

Selby District Council

Leader Urgent Decision
Paper



To: Leader of the Council
Date: 13 November 2020
Ward(s) Affected: All
Authors: Tammy Fox, Revenues and Benefits Manager
June Rothwell, Head of Operational Services
Lead Executive Member: Councillor Lunn, Lead Councillor for Finance and Resources

Title - Local Restrictions Support Grant Scheme

1. Summary

- 1.1 This report provides details on the recently announced COVID-19 grants for businesses in further local and national lockdowns. Following the announcement on the 31 October 2020 that England would be entering a further national lockdown on the 5 November 2020 support is to be made available to businesses affected by these new measures.
- 1.2 Local Authorities are expected to implement these measures as quickly as possible to provide help to businesses.
- 1.3 Guidance was issued regarding the implementation of these grants on the 3 November and the Local Restrictions Support Grant (LRSG) is intended to support businesses through the national lockdown of the 5 November to 2 December 2020 and during any further periods of local restrictions.
- 1.4 Further guidance is still to follow from central government on Additional Restrictions Grant (ARG) funding for local authorities to support businesses in their local economies throughout the period of COVID-19. There is also a Local Restrictions Support Grants (Open) scheme (LCAL2) for those areas in local restrictions under Tier 2 before or after the national lockdown. A further scheme has also been announced to provide support to those sectors which have been unable to reopen since March 2020 which is the Local Restrictions Support Grants (Sector) scheme.

2. Recommendations

2.1 That as the matter is urgent, due to putting in place arrangements for Covid-19, the Leader agrees that:

i. the following scheme is approved:

- Local Restrictions Support Grants (Closed) scheme (LCAL3 & National Lockdown addendum), attached Appendix A.
- The additional announced schemes will be reported on once further guidance has been received from central government.

ii. delegated authority is given to the Head of Operational Services to administer the scheme and the Chief Finance Officer is authorised to make technical scheme amendments.

3. The Report

3.1 Local Restrictions Support Grants (Closed) scheme (LCAL3 & National Lockdown addendum)

3.1.1 This grant is a mandatory grant for businesses that have a rateable value, and is not based on eligibility for reliefs, but the rateable value thresholds are used to set different grant amounts.

3.1.2 During this period a single grant to cover the four-week period will be paid to each eligible business, the grant amounts will be fixed and business with more than one qualifying property will receive more than one grant. These grants will be payable whilst an area is in **national lockdown** restrictions or Local Covid Alert Level (LCAL) 3

3.1.3 The rate of payment for eligible businesses will be:

- For properties with a rateable value of £15k or under, grants to be £1,334 per four weeks;
- For properties with a rateable value of over £15k and below £51k, grants to be £2,000 per four weeks;
- For properties with a rateable value of £51k or over, grants to be £3,000 per four weeks.

3.1.4 The Council will receive an initial allocation for this grant of £1,071,378. Where this is insufficient to meet needs, top-up payments will be made to ensure the authority has the funding it needs.

3.1.5 The Department for Business, Energy & Industrial Strategy (BEIS) has stated that business that were open as usual and providing in-person services to

customers from their business premises and then required to close for a consecutive period of no less than 14 days as a result of regulations made under the Public Health (Control of Disease) Act 1984 will be eligible for this funding. Where there are widespread national restrictions, businesses will be required to close for the entirety of the national restriction lockdown period.

3.1.6 Guidance from the BEIS states this could include non-essential retail, leisure, personal care, sports facilities and hospitality businesses that operate primarily as an in-person venue but have been forced to close these services.

3.1.7 Businesses which are forced to close in a **localised restriction** (LCAL3) that is implemented for less than two weeks and businesses that are closed for less than two weeks are not eligible for the funding.

3.1.8 The rate of payment for eligible businesses during local restrictions are fixed at:

- For properties with a rateable value of £15k or under, grants to be £667.00 per 14-day qualifying restriction period.
- For properties with a rateable value of over £15k and below £51k, grants to be £1,000 per 14-day qualifying restriction period;
- For properties with a rateable value of £51k or over, grants to be £1,500 per 14-day qualifying restriction period. Grants will be paid every two weeks.

3.2 Eligibility criteria and guidance for both local and national restrictions

3.2.1 The guidance states the recipient of the grant will be the person who, according to the billing authorities records, was the ratepayer in respect of the hereditament at the effective date. Careful checking of business rates records against the details provided by the person claiming the grant will be carried out by the Taxation Team to ensure the accuracy of the payments.

3.2.2 The Government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to Local Authorities to further verify eligibility of the grants for ratepayers.

3.2.3 The guidance advises that the following businesses will not be eligible for an award –

- Businesses that are able to continue trading because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (eg accountants, solicitors)
- Businesses in areas outside the scope of the localised restrictions, as defined by the Government (and not subject to widespread national restriction)

- Businesses that have chosen to close, but have not been required to, will not be eligible
- Businesses which have already received grant payments that equal the maximum levels of State Aid permitted under the de minimus and COVID-19 Temporary State Aid Framework
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of local or national restriction
- Specific businesses subject to national closure since 23 March 2020 will not be eligible for this funding, a further scheme has been announced to support these

5. Risks

5.1 Legal

5.1.1 The grants are being issued to recipients on directives from Ministry of Housing, Communities and Local Government and guidance given on the eligibility criteria issued from BEIS.

5.1.2 No right of appeal on any decision to refuse payment of the grant has been given in the guidance. As good practice the right to request a review of any decision is given in the scheme.

5.1.3 MHCLG have advised the following regarding State Aid and support announced for businesses –

Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during a transition period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. The Government has notified the EU of its intention to bring forward an immediate change to the UK's tax treatment of non-domestic property, in response to the ongoing Covid-19 emergency, and to seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the European Union.

5.1.4 State Aid applies for the Grant Scheme and can be paid as De Minimis aid €200,000 limit over 3 years (or under the Temporary Framework where De Minimis threshold met). The Local Restrictions Support Grant can be paid under the UK Covid-19 Temporary Framework Approved Scheme which has a €800,000 limit.

5.1.5 The guidance advises Local Authorities must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments. To ensure compliance with this all businesses applying for the

grants will be required to make a declaration regarding state aid on the online form and that payment of the grant will not breach their limits.

5.2 Financial

5.2.1 The Local Restrictions Support Grant (LRSG) is being fully funded by the Government (using a grant under section 31 of the Local Government Act 2003) and will be administered by local authorities. We will receive £1,071,378.00 in funding from or this scheme and as a mandatory scheme this can be topped up if required.

5.2.2 Fully documented decisions by officers of the reliefs applied to accounts will be made to ensure all requirements are fulfilled. Local authorities will be required to report to central government the numbers and value of grants that have been issued. This report will be submitted using the DELTA system.

6. Recommendations

6.1 The Leader of the Council is requested to approve the immediate actions in this report.

Contact Officers:

June Rothwell – Head of Operational Services - jrothwell@selby.gov.uk

Tammy Fox – Revenues & Benefits Manager - tfox@selby.gov.uk

Decision Maker

Leader	Yes
Officer Delegated Decision	Yes for individual payment of grant