

Item No.	Classification: Open	Date: 23 November 2020	Decision Taker: Cabinet Member for Finance and Resources
Report title:		Non-domestic Rates – Local Restrictions Support Grant (Closed) Addendum policy	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. That the Local Restrictions Support Grant (LRSG) (Closed) Addendum policy set out within Appendix 1 be agreed by the Cabinet Member for Finance and Resources.
2. That the Local Restrictions Support Grant (LRSG) (Closed) Addendum policy is extended as required in the event there is an extension of the current national lockdown restrictions, currently due to end on 2 December 2020.

BACKGROUND INFORMATION

3. This report outlines Southwark's implementation of the Government's Local Restrictions Support Grant (LRSG) (Closed) Addendum scheme and is effective from 5 November 2020 to 2 December 2020.
4. On 31 October 2020 the Government announced new national restrictions to come into force on 5 November 2020. When national restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then the LRSG (Closed) Addendum scheme comes into force to support those businesses and supersedes any previous LRSG scheme.
5. Under the LRSG (Closed) Addendum scheme businesses that have been mandated to close receive a one off grant payment to provide financial support for the 28 day national lockdown period.
6. LRSG (Closed) Addendum grants are centrally prescribed but local authorities are expected to make their own determination of which

businesses in their locality are eligible based on guidelines provided by Government.

KEY ISSUES FOR CONSIDERATION

Policy implications

Qualifying criteria

7. Grants under this scheme are payable against each hereditament a business occupies should they meet the following qualifying criteria:
 - Have been mandated to close by Government such as non-essential retail, leisure, personal care, sports facilities and hospitality businesses; and were
 - Trading the day before national restrictions came into force
8. Businesses excluded from a grant payment under this scheme include businesses that are able to continue to trade because they provide an essential service, have received grant payments equal to state aid levels, were not open for trading before restrictions came into force or businesses that were in administration.

How grant payments are calculated

9. Payments are based on the rateable value of each hereditament a business occupies. The threshold for grant payments are:

Rateable Value	Grant value
£15,000 and under	£1,334
£15,001 - £51,000	£2,000
£51,001 and over	£3,000

10. Subject to state aid limits, businesses will be entitled to receive a grant for each eligible hereditament, so some businesses may receive more than one grant where they occupy multiple premises.
11. Grants will not be adjusted, paid or recovered where the rating list is subsequently amended retrospectively to the date that national restrictions began. Where it is clear to the council that the rating list was inaccurate it may withhold the grant and/or award the grant based on who would have been entitled to the grant had the list been accurate.

Application process

12. Most eligible businesses will not be required to apply. The council will identify eligible businesses and make grant payments without the need for an application where it holds enough information to make this possible.

13. An online application form will be available for any business that does not receive an automatic grant payment but believes they satisfy the qualifying criteria. This will remain open after national lockdown restrictions have ended, but payment will only cover the period of national lockdown restrictions.

Payment of grants

14. Grant payments will be awarded to qualifying businesses via bank transfer with payment being made to the person who according to the council's records is the ratepayer in respect of the hereditament on the date of the first full day of national restrictions.
15. The council will conduct pre-award fraud checks to mitigate the risk of fraud and payment error to ensure the safe administration of grants.
16. Award notifications will be issued upon payment of grants for each qualifying property, and will state that by accepting the grant the business confirms they are eligible and does not exceed state aid limits.

State aid and appeals

17. LRSG (Closed) Addendum grant payments will be subject to State Aid De Minimis Regulations, 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.
18. Businesses have the right to make an appeal if an application is refused. The appeal can be made online and must contain evidence to support the reasons for the appeal.

Community impact statement

19. The policy provides equality of access to grant payments, due to clear criteria for the award and consideration of all awards in the same timescales.

Financial implications

20. The cost of the LRSG (Closed) Addendum scheme is met by Government, paid via a Section 31 grant.

21. The Government has allocated the council £6.42m which has been calculated using Valuation Office Agency (VOA) data for the borough, based on the categories of business relevant to the closures imposed by Government.
22. Should the initial assessment be insufficient the Government will provide top up payments to ensure the council has the right level of funding, and is therefore cost neutral to the council.

Resource implications

23. The administration of grant payments will be absorbed within the existing Exchequer Services provision. The situation will be closely monitored and regularly reviewed to allow the policy to be flexible and adaptable to changes in demand.

Consultation

24. There is no legal requirement for public consultation of the establishment of the council's LRSG Support Grant (Closed) Addendum policy. The policy gives effect to Government initiatives to support and issue grant payments to those businesses affected by the national lockdown. The cost of the grant payments will be reimbursed by Government and consultation has not been undertaken.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

25. The LRSG (Closed) Addendum scheme provides support for businesses that have been required to close during the Covid-19 lockdown starting on 5 November. It is administered by local authorities. The scheme's eligibility criteria and the levels of payment set out are specified in national guidance and this report sets out the particulars of the scheme.
26. The decision is appropriately identified as a key decision under the council's constitution, which also provides for a decision of this nature to be taken by an individual cabinet member. The member is advised to give due consideration to the council's equality duties as addressed in the community impact statement.

Strategic Director of Finance and Governance

27. The Strategic Director for Finance and Governance notes that this report seeks approval of the Local Restrictions Support Grant (LRSG) (Closed) Addendum Policy. The LRSG (Closed) Addendum policy is in accordance

with Government requirements and enables support payments to businesses during the period of national restrictions.

28. The full cost of the LRSG payments will be funded by Government grant. It is noted that the administration of the scheme will be contained within existing Exchequer Services budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	LRSG Support Grant (Closed) Addendum policy

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Dominic Cain, Director of Exchequer		
Version	Final		
Dated	23 November 2020		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		No	No
Date final report sent to Constitutional Team			23 November 2020