

Lancaster City Council | Report Cover Sheet

Meeting	Individual Cabinet Member Decision	Date	26 th November 2020		
Title	Covid -19 Local Restrictions Support Policy 2020/21				
Report of	Head of Shared Service				
Purpose of the Report					
<p>This report seeks approval to implement a Covid-19 Local Restrictions Support Policy 2020/21, which encompasses both statutory and discretionary grant schemes, setting out the main criteria to determine eligibility, and outlines the approach the Council will take in determining whether an award should be paid.</p>					
Key Decision (Y/N)	N	Date of Notice		Exempt (Y/N)	N

Report Summary

In response to the ongoing Covid-19 crisis, the Government announced there would be further funding to support businesses that are required to close, or have been severely impacted by the imposition of localised and national restrictions.

Support will take the form of a number of Local Restriction Support Grant (“LRSG”) funding schemes in 2020/21 to support local businesses during national lockdown (5 November 2020 to 2 December 2020), and to support businesses primarily in the hospitality, accommodation and leisure sector during periods of local restrictions imposed on the local area from 22nd September 2020 when Local Covid Alert Level (LCAL) Tier 2 restrictions were imposed and from 17th October 2020 when LCAL Tier 3 restrictions were imposed.

The LRSG schemes are:

Local Restrictions - Statutory:

- Scheme 1 - Local Restrictions Support Grant (Closed)
- Scheme 2 - Local Restrictions Support Grant (Closed) Addendum

Local Restrictions - Discretionary:

- Scheme 3 - Local Restriction Support Grant (Open)
- Scheme 4 - Additional Restrictions Grant

National Restrictions – Statutory:

- Scheme 5 – Local Restriction Support Grant (Sector)

The Covid-19 Local Restrictions Support Policy 2020/21 is attached at **Appendix A**.

Recommendations of Councillors Lewis, Hamilton-Cox & Whitehead:

- (1) That the Covid-19 Local Restrictions Support Policy 2020/21 be considered and approved, as set out at *Appendix A*, to take immediate effect. (Option 1)
- (2) That the S151 Officer be authorised to make amendment to the Local Restrictions Support Policy 2020/21 to accommodate evolving guidance and any technical FAQ's in relation to these schemes, and to make all other necessary arrangements for its implementation with immediate effect.

Relationship to Policy Framework

The report is in response to recent Government measures introduced to support local businesses hit hardest by the local lockdown imposed to arrest the rapid rise in Coronavirus Covid-19 cases. The policy complements the Council's own plans to develop local support packages to combat the pressure businesses face at this present time.

Conclusion of Impact Assessment(s), where applicable

Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

With effect from Saturday 17th October 2020, Lancashire, including Lancaster was placed in the highest tier LCAL Very High Tier 3 of the Governments new 3 Tier Lockdown system, in an attempt to combat increased infection rates. This meant that all pubs and bars were instructed to close, unless they were serving substantial meals, together with casinos, bingo halls, bookmakers, betting shops, soft play areas and adult gaming centres, with an additional ban imposed on car boot sales in the area.

Prior to that date, from 22nd September 2020, Lancaster was considered to be in LCAL High Tier 2 for grant purposes, resulting in support available to those businesses with a rateable value, operating in the hospitality, accommodation and leisure sector that were severely impacted as a result of the local restrictions,

Lancaster was then placed into national lockdown with effect from 5th November 2020 for a period of 28 days with the imposition of binding national restrictions affecting all businesses other than those considered essential.

The Local Restrictions Support Policy 2020/21, developed in line with Government Guidance, demonstrates the Council's commitment to continue to support those businesses suffering most as a result of this latest lockdown.

An Equality Impact Assessment is attached at *Appendix B*.

Details of Consultation

There is no formal requirement for consultation as the Council is obliged to follow Government Guidance. However, the policy has been drafted following consultation with other Lancashire authorities and relevant professional bodies (IRRV).

