

NORTH LINCOLNSHIRE COUNCIL

**LEADER OF THE COUNCIL
(PLACE SHAPING AND CONNECTIVITY)**

LOCAL RESTRICTIONS BUSINESS SUPPORT GRANT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To seek urgent approval for payment of the new grant support being made available to businesses.
- 1.2. An urgent decision is requested in order to enable grant payments to be made to eligible businesses as quickly as possible, in response to and in accordance with government guidelines.'

2. BACKGROUND INFORMATION

2.1 Following the implementation of national restriction on 5 November, the Government has announced additional funding to support cash grants primarily for businesses who have had to close and those who may be adversely impacted but able to operate.

2.2

These are categorised into two schemes:

- Local Restrictions Support Grant (Closed)
- Additional Restrictions Grant

North Lincolnshire Council has been awarded the following for each grant:

- Local Restrictions Support Grant (Closed) - £2,511,918
- Additional Restrictions Grant - £3,445,840

2.3 The Government has also set out the levels of interventions for the local restrictions grant paid monthly whilst restrictions are in place:

Rateable Value Above	Grant per month
£0	£ 1,334
£15,001	£2,000
£51,000	£3,000

2.3 In addition to this grant, businesses impacted by the tier 2 restrictions will also receive a pro-rata amount for the days that North Lincolnshire were in Tier 2 restrictions. This will equate to the following amount:

Rateable Value Above	Grant per month
£0	£ 155
£15,001	£ 233
£51,000	£ 350

2.4 The discretionary grant fund to support business is designed to support North Lincolnshire's economy during this period and work towards economic recovery. The funding is in place up until March 2022.

The discretionary fund created for the following categories:

- Business required to close but do not appear on the business rate listing.
- Business severely impacted by restrictions but not forced to close.
- Initiatives to support economic recovery

The discretionary fund includes clear eligibility requirements for businesses to apply for this scheme and set amounts of funding, these are outlined in the table at Appendix 1.

3. OPTIONS FOR CONSIDERATION

3.1 To approve the business support grants as outlined in appendix one of the report.

4. ANALYSIS OF OPTIONS

4.1 The support for business is critical to ensure the long-term future of the economy in North Lincolnshire.

4.2 Local Authorities will manage the application process, this is already in place on www.investinnorthlincs.com. Every effort has been made to make this process effective and efficient to ensure businesses that need the funding receive it. Any businesses who do not meet the criteria for the closure grant will be assessed against the discretionary criteria.

4.3 Applications for the discretionary grant will open on 11 November 2020 for one month.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 The Government will fund the amounts outline in 2.1 of the report to support the grant payments.

5.2 The process will be managed within existing resources.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 The Local Restrictions Support Grant (Closed) and the Additional Restrictions Grant are an extension of the previous business grants scheme referenced in the key decision notice published on 29 May 2020.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 Not applicable.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 Not applicable.

9. RECOMMENDATIONS

9.1 That the Leader of the Council approves the business support grant outlined at appendix one of the report.

DIRECTOR OF BUSINESS DEVELOPMENT

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Date: 5 November 2020

Appendix 1

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Background

On Saturday the 31st of October 2020 the UK Prime Minister announced that there would be a national lockdown requiring certain sectors to close for a 4 week period. As part of this closure it has been recognised that financial support will be required for businesses and a suite of support packages have been announced. These include the extension of the Coronavirus Job Retention Scheme [Furlough] and a series of new business support grants to help those impacted. These are categorised into two schemes:

- Local Restrictions Support Grant (Closed)
- Additional Restrictions Grant

North Lincolnshire Council has been awarded the following for each grant:

- Local Restrictions Support Grant (Closed) - £2,511,918
- Additional Restrictions Grant - £3,445,840

In addition to this, due to North Lincolnshire Council having to move to Tier 2 restrictions prior to the national lockdown we are also required to pro-rata distribution of the equivalent applicable grants for the 5 days for which this applied. These grants fall under Tier 2 Local Restriction Support Grant.

