

<b>REPORT TO:</b>	<b>The Leader and Cabinet Members for Resources and Financial Governance, and Croydon Renewal</b>
<b>SUBJECT:</b>	<b>COVID 19 – National Lockdown Grants</b>
<b>LEAD OFFICER:</b>	<b>Matthew Davis Deputy S151 Officer Chris Buss Interim Director of Finance Investment &amp; Risk and S151 Officer</b>
<b>CABINET MEMBER:</b>	<b>Cllr Stuart King Cabinet Member for Croydon Renewal Cllr Callton Young Cabinet Member for Resources &amp; Financial Governance</b>
<b>WARDS:</b>	<b>All</b>
<p><b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b></p> <p>Covid-19 has had an unprecedented impact on the economy at a global scale, including the UK and Croydon. Our response to distributing four new Business Grant Schemes will support the following priorities:</p> <ul style="list-style-type: none"> <li>• Tackling ingrained inequality and poverty in the borough.</li> <li>• Tackling the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.</li> <li>• Providing the best quality core service we can afford. To ensure we get full benefit from every pound we spend keeping people safe and reducing demand.</li> </ul> <p><a href="#">Croydon Renewal Plan</a></p>	
<p><b>FINANCIAL IMPACT</b></p> <p>The Government has confirmed that following the announcements of the 3<sup>rd</sup> National Lockdown, Croydon will receive additional funding for an already existing business grant scheme known as the Local Restrictions Support Grant (Closed) Addendum, and additional funding to support businesses through the, Tier 4 December Lockdown (20/12/20 to 04/01/2021, 3<sup>rd</sup> National Lockdown from 5<sup>th</sup> January 2021 for a 6 week period to 15<sup>th</sup> February, and Additional National Lockdown for a 44 day period from 16<sup>th</sup> February to 31<sup>st</sup> March 2021 .</p> <p>Existing Scheme</p> <ul style="list-style-type: none"> <li>• Local Restrictions Support Grant (Closed) Addendum - initial funding £5,845,518</li> <li>• Local Restrictions Support Grant (Closed) Addendum 5<sup>th</sup> January - additional funding £8,768,277</li> </ul> <p>New Scheme</p> <ul style="list-style-type: none"> <li>• Tier 4 December Lockdown Grant Funding £3,626,378</li> <li>• 3<sup>rd</sup> National Lockdown Grant funding £17,532,000</li> <li>• Additional National Lockdown £9,185,814</li> </ul>	

These grants will support the recovery of our local businesses which will have a positive impact on the Council's finances in the longer term.

**FORWARD PLAN KEY DECISION REFERENCE NO.: 1621CRenewal**

This is a Key Decision as defined in the council's constitution. This key decision is requested under the special urgency measures as part of the emergency response to COVID 19. The making of this decision is urgent to allow the council to offer businesses the support they require with their business costs and loss of income during these unprecedented times that have arisen due to COVID 19 pandemic.

**1. RECOMMENDATIONS**

The Cabinet Member for Croydon Renewal (Cllr King) in consultation with the Cabinet Member for Resources & Financial Governance (Cllr Young) are recommended :-

- 1.1 To endorse and agree to the mechanisms and implementation of the mandatory Tier 4 December Lockdown business grants, 3<sup>rd</sup> National Lockdown business grants, the extension of the Local Restrictions Support Grant (Closed) Addendum January grants, and the Additional National Lockdown grants distribution, for Croydon as detailed in the draft delegated decision report.
- 1.2 Delegate authority to the interim Director of Finance Investment & Risk and S151 Officer, to oversee the process and implementation of these mandatory business grants.

**Cases of general urgency and special urgency:**

On 14 October 2020 the UK government announced a Covid-19 tier system to help control the spread of the virus. Areas were placed into tiers based on the number of cases in the region. Since then it has been an ever-changing picture. Croydon was placed into Tier 2 Oct on 17 October 2020, Tier 3 on 16 December 2020, Tier 4 on 20 December 2020 and National lockdown on 5 January 2021.

The making of this decision is urgent to allow the council to offer businesses the support they require with their business costs and loss of income during these unprecedented times that have arisen due to COVID 19 pandemic.

**2. EXECUTIVE SUMMARY**

- 2.1. Croydon is facing one of the most challenging periods in its economic history. Despite Croydon's many strengths the impact of COVID-19 (coronavirus) has created an economic crisis that needs an immediate coordinated response that reduces the financial impact on Croydon businesses.