Legal Implications

The Council is required to follow the “Local Restrictions Support Grants (“LRSG”) and Additional Restrictions Grant (“ARG”) Guidance for Local Authorities” issued by the Government, in respect of each of the grant schemes set out above. The Council must also undertake work to provide assurance that the grants that have been paid out are in line with eligibility conditions for the particular scheme.

Further, the Council must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments, 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. Grant payments made can be provided under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold. Grant payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). Any business that has reached the limits of payment under the De Minimis rules and the UK Covid-19 Temporary State Aid Framework will not be able to receive the grant funding. The United Kingdom left the EU on 31st January 2020, nonetheless under the withdrawal Agreement the State Aid rules continue to apply during the transition period.

Whilst there is no statutory review process, the Council will operate an internal review process in respect of each scheme set out in the Covid-19 Local Restrictions Support Policy 2020/21 where an applicant requests the Council to review its decision of an application. A review of the decision will be considered independently by the Council’s S151 Officer. Any requests for a review must be made in writing within 14 days of the Council’s decision and give reasons why the applicant is aggrieved.

This report requires an urgent decision because the Government expects that local authorities will have their arrangements for the delivery of the Schemes in place and payment made at the earliest opportunity. The Council has already started to make grant payments under statutory schemes therefore the policy needs to be in place to assist officers in their decision making. Grant payments have not yet been made for discretionary schemes and it is essential to obtain policy approval to start this payment process with immediate effect. As such, under Special Urgency provisions the Chair of the Overview and Scrutiny Committee has agreed that the decision is urgent and cannot reasonably be delayed. The decision will be reported to a meeting of the Council and the call-in provision will not apply to the decision.

Financial Implications

The Council has been allocated funding from the Department for Business, Energy and Industrial Strategy (BEIS) to make grant payments under the statutory schemes. Expenditure will be re-imbursed using grants under Section 31 of the Local Government Act 2003. It is not expected that the introduction of this new policy will incur additional expenditure. However, if awards are made outside the framework of Government Guidelines, the Council runs the risk of incurring additional expenditure in these specific cases.

A grant of £1.090m has been received from the BEIS to fund the discretionary Local Restrictions Support Grant (Open). This amount has been calculated using Valuation Office Agency (VOA) data on the number of hospitality, accommodation and leisure businesses within the local authority area and covers the period from 22nd September to 4th November. BEIS have indicated that further funding will be paid to the Council for periods after national lockdown, for as long as the Council remains in or above the Tier 2 classification. The Council must ensure that businesses meet the specified criteria, and timely monitoring is required to the BEIS.

The Council has received £2.920m to finance the discretionary Additional Restrictions Grant scheme. This is distributed as part of the £30m funding settlement made available to Lancashire authorities when placed into LCAL Tier 3 restrictions from the 17th October 2020. The grant is ring-fenced for business support only, and all monies must be allocated by 31st March 2022. Timely monitoring information is required to the BEIS.

The Council has received total grant funding of £2.860m for the Local Restrictions Support Grant (Closed) Addendum and the Local Restrictions Support (Sector) schemes. The funding is to be used only for expenditure on these two schemes, and any unspent grant monies must be repaid to the Government. Timely monitoring information is required to the BEIS.

We are awaiting notification of the grant funding that will be available for payments made to businesses under the Local Restrictions Support Grant (Closed) scheme.

Other Resource or Risk Implications

The scheme will be implemented within existing resources.

Section 151 Officer's Comments

The S151 Officer has contributed to this report.

Monitoring Officer's Comments

The Monitoring Officer has been consulted and has no further comments.

