

Report to:	EXECUTIVE CABINET
Date:	27 January 2021
Executive Member:	Cllr Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Ilys Cookson – Assistant Director Exchequer Services
Subject:	CHRISTMAS SUPPORT PAYMENT FOR WET LED PUBS
Report Summary:	The report details the latest government grant for wet led public houses in response to the COVID-19 economic situation.
Recommendations:	It is recommended that the government scheme for Christmas Support Payments to eligible wet led pubs is noted.
Corporate Plan:	The payment of grant to businesses that meet the eligibility criteria supports the local economy.
Policy Implications:	The grant is mandatory for public houses that meet the eligibility criteria.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The Secretary of State for the Department of for Business, Energy and Industrial Strategy (BEIS) has previously announced the introduction of five grant funding streams to help support businesses that are required to close or are severely impacted, due to national or localised restrictions as a result of COVID-19. This mandatory grant to wet led pubs is in addition to the five funding streams previously announced and which have been subject to separate reports. This additional grant for wet led pubs is a £1,000 one-off payment to all eligible public houses that meet the criteria. The grant is fully funded by central government, with cash advances being paid to the Council on 18 December 2020. Full reimbursement of grant payments made is expected following reporting and reconciliation processes. Whilst the grant payments are fully funded by Government, the administration of applications and payments of grant, together with the reporting requirements for BEIS and the reconciliations, are complex and time consuming. New burdens funding has been committed by Government but individual allocations have not been announced and therefore it is not clear whether this funding will fully cover the additional cost to the Council of administering these schemes.
Legal Implications: (Authorised by the Borough Solicitor)	The legislative requirements for this grant are set out in the main body of the report. As with all covid related grant schemes it is important that it is robustly managed to ensure that the funds are spent appropriately. The processes for ensuring this robust management is set out in the risk section of the report.
Risk Management:	Risks are detailed in Section 5 of this report.
Background Information:	The background papers relating to this report can be inspected by contacting Ilys Cookson – Assistant Director Exchequer Services Telephone: 07855 813630 e-mail: ilyc.cookson@tameside.gov.uk

1. INTRODUCTION

- 1.1 On 1 December 2020 the government announced further support to businesses over the festive period by way of a mandatory grant to wet-led pubs in areas under Tier 2 or 3 COVID restrictions. The grant is known as Christmas Support Payment (CSP) and aims to support businesses under the Local Restrictions Support Grants. Guidance was released on 9 December 2020.
- 1.2 This grant is in addition to the five grants announced by government so far to support local businesses, which are:
- Local Restriction Support Grant (Closed) mandatory grant
 - Local Restrictions Support Grant (Sector) mandatory grant
 - Local Restrictions Support Grant (Addendum) mandatory grant
 - Local Restriction Support Grant (Open) discretionary grant
 - Additional Restrictions Grant discretionary grant
- 1.3 For the purposes of this grant the government have determined that a 'wet led' pub is defined as a pub that derives less than 50% of its income from sales of food.

2. CHRISTMAS SUPPORT PAYMENTS GRANT (CSP)

- 2.1 Under the CSP scheme, local authorities will receive a one-off payment amounting to £1,000 per wet-led pub in each eligible local authority where Tier 2 or Tier 3 restrictions are imposed, following the scheduled Tier review dates of 2 December and 16 December.
- 2.2 Grant monies will be paid to local authorities under section 31 of the Local Government Act 2003, and local authorities will receive 80% of the estimated grant funding based on an initial government estimate. When, or if, this threshold of funding has been spent, the government have confirmed that they will top up funding to local authorities if required.
- 2.3 The grant covers the period between 2 December 2020 and 29 December 2020 only; it cannot be granted retrospectively. The grant scheme closes on 29 December 2020 and final applications must be received by 31 January 2021. Grant funding must be paid as soon as possible to eligible businesses and no later than 28 February 2021.
- 2.4 There is no definitive description of a traditional pub or public house in law that could be readily used by local authorities to determine eligibility, however the Councils rating list does detail the premises description as 'public house and premises' as determined by the Valuation Office Agency, responsible for setting business rates rateable values. For the purposes of this grant, pubs should under normal circumstances (without local or national restrictions) be described as:
- open to the general public
 - allow free entry other than when occasional entertainment is provided
 - allow drinking without requiring food to be consumed
 - no membership fee
 - permit drinks to be purchased at a bar.
- 2.5 Local Authorities may request that pubs provide accounting evidence that they derive under 50% of their income from food sales to determine that the pub is wet-led. These accounts should be dated no later than 11 March 2020 (covering a period when trade was not affected by Covid-19).
- 2.6 Businesses established after 11 March 2020 and before 01 December 2020 may still be eligible for this grant and may be asked to supply accounting evidence that they derive under 50% of their income from food sales covering the period that they have been open.

