

# Selby District Council

## Leader Urgent Decision Paper



**To:** Leader of the Council  
**Date:** 17 December 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 (Closed – from 2 December) and Christmas Support Payment Scheme**

#### **1. Summary**

- 1.1 This report provides details on the further COVID-19 support schemes for businesses in local restrictions following the national lockdown which ended on the 2 December 2020.
- 1.2 These grant schemes will offer continued support to businesses which are struggling to survive due to restrictions. 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 in December. The grants are called the Local Restrictions Support Grant Scheme (Closed) and the Christmas Support Payment Scheme. The 'closed' scheme was amended from the previous national lockdown scheme to provide support from 2 December onwards to those businesses still required to close under local restrictions. Both these grants are payable in periods of Tier 2 or Tier 3 restrictions.
- 1.4 We are awaiting the detailed guidance and the funding allocations given to the Authority for a further scheme, the Local Restrictions Support Grant Scheme (Open). This scheme contains a discretionary element and will therefore return a report with further information on this scheme at a later date.

#### **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 Local Restrictions Support Grant Scheme (Closed) scheme, attached at Appendix A to the Report is approved;

ii) that the Christmas Support Scheme attached at Appendix B is approved; and

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

### **3. The Report**

#### **3.1 Local Restrictions Support Grant (Closed) Scheme**

3.1.1 This scheme applies when Tier 2 or Tier 3 local restrictions are in place from 2 December 2020 onwards and replaces the previous scheme payable during national restrictions. This funding is to pay grants to eligible businesses that are affected by local restrictions and are required to close.

##### 3.1.2 Eligibility criteria – LRSG (Closed) scheme

Businesses 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. In Tier 2 this is mainly likely to be pubs that do not serve alcohol alongside a substantial meal.

3.1.3 The Council will receive funding to meet the costs of these payments to businesses that are mandated to close and funding will be topped up if required. All businesses will be required to apply for the grant to ensure they meet the eligibility criteria.

##### 3.1.4 Grants for qualifying businesses will be:

- For properties with a rateable value of £15k or under, grants to be up to £667 per 14-day period;
- For properties with a rateable value of over £15k and below £51k, grants to be up to £1000 per 14-day period;
- For properties with a rateable value of £51k or over, grants to be up to £1500 per 14-day period.

Payments will continue to those eligible businesses in a 14-day rolling cycle dependant on announcements on any movement in the Tier restrictions.

3.1.5 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 Christmas Support Payment for wet-led pubs Scheme**

3.2.1 On the 1 December 2020 the Government announced the introduction of additional support over the festive period for wet-led pubs in areas under Tier 2 and Tier 3 restrictions. The support will take the form of grant funding in the financial year 2020-21 for authorities to distribute a one-off payment of £1,000 to each eligible wet-led pub. Top-up funding will be provided to the Council as required.

### **3.2.2 Eligibility criteria – Christmas Support Payment**

There is no definitive description of a traditional pub or public house in law for the purposes of this grant, pubs should under normal circumstances (without local or national restrictions) be described as: open to the general public, allow free entry other than when occasional entertainment is provided, allow drinking without requiring food to be consumed and permit drinks to be purchased at a bar. For these purposes, the definition of a pub should exclude: restaurants, cafes, nightclubs, hotels, snack bars, guesthouses, boarding houses, sporting venues, music venues, festival sites, theatres, museums, exhibition halls, cinemas, concert halls and casinos. For the purposes of this grant, a wet-led pub is defined as a pub that derives less than 50% of its income from sales of food.

3.2.3 The ratepayer according to the Council's records on 1 December 2020 is eligible to receive the grant and businesses must have been trading on the 30 November 2020. All applicants will be required to apply for the support payment and self-certify that they meet the eligibility criteria.

3.2.4 The scheme will be administered alongside the LRSG (Closed) Scheme as the qualifying criteria is very similar.

## **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 As a mandatory scheme funding for the for the LRSG (Closed) will be topped up by Government. The initial allocation will be monitored and if necessary, a request for top-up funding will be made.

4.2.2 The Christmas Support Payment Scheme will be fully funded by Government and if necessary, a top up of the initial funding allocation can be requested.

4.2.3 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.

**Contact Officer:** 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