- 2.2. The consensus is that the impact of COVID-19 on the business community and the wider economy will be seismic and that the recovery will play out over many months, if not years.
- 2.3. This report focusses on the implementation and distribution of the Tier 4 December Lockdown Grant from 20<sup>th</sup> December 2020 to 4<sup>th</sup> January 2021, the 3<sup>rd</sup> National Lockdown Grant from 5<sup>th</sup> January 2021, the continuation of Local Restrictions Support Grant (Closed) Addendum and Additional Lockdown grant from 16<sup>th</sup> February to 31<sup>st</sup> March 2021. It should be noted that the Local Restrictions Support Grant (Closed) Addendum was originally from 5<sup>th</sup> November to 2<sup>nd</sup> December 2021, and then Croydon went into a Tiering system of restrictions. For the purposes of this report we will refer to the Local Restrictions Support Grant (Closed) Addendum 5<sup>th</sup> January, as LRSO Closed 5<sup>th</sup> January.
- **Tier 4 December Lockdown Grant** – (item 9 in table 1 below)
  - **3<sup>rd</sup> National Lockdown Grant** – (item 10 in table 1 below)
  - **LRSO Closed 5<sup>th</sup> January** – (item 4 in table 1 below)
  - **Additional Lockdown Grant February & March** (item 11 in table 1 below)

These grants are in addition to the other mandatory grants that have also been announced by government which include:

- **Local Restrictions Support Grant (Sector)** - (item 1 in table 1 below)
- **Christmas Support Payment for Wet-led Pubs** – (item 7 in table 1 below)
- **Local Restrictions Support Grant (Closed) - Tier3** (item 8 in table 1 below)

And Discretionary Grants announced by government which include:

- **Local Restrictions Support Grant (Open)** – (item 3 in table 1 below)
- **Additional Restrictions Grant Phase 1 & 2** – (item 5 in table 1 below)
- **Local Restrictions Support Grant (Open) V2** – (item 6 in table 1 below)

- 2.4. Croydon's share of the funding is £3,626,378 for the Tier 4 December Lockdown grant (20<sup>th</sup> December to 4<sup>th</sup> January 2021), £17,532,000 for the 3<sup>rd</sup> National Lockdown grant from 5<sup>th</sup> January 2021, for a 6 week period, an additional £8,768,277 for the continuation of the LRSO Closed 5<sup>th</sup> January grant and £9,185,814 for the Additional National Lockdown February & March grant, this is for a 44 day period from 16<sup>th</sup> February to 31<sup>st</sup> March 2021.
- 2.5. It should be noted that the 3<sup>rd</sup> National Lockdown grant and the LRSO Closed grant both run concurrently from 5<sup>th</sup> January 2021 for a six week period.

