

<b>Board/Committee:</b>	P & O Board
<b>Date of meeting:</b>	2 <sup>nd</sup> February 2021
<b>Title:</b>	COVID-19 Government Help for Business Rate Payers and Council Tax Payers
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<b>Status:</b>	FOR NOTING

## **Purpose**

The purpose of this report to update members on business grants, business rates reliefs and council tax support payments for taxpayers on low incomes that have been given as part of The Governments response to the Coronavirus pandemic where Urgent Decisions taken under Paragraph 3.7 Part 3 Schedule 10 of the GBC Constitution have been taken.

### **1.0 Background**

1.1 Since March 2020, the Government has announced a number of packages to support businesses and residents which are administered by Local Authorities. The purpose of this report to update members on these measures and Urgent Decisions taken under Paragraph 3.7 Part 3 Schedule 10 of the GBC Constitution.

1.2 Business Rates Reliefs in March 2020 Extended Retail, Hospitality and Leisure Relief and Nursery Discount were announced

1.3 There have been 11 different Business Grants announced since March 2020 for Local Authorities to administer:

- Small Business and Retail, Hospitality and Leisure Grants - National Restrictions
- Local Discretionary Grant – National Restrictions
- Local Restrictions Support Grant (Closed) (Addendum) National Restrictions
- Local Restrictions Support Grant (Closed) Tier Restrictions
- Local Restrictions Support Grant (Open) Tier Restrictions

- Additional Restrictions Grant – National and Tier Restrictions
- Christmas Support Payment Wet-Led Pubs – one off payment
- Local Restrictions Support Grant (Closed)(Addendum) Tier 4
- Local Restrictions Support Grant (Closed) (Addendum) National Restrictions
- Closed Businesses Lockdown Payment – one off payment

1.4 Council Tax Hardship Fund to pay an additional £150.00 to Council Tax Payers in receipt of Local Council Tax Support

## 2.0 Report

### 2.1 Business Rate Reliefs

- Extended Retail, Hospitality and Leisure Relief. – Policy was taken to P& O Board on 16<sup>th</sup> March 2020, Officers were authorised to make amendments as further guidance was issued. Please see Appendices A and B
- Nursery Discount – Formal notification was received on 20<sup>th</sup> March 2020 for a new one year relief to give 100% rate relief to early year's providers. Please see Appendices B and C

### 2.2 Business Grants

During the first National Lockdown period three grant schemes were available to businesses that were rate payers and non-rate payers. The Small Business and Retail, Hospitality and Leisure Grants and the Local Discretionary Grant. These ceased to be available for new applications on 28<sup>th</sup> August 2020.

- **Small Business Grant** – Government Scheme for business ratepayers, with a rateable value under £15,000 and in receipt of small business rate relief on 11<sup>th</sup> March 2020. Please refer to Appendix D
- **Retail Hospitality and Leisure Grant** – Government Scheme for business ratepayers with a Rateable Value under £51,000 and in receipt of Retail, Hospitality and Leisure Relief. Qualifying date 11<sup>th</sup> March 2020. Two levels of grant - £10,000 for Rateable Values under £15,000 and £25,000 for Rateable Values between £15,000 and less than £51,000. Please refer to Appendix D

- **Local Discretionary Grant** – Local Scheme for rated and non-rated businesses. This policy was taken to the P&O board meeting on 10<sup>th</sup> June 2020 This grant scheme was closed on 28<sup>th</sup> August 2020.

**2.3 Local Restriction Support Grants** – Since 1<sup>st</sup> November 2020 a number of new grants have been made available by the Government for Gosport businesses, both rated and non-rated businesses. (Although Gosport was in Tier 3 on 19<sup>th</sup> December 2020 for the purpose of grant payments the Government has advised that is to be treated as the first day of Tier 4)

LRSO Open and Additional Restriction Grant (ARG) are discretionary schemes that Urgent Decisions have been taken under Paragraph 3.7 Part 3 Schedule 10 of the GBC Constitution.

**2.4 Local Restriction Support Grant (Open)** – Is a grant for businesses which have not had to close but are financially severely impacted as a result of local tier 2 and 3 restrictions.

- Local Authorities were asked to prioritise hospitality, hotel, bed and breakfast and leisure businesses. In response to the direction set by BEIS, Gosport Borough Council's Local Restriction Support Grant (Open) will be available to ratepayers in the hospitality and leisure sector.
- Where a business is not subject to business rates, or if a ratepayer is outside of these sectors, an application may be considered under the council's Additional Restrictions Support Grant
- Available to restaurants cafes drinking establishments cinemas and live music venues and broadly similar
- Available for Assembly and Leisure such as gyms, museums, public halls, clubhouses and broadly similar
- Available to hotel, guest and boarding premises and self-catering accommodation and broadly similar
- Gosport Borough Council have determined that it is reasonable to accept that ratepayers in the hospitality and leisure sector have been severely impacted by local restrictions on socialising. Examples include no mixing of households, bar/pub/restaurant restrictions, and the requirement for social distancing measures. Please refer to Appendix E for further details

