

REPORT TO	DATE
Deputy Leader of the Council in Consultation with the Chief Executive	4 th December 2020



TITLE	PORTFOLIO	REPORT OF
Urgent Decision: COVID19 Additional Restrictions Grant and LRSG Open Grant	Leader	Director of 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 Discretionary Additional Restrictions Grant (ARG) payments & the Discretionary Local Restrictions Support Grant (open) (LRSGO) 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 Additional Restriction Grants (ARG) and the Local Restrictions Support Grant (open) (LRSGO) in line with 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 approach to these grants as outlined in this report.
4. To note that these grants are separate and distinct from previous grants as they are funded by a unique funding stream that is available as 'one-off' lump sums which are intended to be used to support businesses for the total period we remain in tier 2 (or above) restrictions.

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. There are currently 3 different types of grant available to support businesses during the pandemic
8. These are
 - Local Restrictions Support Grant (Closed) for businesses instructed to close under Tier 3 from 17th & 19th October
 - Local Restrictions Support Grant (Closed Addendum) for businesses instructed to close under National restrictions from 5th November to 2nd December
 - Local Restrictions Support Grant for (Sector) businesses across England instructed to stay closed since 23 March 2020
9. To complement the existing funding supplied to Local Authorities to assist specified businesses through the pandemic, the Government has provided further funds to be awarded by the Local Authority to the business community on a discretionary basis.
10. The Government has provided broad guidance regarding these grants and has indicated that Local Authorities decide on the actual details of the grants based on their individual economies and the specific needs of their business community.
11. The Local Authority has discretion to determine the amount of grant to individual businesses and the frequency of payment. The grant payments will be made to eligible businesses, and will be administered by the Local Authority
12. In deciding the level of grant, Local Authorities have been advised to consider the level of fixed costs faced by the business, the number of employees, whether they are unable to trade online and the scale of coronavirus related financial losses.

13. For ARG, the cost of the grants will be funded by way of a £2,215,760 grant payment from Government to cover the cost of providing grant payments to eligible businesses. This funding is to be made available to Lancashire (as a whole) and distributed to the Councils therein.
14. For LRSGO, the cost of the grants will be funded by way of an initial £194,486 grant payment to cover the cost of providing grant payments to eligible businesses. This grant is for the period of Tier 2/3 lockdown to 4th November when the national lockdown began.
15. Both funding streams are on a 'one-off', lump-sum basis and the Council will need to ensure that it has enough funds to meet its objectives and obligations during this and any future period of restrictions.
16. 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, allocations have not been provided by Government.

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

17. Work has been undertaken by Officers to identify potential recipients of the grants and develop the criteria officers feel would best support our Local businesses.
18. The output of these investigations has resulted in this proposal whereby the below grants to be offered by SRBC. These are intended for:
 - hospitality, accommodation and leisure businesses not mandated to close, but severely impacted by the Tier 2/3 restrictions (LRSG Open)
 - businesses not mandated to close, but severely impacted by the Tier 3 restrictions (Scheme 1)
 - businesses that are considered important to the local economy (Scheme 2)
 - retail, hospitality, accommodation and leisure businesses not instructed to close but severely impacted by Covid-19 restrictions, if and when South Ribble is placed in Tier 1 or lower and the LRSG Open grants are no longer available (Scheme 3)
 - The council reserves the right to amend the scheme at any time based on Government guidance and remaining budgets.
19. Scheme 1 will be implemented first and scheme 2 will be implemented subject to demand and budgets. Scheme 3 will only be implemented if Tier 1 or lower restrictions come into force and budget is remaining.

Local Restrictions Support Grant (Open)

20. The LRSG open grant is specifically aimed at hospitality, accommodation and leisure businesses that have not been mandated to close under the Tier 2/3 restrictions but can demonstrate that they have been severely impacted by the restrictions. These categories of businesses are therefore not eligible for the LRSG (Closed). Under this grant, a business may be eligible if it fulfils the below criteria:

- Business must have been trading before 14th October 2020.
- Business is in the hospitality, accommodation or leisure sector
- Must be able to demonstrate a loss of income during the qualifying period (14th October – 4th November). An indicative figure of 40% loss of income during this period is being considered but will be reviewed, in agreement with the s151 and Chief Executive.
- Grant amounts:
 - a) Business with rateable value of exactly £15,000 or under = £934 per 28-day period
 - b) Business with rateable value over £15,000 and less than £51,000 = £1,400 per 28-day period
 - c) Business with rateable value of exactly £51,000 or above = £2,100 per 28-day period

Additional Restriction Grants

21. Scheme 1 The first scheme is for businesses that have been severely impacted by Covid-19 restrictions but have been excluded from the LRSG (Closed), LRSG (Closed Addendum) and LRSG (Open). Under this grant, a business may be eligible if it fulfils the below criteria:

- Business must have been open and trading as usual on the day before 17th October (when South Ribble was placed in Tier 3 restrictions).
- This scheme is only available when South Ribble Borough was in the first Tier 2/3 restrictions
- Business must be based in South Ribble
- Excludes people in receipt of Self-Employed Income Support payments and Universal Credit
- Payments must be made to the business not personal accounts
- Businesses in liquidation, dissolved, or subject to a striking-off notice are not eligible
- Business does not qualify for LRSG Open or LRSG Closed or LRSG Closed Addendum, this includes:
 - non-ratepayers e.g. market traders or in shared space
 - small, independent retail businesses that are allowed to remain open but are severely impacted by restrictions
 - other businesses not mandated to close but severely impacted e.g. supply chain businesses
- Must be able to demonstrate a loss of income during the qualifying period (September to November 2020). An indicative figure of 40% loss of income

during this period is being considered but will be reviewed, in agreement with the s151 and Chief Executive.