Tier 2 Local Restriction Grant

Economy and Growth launched our Tier 2 Local Restriction Grant on Friday the 30th of October 2020. These grants are aimed at those businesses which under Tier 2 restriction would have been significantly impacted from the measures but were not required to close. This were aimed primarily at the Leisure and Hospitality sector.

Grant Amounts

Under the Tier 2 grant scheme North Lincolnshire Council would have been required to pay the following 4 weekly amounts to those businesses impacted based on the businesses property rateable value:

- £934 per 4 week period for businesses with an RV of £15,000 or below
- £1,400 per 4 week period for businesses with an RV of £15,001 to £51,000
- £2,100 per 4 week period for businesses with an RV of over £51,000

Eligible Businesses

Businesses must have been the liable party for business rates on the 1st of October 2020 to be eligible for this scheme.

This is a list of businesses deemed eligible under the scheme albeit this is not an exhaustive list:

- amusements and visitor attractions (family entertainment centres)
- art gallery or museum (privately owned)
- bars
- bowling alley
- café with indoor or outdoor seating
- bookmakers
- camping and caravan sites
- gyms, yoga or dance centres
- hotel
- leisure centres
- outdoor pursuits centre
- play centre or soft play centre

- private golf courses and driving ranges
- public house
- registered bed and breakfast accommodation (not Air BnB accommodation)
- restaurant
- sports club (for example, football, rugby)
- theatre, cinema or event spaces
- trampoline centre
- urban farm

Business that are excluded from the Grant

A business will be excluded from applying for a grant if, on the date it makes the application it:

- is dissolved or about to be dissolved
- is insolvent or for whom insolvency action had been instigated
- is dormant as of the 1 October 2020, that is, not trading but not insolvent
- has ceased trading or closed without being required to do so as part of Government and local restrictions

Further, a business will be excluded from applying for a grant if on the date it makes the application for this grant, it is counted as an 'essential business' under previous Government COVID-19 regulations or is unlikely to have been negatively affected by Covid-19 restrictions. For example, supermarkets, takeaways, corner shops and off-licenses would be ineligible for support under this programme.

Application Process

North Lincolnshire Council launched an application form via our Invest in North Lincolnshire website. We also informed the business community via a newsletter on Friday the 30th of October 2020 that the process was open for applications. Over the first 3 days we received over 100 enquiries.

New Payment Amounts for Tier 2

Due to national restrictions being implemented on 5 November 2020 North Lincolnshire Council is now required to pay the following amounts to those deemed eligible under the scheme:

- £155 to businesses with an RV of £15,000 or below
- £233 to businesses with an RV of £15,001 to £51,000
- £350 to businesses with an RV of over £51,000

These payments will be made within the wider Local Restrictions Support Grant (Closed).

Local Restrictions Support Grant (Closed)

Part of the national restrictions requires non-essential retail, leisure and hospitality businesses to close for a minimum of 4 weeks. Therefore, the authority will need to make payments to support businesses.

Eligibility

The grant is available for:

- Businesses that were open as usual and providing in-person services to customers from their business premises and then required to close for a consecutive period of no

less than 14 days as a result of regulations made under the Public Health (Control of Disease) Act 1984 will be eligible for this funding.

- Subject to State aid limits, businesses will be entitled to receive a grant for each eligible hereditament within restriction areas. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

Exclusions to Local Restrictions Funding (Business Rate Payers)

Business that will not be eligible are:

- Businesses that are able to continue to trade as they do not depend on providing direct in person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors)
- Businesses that have chosen to close but not have not been required to close will not be eligible
- Businesses that have already received grant payments that equal the maximum levels of State Aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework
- Business that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under the scheme.
- Specific businesses subject to national closure since 23 March 2020 will not be eligible. They will be provided with support through the strand of the LRSG (Sector) for nationally mandated business closures.

Who Will Receive this Funding?

The person or business entity who was the liable party on North Lincolnshire Council's billing records in respect of the property (hereditament) on the date of the national restrictions being imposed. For avoidance of doubt this will be the 5th of November 2020.

