

Report to:	EXECUTIVE CABINET
Date:	10 February 2020
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Ilys Cookson Assistant Director Exchequer Services
Subject:	CLOSED BUSINESS LOCKDOWN PAYMENT
Report Summary:	The report details the latest mandatory grant for businesses that are closed as a result of national lockdown from 05 January 2021 onwards.
Recommendations:	That the report be noted.
Corporate Plan:	This contributes to supporting businesses within the local economy
Policy Implications:	The grant is mandatory for businesses that satisfy the eligibility criteria set by government.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>This additional grant for business is payable in respect of the national lockdown period from 5 January 2021. Businesses are eligible for the grant if they are liable to pay business rates and the amount of grant payable is dependent on the rateable value of the property. The grant is fully funded by government and the Council will be fully reimbursed for grants paid. A cash advance has been paid to the Council, with the final amount due being calculated based on weekly reporting and a final reconciliation.</p> <p>Administration of the additional grant is expected to add further burdens to the Exchequer team, and the scheme will operate in addition to other COVID business grant schemes previously announced and subject to previous reports. Government have committed to new burdens funding for the additional administration costs but initial allocations may not cover all additional costs.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>As set out in the main body of the report this is a mandatory report to provide additional assistance to businesses which meet a set of criteria.</p> <p>The service has established a clear process for undertaking the required due diligence to check the eligibility together with a robust risk management plan including the recover and criminal proceedings where necessary.</p>
Risk Management:	The risks are detailed in section 3
Background Information:	The background papers relating to this report can be inspected by contacting Ilys Cookson
	 Telephone: 07855 813630
	 e-mail: ilyl.cookson@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report details the latest mandatory grant announced by central government to support closed businesses as a result of COVID lockdown restrictions from 5 January 2021 onwards.
- 1.2 The grant is known as the Closed Business Lockdown Payment (CBLP), which was announced by the government on 5 January 2021 as further support for businesses that are legally required to close due to national lockdown restrictions.
- 1.3 Unlike previous grants which are payable to eligible businesses depending on whether they were trading and open or closed, the COVID restriction in place at that time, the sector the business operates in and the rateable value of the business premises, this grant is a one-off lump sum payment.
- 1.4 The new lump sum grants are paid *in addition to* the 'Local Restrictions Support Grant (Closed) Addendum 5 January onwards' which is payable to closed businesses under national lockdown restrictions. However, the latter is time bound and payable for a 42-day period from 05 January up to lockdown review date of 15 February 2021. Should lockdown continue beyond 15 February then it is likely that the 'Local Restrictions Support Grant (Closed) Addendum 05 January onwards' will continue for a time specific period but the one-off lump sum payment of Closed Business Lockdown Payment will not. Appendix One details the grants by time period and highlights that 2 mandatory grants and one discretionary grant is payable from 05 January 2021 onwards.
- 1.5 Eligibility for the CBLP is the same as the LRSG (Closed) Addendum: 5 January onwards scheme. Businesses that are eligible are those that have been mandated to close by government and include:
 - non-essential retail
 - leisure
 - personal care
 - sports facilities
 - hospitality businesses.
- 1.6 Exclusions apply to businesses that are able to continue to conduct their main services because they do not depend on providing direct in person services from a premise, and can operate their services remotely. This applies to businesses such as accountants, solicitors, businesses offering training or support/advice etc. Businesses that have chosen to close but are not required by law to do so are also not eligible for the grant. Like all other grants any business in administration or insolvent or where a striking off notice has been made are ineligible to receive grant funding. All grant payments are subject to tax.
- 1.7 The grant is fully funded by government in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003) and New Burdens Funding is to be paid which has yet to be determined.
- 1.8 The guidance is clear that the scheme will close for applications on 31 March 2021 and the scheme will end on 30 April 2021. Businesses that have previously applied for Local Restrictions Support Grant funding have been automatically considered for 'Local Restrictions Support Grant (Closed) Addendum 05 January onwards' and Closed Business Lockdown Payment in accordance with guidance.
- 1.9 Guidance confirms that when national restrictions are removed, it is anticipated that Local Authorities will continue to receive funding for grants, which is consistent with the alert level (Tier) relevant to that authority to enable the appropriate Local Restrictions Support Grant to be paid.
- 1.10 The following funding thresholds apply to the Closed Businesses Lockdown Payment:

- a) Business rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £4,000.
- b) Business rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £6,000.
- c) Business rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £9,000.

