

Selby District Council

Leader Urgent Decision Paper



To: Leader of the Council
Date: 18 January 2021
Ward(s) Affected: All
Authors: Tammy Fox, Revenues and Benefits Manager
Lead Executive Member: Cllr Lunn, Lead Councillor for Finance and Resources

Title – Local Restrictions Support Grant (Closed) Addendum 5 Jan 2021 onwards Scheme and Closed Businesses Lockdown Payment Scheme

1. Summary

- 1.1 This report provides details on the further COVID-19 support schemes for businesses in the national lockdown which began 5 January 2021.
- 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 on 15 January 2021. The grants are called the Local Restrictions Support Grant (Closed) Addendum 5 January onwards and the Closed Business Lockdown Payment (CBLP). The closed scheme provides support from 5 January onwards to those businesses required to close under the national lockdown restrictions.
- 1.4 The scheme is an extension of the LRSG Closed scheme but has been adapted for the period of national restrictions, the principal feature of the scheme is payment for a 42-day period from the 5 January rather than the 14-day payment period in tiers.
- 1.5 The CBLP scheme provides an additional one off payment to these businesses. The eligibility criteria for both schemes are the same.

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 (Closed) Addendum: 5 January 2021 onwards Scheme, attached at Appendix A to the Report is approved;

ii) that the Closed Businesses Lockdown Payment 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 Grants (Closed) Addendum 5 January onwards

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 42-day period will be paid to each eligible business, the grant amounts will be fixed and businesses with more than one qualifying property will receive more than one grant. Further payments may then be made depending on the review of the national restrictions in mid-February and if these continue.

3.1.3 The rate of payment for eligible businesses will be:

- For properties with a rateable value of £15k or under on commencement date of the national restrictions, grants to be £2,001 per 42-day qualifying restriction period;
- For properties with a rateable value of over £15k and below £51k on commencement date of the national restrictions, grants to be £3,000 per 42-day qualifying restriction period;
- For properties with a rateable value of £51k or over on commencement date of the national restrictions, grants to be £4,500 per 42-day qualifying restriction period.

3.1.4 The Council has received an initial allocation of 90% of the estimated grant funding, this is £1,607,067.00. 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 advised that this funding is for businesses that are required to close due to

formal publication of national restrictions guidance by the Government that resulted in a first full day of legal closures on the 6 January 2021. This scheme will pay from 5 January 2021 as the Prime Minister's statement on 4 January 2021 asked the nation to start the lockdown from this date.

3.2 Eligibility criteria and payments to businesses

- 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 on the 5 January 2021.
- 3.2.2 Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities, and hospitality businesses.
- 3.2.3 Businesses that are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors) are not eligible. Businesses that operate primarily as an in-person venue but have been forced to close these services and instead provide takeaway-only or delivery services are eligible. Businesses that have chosen to close, but have not been required to, will not be eligible.
- 3.2.4 Also not eligible will be 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 national restriction.
- 3.2.5 To ensure the grant payments are made as quickly as possible to the eligible businesses we are planning to use the records from those that received the November lockdown payments. We have contacted these businesses and asked them to contact us if their circumstances have changed, they are no longer trading or they no longer meet the eligibility criteria.
- 3.2.6 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.

3.3 Closed Businesses Lockdown Payment

- 3.3.1 The Closed Businesses Lockdown Payment will be provided as a one-off payment and eligibility for the scheme is the same as the LRSG (Closed) Addendum 5 January onwards scheme as set out above. BEIS has advised that local authorities should make payments for both schemes at the same time.

3.3.2 The rate of payment for eligible businesses will be:

- For properties with a rateable value of £15k or under on commencement date of the national restrictions will receive a one-off payment of £4,000;
- For properties with a rateable value of over £15k and below £51k on commencement date of the national restrictions, will receive a one-off payment of £6,000;
- For properties with a rateable value of £51k or over on commencement date of the national restrictions, will receive a one-off payment of £9,000.

3.3.3 The Council has received an initial allocation of 90% of the estimated grant funding, this is £3,213,000.00. Where this is insufficient to meet needs, top-up payments will be made to ensure the authority has the funding it needs.

3.3.4 BEIS has advised the scheme will close for applications on 31 March 2021 and no further payments will be made after 30 April 2021.

3.4 Additional Restrictions Grant

3.4.1 Both the Closed schemes above are only available to businesses with properties in the business rates list. In November 2020, the authority received a fixed sum of money for a discretionary scheme to assist businesses without properties in the list and those who had not been forced to close but had been severely affected by the lockdown restrictions. An application window was opened and eligible businesses received payments for the November period.

3.4.2 This scheme will be reopened for applications for businesses to be considered for payments for the 5 January 2021 onwards for the current 6-week lockdown period. The authority will also seek to make payments again to those who applied in November, whilst ensuring they remain eligible and fulfil the scheme criteria. Consideration will also be given to additional one-off lockdown payments in the same way as the Closed Business Lockdown Scheme if the business meets the necessary eligibility criteria.

3.4.3 As part of the package of measures for the 5 January national restrictions a top-up has been made to the authority to the Additional Restrictions Grant funding that has already been received. Approximately £1.7 million remains in this fund after consideration of the applications in November. This new top up to the ARG fund is an additional £804,982.00.

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 The funding allocation for the Local Restrictions Support Grant (Closed) Addendum 5 January onwards and the Closed Business Lockdown Payment (CBLP) has been calculated based on the categories of business relevant to the closures imposed by Government. This is to provide the Local Authority with an allocation based on a consistent approach that reflects the businesses closed by national restrictions. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.

4.2.2 Grants for the ARG will be awarded within the funding allocation limits of the agreed scheme and if more claims are made than can be paid, allocation would be on the basis of time and date of application, with the earliest eligible applications being paid on a first come first served basis. The spend on this scheme will be closely monitored and the Authority would reserve the right to

close the scheme at any time. No new applications will be considered once the scheme is closed.

4.2.3 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 Officers:

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Decision Maker

Leader		Yes
Officer Decision	Delegated	Yes for individual payment of grant