- 2.7 The guidance is clear that the following are excluded:
- restaurants, cafes and snack bars
 - nightclubs and music venues
 - hotels, guesthouses and boarding houses
 - sporting venues and festival sites
 - theatres, museums, exhibition halls, cinemas, concert halls and casinos.
- 2.8 Pubs that derive over 50% of their income from food sales will not be eligible to receive funding through this grant scheme. Businesses must have been trading on 30 November (the day before this scheme was announced) to be eligible to receive funding under this scheme. Where local restrictions are preceded by national 'lockdown' measures, requiring the closure of businesses that are otherwise eligible, it is accepted that those businesses are still trading.
- 2.9 Grant applications are subject to state aid limits, the Covid-19 Temporary State Aid Framework and businesses will be entitled to receive a grant for each eligible property within the area. Some businesses may receive more than one grant where they have more than one eligible property. Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme. Grant income received by a business is taxable.

3 PROGRESS TO DATE

- 3.1 It is estimated that there are 90 pubs within the Tameside area that are eligible to receive the £1,000 lump sum payment. This can be paid in addition to other grants that the wet led pub may be eligible to receive under either the mandatory or discretionary grant schemes.
- 3.2 Guidance states that the local authority must contact the business as there must be some sort of application process and declaration that by accepting the grant payment, the business confirms that they are eligible for the grant scheme. As part of their application process for the scheme, all pubs will be required to self-certify that they meet all eligibility criteria.
- 3.3 An application form has been developed including the necessary declarations that must be made and which has been emailed to all identified eligible pubs. The application and assessment process has been approved by the Councils internal audit service and as soon as applications are received payment may be made. As the identified pubs will most likely already have been in receipt of other mandatory grants, bank account details and necessary checks against fraudulent applications and eligibility will have already been undertaken in the majority of cases.

4 DATA REPORTING AND RISK IDENTIFICATION

- 4.1 As with all of the mandatory and discretionary grant schemes information must be reported weekly to Business, Energy and Industrial Strategy, BEIS. The number of applications received, number and value of payments will be reported. BEIS have advised that information may also be requested to be provided by parliamentary constituency.
- 4.2 A robust set of fraud risk and identification guidelines have been issued to all local authorities administering grant payments. Working with internal audit colleagues throughout the grant application process has ensured that the risk of fraudulent applications is minimised as much as is possible. Fraud which is organised, large scale systematic, or which crosses Local Authority boundaries must be reported to BEIS and National Anti-Fraud Network (NAFN) and National Investigation Service (NIS), otherwise individual cases of fraud should be recovered by the local authority.

5 RISK

- 5.1 Colleagues across the organisation are supporting this process notably Internal Audit to ensure processes and systems are robust in relation to the guidance received, Finance to ensure appropriate reconciliation of monies paid, IT, Marketing and Communications for publicising the grant payments.
- 5.2 Fraudulent claims and payment errors could be made, therefore it is essential that the processes in place are robust and ensure that sufficient evidence is collected to verify that the claims are legitimate. Post payment assurance checks will also be made which must be reported to BEIS.
- 5.3 This additional work comes at a time when three other new government initiatives including the three mandatory business rates grants, as referred to in Section 1, are being administered within Exchequer Services. This is in addition to existing increasing demand and increasing volumes of day-to-day work as a result of COVID-19. Each new initiative requires additional resource, new process set up, IT solutions and additional management responsibilities. The new additional work is sizeable in terms of volume includes the Track and Trace Self Isolation payments, the Housing Benefit Accuracy project imposed by the DWP, the Discharge to Assess for financial assessments for care services from March lockdown imposed by DoHSC.
- 5.4 The collection of Council Tax, Business Rates, Housing Benefit overpayments and income from Sundry Debts as well as prompt payment of Housing Benefit and Council Tax Support remains vital to support the Councils overall budget position, and also to support the most financially vulnerable in the Borough.

6 CONCLUSION

- 6.1 The government have introduced a further business rates support grant titled Christmas Support Payment for wet led pubs in response to the impact on this sector from COVID-19 restrictions. A wet led pub is defined as a pub that derives less than 50% of its income from sales of food.
- 6.2 Grant monies will be paid to local authorities under section 31 of the Local Government Act 2003 and eligible wet led pubs will receive a one-off payment amounting to £1,000 and covers the period 02 December 2020 to 29 December 2020 only and it cannot be granted retrospectively.
- 6.3 A number of exclusions apply and no business should exceed state aid rules, or the Covid-19 Temporary State Aid framework, must not be insolvent, in administration or in the process of being struck off.
- 6.4 An estimated 90 pubs may qualify for the CSP payment in Tameside and, in accordance with government guidance, applications have been invited from those identified as being eligible and which includes a series of declarations regarding eligible status of the pub to receive grant funding.
- 6.5 Data on applications received and paid are to be reported to BEIS on a weekly basis and measures have been put in place to minimise the risk of fraudulent applications being received and paid. Post payment assurance checks will also be undertaken and which must also be reported to BEIS.

7 RECOMMENDATIONS

- 7.1 As set out at the front of the report.