

Report of the Assistant Director, Customer & Digital Services

Lockdown and Tier 2 – Local Business Restriction Grants

Summary

1. This paper provides the Executive Member for Finance & Performance with the principles of the Local Restriction Grants (LRG) for Tier 2, Sector and Lockdown for approval to support York businesses. The paper also recommends that a further report is brought back as soon as possible to a future meeting, with recommendations on how the Additional Restrictions Grant (ARG) and Tier 2 discretionary fund provided as part of the Government's covid-19 support can be used.

Recommendations

2. The Executive Member is asked to approve:
 - a) Distribution of the Tier 2 local restrictions grant in line with the Government principles set out at Annex A.
 - b) Distribution of the Lockdown business grants in line with the Government principles set out in Annex A.
 - c) Distribution of the Sector grants in line with the Government principles set out in Annex A.
 - d) A further report to be brought back to the next available decision session of the Executive Member for Finance & Performance, to approve a scheme for the discretionary funding provided as part of the Government Lockdown (in consultation with the Executive Member for Economy and Strategic Planning).

- e) The delegation for any future changes resulting from Government guidance in relation to this scheme to the Chief Finance Officer (s151) in consultation with the Executive Member Finance and Performance/Executive Member Economy & Strategic Planning, and approval process outlined at paragraph 17.

Reason: To provide urgent financial support to the city's Hospitality and Leisure businesses who are most effected by the Tier 2 restrictions.

Background

3. The Government announced on 21st October that they were providing additional funding to allow local authorities to support businesses in Tier 2 areas which are not legally closed, but which are severely impacted by the restrictions on movement.
4. The Government made a further announcement on 31st of October confirming that the country would be going into a nationwide lockdown from 5th November until 2nd December. As a result further support would be provided for those businesses in the retail, leisure and hospitality sector that had to close. The guidance on all the grant schemes are set out on the link at Annex A of this report.
5. The principles of the non-discretionary schemes are set out in the following paragraphs.

Tier 2 Local Restriction Scheme

6. The principles of the Government's Tier 2 scheme are that the businesses in the qualifying criteria will receive the following level of support:
 - For properties with an RV of £15k or under, grants of £934 per month
 - For properties with an RV above £15k and below £51k, grants of £1,400 per month
 - For properties with an RV of £51k or above, grants of £2,100 per month

Lockdown Local Restriction Scheme

7. The principles of the Government's Lockdown scheme are that the businesses in the qualifying criteria will receive the following level of support:

- For properties with a rateable value of £15k or under, grants to be £1,334 per month, or £667 per two weeks;
- For properties with a rateable value of between £15k-£51k grants to be £2,000 per month, or £1,000 per two weeks;
- For properties with a rateable value of £51k or over grants to be £3,000 per month, or £1,500 per two weeks.

Sector

8. This is aimed at businesses which have been closed since March commencing on 1st November and is superseded by the lockdown support on 5th November. Eligible businesses are:

- Nightclubs, dance halls, and discotheques
- Sexual entertainment venues and hostess bars

9. The level of support is:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the national restrictions will receive a payment of £667 per 14-day qualifying restriction period.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the national restrictions will receive a payment of £1,000 per 14-day qualifying restriction period.
- 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 national restrictions will receive a payment of £1,500 per 14-day qualifying restriction period.

Guidance

10. The council can decide the exact amount payable to each business in the tier 2 but not lockdown scheme. The payment made by Government to the council for the three schemes is based upon the number of relevant businesses in the above RV values who meet the criteria and are in the council's business rate base. The council cannot increase the overall funding available and will provide the funding in an equitable and fair manner in line with the Government guidance to all qualifying businesses.

11. Unlike the Retail, Hospitality and Leisure Grants (RHLG) there is no cap on the rateable value meaning that all businesses in the qualifying categories will receive a payment.
12. Once awarded the grants are ongoing on a monthly (4 weekly) basis – except for Tier 2 (2 weekly). The following approach will be applied for York businesses:
- Tier 2 payments will be made retrospectively for qualifying businesses to cover the period 17th October to 4th November*
 - Lockdown payments will be made for qualifying businesses to cover the period 5th November to 2nd December and for every month (four weekly) thereafter that any Lockdown remains in place.*
 - Should a regional Tiered approach be reintroduced on 3rd December – then the relevant Tiered scheme will be re-implemented for the period that York remains in that Tier. If a Tier 3 scheme is required then further approvals will be sought via a future Finance & Performance Decision Session.

*The categories supported by each scheme will differ, although some businesses will be covered by both schemes.

13. The recommendations of this paper are that the council provide the payments in line with the Government guidance and as set out at Paragraph 6 to 9 above. All businesses must apply and the relevant forms will be made available online. The normal fraud checks required by Government will be undertaken before any payment is made.

Discretionary Fund

14. The council will receive a discretionary fund (ARG) in respect of the lockdown support. This fund is to support business within the city to 31st March 21 and through to April 2022 if required. It is there to support businesses affected by lockdown who do not meet the criteria of the above schemes including businesses that have no rateable value. There is also a small amount of discretionary funding associated with the period the council was in tier 2 (17th October – 4th November)
15. At present the amount of funding available has not been confirmed but guidance has been provided (Annex A). This paper recommends that a scheme for the use of the discretionary funds is

brought back to the next available meeting to allow time for the schemes to be developed.

Recommendations

16. This paper recommends that the Executive Member approves the council scheme to accept the guiding principles and amounts as set out by Government at paragraph 6 - 9.
17. It also recommends that an urgent paper be brought back next week setting out how the council intends to distribute the discretionary support.
18. Should any element of this scheme be changed by subsequent government guidance it is proposed that the Executive Member delegates the decision under this scheme to the Chief Finance Officer (s151) in consultation with the Executive Member Finance and Performance/Executive Member Economy & Strategic Planning, with changes approved retrospectively in public at the next available Executive Member decision session.

Consultation

19. In developing and delivering these schemes the Government has not offered any opportunity for consultation directly with the council. The council have however been proactively lobbying Central Government for more support since the start of the crisis

Implications

Financial

20. There are no direct financial implications arising from this scheme as the Government provide funding in full for the identified qualifying businesses in the councils NNDR base. Any discretionary scheme brought forward only provides a limited pot of money to support other effected businesses that will need to be closely managed.

Human Resources (HR)

There are no HR implications.

Equalities

This report will impact on all communities equally.

Legal

No implications

Crime and Disorder, Information Technology and Property

No implications

Risk Management

21. The key risk associated with this paper is that there is not enough money in both the core and discretionary schemes to provide the level of financial support required by affected businesses in the city during the ongoing covid-19 pandemic.

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Services

**Report
Approved**



**Date
04/11
/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 - Government Guidance on Local Restriction Grants (LRG) for Tier 2