

**Decision Session - Executive Member for  
Finance & Performance**

**7 October 2020**

Report of the Assistant Director, Customer & Digital Services

**Covid-19 – Local Restrictions Support Grant**

**Summary**

1. This paper provides the Executive Member for Finance & Performance with the relevant details of the Government's local restrictions support grant and the council's scheme for approval.

**Recommendations**

2. The Executive Member is asked to:
  - a) Note the details of the Government's scheme.
  - b) Approve the council scheme and discretionary scheme attached at Annex A
  - c) Approve the value of the discretionary payments (Paragraph 11)

*Reason: To provide financial support to financially effected businesses in York during any local lockdown.*

**Background**

3. The Government announced on the 9th September 2020 that it is going to provide financial support to businesses that are required to close during lockdown restrictions that may be put in place to manage coronavirus and save lives in a specified local area.
4. The localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat

posed by coronavirus and commonly as part of a wider set of measures.

5. As part of the scheme the council will receive two elements of funding:
  - a) Funding to meet the cost of payments to businesses within the business rates system based on an assessment of the number of eligible business hereditaments. This is those businesses that have a rateable value (RV)
  - b) An additional 5% to be used as discretionary grant funding to support businesses which are closed but are not in the business rating system (No RV) as well as businesses that may not be required to close but which are severely impacted (e.g. because of closure of their suppliers or the customers they supply to).
6. The detailed Government guidance is attached to this paper at Annex B.

### **The Council Scheme**

7. The eligible City of York businesses who are within the area covered by localised restrictions will receive a grant of up to £1,500 for each eligible hereditament as prescribed by Central Government and for each three-week period that the restrictions are imposed as a result of the use of Government powers.
8. Businesses occupying hereditaments appearing on the local rating list with a rateable value less than £51,000 on the date of the commencement of the local lockdown will receive a payment of £1,000 per qualifying lockdown period.
9. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the local lockdown, will receive £1,500 per qualifying lockdown period.
10. The scheme is only available where a business is forced to close due to the terms of the lockdown. Any business not forced to close but that for any reason may need to can only claim against the council's discretionary scheme. To be clear the funding provided for the discretionary (5%) of total award will be low and potentially inadequate to meet any demand that may arise. The government prescribed amounts are also exceptionally low for any business with and RV having to close for a three week period.

11. The Council will also receive an additional 5% top up amount of business support funding to enable them to help other businesses affected by closures which may not be on the business rates list. This will apply for each three-week qualifying period. This should include those types of business that are required to close as a result of the local lockdown. In addition, the council can support other businesses that may have no choice but to close (e.g. because their customer businesses are closed; because essential suppliers are closed). The council will use its discretion in relation to the appropriate level of grant payment and how it prioritises discretionary support. Payments made to businesses from this discretionary fund can be any amount up to and including £1,500.
12. The Government has kept the payment criteria simple based on RV and providing a small amount of financial support. This paper recommends that the discretionary payment is fixed at £750. This takes into consideration the amount set by Government for businesses with qualifying RV and also mirrors the £250 per week Isolation Support payments for residents.
13. Businesses eligible for the discretionary element of the scheme will be entitled to receive one grant per business (not one per business premises as those businesses with an RV are entitled to) within the lockdown zone in each three-week qualifying period. The council has the discretion to pay grants to the same businesses or to different eligible businesses in subsequent qualifying periods.
14. The person who according to the billing authority's records was the ratepayer in respect of the hereditament on the date of the first full day of local lockdown is eligible for the grant. Where the council has reason to believe that the information that they hold about the ratepayer on the first full day of the local lockdown is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. The council must make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
15. The council must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
16. The council, as with the previous Covid-19 related business grants, must continue to ensure the safe administration of grants and that

appropriate measures are put in place to mitigate against the increased risks of both fraud and payment error. The Government Grants Management Function and Counter Fraud Function have waived the annual fee and continue to make their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of Covid-19 emergency grants until 31 March 2021.

17. The council will, as with previous Covid-19 related schemes, have to provide regular information to central government on payments made for audit purposes.

## **Implications**

### **Financial**

18. The council will be fully reimbursed for all payments made to hereditaments with rateable values. The discretionary funding is based upon 5% of award which limits the number of payments that can be made to the value of the fund otherwise it will create an unrecoverable overspend. The funding allocation figures have not yet been provided.

### **Human Resources (HR)**

The council will receive new burdens funding to meet any additional costs including staffing costs arising from delivering the scheme.

### **Equalities**

This report will impact on all communities equally.

### **Legal**

No implications

### **Crime and Disorder, Information Technology and Property**

No implications

### **Risk Management**

19. The key risk associated with administering this scheme is in relation to the discretionary element and the finite budget. As the Government grant only meets those business that are forced to close under the terms of a lockdown and with an RV the demand on the discretionary may be disproportionate to the funding provided. Previous schemes have shown that York has a high number of small businesses without RV.

**Author responsible for the report:**

**Chief Officer responsible for the report:**

David Walker

Pauline Stuchfield

Head of Customer & Exchequer Services

Assistant Director Customer and Digital Services

**Report Approved**

01/10/20

**Specialist Implications Officer(s):**

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

**Background Papers: None**

**Annexes**

**Annex A – City of York council’s local restrictions support scheme**

**Annex B – Detailed Government Guidance**