

# Extension of January Discretionary Support Grants

19/04/2021

## Background

1. Since 2 February we have been administering discretionary grants for businesses affected by the national restrictions, which began on 5 January, and the few days North West Leicestershire was within Tier 4 restrictions just prior to this period. So far nearly 300 businesses have been awarded this grant, resulting in just under £2 million of support provided to businesses and more applications still being processed.
2. On 30 March Cabinet approved the next stage of our plan to distributing Additional Restrictions Grant funding to businesses. The report set out a proposed plan to distribute the £350,000 funding allocated to emergency grants, which are intended to be smaller grants administered to businesses quickly.
3. The Council intends to extend payments under the National Restrictions Discretionary Support Grant to continue to provide support to businesses that have already demonstrated that they were severely affected by the national restrictions that were imposed in January. Details of the changes made to reflect this extension are provided below.

## Changes made to the policy for approval

### **Change 1: Addition of a new payment to cover the period from 1 April to 11 April 2021**

4. Government's Covid-19 Restrictions Roadmap saw some restrictions on businesses lifted on 12 April 2021, including reopening of retail, leisure, and personal care businesses. This will see a large number of businesses that have received National Restrictions Discretionary Support Grants able to re-open from this date, but they would still have been severely affected by the restrictions from 1 April to 11 April 2021.
5. This payment will be the default payment for businesses and the value of payments will mirror that of the Local Restrictions Support Grant (Closed) payment schedule, in line with our previous approaches. That means the new payments for this period will be:
  - £524 for businesses with a rateable value, annual rent or annual mortgage costs of £15,000 or under.
  - £786 for businesses with a rateable value, annual rent or annual mortgage costs between £15,001 and £50,999.
  - £1,179 for businesses with a rateable value, annual rent or annual mortgage costs of £51,000 or over.
6. Based on applications received to date, we anticipate that this will result in around £115,000 of further funding being distributed to businesses in North West Leicestershire.

### **Change 2: Addition of a new payment to cover the period from 1 April to 16 May 2021 for businesses expected to remain affected by restrictions.**

7. Under Government's roadmap, some businesses will continue to be severely affected by restrictions that remain in place. We therefore propose providing larger payments to these businesses, in effect paying them for 46 days up to 16 May 2021, which is the final day prior to the next significant easing of restrictions. Industries that we expect to fall into this category include:
  - a. Hospitality industry, as indoor dining and drinking is not allowed until this date.
  - b. Holiday and travel businesses, as international travel and domestic overnight stays are expected to be allowed from this point.
  - c. Events-based businesses, as capacity limits continue to apply for large events.
  - d. Indoor entertainment and attractions.
  - e. Taxi firms, as a result of the above industries remaining closed. However, we will exclude taxi drivers from this higher payment to reflect the high level of support they have already received.
  
8. As with other proposals the business will receive support based on their rateable value, annual rent or annual mortgage costs of:
  - a. £2,192 for businesses with a rateable value, annual rent or annual mortgage costs of £15,000 or under.
  - b. £3,286 for businesses with a rateable value, annual rent or annual mortgage costs between £15,001 and £50,999.
  - c. £4,929 for businesses with a rateable value, annual rent or annual mortgage costs of £51,000 or over.
  
9. The Council will review information from business' existing applications to identify those eligible for this additional payment, with the default position being that businesses are eligible for the payment to 11 April unless the council believes it to be affected by the continuing restrictions.
  
10. This payment is expected to be a one-off, with no additional support past stage 3 of Government's roadmap. This is to ensure we retain funding for other planned support measures. The cost of providing this payment is expected to be £195,000.

**Change 3: Businesses eligible for the new Restart Grant will not be eligible for this payment as well.**

11. Government announced a new approach to business support in its budget of March 2021. This included the announcement of Restart Grants of up to £18,000 for businesses in certain sectors and replaces the Local Restrictions Support Grants.
  
12. As the Restart Grants have slightly different eligibility criteria, some businesses that have not been eligible for Local Restrictions Support Grants, and thus have received discretionary grants, will now become eligible for Restart Grants. Where this is the case, businesses will not be eligible for the additional extension payment and should apply for the Restart Grant instead.

#### **Change 4: Process for administering these payments**

13. We ran an application process for businesses that were severely affected by the January National Restrictions. The applications closed on 31 March, in line with Government guidance for the Local Restrictions Support Grant for that period.
14. For the February to March payment, we did not require a further application from businesses. Instead, we contacted businesses to state that they would receive this payment unless they opted out.
15. We intend to follow a similar process for the April and May payments, meaning we will not open an application process, instead relying on the data from those businesses that have already applied. We will contact all businesses that have received a grant for the January period to inform them of the additional payments and ask them to complete a short form. This is not an application process, but is required to gather new data requested by the Department for Business, Energy and Industrial Strategy and to allow businesses to confirm that they are still eligible for the grant. Payments will be made to businesses once we have received the completed form.