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Links to Background Papers

- BEIS Guidance note: Local Restrictions Support Grant – Guidance for Local Authorities
<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

1 Background Information

- 1.1 The Covid-19 Local Restrictions Support Policy 2020/21 supports businesses that were open as usual, providing services in person to customers, but which have had to close due to local or national restrictions imposed by Government. At the same time it covers specific business sectors in the local economy where businesses were not required to close but were severely impacted by Local Covid Alert Level ("LCAL") "High" restrictions (Tier 2) from 22nd September and "Very High" restrictions (Tier 3) from 17th October, or by the "National Lockdown" from 5 November 2020.
- 1.2 Following the Prime Minister's announcement on Saturday 31st October 2020, support takes the form of a number of new grant funding schemes introduced for the financial year 2020/21 which offer financial assistance to businesses in the local area. The timeline as it affects Lancaster, in relation to lockdown and the application of local restriction grants is as follows:

1.2.1 22nd September 2020 – 16th October 2020 (Local lockdown - Tier 2 restrictions)

- Local Restrictions Support Grant (Open)
(in relation to the Tier 2 Discretionary Scheme)

The Local Restrictions Support Grant (Open) is a discretionary grant scheme, with Government expecting funding to be targeted at recognised **hospitality, hotel, bed and breakfast and leisure businesses with a rateable value**, in the hope that it can help kickstart recovery by supporting sustainable businesses that have not been legally required to close but which are severely impacted by LCAL Tier 2 restrictions.

The Government have provided indicative grant values for this scheme and they are:

- For properties with a rateable value of £15k or under, grants of up to £934 per 28 day period;
- For properties with a rateable value of over £15k and below £51k, grants of up to £1,400 per 28 day period;
- For properties with a rateable value of £51k or over, grants of up to £2,100 per 28 day period;

For discretionary grant purposes, a definition of the Hospitality, Accommodation and Leisure sector is provided under **Appendix C** in line with Government direction. Whilst not considered a definitive list, it will be used as a guide for decision making purposes.

1.2.2 17th October 2020 – 4th November 2020 (local lockdown – Tier 3 and Tier 2 restrictions)

- Local Restrictions Support Grant (Closed)
(in relation to the Tier 3 Statutory Scheme)
- Additional Restrictions Grant
(in relation to the Tier 3 Discretionary Scheme)
- Local Restrictions Support Grant (Open)
(in relation to the Tier 2 or Tier 3 Discretionary Scheme)

Local Restrictions Support Grant (Closed) is a mandatory grant for businesses that have an entry on the Rating List (RV) in a local area where a localised restriction has been imposed, requiring specific types of businesses to close. In Lancaster, LCAL Very High Tier 3 restrictions were imposed, effective from 17th October 2020.

Grants are to be paid by the Council in 2 week tranches and businesses will need to be closed for the full 2 weeks of each tranche to qualify for payment. If a business is open and then decides to close they will only become eligible for a grant when they enter the next 14 day payment cycle. However, the first payment for businesses closing on 17/19 October will equate to 19 days, including a pro-rata payment up to national lockdown.

The grant amount is fixed. Businesses with more than one qualifying property will receive more than one grant. The rate of payments for eligible businesses are:

- For properties with a rateable value of £15k or under, grants to be £667 per 14 day qualifying restriction period;

- For properties with a rateable value of over £15k and below £51k, grants to be £1,000 per 14 day qualifying restriction period;
- For properties with a rateable value of £51k or over, grants to be £1,500 per 14 day qualifying restriction period;

Eligible businesses are listed as:

- Pubs and bars (unless serving alcohol with substantial meals)
- Adult Gaming Centres
- Casinos
- Bingo Halls
- Bookmakers and Betting Shops
- Soft Play areas
- Car Boot Sales (and second hand goods markets)

Additional Restrictions Grant is a discretionary grant and available at the point the Council first entered LCAL Tier 3 restrictions (17th October 2020).

The grant will support those businesses without a rateable value, which, whilst not legally forced to close, are nonetheless severely impacted by the LCAL Tier 3 restrictions put in place by the Government to control the spread of coronavirus. The grant scheme may be reviewed after an initial period of operation, to consider the inclusion of businesses with a rateable value.

Local Restrictions Support Grant (Open) is a discretionary grant and can continue to be paid to hospitality, hotel, bed and breakfast and leisure businesses with a rateable value in the local economy that continue to be severely impacted under Tier 2 or Tier 3 restrictions for the period up to national lockdown.