**2.5 Additional Restrictions Grant (ARG)** – Government has provided Local Authorities with a set amount of funding to support local businesses during the financial years 2020/21 and 2021/2022. Gosport Borough Council has received a total of £2,450,380 Please refer to Appendix F for full details of the scheme. The discretionary schemes key features are:

- Financial support is for the period of restrictions only
- Financial support to cover unavoidable fixed costs – not to duplicate other support for staff e.g.furlough and SEISS
- Not available as a wage supplement
- Designed primarily for Non Business Rate Payers
- Broad eligiblity criteria – “Any business severely affected”
- Not intended to mirror LRSG (Open) Scheme operating under Government guidance which has wide variations of Rateable Value bands and narrow definition of severely impacted
- Consistency on maximum awards across this and the other LRSG schemes
- Scheme to with reviewed periodically to prevent overspend on allocated funding and changing circumstances as pandemic evolves.
- Payment Scale

ARG Payment Scale	
Reduction in Turnover	Proportion of Fixed Costs
33%-40%	60%
41%-50%	75%
51%-60%	90%
61%-70%	105%
71%-80%	120%
81%-90%	135%
91%-100%	150%

2.5 Summaries of the LRSG and ARG schemes for Gosport are shown below:

Date Schemes Available	LRSG Sector	LRSG Closed Addendum	LRSG Closed Addendum Tier 4	LRSG Closed Addendum January	LRSG Closed	LRSG Open	ARG	Christmas Support Payment wet led Pubs	Closed Business Lockdown Payment
1 Nov – 4 Nov Tier 1	<b>Yes</b>	No	No	No	No	No	No	No	No
5 Nov -1 Dec National	No	<b>Yes</b>	No	No	No	No	<b>Yes</b>	No	No
2 Dec – 18 Dec Tier 2	<b>Yes</b>	No	No	No	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	No
19 Dec – 29 Dec Tier 4	No	No	<b>Yes</b>	No	No	No	<b>Yes</b>	<b>Yes</b>	No
30 Dec – 4 Jan Tier 4	No	No	<b>Yes</b>	No	No	No	<b>Yes</b>	No	No
5 Jan – 15 <sup>th</sup> February	No	No	No	<b>Yes</b>	No	No	<b>Yes</b>	No	<b>Yes</b>
Application Required	Yes	Yes	Yes	No – paid automatically with LRSG Closed Addendum Tier 4	Yes	Yes	Yes	Yes	No – paid automatically with LRSG Closed Addendum Tier 4
Scheme End Date for applications	TBC	TBC	TBC	31/03/21	TBC	TBC	31/03/22 or funding runs out	TBC	30/04/21
Payment Information	Every 14 days	One off payment	One off payment for 17 days	One off payment for 42 days	One off payment for 17 days	One off payment for 17 days	One off payments per application	One off Payment	One off Payment
Amounts	£667 £1000 £1500	£1334 £2000 £3000	£809.93 £1214.29 £1821.43	£2001 £3000 £4500	£809.93 £1214.29 £1821.43	£567.07 £850.00 £1275.00	£400 to £3000 on a sliding scale	£1000	£4000 £6000 £9000

## PERIOD OF NATIONAL RESTRICTIONS - 5th November to 1st December

Time Period	Business Rate Payer		Non Business Rate Payer	
	Closed	Open	Closed	Open
<b>Payments - National Restrictions (28 Days)</b>	<b>Government Scheme LRG (Closed)(Addendum)</b>	<b>Discretionary Scheme ARG</b>	<b>Discretionary Scheme ARG</b>	<b>Discretionary Scheme ARG</b>
RV <=15,000	1,334	Funding Based on Fixed Costs and Extent of Income Loss	Funding Based on Fixed Costs and Extent of Income Loss	Funding Based on Fixed Costs and Extent of Income Loss
RV >15,000<51,000	2,000			
RV >51,000	3,000			

Criteria	Govt. Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria
<b>Eligibility</b>	Forced to close by law	Severely Impacted	Forced to close by law	Severely Impacted
<b>Severely Impacted</b>	Fully Closed	Any business with reduction in income of > 33%	Any business with reduction in income of > 33% (See Below)	Any business with reduction in income of > 33% (See Below)
<b>Maximum Award</b>	Capped at £3,000	Capped at £2,100	Capped at £3,000	Capped at £2,100
<b>Minimum Award</b>	Minimum £1,334	Minimum £400	Minimum £400	Minimum £400

**PERIOD OF TIER RESTRICTIONS - From 2nd December to 18<sup>th</sup> December**

Time Period	Business Rate Payer		Non Business Rate Payer	
	Closed	Open	Closed	Open
<b>Payments - Tier 2 (14 Days)</b> RV <=15,000 RV >15,000<51,000 RV >51,000	Government Scheme	Discretionary Scheme	Discretionary Scheme	Discretionary Scheme
	LRG (Closed)	LRG (Open)	ARG	ARG
	667	467	Funding Based on Fixed Costs and Extent of Income Loss	Funding Based on Fixed Costs and Extent of Income Loss
	1000	700		
	1500	1050		