2 PROGRESS TO DATE

- 2.1 A total of 879 business premises were identified to receive a lump sum CBLP grant broken down by rateable value as follows and these were paid on 18 January 2021.

Table 1: Closed Business Lockdown Payment by rateable value

Rateable Value	Lump sum CBLP grant	Number of businesses	Value
Exactly £15,000 and under	£4,000	787	£3,148,000.00
Over £15,000 and less than £51,000	£6,000	133	£798,000.00
Exactly £51,000 and over	£9,000	27	£243,000.00
Total		947	£4,189,000.00

- 2.2 As with all other grants information on grants paid and value is reported to BEIS on a weekly basis and any business found falsifying records to gain grant monies will face recovery of monies and may face prosecution. Large scale and organised fraud must be reported to the National Anti-Fraud network and also National Investigation Service. As with all other grants, a significant piece of work will be required in terms of post grant assurances reported to BEIS.

3 RISKS

- 3.1 The payment of any grant monies carries the risk of potential fraud as detailed above. Working with internal audit colleagues and implementing the verification checks required by BEIS should minimise these. The post grant assurance work may also identify cases when assurance guidance is provided by BEIS for this grant.
- 3.2 There is a risk that businesses may struggle financially if grants are not paid in a timely manner however all eligible CBLP grants have been paid.

