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EMERGENCY DELEGATED EXECUTIVE DECISION

In accordance with the Leaders decision and noted by Cabinet on 25/03/2020 to delegate to the Chief Executive any executive decision in this COVID 19 Global pandemic emergency or that is urgent or that would be necessary or expedient, or which would otherwise protect the Council's interests, including key decisions.

South Lakeland District Council Emergency Delegated Executive Decision Local Restrictions Grants (three schemes)

Date: 21/12/2020	Reference: 013
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Reason for emergency

The Chief Executive received emergency delegated executive decision making powers on the 25th March 2020. It is considered that this decision is necessary or arises from the global COVID-19 pandemic.

The matter is urgent, necessary and expedient and is needed to protect the Council's and that of its community's interests.

The decision is required to be taken due to the Government's recent announcement for a new package of financial support grants for businesses that will be administered by local authorities. Funding will be provided by the Government for the new support grants for businesses due the re-introduction of the tiered restrictions, following the end of the second national lockdown on 2nd December 2020. The Government have requested the grants are processed and paid as soon as possible, with the funding be paid to the Council imminently. It is expected that the payment of grants will ease financial pressures for eligible businesses.

Due to the timing of the receipt of the full Government Guidance (10th December 2020) and the date of the next Cabinet meeting being in January 2021, we require an emergency decision.

This is a Key Decision: **Yes**

Portfolio:	Finance and Resources Portfolio Holder
Decision Maker:	Chief Executive
Report Author:	Gareth Candlin – Operational Lead (Specialist Services) Ruth Leahy – Specialist (Economy and Culture)
Wards:	All
Forward Plan:	Exemption from publication requirements / Forward Plan (key decision) requirements and call in obtained

1.0 Reasons for Proposed Decision and Expected Outcome

- 1.1 Due to the ending of the second national lockdown on 2nd December 2020 and the reintroduction of the UK Government sanctioned local restrictions (known as the Tier system), business grants have been announced to coincide with tighter restrictions. We require a process and policy regarding the administration of the grants.
- 1.2 The current tier system in place in England is scheduled until the end of March 2021, and local restrictions are being reviewed every 14-day period to determine which tier and level

of local restrictions a local authority will fall under. This in turn coincides with the 14-day grant cycles that affected businesses will be eligible for.

- 1.3 South Lakeland and the rest of Cumbria is currently in Tier 2 and looks set to stay this way in the short term due to the current level of infections across the county. Should South Lakeland be placed in Tier 3, or higher, our grant allocation will increase as more businesses will be forced to close, as we will be expected to roll out more business grants to those directly affected by the tightening of local restrictions. It is not expected that a further decision would be needed to roll out more grants in this scenario, though officers will keep CMT and Cabinet updated on this as the situation evolves.
- 1.4 The grants that will be available to South Lakeland businesses are as follows: the Local Restrictions Support Grant (Open) (**LRSG(O)**), the Local Restrictions Support Grant (Closed) (**LRSG(C)**) and the Christmas Support Payment (for Wet-led Pubs) (**CSP**). These will support those businesses who are directly impacted by the Tier 2 restrictions (the same goes for Tier 3 restrictions, should we be moved up a single tier).
- 1.5 South Lakeland District Council has been granted **£2,326,289** for the LRSG(O) (based on a 14 day payment cycle); **£36,296** for LRSG(C) (based on a 14 day payment cycle); and **£115,200** for CSP (based on a one-off payment). This funding is provided by Central Government to distribute to eligible businesses under these schemes.
- 1.6 The above grants follow the Government-funded Small Business Grant Fund (SBGF) Retail, Hospitality and Leisure Grant Fund (RHLGF) and Local Authority Discretionary Grant Fund (LADGF) that were administered by local authorities following the first national lockdown in March 2020, and the Local Restrictions Support Grant (Closed) Addendum (LRSG(C)A) and Additional Restrictions Grant (ARG) as a result of the second national lockdown in November 2020.
- 1.7 SLDC will distribute grant funding to eligible businesses as follows:
 - LRSG(O): this will make up the bulk of our applications, likely to impact approximately 4,000 businesses in South Lakeland, due to the nature of our local economy being heavily influenced by the hospitality, leisure and accommodation sectors. An online application and validation process will be used for this grant scheme, and the policy document is attached due to the partial discretionary element of this grant.
 - LRSG(C): this is directed at such a small selection of businesses (approx. 40 businesses) that have been mandated to close as a result of the Tier 2 restrictions (for example, pubs that do not serve food), that the grants team in partnership with public protection and licensing specialists are able to determine exactly how many businesses this impacts, and therefore use existing data through the previous grants schemes to pay these businesses directly, avoiding an application process. This is consistent with the approach across Cumbria.
 - CSP: Government have strongly suggested that an application process be put in place for this scheme due to the definitions surrounding the eligibility criteria, and while this will make up a small proportion of applicants, an online application and validation process will be used for this scheme. This will affect approx.110 businesses.
- 1.8 This decision will contribute significantly in assisting businesses during the ongoing COVID-19 pandemic, helping with job retention and business viability in difficult circumstances and avoiding economic collapse by giving additional resources to businesses within the district.

