

Item No.	Classification: Open	Date: 12 May 2021	Decision Taker: Cabinet Member for Finance, Business and Jobs
Report title:		Non-domestic Rates – Restart Grant scheme policy	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. That the Restart Grant policy set out within Appendix 1 be agreed by the Cabinet Member for Finance and Resources.
2. That the Strategic Director for Finance and Governance is provided with the delegated responsibility to make future decisions on amendments to the policy in response to changes in Government guidance following further review and consultation.

BACKGROUND INFORMATION

3. This report outlines Southwark's implementation of the Government's Restart Grant scheme and is effective from 1 April 2021.
4. On the 3 March 2021 the Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England.
5. The support is called the Restart Grant (RG) scheme and takes the form of a one-off grant funding scheme in the 2021 financial year.
6. The RG scheme is 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

7. Grants under this scheme are payable against each hereditament a business occupies and are categorised under two strands:
 - Non-essential retail; and

- Hospitality, leisure, accommodation, gym & sports and personal care

Strand one qualifying criteria – non-essential retail

8. For the purposes of this scheme, a non-essential retail business can be defined as a business that is used mainly or wholly for the purposes of retail sale or hire of goods or services by the public, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.
9. The following criteria is used to assess eligibility for a grant under this threshold where a business:
 - is offering in-person non-essential retail to the general public;
 - is likely to have been required to cease their retail operation in the January 2021 lockdown;
 - had retail services restricted during January lockdown; and
 - sells directly to consumers.
10. A full list of excluded businesses form the definition of non-essential retail is set out in paragraph 2.6 in Appendix 1.

Strand two qualifying criteria - Hospitality, leisure, accommodation, gym & sports and personal care

11. For the purpose of this scheme businesses are defined as:
 - Hospitality – a business whose main function is to provide a venue for the consumption and sale of food and drink;
 - Leisure – a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and night out;
 - Accommodation – a business whose main lodging provision is used for holiday, travel and other purposes;
 - Gym & sports – a commercial or non-profit establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally; and
 - Personal care – a business that provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.
12. Full criteria to assess whether a business is eligible under these definitions are set out in paragraphs 2.9, 2.12, 2.15, 2.18 and 2.21 in appendix 1.

Exclusions to RG funding

13. Businesses that are not within the ratings system will not be eligible to receive funding under this scheme.
14. Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
15. Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

How grant payments are calculated

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

Strand one – non-essential retail

Rateable Value	Grant value
£15,000 and under	£2,667
£15,001 - £51,000	£4,000
£51,001 and over	£6,000

Strand two – Hospitality, leisure, accommodation, gym & sports and personal care

Rateable Value	Grant value
£15,000 and under	£8,000
£15,001 - £51,000	£12,000
£51,001 and over	£18,000

17. Subject to grant subsidy allowance 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.
18. Grants will not be adjusted, paid or recovered where the rating list is subsequently amended retrospectively to 1 April 2021. 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

19. 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.

20. 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.
21. Any business that has not received a COVID-19 business grant before must make an application and will not receive an automatic grant payment.
22. The application closure date is 30 June 2021, and final payments will be made by the 31 July 2021.

Payment of grants

23. 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.
24. The council will conduct pre-award fraud checks to mitigate the risk of fraud and payment error to ensure the safe administration of grants.
25. 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 grant subsidy allowance limits.

Grant subsidy allowance and appeals

26. The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period which end on the 31 December 2020. The UK remains bound by subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
27. On 4 March 2021 new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.
28. Subsidy allowances for this scheme are set by Government through the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.
29. 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

30. A public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The RG 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

31. The cost of the RG scheme is met by Government, paid via a Section 31 grant.
32. The Government has allocated the council £19,836,495 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.
33. 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.
34. The Government has commenced a New Burdens assessment and will make payment once this has concluded.

Resource implications

35. 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

36. There is no legal requirement for public consultation of the establishment of the council's RG policy. The policy gives effect to Government initiatives to support and issue grant payments to businesses in Southwark as coronavirus restrictions are eased. 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 Governance

37. The Restart Grant (RG) scheme provides support for businesses as coronavirus restrictions are eased. 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.
38. 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. It is not foreseen that this policy offends against the public sector equality duty contained in the Equality Act 2010.

Strategic Director of Finance and Governance

39. The Strategic Director for Finance and Governance notes that this report seeks approval of the Restart Grant (RG) scheme policy. The RG policy is in accordance with Government requirements and enables support payments to businesses during the period of national restrictions.
40. The full cost of the RG 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	Restart Grant scheme policy

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Dominic Cain, Director of Exchequer		
Version	Final		
Dated	10 May 2020		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Governance		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		No	No
Date final report sent to Constitutional Team			10 May 2021