4 CONCLUSION

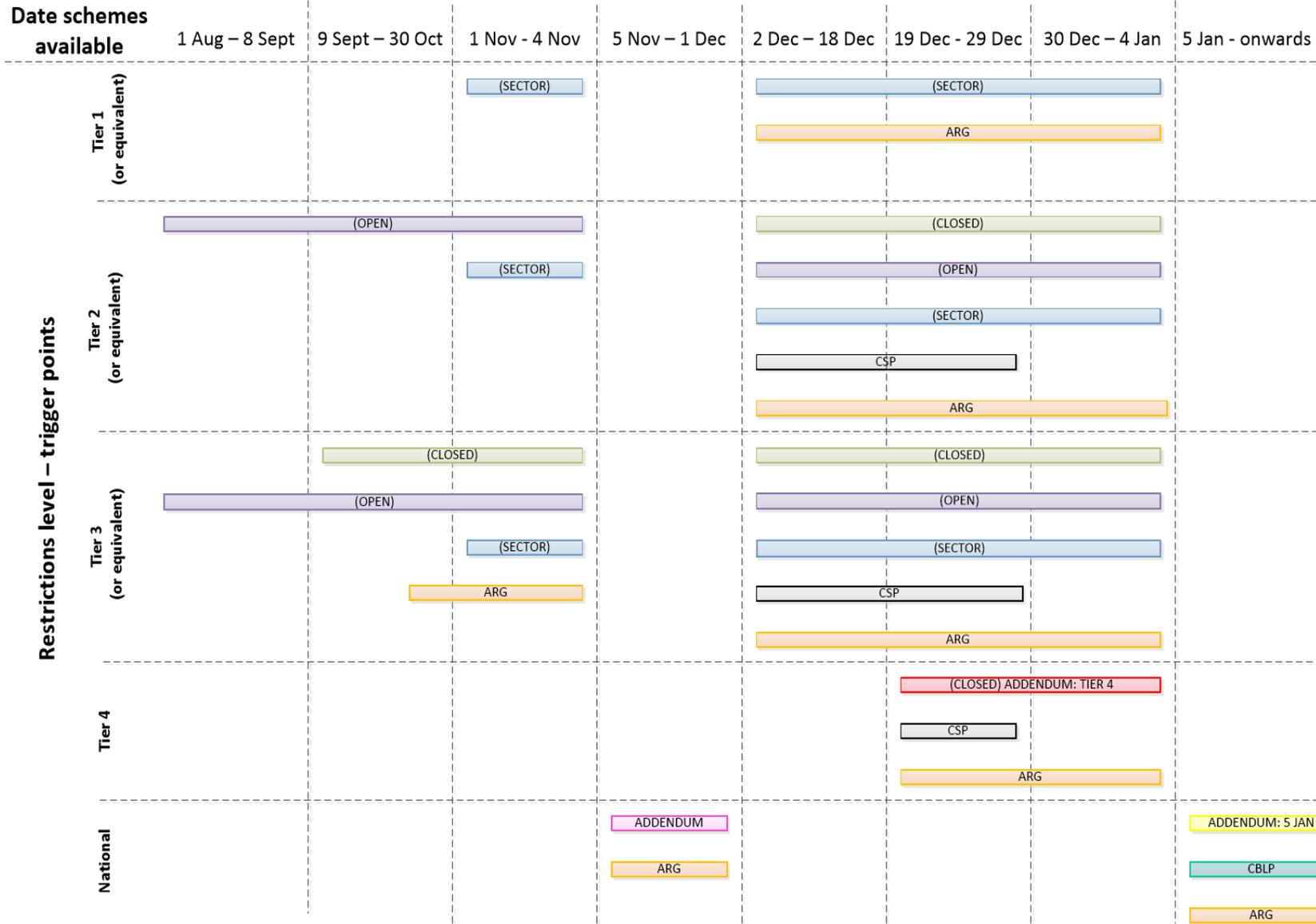
- 4.1 The CBLP is the latest mandatory government grant to be paid to businesses as a result of COVID lockdown restrictions from 5 January 2021 onwards. This grant is a one-off lump payment paid *in addition to* the 'Local Restrictions Support Grant (Closed) Addendum 05 January onwards' which is payable to closed businesses under national lockdown restrictions up to 15 February national lockdown review date.

- 4.2 Eligibility for the CBLP is the same as the LRSG (Closed) Addendum: 5 January onwards scheme. Businesses that are eligible are those that have been mandated to close by government and include:
- non-essential retail
 - leisure
 - personal care
 - sports facilities
 - hospitality businesses.
- 4.3 Exclusions apply to businesses that are able to continue to conduct their main services because they do not depend on providing direct in person services from a premise, and can operate their services remotely.
- 4.4 The grant is fully funded by government under section 31 of the Local Government Act 2003 and New Burdens Funding is to be paid which has yet to be determined.
- 4.5 The scheme will close for applications on 31 March 2021 and the scheme will end on 30 April 2021. Subject to eligibility payments of £4,000 may be paid where the business rateable value is exactly £15,000 or under, and £6,000 may be paid where the business rateable value over £15,000 and less than £51,000. A business rateable value of exactly £51,000 or above will receive £9,000.
- 4.6 £3,892,000 CBLP grants has been paid to 879 businesses, which mitigates risk of business hardship to eligible businesses by not making timely payments. Grant assurance work and working closely with audit mitigates the risk of incorrect or potentially fraudulent payments.

5 RECOMMENDATIONS

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

Covid-19 business support grants
Dates, trigger points and eligibility periods



KEY:

- Local Restrictions Support Grant (Sector)
- Local Restrictions Support Grant (Closed)
- Local Restrictions Support Grant (Open)
- Additional Restrictions Grant
- Christmas Support Payment for wet-led pubs
- Local Restrictions Support Grant (Closed) Addendum
- Local Restrictions Support Grant (Closed) Addendum: Tier 4
- Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
- Closed Businesses Lockdown Payment