2.0 Proposed Decision

2.1 It is recommended that the Chief Executive:-

- (1) Approve the three grant schemes along with the LRSO(O) policy document; and
- (2) That a non-executive emergency decision is taken to confirm appropriate budgets be established outside the approved budget and policy framework to receive the grant funding and distribute funds as per Government guidance; and
- (3) Agree to delegate the identification, determination and payment of the grants in accordance with the schemes (see attachment and Government guidance) to qualifying businesses to the Operational Lead for Specialist Services; and
- (4) Delegates to the Operational Lead for Specialist Services, in consultation with the Portfolio Holder for Finance and Resources, authority to make any amends to the LRSO(O) to reflect future changes in Government guidance or change in local need.

Review Date:	31 March 2021
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3.0 Background and Proposals

3.1 The government has announced the **LRSO(Open)** scheme to be targeted at hospitality, accommodation and leisure businesses not mandated to close but significantly affected by the Tier-related local restrictions.

The following grant levels apply for LRSO(O) as follows:

- 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 widespread national restrictions will receive a payment of £1,334 per 28-day qualifying restriction period. For businesses not in the local rating list it will be based on number of employees 1-9.
- 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 widespread national restrictions will receive a payment of £2,000 per 28-day qualifying restriction period. For businesses not in the local rating list it will be based on number of employees 10-24.
- 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 widespread national restrictions, will receive £3,000 per 28-day qualifying restriction period. For businesses not in the local rating list it will be based on number of employees 25+.

Please see Appendix 1 for the South Lakeland LRSO(O) policy document, this is due to the partial discretionary nature of this grant.

3.2 The government has announced the **LRSO(Closed)** scheme to be targeted at businesses mandated to close by the Tier-related local restrictions.

The following grant levels apply for LRSO(O) as follows:

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

- Businesses with a rateable value of exactly £51,000 or above on the commencement date of the local restrictions, will receive £1,500 per 14-day qualifying restriction period.

3.3 The government has announced the **CSP** scheme to be targeted at wet-led pubs where less than 50% of their income is derived from food sales. This will be a one-off flat rate grant amounting to £1,000 per wet-led pub where Tier 2 or 3 restrictions are in place for all or part of the period between 2 and 29 December 2020.

4.0 Consultation

4.1 A common and consistent approach has been agreed by all District Councils in Cumbria, allowing for specific references to business sectors within districts to support their own local economic make up.

4.2 A working group of officers including specialists and case managers have agreed the process for collecting information and administering payment of grants.

4.3 The Portfolio Holder for Finance and Resources, the Leader of the Council and Cabinet have been consulted on the detail of this decision and appended guidance.

5.0 Alternative Options

5.1 SLDC do not accept this funding: this would not comply with the request from Government and would not give critical support to businesses operating within South Lakeland, and therefore this is not a recommended option.

5.2 SLDC administer grants to an amount beyond the allocations set out by Government: this is not affordable for the Council, and therefore is not the recommended option. Direct communication with Government will take place should we come near to the grant allocation limit across any of the schemes.

6.0 Links to Council Priorities

6.1 Supporting our Economy: To aid job retention and business viability in difficult circumstances; avoiding economic collapse and enhancing the culture of the district by giving additional resources to businesses, including eligible cultural organisations, with properties within the district.

7.0 Implications

Financial, Resources and Procurement

7.1 The Government has made it clear that Councils can recover the additional cost incurred by the Council in administering this scheme.

7.2 The Government are funding the entirety of the grant schemes.

Human Resources

7.2 There are no direct human resources implications of this report. Staff from around the Council will assist in the processing of grant claims.