1.2.3 **1st November 2020 – 4th November 2020 (national closures unable to open)**

- Local Restrictions Support Grant (Sector)
(in relation to the national closure Statutory Scheme)

In addition to local restrictions a statutory scheme has been introduced to cover eligible businesses subject to national closures since 23 March 2020, and for any business type which may be closed on a national basis in the future.

Funding is supplied at the same rate as LRSG (Closed) and a pro-rata payment will be provided for the short period 1st to 4th November 2020.

Eligible businesses are listed as nightclubs, dance halls and discotheques, sexual entertainment venues and hostess bars.

1.2.4 **5th November 2020 – 2nd December 2020 (national lockdown)**

- Local Restrictions Support Grant (Closed) Addendum
(in relation to the National Lockdown Statutory Scheme)
- Additional Restrictions Grant
(in relation to the National Lockdown Discretionary Scheme)

The Local Restrictions Support Grant (Closed) Addendum is mandatory and will cover legally binding restrictions imposed on all local authority areas in England in response to the threat posed by coronavirus. When national restrictions are imposed and a significant number of businesses are mandated to close, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply and the Local Restrictions Support Grant (Closed) will be superseded by the conditions set out in the Local Restrictions support Grant (Closed) Addendum.

The payment cycle will automatically move from a 14 day payment cycle to a 28 day payment cycle under the original rateable value thresholds, paid up front rather than in arrears. As such, the rate of payment for eligible businesses is:

- For properties with a rateable value of £15k or under, grants to be £1,334 per 28 day qualifying restriction period;
- For properties with a rateable value of over £15k and below £51k, grants to be £2,000 per 28 day qualifying restriction period;
- For properties with a rateable value of £51k or over, grants to be £3,000 per 28 day qualifying restriction period;

Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

Additional Restrictions Grant will expand its footprint, providing support to those businesses with a rateable value which have been severely impacted by the national lockdown restrictions, together with those businesses not on the rating list that have been forced to close and/or have been severely impacted by the national restrictions put in place to control the spread of coronavirus.

For the businesses with a rateable value grants will be determined by the rateable value and will match across to the LRSG (Open). The frequency of payment will be every 28 days and will be

- For properties with a rateable value of £15k or under, grants of up to £934 per 28 day period;
- For properties with a rateable value of over £15k and below £51k, grants of up to £1,400 per 28 day period;
- For properties with a rateable value of £51k or over, grants of up to £2,100 per 28 day period;

During national lockdown this sum will be paid upon application and not at the end of the lockdown period.

For grants to businesses without a rateable value, grants will be determined by the level of fixed costs faced by the business; and the scale of Covid-19 financial losses. The frequency of payment will be two-weekly and the rate of payment for eligible businesses will be:

- If your business has fixed business costs of £1,000-£3,000 per annum, you will receive a grant of £125 per complete two week period
- If your business has fixed business costs of £3,001-£6,000 per annum, you will receive a grant of £250 per complete two week period

- If your business has fixed business costs of £6,001-£15,000 per annum, you will receive a grant of £450 per complete two week period
- If your business has fixed business costs of £15,001 - £30,000 per annum, you will receive a grant of £700 per complete two week period
- If your business has fixed business costs of £30,001 - £50,999 per annum, you will receive a grant of £875 per complete two week period
- If your business has fixed business costs of £51,000 + per annum, you will receive a grant of £1,050 per complete two week period

However, for non-rateable value businesses during the national lockdown period a lump sum equating to either four or approx. six weeks will be paid, depending upon when the closure/severe impact commenced (17 October 2020 or 5 November 2020).

Whilst its envisaged the funding will be primarily be used to finance discretionary grants the Council may allocate funding towards wider business support activities ie. a contribution towards Covid control measures in a particular business sector.

Given the imposition of widespread national lockdown restrictions at this time, the **Local Restrictions Support Grant (Open)** will cease to apply during this period as relevant businesses will receive funding from the Local Restrictions Support Grant (Closed) Addendum or the Additional Restrictions Grant.