The local authority will hold the discretion to withhold payments when we believe the information we hold is inaccurate. Amendments to the rating lists after the 5th of November will not be considered for the grant, even if they are back-dated to before this date.

North Lincolnshire Council will have the authority to recovery payments where a clear error is made and/or suspected/proven fraud has accorded on behalf of the applicant.

Payment Amounts & Dates

The following amounts will be paid to businesses

- £1,334 per 4 week period for businesses with an RV of £15,000 or below
- £2,000 per 4 week period for businesses with an RV of £15,001 to £51,000
- £3,000 per 4 week period for businesses with an RV of over £51,000

Payments will be made during the eligible period of local and national restrictions. Grants will not be paid for a given 4 week period where a claim is made by the liable party until after the end of that period.

• Additional Restrictions Grant

North Lincolnshire Council has been awarded £3,445,840 to create a discretionary grant fund to support businesses impacted by the latest restrictions. The grant is designed to support North Lincolnshire's economy during this period and work towards economic recovery. The funding is in place up until March 2022.

The discretionary fund has been created for the following categories:

- Businesses required to close but do not appear on the business rate listing

- Business severely impacted by restrictions but not forced to close.
- Initiatives to support economic recovery

The discretionary fund includes clear eligibility requirements for businesses to apply for this scheme and set amounts of funding. Following the first month of implementation, we will then work to assess the wider impact to the business community.

Business Grant Amounts under Initial Discretionary Fund

The table below highlights the initial forecast of grants we envisage paying under the first round of discretionary funding:

Eligibility Criteria

To be eligible for the grant the business must demonstrate the following:

- Was open and trading before the 31st of October 2020 for a full month prior to the announcement
- Must operate and be registered within the North Lincolnshire boundary
- Must not be in arrears with North Lincolnshire Council in relation to business rates and/or rent owed prior to the 11th of March 2020
- Operates clearly in a sector that is required to either close but do not pay business rates and/or operate clearly within a sector severely impacted by the restrictions in place.
- Is not in breach of State Aid regulations

Application Process

1. Applications will be an online form
2. A 'grant application window' will open at 10am on Wednesday 11 November 2020 and run for a one month period
3. On receipt of the online application and associated evidence, the council will acknowledge receipt via email
4. If the application is not accompanied by all necessary supporting evidence, the council will email the applicant to advise them of this. The application will not be processed until all evidence has been received.

Note: the onus is on the applicant to provide the evidence in a timely manner. If the applicant does not respond within three working days of notification from the council that evidence is missing, the application will not be considered

5. Grant Amounts will be fixed in place as per the above table.

FUND	BROAD ELIGIBILITY CRITERIA	GRANTS STRUCTURE FOR BUSINESSES BASED ON / RATES <u>AND</u> CLOSED OR IMPACTED			
Funded from Local Restrictions Support Grant (closed)	<p>CATEGORY A Fund: £ National Lockdown (Local Restrictions Support Grant (closed businesses))</p> <ul style="list-style-type: none"> • Grants are paid every 28 days. • Only paid to businesses in sectors legally required to close • Grants paid to rate payers • 		Pays business rates < £15k & required to close Grant amount £1,334	Pays business rates >£15k <£51k & required to close Grant amount £2,000	Pays business rates >£51k & required to close Grant amount £3,000
Funded from Additional Restrictions (Discretionary) Grant (ARG)	<p>CATEGORY B Fund: £</p> <ul style="list-style-type: none"> • Legally required to close but not on the business ratings list • Grants set at £70% of CATEGORY A for businesses <£15k. 	Does not pay business rates & required to close Grant amount £ 934			
	<ul style="list-style-type: none"> • Not required to close but severely impacted e.g. evidence that supply chains disrupted (customers or suppliers) • Grants set at £70% of CATEGORY A 	Does not pay business rates AND severely impacted Grant amount £ 653* * Set at 70% of £934	Pays business rates < £15k AND severely impacted Grant amount £ 934	Pays business rates >£15k <£51k rates AND severely impacted Grant amount £1,400	Pays business rates >£51k rates AND severely impacted Grant amount £2,800