Legal

7.3 The Council has powers under the Localism Act 2011 to make these payments. Officers will seek legal advice where appropriate on the grants application form and the state aid implications. A separate non-executive decision will be taken to address the changes to the Budget and Policy Framework.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment?
No

7.5 If you have not completed an Impact Assessment, please explain your reasons: This has not been deemed as necessary in this instance. The impact of the scheme applies to businesses which are eligible within the district and is vital to prevent many small businesses becoming insolvent following Government required closure.

7.6 Summary of health, social, economic and environmental impacts: N/A

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: This has not been deemed as necessary in this instance, this applies to all those with businesses which are entitled within the district.

7.9 Summary of equality and diversity impacts: N/A

Risk

Risk	Consequence	Controls required
Grants are not given in accordance with Government guidance	Government will not reimburse the Council for payments made outside the Government schemes	Grant applications will be verified to be compliant with Government guidance and business eligibility
Grants are given to fraudulent claimants	Grants are given to businesses or individuals that are not eligible	Verification has been built into the grant process including requesting sufficient evidence and using Government tools to avoid fraudulent claims, in conjunction with access to our business rates database to cross check applications with liable ratepayers
Grants are not issued promptly	Businesses will not receive financial assistance as set out by Government	Online portal developed for efficient application of grants, resource trained and in place to review and approve
Online application and verification processes to manage a multi-million pound scheme in just a few days in order to get grants paid to businesses with minimal delay	Reputational impact to the Council and delays to the processing of payments	Learning from previous scheme will significantly reduce risk. Robust process in place to expedite payments.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	SLDC Local Restrictions Support Grant (Open) policy document

Background Documents Available

Name of Background document	Where it is available
Local Restrictions Support Grant (Open) Guidance for Local Authorities, December 2020	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942853/local-restrictions-support-grant-OPEN-dec2-2020-onwards-la-guidance.pdf
Local Restrictions Support Grant (Closed) Guidance for Local Authorities, December 2020	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940008/local-restrictions-support-grant-CLOSED-dec2-2020-onwards-la-guidance.pdf
Christmas Support Payment (for wet-led pubs) Guidance for Local Authorities, December 2020	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942452/christmas-support-payment-la-guidance.pdf
Approved by:	Signature and Date (or email confirmation)
Chief Executive	31/12/20
Or such person as delegated by the Chief Executive in writing	N/A
In consultation with	
The Leader of the Council	24/12/20
And Relevant Portfolio Holder	24/12/20
CMT Directors	24/12/20
The following interests were declared – disclosable pecuniary interest or other or none	N/A

<p><i>Due to COVID 19 and Government announcements, it has not been possible for this Key decision to be included in a Forward Plan at least 28 clear days before the decision was to be made. It is not possible to comply with the General Exemption procedure.</i></p> <p><i>In accordance with Part 4 of the Constitution - Rules of Procedure – Access to Information Rules – Paragraph 16, the Chairman of the Overview and Scrutiny Committee (Cllr Hughes) has agreed that the taking of the decision is urgent and could not reasonably be deferred because for the reasons outlined in this report and the timescales required to protect the public/business interest and to comply with Government advice.</i></p> <p><i>This being “special urgency”</i></p>	
<p><i>In accordance with Part 4 of the Constitution – Rules of Procedure – Overview and Scrutiny Procedure Rules - paragraph 16(j), the Chairman of the Council (Cllr Coleman) agrees that this decision is reasonable in all the circumstances and that it is treated as urgent for the reasons outlined above and, therefore, the decision is exempt from call-in.</i></p>	