**TABLE 1**

Number	Official Grant Scheme Name	Period	Description	LBC Description	Grant to Croydon	Awards to Businesses	Amount	
1	Local Restrictions Grant (Sector)	1/11/20 - 4/11/20	Nightclub Grant	Nightclub Grant	See LRSG (Closed) Addendum	RV LE £15K	£667 per 14 day period	
						RV GT £15K and LT £51K	£1000 per 14 day period	
						RV GE £51K	£1500 per 14 day period	
2	Local Restrictions Support Grant (Closed)	Date of Tier 3 restrictions	Tier 3 Impacted Grant	Tier 3 Impacted Grant	N/A	RV LE £15K	£667 per 14 day period	
						RV GT £15K and LT £51K	£1000 per 14 day period	
						RV GE £51K	£1500 per 14 day period	
3	Local Restrictions Support Grant (Open)	17/10/20 - 4/11/20	Tier 2 Impacted Grant	Tier 2- OCT	£480,567	RV LE £15K	up to £934 per 28 day period	
		Period of Tier 2 lockdown in London				RV GT £15K and LT £51K	up to £1400 per 28 day period	
						RV GE £51K	up to £2100 per 28 day period	
4	Local Restrictions Support Grants (Closed) Addendum	5/11/20 - 2/12/20 5/01/21 - 42 day period	2nd National Lockdown Grant	National NOV Lockdown mandatory	£5,845,518	To be topped up if necessary. This funding includes LRSG (Sector) Funding	RV LE £15K	£1334 per 28 day period
					£8,768,277		RV GT £15K and LT £51K	£2000 per 28 day period
							RV GE £51K	£3000 per 28 day period
5	Additional Restrictions Grant	5/11/20 - 2/12/20	2nd National Lockdown Discretionary Grant	National NOV Lockdown Discretionary	£7,734,200	This is a discretionary scheme and can be used to provide businesses with cash support for either those more affected or those not qualifying on above schemes		
		Amount paid can be spent up to 31/3/22			£3,435,165			
							£20 per head of population. No top up will be awarded.	
6	Local Restrictions Support Grant (Open) Version 2	02/12/20 to 29/12/20	Tier 2 Impacted Grant	Tier 2 - DEC	£361,455 To be topped up if necessary. This funding includes LRSG (Sector) Funding	RV LE £15K	Up to £467 per 14 day period Up to £700 per 14 day period Up to £1050 per 14 day period	
						RV GT £15K and LT £51K		
						RV GT £51K		
7	Christmas Support Payment for wet-led pubs	02/12/20 to 29/12/20	Christmas Support Payment (CSP)	Christmas Support Package (CSP)	£70,400 - One off funding	Pubs where food sales are less than 50% of takings.	£1,000	
8	Local Restrictions Support Grant (Closed) Version 2	16/12/20 to 29/12/20	Tier 3 Impacted Grant	Tier 3 DEC	L/As will receive 80% of estimated following the first 14-day period of closures. Funding will be	RV LE £15K	£667 per 14 day period	
						RV GT £15K and LT £51K	£1,000 per 14 day period	
						RV GE £51K	£1,500 per 14 day period	
9	Tier 4	20/12/2020 to 04/01/2021	3rd Lock Down Grant	Tier 4 Dec Lockdown	£3,626,378	RV LE £15K	£667 per 14 day period	
						RV GT £15K and LT £51K	£1,000 per 14 day period	
						RV GE £51K	£1,500 per 14 day period	
10	3rd National Lock Down	05/01/2021 to 15/02/2021 (TBC)	National Lock Down January	3rd National Lock Down	£17,532,000	RV LE £15K	£4,000	
						RV GT £15K and LT £51K	£6,000	
						RV GE £51K	£9,000	
11	Additioanl National Lock Down	16/02/2021 to 31/03/2021	National Lock Down February & March	Additioanl National Lock Down	£9,185,814	RV LE £15K	£2,096	
						RV GT £15K and LT £51K	£3,143	
						RV GE £51K	£4,714	

### 3 MANDATORY SCHEMES

- 3.1 **Local Restrictions Support Grant (Closed) Addendum** – was initially from the 5<sup>th</sup> November to 2<sup>nd</sup> December 2020 for businesses that were mandated to close by government, and included non-essential retail, leisure, personal care, sports facilities and hospitality businesses.
- 3.2 The thresholds that apply to these businesses are:
- Businesses appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of the widespread national restrictions will receive a payment of £1,334 per 28 day qualifying restriction period.
  - Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restriction will receive a payment of £2,000 per 28 day qualifying restriction period.
  - Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restriction, will receive £3,000 per 28 day qualifying restriction period.
- 3.3 Croydon then went into Local Covid Alert tier systems (LCAL) i.e. Tier 2 on 2<sup>nd</sup> December 2020, Tier 3 on 16<sup>th</sup> December 2020, Tier 4 on 20<sup>th</sup> December 2020 and 3<sup>rd</sup> National Lockdown on 5<sup>th</sup> January 2021.
- 3.4 **Tier 4 December Lockdown Grant** – 20<sup>th</sup> December 2020 to 4<sup>th</sup> January 2021 – the government mandated that certain businesses had to close including non-essential retail, leisure personal care, sports facilities and hospitality businesses.
- 3.5 The thresholds that apply to these businesses are:
- Businesses appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of the widespread national restrictions will receive a payment of £667 per 14 day qualifying restrictions.
  - Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restrictions will receive a payment of £1,000 per 14 day qualifying period.
  - Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above will receive £1,500 per 14 day qualifying restriction period.
- 3.6 **LRSB Closed 5<sup>th</sup> January** - The government have confirmed that LRSB Closed scheme has been adapted for the period of national restrictions. The principal feature is that the payment period is initially extended to 42 days from 5<sup>th</sup> January rather than the 28 day payment cycle in 3.2 above.
- 3.7 The thresholds that apply to these businesses are:
- Business appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of widespread national

restrictions will receive payment of £2,001 per 42 day qualifying restriction period.

- Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restriction will receive a payment of £3,000 per 42 day qualify restriction period.
- Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restriction, will receive £4,500 per 42 day qualifying restriction period.

3.8 **3<sup>rd</sup> National Lockdown** – The 3<sup>rd</sup> National restrictions were formally introduced into law on 6<sup>th</sup> January 2021, but for the purposes of these schemes, eligibility will commence on 5<sup>th</sup> January 2021 as the expectation was businesses would be mandated to close from this date.

