

Selby District Council

Leader Urgent Decision Paper



To: Leader of the Council
Date: 31 March 2021
Ward(s) Affected: All
Authors: Tammy Fox, Revenues and Benefits Manager
June Rothwell, Head of Operational Services
Lead Executive Member: Cllr Lunn, Lead Councillor for Finance and Resources

Title – Restart Grant April 2021

1. Summary

- 1.1 This report provides details on the further COVID-19 support scheme for businesses announced in the Budget on the 3 March 2021. The Restart Grants are to support businesses in their local economies as coronavirus restrictions are eased.
- 1.2 These grants will provide support to businesses with a one-off grant to help them reopen safely. Grants of up to £6,000 will be paid to non-essential business premises and grants of up to £18,000 will be allocated to hospitality, accommodation, leisure, personal care and gym businesses. This scheme supports businesses that are predominantly reliant on delivering in-person services for the general public in these premises.
- 1.3 Guidance has been issued regarding the operation and implementation of these mandatory grants. Local Authorities may also receive a proportion of a £425 million top-up to the Additional Restrictions Grant (ARG) however this is dependent on the allocation of the full original ARG funding being spent by 30 June 2021.

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 Restart Grant Scheme April 2021, 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 schemes and the Chief Finance Officer is authorised to make technical scheme amendments.

3. The Report

3.1 Restart Grant April 2021

3.1.1 The Restart Grant Scheme is for businesses on the ratings list only and will be provided in a one-off grant with amount dependent on the sector of the business and the property rateable value. Businesses must have been trading on 1 April 2021 to be eligible to receive funding under this scheme.

3.1.2 The grant will support non-essential retail businesses in Strand One as follows:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £2667;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £4000;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £6000.

3.1.3 The grant will support also support hospitality, accommodation, leisure, personal care and gym business premises businesses in Strand Two as follows:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 1 April 2021 will receive a payment of £8000;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on 1 April 2021 will receive a payment of £12,000;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 1 April 2021 will receive a payment of £18,000.

3.1.4 The primary principle of the Restart Grant scheme is to support businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the relevant sectors. If a business operates services that could be considered non-essential and also fall into another category, such as hospitality in the higher funding threshold, the main service can be determined by assessing which category constitutes 50% or more of

their overall business. The main service principle will determine which threshold of funding a business receives. Businesses will need to declare which is their main service.

- 3.1.5 Businesses that are not within the ratings system will not be eligible to receive funding under this scheme. Businesses that have already received grant payments that equal the maximum permitted subsidy allowances (previously called State Aid) will not be eligible to receive funding. Also businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- 3.1.6 There are a number of new pieces of information that need to be collected from businesses for the requirements of BEIS returns therefore an application form will be provided for all businesses to apply for this grant. Previous recipients of grants will be contacted to advise of the criteria and new application process for these grants.
- 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. Pre-assurance checks of the bank account for payment of the grants are made as a bank statement is requested from all applicants.
- 3.3.4 BEIS has advised the scheme will close for applications on 30 June 2021 and no further payments will be made after 31 July 2021.
- 3.4.3 As part of the package of measures an additional top up to the ARG may be received, this is dependent on the full allocation already received being spent by 30 June 2021. It is unlikely this will be achieved as previous guidance advised this original funding had to last until March 2022 and wider business support is still to be considered with any remaining original funding. Further consideration will be given on this at a later date.

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 The EU State Aid rules no longer apply to subsidies granted in the UK following the end of the transition period. From 4 March 2021 new subsidy

allowances were established for the COVID-19 business grant schemes, on the basis of principles set out in Article 3.4 of the Trade and Cooperation Agreement.

4.1.4 There are three subsidy allowances for this scheme:

- Small Amounts of Financial Assistance Allowance when the business is allowed up to £33,000 (subject to exchange rates) over any three years;
- COVID-19 Business Grant Allowance when the business is allowed up to £1,600,000;
- COVID-19 Business Grant Special Allowance when limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance have been reached, the business may be able to access a further allowance of funding under these scheme rules up to £9,000,000, provided certain conditions are met.

Grants under these allowances may be combined to a potential total allowance of £10,935,000 (taking into account all grants previously received under the COVID-19 business grants schemes and subject to the amounts applicable under the Small Amounts of Financial Assistance Allowance.

4.1.5 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 scheme is fully funded by the Government. The funding allocation Restart Grant has been calculated based on the costs of payments to businesses within the business rates system based on the number of eligible hereditaments. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.

4.2.2 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:

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

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

Decision Maker

Leader		Yes
Officer Decision	Delegated	Yes for individual payment of grant