Local Restrictions Support Grant (Open) Policy

Background

1. In response to the COVID-19 pandemic, the Government has announced the following grant funds to support businesses where restrictions have had a negative impact on businesses:
 - Small Business Grant Fund (SBGF)
 - Retail, Leisure and Hospitality Grant Fund (RHLGF)
 - Local Authority Discretionary Grant Fund (LADGF)
 - Local Restrictions Support Grant (Closed) (LRSG(Closed))
 - Local Restrictions Support Grant (Sector) (LRSG(Sector))
 - Local Restrictions Support Grant (Closed) Addendum
 - Local Restrictions Support Grant (Open) (LRSG(Open))
 - Additional Restrictions Grant (ARG).
2. The Government has announced further business grant funding to local authorities, to be rolled out to open businesses from 2 December 2020 following the end of the second national lockdown that ran between 5 November and 2 December 2020.
3. This grant scheme, of which a discretionary element applies, is further detailed in this policy document, and has been brought about to help those businesses that are not legally required to close but which are severely impacted by the localised restrictions put in place under Tier 2 or Tier 3 (dependent on which level our area falls in to, determined by the Government). This fund is referred to as Local Restrictions Support Grant (Open), LRSG(Open) or LRSG(O).
4. This grant funding support will take the form through a grant application process, whereby one grant application from an eligible business will result in 14 day payment cycles for the duration of Tier 2 or 3 restrictions in financial year 2020-2021. The scheme will be administered by business rate billing authorities in England.
5. This grant funding will be available to businesses that are subject to Tier 2 or Tier 3 local restrictions only. It is not expected that this grant funding will be available should Tier 1 be introduced for South Lakeland.
6. In the event of renewed widespread national lockdown restrictions being imposed, the LRSG(Open) will cease to apply, and relevant businesses will receive funding through LRSG(Closed), subject to addendum guidance from Government.
7. It is estimated that South Lakeland will receive £2,326,289 for this grant scheme. This equates to a 14 day cycle allocation payment to SLDC from Government to allow for fortnightly payments of grants while we remain in Tier 2 (or should we move to Tier 3).
8. Local authorities can use this funding for business grants only. LAs do have a degree of discretion as to which businesses will receive this funding. The Government have made it clear that they expect this to be targeted at hospitality and leisure businesses, which some variations due to differing local economies and the impact that Tier 2 and 3 restrictions have on these sectors. This document will set out in full which businesses will be eligible.

9. The Government has set some national criteria which the Council must follow in terms of which businesses it can support, but Local Authorities have some discretion to determine which businesses to support within those criteria. In determining this scheme, the Council has sought to balance the amount of overall money it has received to distribute, with the number of businesses it can support. For the avoidance of doubt, the Council does not have the discretion to assist businesses that fall outside the criteria set out below under point 10.

10. For the full Government guidance on this scheme, please refer to the following link:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942853/local-restrictions-support-grant-OPEN-dec2-2020-onwards-la-guidance.pdf

Eligibility

11. Open businesses within the following sectors are eligible for this scheme:

- a) Hospitality – Pubs, Bars, Restaurants, Cafes, Social Clubs, Catering Companies and Wedding Suppliers.
 - i. Pure takeaway businesses are excluded.
- b) Accommodation – Hotels, Bed and Breakfasts, Self-Catering Cottages, Campsites and Caravan Parks (those that are operating at this time of year).
 - i. Those which are registered for business rates will be eligible through the LRSG(O) scheme, those which meet the criteria to be registered for business rates and are in the process of transferring from Council Tax to Business Rates before 2nd Dec will be eligible through this scheme.
- c) Leisure and Sports facilities such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, shooting ranges and other adventure pursuits.
 - i. This would be for those businesses severely affected by loss of revenue/paying customers due to restrictions around no households mixing indoors and/or the rule of 6 for outdoors activity.
- d) Visitor Attractions such as museums, art galleries, zoos/aquaria, historic places or monuments, etc.
 - i. This would be for those businesses severely affected by loss of revenue/paying customers due to restrictions around no households mixing indoors and/or the rule of 6 for outdoors activity.

Non Eligible Businesses

- 12. Businesses that were **not** trading the day before restrictions were introduced are not eligible for this scheme.
- 13. Companies that were in administration, are insolvent or where a striking-off notice has been made are not eligible for this scheme.
- 14. Businesses that are unable to comply with the [State Aid requirements as set out in the Government Guidance](#) may be ineligible for this grant scheme.

Grant Award Amounts

- 15. Awards under the Local Restrictions Support Grant (Open) scheme are cash limited and therefore expenditure will not exceed the amount determined under point 7.

16. In most cases, eligible businesses will be registered to with the Council for business rates, and therefore grant amounts will be determined by the business property's rateable value.
17. In fewer cases, where eligible businesses that are not registered for business rates (i.e. B&Bs paying Council Tax, outdoor pursuits businesses etc), the grant award will be made under the 5% discretionary top-up of this policy, and grant amounts will be determined by employee numbers.
18. Grant award amounts:

Rateable Value	Grant Amount per 14 - day restrictions	Employee Numbers	Grant Amount per 14-day restrictions
£15,000 or less	£467	0-9	£467
£15,001 - £50,999	£700	10-24	£700
£51,000 +	£1,050	25+	£1,050

19. If the fund is oversubscribed, the Council reserve the right to amend grant levels, based on applications received and approved.
20. The grant scheme is per hereditament (property). Businesses with more than one property that is rated in the business rates list will be eligible for more than one grant. In case where businesses do not operate from a hereditament (property), grant applications should be made one per business ONLY.
21. Payments will be made per 14-day period for as long as the council remains in Tier 2 or 3. The first payment period is from 2 December 2020 to 16 December 2020.

