

REPORT TO	DATE
Chief Executive, in Consultation with the Deputy Leader of the Council	30th October 2020



TITLE	PORTFOLIO	REPORT OF
Urgent Decision Under Section 35 of the Council's Constitution: COVID19 Local Restrictions Support Grant	Leader	Director Customer and Digital

Is this report a key decision? (i.e. more than £100,000 or a significant impact on more than 2 Borough wards)	Yes
Is this report confidential?	No

PURPOSE OF THE REPORT

1. To seek approval for the payment of Covid-19 Local Restrictions Support Grant payments to eligible businesses.

RECOMMENDATIONS

2. That the Chief Executive and S151 officer of South Ribble Council be given delegated authority to approve payment of the COVID19 Local Restrictions Support Grants in line with the government guidance.
3. That the Deputy Leader and S151 officer of South Ribble Council in consultation with the Chair of the Business Support Members Working Group be given. delegated authority to approve the final approach to the discretionary grants.
4. To note there are three grant funds being made available to Local Authorities:
 - o Tier 2 Business Support Grants (businesses impacted by restrictions)
 - o Local Restrictions Support Grant (LRSG) (closed businesses) -Tier 3 'mandatory' scheme and national closures
 - o £30 million Lancashire Tier 3 discretionary business support.

REASONS FOR THE DECISION

5. The scheme is in line with government requirements to administer grants to business affected by COVID19

CORPORATE OUTCOMES

6. The report relates to the following corporate outcomes:

Excellence, Investment and Financial Sustainability	✓
Health, Wellbeing and Leisure	
Place, Homes and Environment	✓

Projects relating to People in the Corporate Plan:

Our People and Communities	
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BACKGROUND TO THE REPORT

7. In response to the Coronavirus the Government announced there will be further support for businesses through the Local Restrictions Support Grant (LRSB) which is designed to support businesses which have been required to close due to temporary COVID-19 restrictions imposed nationally, the Tier 2 Business Support Grant for those that have remained open but their business has been adversely affected by local restrictions. The Lancashire Tier 3 Business Support grant is also to be made available to support businesses impacted by the restrictions (either additional businesses or further funding to exiting recipients). This funding is to be made available to Lancashire as a whole and distributed to the Councils therein. The grant payments will be made to qualifying ratepayers administered by the Local Authority.
8. The Government has provided Draft guidance and eligibility criteria relating to the Local Restrictions Support Grant – Tier 3 but not the discretionary element and have not provided guidance regarding the Tier 2 support grants.
9. The cost of the grants will be funded by way of a S31 grant payment from government to cover the cost of providing grant payments to eligible businesses.
10. The council is administering and managing the grants essentially on behalf of government and is responsible for the administration and payment of the grant monies. The additional costs involved in the administration of this scheme is also intended to be reimbursed by the government through new burdens funding.

PROPOSALS (e.g. rationale, detail, finance, procurement)

11. Work has been undertaken to identify potential recipients of the grant in readiness of further guidance.
12. Government have assured Local Authorities that they will cover the total cost of grants paid out to businesses.
13. The Council will receive funding however it is the Council's ambition to get these grants paid to businesses as soon as possible.

14. Below are the grant schemes that fall under this urgent decision:

- **Tier 2 Business Support Grants (businesses impacted by restrictions)** - this will probably include retail, hospitality and leisure businesses. Awaiting guidance.
- **Local Restrictions Support Grant (LRSB) (closed businesses)** - approximately 93 businesses that are eligible to receive up to a total of £80k per two-week period. However, it is likely further businesses come forward as eligible for the grant even prior to lockdown being announced.
- **Lancashire Tier 3 Business Support Grant** - the exact number of businesses that may apply for assistance under the Lancashire funding and the amount of grant support they will need is still to be confirmed.

