ARG allocation, the Borough Council has now applied for a top-up, and will receive an additional £1.054m in July 2021 to deliver further discretionary grant support in the period up

to March 2022. The slight overspend on the initial ARG allocation will be met by this top-up funding, with the remaining funding being predominantly used in two main ways:

- A Round 2 of the ARG (Discretionary) Restart Grants during July-August 2021.
- A top-up supplement to businesses that have successfully applied for Restart Grant Funding, but are in sectors that are still struggling due to Covid-19 restrictions. A policy for this top-up is currently being developed but, subject to member approval, is likely to prioritise businesses in the leisure, events and travel and tourism sectors, and businesses that supply these businesses. This top-up would be administered after Round 2 of the ARG (Discretionary) Restart Grants scheme has been completed.

1.4 Funding

1.4.1 In addition to the discretionary funding mentioned above, the total amount of **mandatory** grant funding awarded since March 2020 to date totals £31,788,888.

1.4.2 This is broken down as follows:

- Lockdown 1 £19,195,000
- Lockdown 2 £1,910,335
- Lockdown 3 £6,186,865
- Restart £4,496,688

1.4.3 Implementing these grants has placed a huge burden on the officers involved, and work will continue for the remainder of this financial year with additional ARG funding to be spent and MHCLG, HMRC and BEIS continuing to send numerous statistical returns and post payment assurance reports.

1.4.4 I am pleased to advise that, despite the considerable pressure that has been put upon us, we have come through successfully so far, with the 'normal' work still relatively up to date!

1.5 Legal Implications

1.5.1 Nil.

1.6 Financial and Value for Money Considerations

1.6.1 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).

1.7 Risk Assessment

- 1.7.1 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.

1.8 Policy Considerations

- 1.8.1 Community

Background papers:

Nil

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