1.2.5 **3rd December 2020 onwards (localised restrictions – Tier 2 or Tier 3)**

- Local Restrictions Support Grant (Open)
(in relation to the Tier 2 Discretionary Scheme)
- Local Restrictions Support Grant (Closed)
(in relation to the Tier 3 Statutory Scheme)
- Additional Restrictions Grant
(in relation to the Tier 3 Discretionary Scheme)

At the end of the national lockdown period the Council will revert to its Discretionary Grant scheme, dependent upon which “tier” it is placed in at the time of transfer.

- 1.3 The Government has provided guidance in terms of the operation and delivery of any policy, to support local authorities in administering their schemes and the Guidance Notes covering the range of local restriction grants are provided on the following link: <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>
- 1.4 In line with eligibility criteria set out in the guidance, the Government, will re-imburse local authorities that make grant payments to eligible businesses, using a grant under Section 31 of the Local Government Act 2003.

2 PROPOSAL DETAILS

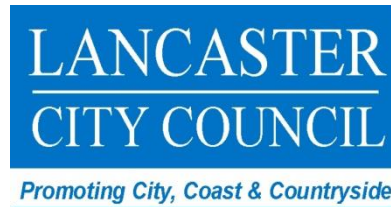
- 2.1 Drawing on Government Guidance and local knowledge, **Appendix A** sets out the Covid-19 Local Restrictions Support Policy to provide much needed support to businesses in the area, instructed to close or, that remained open but were severely impacted as a result of the imposition of local or national restrictions.

3.0 Options and Options Analysis (including risk assessment)

Option 1: To approve the Covid-19 Local Restrictions Support Policy as set out in Appendix A
Advantages: The policy sets out a formal approach to distributing available funds in line with government guidance and provides a consistent approach for dealing with applications. The approach adopted seeks to maximise the use of available grants in an open and equitable way, and that being the case risks associated with any challenge are considered small and manageable.
Disadvantages: None identified in following Government instructions
Risks: Risk of overspend in relation to the Discretionary Schemes
Option 2: Suggested amendments to the Covid-19 Local Restrictions Support Policy
Advantages:
Disadvantages: Any amendments would need to have regard to Government guidance, and the Council must allow extra time for re-consideration of an amended policy.
Risks: A more advantageous scheme would run the financial risk of an overspend in relation to discretionary schemes.

4. Officer Preferred Option (and comments)

- 4.1 The officer preferred option is Option (1), enabling a formal approach to decision making, with criteria determined in line with specific Government guidance and the Discretionary Scheme developed in consultation with other local authorities, representatives from the relevant professional body (IRRV), and based upon knowledge of the local area and its business community.



LANCASTER CITY COUNCIL

COVID-19 LOCAL RESTRICTIONS SUPPORT POLICY

2020/21

Equality Impact Assessment**Section 1: Details**

Service	Corporate
Title and brief description (if required)	Covid-19 Local Restrictions Support Policy
New or existing	New
Author/officer lead	Adrian Robinson (Chief Officer – Revenues & Benefits) / Head of Shared Service
Date	18 th November 2020

Does this affect staff, customers or other members of the public?

Yes, the business community in the local authority area

Section 2: Summary**What is the purpose, aims and objectives?**

The purpose of the policy is to determine eligibility and the process for distributing funds under new Business Grant schemes to businesses within the local authority area that have been forced to close as a result of a Government imposed local and national restrictions, in an attempt to control those affected under Coronavirus Covid-19.

Who is intended to benefit and how?

The policy affects businesses as a whole across the local authority area, but more specifically those businesses instructed to stop trading following a local lockdown imposed by Government on Saturday 17th October 2020 and the wider impact of national lockdown from 5th November 2020. It also provides support to those businesses in the hospitality, accommodation and leisure sector severely impacted as a result of local restrictions imposed from 22nd September 2020.

