

Cabinet Member Briefing Note

COVID-19 Recovery – Local Restrictions Support Grants (Mandatory Schemes)

To: The Leader of the Council

Date: 22nd January 2021

Author: Director of Economy, Growth and Place

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report seeks the Leader of the Council's authorisation for the Council's approach to identifying local companies that may meet the criteria for the Government latest round of business grants.
- 1.2 In response to COVID-19, the government announced that there would be further support for businesses which provide in-person, direct services from their premises and which have been mandated to close by Government. This is delivered through the 'Local Restrictions Support Grant closed (addendum) 5th January onwards' scheme. The Government also provided the Council with details of a one-off Closed Business Lockdown Payment scheme.
- 1.3 This Cabinet Member Briefing Note aims to affirm that the Council will administer the grants as requested by the Government; agree the general principles of the grant schemes where discretion is permitted i.e., in assessing applications eligibility against Government-set criteria; and delegate responsibility to Officers to vary the schemes either as instructed by the Government or for the benefit of Swindon's impacted businesses and wider economy.

2. Recommended Action to be taken by Officers Under Delegated Powers

Recommended that the Cabinet Member agrees to:

- 2.1 The Director of Economy, Growth and Place, using her power of general competence as set out in paragraph (j), Scheme of Delegations Part 8 of the Constitution, shall be authorised to Adopt and publicise the Swindon Schemes for Eligibility for:
 - 2.1.1 Local Restrictions Support Grant closed (addendum) 5 January onwards –as set out in paragraph 3.8 to 3.12,
 - 2.1.2 Closed Business Lockdown Payments as set out in paragraph 3.13 to 3.14.

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- 2.2 The Corporate Director of Finance and Assets, using his authority under paragraph (j) of the Scheme of Delegations, shall be authorised to pay the grants awarded under process in recommendation 2.1.

3. Detail

- 3.1 As part of the Local Tier Restrictions, recovery, the Government has published details of new business grants being 'Local Restrictions Support Grant scheme (LRSG (Closed) Addendum: 5 January onwards' (LRSGCA5JAN) and Closed Business Lockdown Payment' (CBLP) which both take effect from 5th January 2021. Information setting out current Government guidance is attached at Appendix One. Swindon Borough Council has been awarded £14,273.161 comprising £8,199,000 for the new Closed Business Lockdown Payment; £4,100,499 for the Local Restrictions Support Grant closed (addendum) 5 January onwards and a further £1,973,752 top up payment towards the existing Additional Restrictions Grant. Local Authorities have received an initial allocation of 90% of the estimated grant funding amount for the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further national restrictions continue and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government.
- 3.2 As with the previous mandatory schemes, the LRSGCA5JAN and CBLP schemes have mandatory guidance for Local Authorities to follow and administer the payments to eligible businesses with business rates accounts, which have been required to close under the National Restrictions.
- 3.3 The Guidance states that these schemes are aimed at those businesses which were trading before national restrictions came into effect. The Government has set very clear rules for the types of business which can be awarded grant funding in these schemes.
- 3.4 For LRSGCA5JAN, the level of grant per 42-day period is set by the Government and is based on the level of rateable value of the business. For the CBLPs, the Government has set rates for these one-off grant payments using the properties' rateable value as at 5 January 2021. Grant levels are set out at paragraphs 3.13 and 3.15 below.
- 3.5 Permission has already been awarded to design and administer the Additional Restrictions Support Grant fund and this is a further top up of funding for this grant. The minor amendments to the new ARG scheme enable the scheme to sit equitably
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alongside the criteria for the LRSOCA5JAN; so the grant period would be extended to 42-days as opposed to previously 14-days, and subsequently the grant level would rise to £2,000 to cover the longer period. Nb. The grant level is set at the same amount as the lowest LRSOCA5JAN payment. Also, as with the Government's grant schemes generally, we have dropped the maximum business size criterion as State Aid rules effectively limit applicants' size.

- 3.6 Other conditions continue apply to all grants, including non-insolvency, tax regulations, managing the risk of fraud, pre and post-event assurance, monitoring and evaluation requirements and State Aid conditions. All grants are taxable.

