

Selby District Council

Leader Urgent Decision Paper



To: Leader of the Council
Date: 26 November 2020
Ward(s) Affected: All
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Lead Executive Member: Cllr Lunn, Lead Councillor for Finance and Resources

Title – Additional Restrictions Grant Scheme

1. Summary

- 1.1 This report provides details on the discretionary grant scheme for COVID-19 support for businesses in local and national lockdowns which is in addition to the mandatory scheme for business which have been forced to close. Following the announcement that England would be entering a further national lockdown on the 5 November 2020 support has been made available to businesses affected by these new measures and local authorities must determine how this discretionary grant is used.
- 1.2 These grant schemes will offer a lifeline to businesses who are struggling to survive due to this shutdown. Local Authorities are expected to implement these measures as quickly as possible to provide help to businesses.
- 1.3 Guidance has been issued regarding the implementation of these grants with FAQ's throughout November. This discretionary grant is called the Additional Restrictions Grant (ARG) and can be paid out to businesses during periods of national lockdowns or Local Covid Alert Level (LCAL) Tier 3 restrictions.

2. Recommendations

- 2.1 That as the matter is urgent, and the decision cannot await a full meeting of the Executive due to the need to put in place arrangements as part of the Covid-19 response, the Leader agrees that:
 - (i) The Additional Restrictions Grant (ARG) scheme, attached at Appendix A to the Report is approved; and

- (ii) That delegated authority is given to the Head of Operational Services to administer the scheme (commencing 27th November 2020) and the Chief Finance Officer is authorised to make technical scheme amendments.

3. The Report

3.1 Additional Restrictions Grant (ARG) scheme

- 3.1.1 This grant is a discretionary grant for businesses that are not covered by the mandatory Local Restrictions Support Grant, for example closed businesses that do not have a rateable value or have significantly higher costs.
- 3.1.2 The grants can be paid to businesses that are severely impacted rather than closed and the allocation can also be used for other direct business support at the discretion of the Local Authority. The ARG funding received is a one-off payment for the financial year 20/21 and 21/22 and will not be renewed, Selby District Council has been allocated £1,812,400.00.
- 3.1.3 If the funding is used for direct business support as grants the government has advised the same conditions of grant must apply as the Local Restrictions Support Grant (Closed) scheme, and grants can only be considered when in national lockdown or LCAL 3 restrictions. Authorities do have the discretion to alter the amount of funding offered to individual businesses and the frequency.

3.2 Eligibility criteria and guidance

- 3.2.1 Local authorities have been encouraged to develop discretionary grants schemes which help those businesses which – although not legally forced to close – are still severely impacted by the restrictions put in place to control the spread of COVID-19.
- 3.2.2 In our proposed scheme we have prioritised those businesses who may or may not be on the business rates list and although not on the list of mandated closures have been forced to close through lockdown.
- 3.3.3 This includes non-essential retail, hospitality venues, leisure and sports facilities, accommodation providers, entertainment venues, personal care facilities, market traders, personal services providers such as hairdressers and beauty therapists, leisure and sports businesses, and providers of holiday accommodation outside of the rates system.
- 3.3.4 Further consideration will also be given to those who have been severely impacted by the restrictions, such as but not limited to businesses which supply retail, hospitality and leisure sectors or businesses in the events sector.

- 3.3.5 We define severely impacted in that at least 50% of their revenue comes from businesses required to close within the national restrictions, and this will have an impact on their income of at least 50%. Examples of which include suppliers of goods and services to businesses forced to lockdown, some are wholesalers to non-essential retail, while others are the greengrocers, fishmongers, butchers, taxi drivers, commercial laundries, cleaning contractors, commercial electrician and others who provide services to hospitality and accommodation providers. A further related sector is companies who work with venues and hospitality providers to arrange events. This could include businesses with no premises but high fixed costs.
- 3.3.6 Eligible businesses must be a Selby-based business which have fixed premises in the area or a business run by a Selby District resident who trades in the District. The policy would only allow for them to receive one grant in one authority area, for example a market trader would not be considered if the are a Selby resident but trade in another area as well as Selby and have received a grant in the other area.
- 3.3.7 Businesses that can continue to trade and operate their services effectively remotely will not be considered for the grant; the business must be restricted from providing its usual 'in-person' services.
- 3.3.8 Grants for qualifying businesses who are liable for business rates will be:
- For properties with a rateable value of £15k or under, grants to be £1,334 per 28-day period, or £667 per 14-day period;
 - For properties with a rateable value of over £15k and below £51k, grants to be £2,000 per 28-day period or £1,000 per 14-day period;
 - For properties with a rateable value of £51k or over, grants to be £3,000 per 28-day period, or £1500 per 14 days period.
- 3.3.9 Top Up grants for the Local Restriction Support Grant scheme will not be paid out to businesses except in exceptional circumstances where this is essential to support the wider local economy.
- 3.3.10 Grants for businesses without properties in the business rates rating list:
- For those with fixed commercial premises costs – eg rent payable to a landlord – a payment of up to £3,000 per 28-day qualifying restriction period or £1500 per 14-day period.
 - For those without fixed premises costs, a payment of up to £1,334 per 28-day qualifying restriction period or £667 per 14-day period. Examples include: a mobile hairdresser, taxi driver or a market trader.

3.3.11 The size of the business and projected impact will be used to determine a decision on the level of grant awarded and information will be gathered on number of employees and turnover to decide this.

3.3.12 Applications will be open for a two-week period from when the application form is put on the authority website and payment amounts will then considered and made to eligible business at the end of the application period.

3.3.13 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.

4. Risks

4.1 Legal

4.1.1 The grants are being issued to recipients on directives from Ministry of Housing, Communities and Local Government and guidance issued from BEIS.

4.1.2 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.

4.1.3 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.

4.1.4 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.

4.1.5 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.

4.2 Financial

- 4.2.1 Funding for the ARG has been provided for the financial year 2020/21 and 2021/22 to be administered by local authorities and no further amount will be provided. The ARG funding received is a one-off payment in the financial year 2020/21 and will not be renewed, Selby District Council has been allocated £1,812,400. Local authorities have been given a single allocation based on £20 head of population (ONS 2019 Mid-Year Population Estimates).
- 4.2.2 Local authorities can manage the funding throughout the financial years and the authority is proposing a cautious approach as at this stage it is not known how many national lockdowns or what local restrictions the District may face in the future.
- 4.2.3 We are suggesting a 10% contingency/exceptional hardship amount of £181,240 is set aside and the 90% is split as £815,580 for grants to businesses affected by the lockdown ending 2nd December and £815,580 for grants for further lockdown periods or LCAL3 restrictions. Any remaining funding from the grants will be rolled forward and if any funding remains use for wider business support will be considered in 2021/22.
- 4.2.4 Grants will be awarded within the funding allocation limits of the agreed scheme and if more claims are made than can be paid, allocation would on the basis of time and date of application, with the earliest eligible applications being paid on a first come first served basis. The Authority would reserve the right to close the scheme at any time. No new applications will be considered once the scheme is closed.
- 4.2.5 Fully documented decisions by officers of the grants issued 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.

5. Recommendations

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

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Decision Maker

Leader	Yes
Officer Delegated Decision	Yes for individual payment of grant