Application process

22. **An application process will be used to administer this grant schemes, details of which will be at www.southlakeland.gov.uk when available.**
23. **It is recognised that the Council now holds significant amount of data for businesses who have been eligible through previous grant schemes, therefore it is our aim to make the application process as efficient as possible for the applicant and the Council, to ensure timely payments. Data security is of the utmost importance to the Council, please refer to our Point 33 on our data protection and [privacy policy](#).**

Appeals Process

23. There is no right to appeal and the decision of the Council is final.
24. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

EU State Aid Requirements

25. All State aid requirements must be met and complied with under this grant scheme, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.

26. Recipients will be asked to complete a declaration to confirm the position in relation to State Aid.

Taxation and the provision of information to HMRC

27. The Council has been informed by Government that all payments under the scheme are taxable. The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position. All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

Evidence That You Will Need to Provide

28. The Council is relying on businesses to be honest and open with the Council, and to present to us your evidence of need and eligibility for this grant scheme.
29. As part of your application you will need to provide the following information:

Information	Evidence Required	Comment
Applicant Details	Details of you, the applicant submitting the application to us	You should be authorised to do so on behalf of the eligible business
Payment details	If you have received a grant from us recently, we will look to pay these bank details (subject to a new application), based on your new application submission. If you have not received a grant from us previously, or your bank details have changed, a copy of your full business bank statement clearly showing account name, business address, sort code and account number	The payee must match the name of the business or individual listed on the business rates or council tax account. Where your address does not match that of the property within the application, a utility bill will be sought clearly showing your business address
Your Business Unique Identifier Type	This unique identifier will be with your company reference number, charity number, self-assessment number, national insurance number, taxpayer reference or VAT number	We also need to capture the business sector and business size, as a requirement from Government
Evidence of the negative impact of local restrictions on your trading business	You will need to provide your average monthly fixed business property costs, if you are trading online, your annual turnover, and written details of how the latest restrictions have affected your business.	You must refer specifically to how the most recent restrictions (2 nd December onwards) have impacted your business. You can also make reference to the wider impact and scale of losses you have experienced because of the COVID-19 pandemic and resulting restrictions
Evidence of eligibility under State Aid rules	This will be done by way of self-declaration on the online application form, previous grants received in the past three financial years should be declared on the application form	If you are unsure whether State Aid applies to your business, you will need to seek independent legal advice.

30. The Council reserves the right to request supporting information and additional evidence from the applicant to support the grant application pertaining to the above information. Withholding of this information or failure to supply with the grant application period may result in your application being refused.

Definitions

31. "Bed and Breakfast" - grant applications from B&B's that are in either business rate or council tax will be accepted. The property should be wholly or mainly used as guest premises and will be registered as a food businesses with the Council. Properties which are mainly domestic and renting a spare room or rooms through 'AirBnB' or similar booking platforms are not eligible.
32. "Self-catering holiday cottage" - self-catering holiday cottages which are available to let for short periods that total 140 days or more per year should be rated as a self-catering property and valued for business rates and will be eligible through this scheme. Those which meet the criteria to be registered for business rates and are in the process of transferring from Council Tax to Business Rates before 2nd Dec (that is, the Local Taxation team has been informed and is factually aware of the business usage of the property prior to this date) will be eligible through this scheme. Those who do not meet the 140 days criteria or have not begun the process to transfer from Council Tax to Business Rates will not be eligible for this scheme.

Data Protection

33. The Council treats all its information that it holds on file with the upmost care and confidentiality. For more on our Privacy Policy, and to see how we use and share your data, please see here: www.southlakeland.gov.uk/your-council/council-business/data-protection-and-privacy-policy/privacy-policies/

Managing Fraud Risk

34. Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
35. Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

Recovery of Grants Incorrectly Paid

36. If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

Right to Update this Policy

37. The Council reserves the right to update and change this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error or omission. Any future updates will be published on our website.

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