Small closed businesses with a rateable value of or below £15,000 can claim £1,334 per month; whilst medium sized businesses with a rateable value between £15,000 and £51,000 can claim £2,000 per month; and larger businesses can claim £3,000 per month. The Government has now extended the scheme to include businesses which have been forced to close on a national rather than a local basis (eg. Nightclubs).

The Council will target occupied businesses in the area that are considered eligible for grant, and introduce discretionary schemes at the same time in recognition that many may be facing an uncertain future and difficulty as a result of the local and national lockdown.

Section 3: Assessing impact

Is there any potential or evidence that this will or could:		
• Affect people from any protected group differently to others?		No
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No
• Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?		No
• Prevent the Council from achieving the aims of its' Equality and Diversity Policy?		No

If yes, please provide more detail of potential impact and evidence including:	
<ul style="list-style-type: none"> - A brief description of what information you have and from where eg. getting to know our communities data, service use monitoring, views of those affected ie discussions or consultation results? - What does this tell you ie negative or positive affect? 	
Age (including older and younger people and children)	No other evidence or expectation of any specific impact.
Disability	No evidence or expectation of any specific impact.
Faith, religion or belief	No evidence or expectation of any specific impact.
Gender (including marriage, pregnancy and maternity)	No evidence or expectation of any specific impact.
Gender reassignment	No evidence or expectation of any specific impact.
Race	No evidence or expectation of any specific impact.
Sexual orientation (Including Civic Partnership)	No evidence or expectation of any specific impact.
Rural communities	Businesses in rural communities treated in the same way as all other businesses and will benefit in the same way. Therefore no evidence or expectation of any specific impact.

People on low incomes	The Local Restrictions Support Policy has been designed in line with relevant Government Guidance, to provide support for businesses in the area that have suffered significant impact as a result of the restrictions. Some of the business occupiers may be linked to low income households.
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Section 4: Next steps

Do you need any more information/evidence eg statistics, consultation? If so, how do you plan to address this?

No.

How have you taken/will you take the potential impact and evidence into account?

The proposed scheme uses Government guidance to target occupied properties with effect from 22nd September 2020, initially in the hospitality, accommodation and leisure sector, together with other businesses from LCAL Very High Tier 3 (17th October 2020) that do not pay rates but have been severely impacted by the restrictions.

Eligible properties will be asked to complete an application form, including the supply of bank details, in order to speed up the payment process.

How do you plan to monitor the impact and effectiveness of this change or decision?

Through grant take-up statistics, feedback, member comment etc.

Appendix C

Hospitality:

Drive-In Restaurants
Drive-Thru Restaurants
Food Courts
Night Clubs & Discotheques
Public Houses/Pub Restaurants (National Scheme)
Public Houses/Pub Restaurants (Inc. Lodge) (National Scheme)
Restaurants
Roadside Restaurants (National Scheme)
Wine Bars
Cafes
Takeaway Food Outlet (Predominantly Off Premises)
Cafes/Restaurants Within/Part of Specialist Property

Hotels/B&Bs:

Caravan Parks (Leisure) (National Scheme)
Caravan Sites and Pitches (National Scheme)
Chalet Parks (National Scheme)
Coaching Inns
Country House Hotels
Guest & Boarding Houses
Hostels

Leisure:

Bingo Halls (National Scheme)
Bowling Alleys
Casinos and Gambling Clubs
Cinemas (National Scheme)
Clubhouses
Clubs & Institutions
Ice Rinks
Museums and Art Galleries (Contractors)
Museums and Art Galleries (Non-Contractors)
Roller Skating Rings
Stately Homes & Historic Houses (National Scheme)
Theatres (National Scheme)
Zoos & Safari Parks
Amusement parks
Arenas
Concert Halls (National Scheme)
Go kart rinks
Model villages
Tourist attractions
Aquaria
Miniature railways
Theme parks
Village Halls Scout Huts Cadet Huts etc
Amusement arcades
Royal Palaces
Pleasure Piers