The Swindon Scheme

- 3.7 Officers are seeking the Cabinet Member's endorsement of the following principles and criteria to govern the administration of a Swindon specific scheme in accordance with the mandatory guidelines set out by the Government:

Local Restrictions Support Grant closed (addendum) 5 January onwards LRSOCA5JAN

- 3.8 Applicants must have a live business rates account as at 5 January 2021
- 3.9 Businesses must have been mandated to shut under the national restrictions.
- 3.10 Payments cover a 42-day period (unless Swindon is subject to another Tier change in the interim, which would result movement to other grant schemes).
- 3.11 If Swindon remains in national lockdown after the 42-days, grant payments can be repeated to eligible applicants.
- 3.12 Allocation has no discretion as to grant values or eligible businesses and the recommendation is therefore to award in line with the Government criteria set out below:
- 3.12.1 Properties with a rateable value of exactly £15,000 or under will receive a payment of £2,001 per 42-day period.
- 3.12.2 Properties with a rateable value over £15,000 and less than £51,000 will receive a payment of £3,000 per 42-day period.
- 3.12.3 Properties with a rateable value of exactly £51,000 or above will receive £4,500 per 42-day period.
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Closed Business Lockdown Payments CBLPS:

- 3.13 This is a one-off grant awarded to businesses using the same eligibility criteria as the LRSGCA5JAN.
- 3.14 Eligible applicants will receive a one-off payment of:
 - 3.14.1 Properties with a rateable value of exactly £15,000 or under will receive a payment of £4,000.
 - 3.14.2 Properties with a rateable value over £15,000 and less than £51,000 will receive a payment of £6,000.
 - 3.14.3 Properties with a rateable value of exactly £51,000 or above will receive £9,000.

4. Alternative Options

- 4.1 The Council could choose not to administer these grants, although this would be extremely detrimental to the local economy and the Council's reputation.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Payments are made as S38 grant and Local Authorities have received 90% of the estimated grant funding based on an initial Government estimate. When this threshold of funding has been spent, Government will top up funding to Local Authorities if required. Regular reporting is required and any underspends are required to be repaid to Government.

Legal and Human Rights Implications

- 5.2 Government guidance states that the Council has power to grant the payment pursuant to s1 of the Localism Act 2000. The Guidance provides mandatory criteria but provides discretion to the local authority to assess applications.
- 5.3 Any exercise of the powers and the discretion within the scheme will be exercised reasonably and with regard to the purpose of the grants, which is for government, utilising local authority local knowledge and networks to determine which business to support. Prior to any grant, each business will be expected to ensure that it complies

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with any State Aid requirements as detailed in the guidance. The guidance requires that the council operate pre and post payment processes to prevent fraudulent claims.

Climate Change Impact

- 5.4 The proposals would not bring a change in the service delivery and Officers believe that there is no expected effect on the Council's carbon footprint

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.5 This will help businesses through a very difficult time and no major impacts have been identified.

Diversity Impact Assessment

- 5.6 No adverse Diversity Impact Assessment has been undertaken. The Council has no discretion over the allocation of the Local Restrictions Support Grants.

Risk Management

- 5.7 Resources will be deployed to check that the applications are genuine and that grant payment is made to the right recipient. This may involve further checks on a business if required and full liaison with Internal Audit.
- 5.8 Post payment, the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments. The Council's Internal Audit team are also involved with designing and administering the scheme.
- 5.9 If the Council granted reliefs more than the amounts that Central Government will recompense, there would be an additional burden on Council Taxpayers but reviewing the grant awards once applications are received will prevent this.

Consultees

- 5.10 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

6. Appendices

- 6.1 Appendix One: Business Support Package for January Lockdown
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7. Declarations of Interest

- 7.1 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Briefing Note. If such an interest exists this should be declared to the Monitoring Officer (or Committee and Member Services Manager), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to the Leader of the Council instead for consideration.

8. Sign-off

- 8.1 The Cabinet Member is requested to respond with 5 days of the date of this report 29th January 2021.
- 8.2 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report.

[To be signed electronically and redacted for publication]