3.9 The thresholds that apply to these businesses are:

- Businesses appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of the widespread national restriction will receive payment of £4,000 per 42 day qualifying restriction period.
- Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restriction will receive a payment of £6,000 per 42 day qualifying restriction period.
- Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above will receive £9,000 per 42 day qualifying restriction period.

3.10 **Additional National Lock Down February & March 2021** – On 22<sup>nd</sup> February to Government announced that further support would be made available to businesses who have been mandated to close from 16<sup>th</sup> February to 31<sup>st</sup> March 2021 – a 44 day period.

3.11 The thresholds that apply to these businesses are:

- Businesses appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of the widespread national restriction will receive payment of £2,096 for a 44 day qualifying restriction period.
- Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restriction will receive a payment of £3,143 for a 44 day qualifying restriction period.
- Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above will receive £4,714 per 44 day qualifying restriction period.

3.12 The 3<sup>rd</sup> National Lockdown restrictions refer to legally binding restriction imposed on all Local Authorities in England in response to the threat posed by coronavirus. A full list of businesses mandated to close, are prescribed in The Health Protection (Coronavirus, Restrictions) (All Tiers) (England) Regulations 2020. Please see link <https://www.legislation.gov.uk/ukxi/2020/1374>, with

updates and amendments for the latest national restrictions at The Health Protection (Coronavirus, Restrictions) (No. 3) and (All Tiers) (England) (Amendment) Regulations 2021. Please see link <https://www.legislation.gov.uk/uksi/2021/8/made>.

- 3.13 Businesses that are eligible are those that have been mandated to close by government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses i.e. eligibility is the same as LRSG Closed 5<sup>th</sup> January 2021.
- 3.14 The LRSG Closed from 5<sup>th</sup> January 2021, the 3<sup>rd</sup> National Lockdown grants and the Additional Lockdown February and March grants, form part of the business support package for January Lockdown, along with the Additional Restrictions Support grant. A separate report advising of the Council's approach to expenditure of the Additional Restrictions Support grant has already been circulated and agreed.
- 3.15 The 3<sup>rd</sup> National Lockdown payment is in addition to the LRSG Closed 5<sup>th</sup> January scheme payments, so eligible businesses are entitled to 2 business grant schemes for a 42 day period from 5<sup>th</sup> January 2021.
- 3.16 The combined thresholds that apply to these businesses are:
- Businesses appearing on the local rating list with a rateable value of exactly £15,000 or under on commencement of the widespread national restriction will receive a payment of £2,001 for LRSG Closed 5<sup>th</sup> January, and £4,000 for 3<sup>rd</sup> National Lockdown payment, total value of grant payments £6,001 per qualifying 42 day restriction period.
  - Businesses appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on commencement of the widespread national restriction will receive a payment of £3,000 for LRSG Closed 5<sup>th</sup> January, and £6,000 for 3<sup>rd</sup> National Lockdown payment, total value of grant payments £9,000 per 42 day restriction period.
  - Businesses appearing on the local rating list with a rateable value of exactly £51,000 or above will receive a payment of £4,500 for LRSG Closed 5<sup>th</sup> January, and £9,000 for 3<sup>rd</sup> National Lockdown payment, total value of grant payments £13,500 per 42 day restriction period.
- 3.17 From 16<sup>th</sup> February to 31<sup>st</sup> March 2021 for a 44 day period, businesses are entitled to the Additional Lockdown February and March grant only.

#### **4 EXCLUSIONS TO TIER4 DECEMBER GRANT, LRSG Closed 5<sup>th</sup> January 3<sup>rd</sup> National Lockdown, and Additional Lockdown February & March BUSINESS GRANTS**

- 4.1 Businesses that are able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely e.g. accountants, solicitors are excluded from these grant schemes.
- 4.2 Businesses in areas outside the scope of the national restrictions, as defined by

government, are also excluded.

- 4.3 Businesses that have chosen to close but not been required to will not be eligible for these grants.
- 4.4 Businesses that were in administration, are insolvent or where a strike-off notice has been made are not eligible for funding under these schemes.

