

CABINET

DATE OF MEETING: 7 JANUARY 2021

TITLE OF REPORT: UPDATE ON BUSINESS RATES GRANTS SCHEMES
LOCKDOWN 2.0

Report of: Head of Corporate Services

Cabinet Member: Councillor James Radley

1 PURPOSE OF REPORT

- 1.1 To give an update on the process and performance regarding the two Lockdown 2.0 Business Rates Grant Schemes that the Council has implemented during December 2020.
- 1.2 To provide an update on the additional schemes that Hart District Council will be required to administer and deliver over the coming months.

2 OFFICER RECOMMENDATION

- 2.1 This is an information update report only.

3 BACKGROUND

- 3.1 On the 12 November the Department for Business, Energy and Industrial Strategy (BEIS) set out its requirements for Local Authorities to pay businesses grants to support them through the second lockdown (Lockdown 2.0) which ran from 5 November to 2 December 2020.
- 3.2 There were two grant schemes which businesses could apply for to compensate them for loss of trade during Lockdown 2.0. The first scheme known as the 'closed' or 'standard' scheme is for business that have been forced to close a direct result of Lockdown 2.0 (for example non-essential retail or hospitality type uses). The second scheme, the Additional Restrictions Grant (ARG) is a discretionary scheme that is less prescriptive than the closed scheme.

4 THE CLOSED SCHEME

- 4.1 This scheme went live on 16 November. The Application process was via an e-form. The applicant is asked to provide the following information:
 - Information to verify the business
 - business rates confirmation
 - accounts and a declaration that they have been forced to close due to imposed restrictions.
 - bank account details.

- 4.2 This scheme was administered by the Council jointly with Capita. Learning lessons from the past, a two-stage approach was adopted.
 - (i) Capita initially process the information form the E-form. This was done as a remote initial verification check. A pre-payment checklist was then sent to Hart for hart Officers to do a local knowledge check
 - (ii) Subject to satisfactory pre-payment recommendation from Capita, Hart Officers then competed a light touch local knowledge test final check. the Council to give final approval or rejection of the claim. Capita then implemented payment.
- 4.3 A dedicated email address and telephone number for businesses to contact to obtain an update on their claim was created and a separate email address for Members to request information as part of their individual casework MembersBGENquires@hart.gov.uk was also made available.
- 4.4 Businesses were able to claim the following amounts of support:

Property Ratable Value	Grant payment/Month
Less that £15k	£1,334
£15k to £50k	£2,000
Greater than £50k	£3,000

- 4.5 At the time of writing this report on 18th December, the Council had received 313 applications for this grant and had made 258 payments to eligible businesses.
- 4.6 There have been applications from businesses claiming to have closed but which has been found to be open and trading. This makes it even more important that the Council carries out proper due diligence and informed full pre-payment and fraud checks to satisfy the requirements of Department for Business, Energy & Industrial Strategy (BEIS) and HM Revenue & Customs (HMRC). We have also received claims from businesses no longer trading and from businesses trying to claim multiple grants as well as duplicate applications.

5 THE ADDITIONAL RESTRICTIONS GRANT (ARG)

- 5.1 The Government has awarded £1.974m to the Council be used between now and the 31st March **2022** to support businesses both during the second wave and through the recovery process. ARG is intended to support business that whilst not having been legally required to close as a result of any lockdown, nevertheless, require support as consequence of lockdowns. It is only very limited funding and the Government has confirmed that hereon after there will be no further funding for any future lockdowns. It will be for Councils to demine whether all the funds are used immediately or spread over the whole of the recovery period (i.e. up to the end of March 2022).
- 5.2 Following a review with peer authorities and national discussions the following approach to allocation of ARG is recommended:

Allocation over three major circumstances.

- (i) This period – business affected by the Autumn lockdown (£750k)
- (ii) Post-Christmas impact such as any future lockdowns should they occur (£750k)
- (iii) Recovery (£441k) with expenditure anticipated summer 2021

5.3 The Council itself has been administering the ARG. A simple E-form has been designed to capture all businesses in the district who meet the following criteria

- Businesses that are legally required to close, but do not pay business rates
- Businesses that are not legally required to close, but have been severely impacted by new restrictions

5.4 A business is not eligible for the grant if it:

- (i) was not trading immediately before 5 November 2020
- (ii) is in administration, is insolvent or a striking-off notice has been made
AND/OR
- (iii) has already received grant payments equal the maximum state aid limits

5.5 Businesses can only be in receipt of one grant and the value of the ARG in total £1300.

5.6 This first tranche of the ARG opened on the 23 November and initially was to run the 6th December. However, despite Facebook boosting, press releases and local radio exposure only 100 applications had been received. The application window was extended for a further week supported by further publicity.

5.7 Businesses that apply for the ‘Closed’ scheme and are unsuccessful will be transferred into the ARG scheme providing that their application was not found to be incorrect or fraudulent.

5.8 Any further applications received between 12th and 20th December will still be processed but payment is not guaranteed to be made before the 24th December.

5.9 At the time of writing this report; the Council had received 136 applications for this grant and all eligible payments have been made to businesses (125 payments made).

6 NEXT STEPS

6.1 In recent weeks the Government has announced a number of additional schemes that the Council will need to administer under the remit of Business Rate Grants. These schemes are listed below:

- (i) Wet Led Pub Scheme - £1K payment to pubs that derive less than 50% of their income from food sales.

- (ii) Two schemes for the period that the area has been at Tier 2 to compensate businesses.
- (iii) Two further schemes for the period that the area has been at Tier 2 to compensate businesses.
- (iv) Tranche 2 of the Additional Restrictions Grant.

6.2 The Council is proactively working in partnership with Capita to deliver the schemes according to tier but will deliver the Wet Led Pub Scheme, ARG and other discretionary schemes internally.

7 CONCLUSION

7.1 Both the Closed scheme and ARG were implemented in a timely manner as a result of Government requirements.

7.2 Updated performance will be provided orally at the meeting.

7.3 Officers continue to work to deliver the remaining schemes detailed in Section 6 of this report.

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