

Rother District Council

Report to: Cabinet

Date: 20 November 2020

Title: Additional Restrictions Grants Scheme – Discretionary Scheme

Report of: Chris Watchman – Revenues and Benefits Manager

Cabinet Member: Councillor Dixon

Ward(s): All

Purpose of Report: To agree the local restrictions support grant discretionary scheme recently announced by Government.

Decision Type: Non-Key

Officer

Recommendation(s): It be **RESOLVED:** That:

- 1) the Additional Restrictions Grants Scheme at Appendix A be approved; and
- 2) the Assistant Director Resources be granted delegated authority to make changes to the scheme in consultation with the Cabinet Portfolio Holder for Finance and Performance.

The Chairman of Council has already agreed that, subject to the approval of Cabinet, this decision can be taken as an urgent decision to allow the Council to implement the scheme in accordance with the Government's timescale.

Introduction

1. Members will be aware that the Government introduced national restrictions from 5 November to 2 December 2020 requiring businesses to close in order to manage the spread of coronavirus. It was also recognised that other businesses that were not required to close would also be affected by the restrictions.
2. The Government also confirmed that there would be payments to businesses for the period of the lockdown and as with the previous business support grants, this new scheme would be administered by local councils. There are two distinct schemes, the national scheme aimed at businesses that are required to close. This is known as the Local Restrictions Support Grant (Closed) Addendum and a locally determined discretionary scheme for those businesses materially affected by the lockdown. The discretionary scheme is known as the Additional Restrictions Grant (ARG). This report sets out brief details of the national scheme and the proposed discretionary scheme for Members approval.

National Scheme

- The national scheme is designed to help businesses who are required to close and are rated for business rates. Businesses required to close due to national 'lockdown' restrictions will receive grants of up to £3,000 per 28-day period under the LRSG (Closed) Addendum, an extension of the LRSG (Closed) scheme that related to the area classification scheme of medium, high and very high. The amount of grant payable depends on the rateable value of the business premises.

Table 1

Rateable Value	Grant due for each 28 day period
£15,000 or under	£1,334
over £15,000 and less than £51,000	£2,000
£51,000 or over	£3,000

- Full details of the scheme can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935131/local-restrictions-support-grant-CLOSED-ADDENDUM-la-guidance.pdf

Proposed local restrictions support grant discretionary scheme

- Local authorities can determine how much funding to provide to businesses from the ARG funding provided, and like the previous scheme, determine exactly which businesses to target. The Government guidance asks that the ARG is used to help those businesses which, while not legally forced to close, are nonetheless severely impacted by the restrictions put in place to control the spread of COVID-19. The guidance also asks Councils to consider helping businesses outside the business rates system, which are effectively forced to close, for example market traders and finally, to consider providing additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the LRSG (Closed) scheme.
- Other considerations include taking into account the level of fixed costs faced by a business, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses. The grant amounts given to individual businesses will be subject to state aid limits.
- Officers have been in discussion with colleagues around the County to see if a degree of commonality can be achieved with the scheme. The previous business grant scheme also provides a good starting point for those businesses the Council may wish to support. There will however be differences due to each Council's local needs and also due to the varying amounts of grant each Council will receive.
- An award of grant will be made where a business is closed and has no Non-Domestic rating assessment and falls within one of the following categories:
 - Shared spaces** – this relates to businesses that share the premises with other businesses and do not have their own separate rating.
 - Bed & Breakfast** – this applies to where the property is domestic and therefore subject to council tax rather than business rates; It provides

short stay accommodation for no more than six persons at any one time within the past year; and the property is the sole or main residence of the proprietor(s) and the bed and breakfast use is subsidiary to the private use.

- c. **Holiday accommodation including self-contained holiday lets and small campsites** – this applies to where the property is domestic and therefore subject to council tax. Businesses where the letting is by way of home sharing will be excluded (e.g. where a bedroom is let within a domestic property).
 - d. **Food, Beverage, Event, hospitality and Leisure supply chain** - businesses will be considered to meet this criterion if they are wholly or mainly providing goods and services to businesses undertaking the provision of food, beverage, hospitality or leisure or in the management of the flow of goods and services to those businesses.
 - e. **Arts and Entertainment** – this applies to cultural and tourist venues not eligible under the national scheme. In addition, this category covers entertainment based industries where the restrictions have severely curtailed their ability to operate.
 - f. **Market Traders** - the Council has decided that for the purpose of this scheme, market traders shall be defined as a business or person who sells goods wholly or mainly to visiting members of the public from a stall, pitch or similar, from a place or market recognised by the Council as a market. Where a market trader operates in more than one local authority area (including in the East Sussex area), the applicant will need to certify that they trade primarily in the Council's area or have fixed business base within the Council's area. Where a grant is claimed from another authority, no grant will be awarded by the Council
 - g. **Home Based 'in person' businesses** - businesses that are primarily home based may be awarded a grant. However, the business must, at the effective date, provide services that are wholly or mainly 'in person' and which cannot be provided remotely (e.g. via on-line).
9. It is proposed that the majority of businesses should receive a grant of £1,334 based on the minimum amount of the national scheme. Where businesses fall into the food, beverage, event, hospitality and leisure supply chain category and have a rated business premises, the grant will follow the national awards set out in table 1 in paragraph 3 above. For market traders and home based businesses the proposed award is £800 for the 28 day lockdown period.
10. The proposed detailed scheme is shown at Appendix A. In order to ensure the scheme can be updated for local issues and national changes, it is requested that the Assistant Director Resources be granted delegated authority to make changes to the scheme in consultation with the Cabinet Portfolio Holder for Finance and Performance. Full details of the guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935130/additional-restrictions-grant.pdf

Funding

11. The Council will receive £2,391,940 of funding from Government towards the national scheme. For the local scheme funding of £1,921,600 will be received. For both schemes the funding is to be used across financial years 2020/21 and 2021/22. This funding may therefore be needed to meet any future costs both if further lockdowns happen after 2 December or that the Rother area goes into tier 2 (high) or 3 (very high) restrictions. There is no certainty of any future funding at this stage.

Application Process

12. An on-line form has been developed that will ensure the businesses are able to provide the necessary information for their application to be assessed. The initial assessment will be carried out by an external company who have access to financial information to establish the applicant is genuine. This is a particularly important part of the process as the Government will not share data with local councils to help this process. An officer team will then carry out any final eligibility checks and arrange for payment by BACS. Requests for decision reviews will be undertaken by the Assistant Director Resources
13. It is also proposed that applications will close on the 11 December to ensure sufficient time to process payments before the Christmas break.

Conclusion

14. The proposed local discretionary scheme aims to support local businesses that cannot access the national grant scheme. It is based on Government guidance and the local business sectors targeted by the Council in its previous discretionary business support grant scheme.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

Chief Executive:	Malcolm Johnston
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Appendices:	A Draft Discretionary restrictions support grant - AGR
Relevant Previous Minutes:	
Background Papers:	Government guidance – links set out in the report
Reference Documents:	None.