

Report to: Leader of the Council

Date: 23 December 2020

Title: Local Restrictions Support Grant 'Open' – 2 December onwards

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Councillor David Tutt, Leader of the Council

Ward(s): All

Purpose of report: To consider the attached Local Restrictions Support Grant 'Open' Policy for businesses that are not mandated to close but which are severely impacted by localised lockdown restrictions on socialising put in place to manage the coronavirus pandemic.

Decision type: Key decision

Officer recommendation(s): (1) The Leader of the Council approves the Policy as set out in Appendix 1

(2) Grant the Director of Service Delivery delegated authority, to implement, and if necessary, amend the policy (in consultation with the Leader), such delegated authority to include any measures necessary for or incidental to its management and administration

Reasons for recommendations: Cabinet approval is required for the LRSG 'Open' policy which will be used for the purposes of administering the scheme

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1 Introduction

- 1.1 On 22 October the Government announced a scheme whereby a grant payment may be made by the Council to businesses that are not legally required to close but which are severely impacted by local restrictions to manage the pandemic.
- 1.2 The scheme applies where localised restrictions either under LCAL2 (High) or LCAL3 (Very High) are put in place.

1.3 The Council is fully aware of the importance of these grants to assist businesses and the scheme will offer a lifeline to businesses who are struggling to survive during the COVID-19 crisis.

2 Proposed scheme

2.1 The Localised Restrictions Support Grant (Open) is aimed at hospitality, hotel, B&B and leisure businesses not mandated to close, but severely impacted by local restrictions.

2.2 Government, whilst wanting councils to exercise their local knowledge and discretion, has strongly suggested that the Council follow their criteria for the awards.

2.3 For the purposes of this scheme, hospitality and leisure means restaurants, cafes, bars, pubs, cinemas, live music venues, sports clubs, gyms, spa's, hotels, guest houses or self-catering accommodation.

2.4 Businesses eligible for the grant are those that are on the Rating list with the exception of B&B's who fall within the Council Tax valuation list.

2.5 Grants will be paid every 14 day period that the criteria are met as follows:

- a) Grants of up to £467 per 14 day period for qualifying businesses with a rateable value of £15,000 or under
- b) Grants of up to £700 per 14 day period for qualifying businesses with a rateable value of £15,000 and less than £51,000
- c) Grants of up to £1,050 per 14 day period for qualifying businesses with a rateable value of exactly £51,000 or above
- d) The Council has decided that B&B's will receive grants of up to £467 per 14 day qualifying period

2.6 Applications will be made online through the Council grant portal to enable efficient management and processing as well as reducing the risk of fraud by automatic liability checking and validation of the application against the business rates database, companies house, commercial credit bureau data and previous COVID business grants data already stored on the portal.

2.7 Payments will be made to businesses via BACS within 4 working days of receipt of a received application. Businesses will be required to apply for each cycle of 14 day payments to ensure continued entitlement. The process will be made as simple as possible for businesses.

3 Financial implications

3.1 The Department for Business, Energy and Industrial Strategy have confirmed the funding allocation is for 2020/21 and will be paid under Section 31 of the Local Government Finance Act 2003.

- 3.2 The Council has been allocated £338,589 to distribute for the period 02 December 2020 to 19 December 2020. Further funding allocations will be confirmed and paid by BEIS in due course and whilst the borough remains in LCAL2 or LCAL3 restrictions.

4 Consultation

- 4.1 This additional funding has been made available by Government as an emergency measure to support businesses. Time does not permit business consultation as awards need to be made urgently, but awards will be made in accordance with existing and future government guidance and the delegation sought permits the scheme to be adjusted if that is found to be necessary or desirable.

5 Legal Implications

- 5.1 This is a new scheme which needs to be implemented as a matter of urgency and so executive approval for the scheme is being sought from the Leader. The Leader is being asked to authorise the Director of Service Delivery to implement and administer the scheme as there is no existing officer delegation in place. The Director of Service Delivery and the Chief Finance Officer have previously been given delegated powers to administer similar schemes such as determining entitlement to rate relief and determining applications for housing, council tax and similar benefits.
- 5.2 Any award of grants shall comply with the temporary framework for state aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in total of De Minimis aid over 3 years (including this year).

6 Risk management implications

- 6.1 There is a risk that, without a scheme in place, the Council would be unable to pay grants to eligible businesses in a timely manner which could result in further financial hardship or dissolution of the business. Failure to distribute the support to businesses could cause reputational damage to the council.

7 Equality analysis

- 7.1 None has been undertaken for the reasons set out above i.e. this is an emergency grant award. However, payments will be made in accordance with government guidance and consistency of approach is being secured through the adoption of a countywide scheme.
- 7.2 It is our view that the policy is robust and shows no potential for discrimination.

8 Conclusions

8.1 The impact of Covid-19 is global continues and remains unquantified as business struggles to control the economic turbulence which will continue into 2021.

8.2 In these unprecedented times the Government expects local authorities to have in place arrangements to administer and pay grants to businesses as quickly as possible.

9 Appendices

- Appendix 1 – Local Restrictions Support Grant (Open) Policy – 02 December onwards

10 Background papers

The background papers used in compiling this report were as follows:

- Guidance for Local Restrictions Supports Grants

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>