- Fully closed or trading partially / online
 - a) No fixed property costs (home based) = £890 (closed)/ £623 (partial) per 28 days
 - b) Fixed property costs (rent and rates only) (for premises within South Ribble) pcm = £0-£1,500 £1,334 (closed)/ £934 (partial) per 28 days
 - c) Fixed property costs (rent and rates only) (for premises within South Ribble) pcm = £1,501 - £3,000 £2,000 (closed)/ £1,400 (partial) per 28 days
 - d) Fixed property costs (rent and rates only) (for premises within South Ribble) pcm = £3,001 or over £3,000 (closed)/ £2,100 (partial) per 28 days

*Note Fixed property costs includes only rent and any business rates paid
Note Amounts mirror the LRSG and the percentage difference between categories and open/closed*

22. Scheme 2. The second scheme relates to small and medium sized businesses that are important to the local economy. Under this grant, a business may be eligible for a top up payment if it fulfils the below criteria:

- Business must have been trading the day before 17th October 2020 (when South Ribble entered Tier 3 restrictions).
- Sectors: Priority will be given to advanced manufacturing, construction, digital/creative or other Lancashire priority sectors
- Minimum 10 jobs safeguarded = number on payroll (Paying Employer Tax and NI)
- Turnover within the Small or Medium sized business categories
- Business can also qualify for LRSG Open or Closed or Addendum and for SRBC Scheme 1
- Must be able to demonstrate a loss of income during the qualifying period (October to November 2020) compared with July to September 2020. An indicative figure of 60% loss of income during this period is being considered but will be reviewed, in agreement with the s151 and Chief Executive.
- Must show loss of income during October – November 2020 compared with July – September 2020. An indicative figure of 60% loss of income during this period is being considered but will be reviewed, in agreement with the s151 and Chief Executive.
- Fully closed or trading partially and unable to operate online
- Aimed at supply chain and sub-contracting businesses severely impacted by Covid
- Fixed property costs (rent and rates only) pcm £4,001 or over
- Single grant payment of £4,200 to cover up to 28th February 2021

Note Costs v budget will be calculated based on NNDR listings and potential eligible businesses, which for Scheme 1, would include businesses covered during National restrictions by LRSG CA

23. Scheme 3. The third scheme relates to ongoing support for businesses within the Retail, Hospitality and Leisure sectors if Tier 1 or lower restrictions come into force and budget is remaining. Under this grant a business may be eligible if it meets the below criteria:

- Business must have been trading the day before 17th October 2020.
- Minimum 3 FTE jobs safeguarded (number on payroll (paying Employer Tax and NI)
- Business is in the retail, hospitality, leisure or accommodation sector (in receipt of Expanded Retail Relief) but LRSG Open is not available (because of Tier 1 classification)
- Must show a loss of income (severely impacted) during qualifying period. An indicative figure of 50% loss of income during this period is being considered but will be reviewed, in agreement with the s151 and Chief Executive.
- Fully closed or trading partially / online
 - a) Fixed property costs pcm £0-£1,500 £1,334 (closed)/ £934 (partial) per 28 days
 - b) Fixed property costs pcm £1,501 - £3,000 £2,000 (closed)/ £1,400 (partial) per 28 days
 - c) Fixed property costs pcm £3,001 or over £3,000 (closed)/ £2,100 (partial) per 28 days

24. The key date for qualifying for the grant payment for business is 14th October 2020. The businesses needed to be trading on this date to be eligible for the grant.

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

26. An online application form will need to be completed by the applicant and required evidence supplied. Eligibility checks are completed, payment amounts are confirmed and then processed through the creditor system.

27. The process is consistent with the process for the other Covid-19 grants we have previously administered.

28. 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

29. A dedicated email has been set up to deal with general and application enquiries from all business requiring support.

ALTERNATIVE OPTIONS CONSIDERED

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

AIR QUALITY IMPLICATIONS

31. None

RISK MANAGEMENT IMPLICATIONS

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

EQUALITY & DIVERSITY IMPACT

33. The grants are available to all eligible businesses

COMMENTS OF THE STATUTORY FINANCE OFFICER

34. Through the approval of this urgent decision the council will begin making payments to those businesses required to close under the Tier 2 and 3 regulations.

35. The Government have confirmed the one-off allocation for these grants. This equates to £2.2m (ARG) and £194k (LRSGO). Any payments made after the national lockdown relating to the open scheme, as the Council moves back into Tier 3, 2 or 1, will be claimed retrospectively. No further funding is expected to be made available for payments under the ARG scheme.

COMMENTS OF THE MONITORING OFFICER

36. 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	2 nd December 2020

Approval of Urgent Decision

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

Cllr D Howarth

Councillor David Howarth
Chair of the Scrutiny Committee

Dated: 4 December 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

Gary Hall
Chief Executive

Dated: 4 December 2020

Cllr M Titherington

Councillor Mick Titherington
Deputy Leader of the Council

Dated: 4 December 2020