Criteria	Govt. Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria
<b>Eligibility</b>	Forced to close by law	Severely Impacted	Forced to close by law	Severely Impacted
<b>Severely Impacted</b>	Fully Closed	Hospitality & Leisure & Supply Chain	Any business with reduction in income of > 33% (See Below)	Any business with reduction in income of > 33% (See Below)
<b>Maximum Award</b>	Capped at £1,500	Capped at £1,050	Capped at £1,500	Capped at £1,050
<b>Minimum Award</b>	Minimum £667	Minimum £467	Minimum £200	Minimum £200

Christmas Support for Wet-Led Pubs – one off payment of £1000 to ratepayer

## PERIOD OF NATIONAL RESTRICTIONS - 5th January 2021

Time Period	Business Rate Payer		Non Business Rate Payer	
	Closed	Open	Closed	Open
<b>Payments - National Restrictions (42 Days)</b>	<b>Government Scheme LRG (Closed)(January)</b>	<b>Discretionary Scheme ARG</b>	<b>Discretionary Scheme ARG</b>	<b>Discretionary Scheme ARG</b>
RV <=15,000	2001	Funding Based on Fixed Costs and Extent of Income Loss	Funding Based on Fixed Costs and Extent of Income Loss	Funding Based on Fixed Costs and Extent of Income Loss
RV >15,000<51,000	3000			
RV >51,000	4500			

Criteria	Govt. Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria	Local Eligibility Criteria
<b>Eligibility</b>	Forced to close by law	Severely Impacted	Forced to close by law	Severely Impacted
<b>Severely Impacted</b>	Fully Closed	Any business with reduction in income of > 33%	Any business with reduction in income of > 33% (See Below)	Any business with reduction in income of > 33% (See Below)
<b>Maximum Award</b>	Capped at £4500	Capped at £2,100 per 28 days	Capped at £3,000 per 28 days	Capped at £2,100 per 28 days
<b>Minimum Award</b>	Minimum £2001	Minimum £400 per 28 days	Minimum £400 per 28 days	Minimum £400 per 28 days

One off Payment for ratepayer of business mandated to close – Closed Business Lockdown Payment, levels based RV<=15,000 £4000, RV>15,000<51,000 £6000 and RV>51,000 £9000.



**2.6 Council Tax Hardship Fund** – In March 2020, the Government announced that funding would be provided to enable Local Authorities to reduce council tax by up to £150.00 for working age Local Council Tax Support (LCTS) claimants. Gosport Borough council received £565,286.

Section 13A in the Local Government Finance Act 1992, inserted by the Local Government Act 2012 (13A (1) (c)) allows Councils to reduce the amount of council tax payable. The policy has been amended to allow payment of the Council Tax Hardship Fund in accordance with the guidance issued. Please refer to Appendix G

### **3.0 Financial Implications**

3.1 For majority of schemes, money paid out is funded in full by Government. The Council has been allocated a set amount in respect of the ARG discretionary scheme which is to provide support until 31<sup>st</sup> March 2022. Any overspend will be for Gosport Borough Council to fund. Therefore to mitigate the risk of overspending, the discretionary scheme will be reviewed on a regular basis.

3.2 Council Tax Hardship Fund – The Council has been allocated a set amount. Any overspend will fall to the Council to fund. Regular reviews of spend to-date are well within the funding provided.

### **4.0 Conclusion**

4.1 Gosport has been able to provide extra support to Local Businesses through the additional funding provided by Government to support our local economy and has so far (as at 18<sup>th</sup> January 2021) paid 2350 business grants totaling £15,351,755 and 422 local ratepayers have also received £6,792,796 business rates relief for the Expanded Retail, Hospitality, Leisure and Nursery Discounts.

4.2 Gosport has been able to provide additional support to 4930 LCTS claimants amounting to £468,041 (as at 18<sup>th</sup> January 2021)

<b>Financial Services comments:</b>	<b><i>See Financial Implications</i></b>
<b>Legal Services comments:</b>	<b><i>None</i></b>
<b>Equality and Diversity:</b>	<i>N/A</i>
<b>Climate Change implications:</b>	<i>N/A</i>
<b>Crime and Disorder:</b>	<i>N/A</i>
<b>Service Improvement Plan implications:</b>	<i>N/A</i>
<b>Corporate Plan:</b>	<i>N/A</i>
<b>Risk Assessment:</b>	<i>Failure to provide support to local businesses would have a negative impact of the local economy and employment levels.</i>
<b>Background Papers:</b>	<i>P &amp; O Board report 16<sup>th</sup> March 2020 P&amp; O Board report 6<sup>th</sup> June 2020</i>
<b>Appendices:</b>	
<b>Report Author/Lead Officer:</b>	<i>Margaret Gibbins</i>