15. Under the current guidance for Tier 3 support, a business may be eligible if it:

- Occupies a property on which it pays business rates
- Is located in a local lockdown area
- Has been required to close because of the formal publication of local restrictions guidance that resulted in a first full day of closure on or after 9 September. This funding is not retrospective
- Has been required to close for at least two weeks because of the lockdown
- Has been unable to provide its usual in-person customer service from its premises

16. The expected beneficiaries of the grants are non-essential businesses such as retail, personal services or cafes/restaurants. The precise set of businesses eligible for the scheme will vary between each local lockdown area based on the localised restrictions that are established in recognition of the specific evidence and conditions for each area. The main grant will be received for each property liable for business rates within the area which has been required to close under the local lockdown restrictions. For Lancashire this currently includes, pubs/bars (unless they are serving substantial meals), nightclubs & adult entertainment centres, casinos, bingo halls, betting shops and adult gaming centres, soft play areas and car boot sales.

17. As per the guidance from Government the grant amount will be based on the rateable value of the registered business. Eligible businesses will receive up to £1,500 per two week period and are eligible for the payment after being closed, under the requirements of Government, for two weeks.

- Small businesses with a rateable value of or below £15,000 can claim £667 per two-week period;
- Medium sized businesses with a rateable value between £15,000 and £51,000 can claim £1,000 per two-week period;
- and larger businesses can claim £1,500 per two-week period.

18. There are exclusions to the main scheme including:

- businesses which are able to continue to operate during the lockdown because they do not depend on providing direct in-person services from their premises
- businesses that have chosen to close, but have not been required to close as part of a local lockdown
- businesses that have reached the most recently agreed state aid limit

19. Permission to distribute monies under the discretionary element in due course is also requested under this decision.

20. The key date for qualifying for the grant payment for pubs/bars is 17th October 2020 and 19th October 2020 for the other business categories. The businesses needed to be in occupation on this date to be eligible for the grant.

21. The process for administering these grants has been developed, scrutinised and approved by Finance and Internal Audit.

22. It involves potentially eligible ratepayers being contacted by either email or letter. An online application form will need to be completed by the ratepayer and a unique verification code entered. Eligibility checks are completed, payment amounts are confirmed and then processed through the creditor system.

23. The process is consistent with the process for the other Covid-19 grants we have delivered such as the retail grants.

24. Any businesses caught falsifying records to gain additional grant money will face prosecution and will be required to pay the grant monies back.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

25. A dedicated email and phone line have been set up to deal with general and application enquiries from all business requiring support.

ALTERNATIVE OPTIONS CONSIDERED

26. The Government have requested that Local Authorities roll out this grant scheme there are therefore no alternatives.

AIR QUALITY IMPLICATIONS

27. None

RISK MANAGEMENT IMPLICATIONS

28. The process has been fully reviewed by Internal Audit and measures are in place to ensure fraudulent activity is minimised.

EQUALITY & DIVERSITY IMPACT

29. The grants are available to all eligible businesses

COMMENTS OF THE STATUTORY FINANCE OFFICER

30. Through the approval of this urgent decision the council will begin making payments to those businesses required to close under the Tier 3 regulations. This will be extended to Tier 2 and Tier 3 discretionary grants as and when Government guidance and funding allocations are provided.

31. Unlike the first tranche of Government funding for businesses grant payments, the draft guidance outlines that funding will be paid retrospectively. As a result, any grant payments made will be at risk to the councils budget until funding is received.

COMMENTS OF THE MONITORING OFFICER

32. The payments proposed are in accordance with a Government scheme which is funded through Central Government grants and administered by the Council. Clearly as a responsible public authority we must act with speed to assist those affected businesses covered by the scheme. It is also important of course that we have procedures in place to avoid fraud and/or abuse. Internal Audit have advised in this regard.

BACKGROUND DOCUMENTS

None

APPENDICES TO THIS REPORT

None

Report Author:	Telephone:	Date:
Paul Hussey	01772 665522	30 th October 2020

Approval of Urgent Decision


I confirm that I consider this decision is one of genuine urgency in accordance with section the Council's constitution:



Councillor David Howarth
Chair of the Scrutiny Committee

Dated: 3 November 2020

Following careful consideration and assessment of the contents of the report, I approve the recommendations contained in the report in accordance with the Council's constitution in consultation with the Leader of the Council:



Gary Hall
Chief Executive

Dated: 3 November 2020



Councillor Mick Titherington
Deputy Leader of the Council

Dated: 3 November 2020