## **5 WHO WILL RECEIVE THE FUNDING**

- 5.1 The person who according to the billing authority's records was the ratepayer in respect of the business on 5<sup>th</sup> January 2021 is eligible for the grant. We must make it clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
- 5.2 Eligible businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible to receive the grants if they are still trading and operating.
- 5.3 Businesses must have been trading the day before national restrictions came into force to be eligible to receive funding under these schemes. Where businesses were closed due to restrictions that preceded the national restrictions, it is accepted that those businesses are still trading.
- 5.4 If a business is required to close its main, in-person service but adapts its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible to receive grants under these schemes because its substantive business must close.
- 5.5 Croydon Council must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes.
- 5.6 Businesses will need to notify Croydon Council if they no longer meet the eligibility criteria for further grants under the 3<sup>rd</sup> National Lockdown or LRSG Closed 5<sup>th</sup> January schemes during national restrictions, e.g. if they become insolvent.
- 5.7 The grant funding will be subject to tax only if the business has made an overall profit once the grant income has been included in trading accounts.
- 5.8 Businesses that receive the grants will be subject to State Aid rules.

## **6 TO REQUEST THE GRANTS**

- 6.1 Businesses will verify that they are eligible for a grant through an online portal that is published on the Council's website. Please see links below to the information page and the portal.

<https://new.croydon.gov.uk/business-licences-and-tenders/running->



[business/business-support-and-advice/support-grants-businesses-0](https://service.croydon.gov.uk/business/business-support-and-advice/support-grants-businesses-0)

<https://service.croydon.gov.uk/discretionary-grant-fund/w/webpage/lrsq>

- 6.2 There has been a multi-channel, and large scale communication strategy to ensure that all Croydon Businesses are aware of the portal in order to request their grants.
- 6.3 Where it is known to Croydon Council that a business qualifies for a grant, and we hold relevant contact information, the business has been proactively invited to request their grant.
- 6.4 The online form has a series of triage questions which enables us to identify what businesses are eligible for the grants, what businesses need to provide more information, and what businesses do not qualify for the grants.
- 6.5 Businesses need only complete one on-line form to determine eligibility for all of the grants mentioned in 2.3 above.
- 6.6 Businesses that are eligible for a grant will receive a text message or email, giving confirmation of their successful grant, and payments are made directly into their business bank account, or personal bank account if the business pays their business rates liability by Direct Debit, from their personal bank account.
- 6.7 Where a businesses has not supplied enough information to accurately establish eligibility, we will email or telephone that business to confirm the missing information. The eligibility criteria will then be reviewed.
- 6.8 If a business does not meet the eligibility criteria, we will write to the business to confirm what criteria has not been met.
- 6.9 Requests for grants will be processed in date order. In the event that funding limits are exceeded, the government will top up the funding that has been received by Croydon Council.
- 6.10 A series of webinars has taken place to support businesses completing the on line portal.

## **7. CONSULTATION**

- 7.1. These grants are mandated by government, and we have been in regular contact with London Revenues Group, London Councils and the Institute of Revenues Rating and Valuation (IRRV), to ensure our understanding of the grant eligibility and payment is correct, and that this is consistent across all London Boroughs.

## **8. PRE-DECISION SCRUTINY**

- 8.1 This item has not been to a Scrutiny meeting for pre-decision debate due to the special urgency measures.

## **9. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 9.1.1 The Tier 4 December grant fund that has been agreed by Government (£3,626,378) will support businesses who were mandated to close by government between the period 20<sup>th</sup> December 2020 to 4<sup>th</sup> January 2021, i.e. for the period prior to the 3<sup>rd</sup> National Lockdown.
- 9.1.2 The new 3<sup>rd</sup> National Lockdown grants fund that has been agreed by Government (£17,532,000) will support the sustainability of our local businesses that have been forced to close, and maintain employment for residents which will have a positive impact on the Council's finances in the longer term.
- 9.1.3 The extension to the LRSC Closed 5<sup>th</sup> January business grant funding has been agreed by Government (£8,768,277) and this will support businesses who have been forced to close.
- 9.1.4 The Additional National Lockdown February & March grant funding has been agreed by Government (£9,185,814) and will be distributed to support businesses who have been forced to close.
- 9.1.5 The resource cost of the delivery of these grants has been scoped in-house so no external costs will be incurred. It should be noted that some back office tasks have been de-prioritised and they will be picked later in the year, as priority has been given to administration of the grant funding.
- 9.1.6 The Government have confirmed that New Burdens Funding will be available to Local Authorities in relation to all new grant schemes. The amount of funding Croydon will receive is TBC.
- 9.1.7 Daily monitoring of all grant payments will take place so that we are aware if funding limits have been exceeded.
- 9.1.8 Weekly and monthly reporting will be completed and returned to government and HMRC.

## **9.2 EFFECT OF THE DECISION**

All eligible businesses will receive this funding to support the business livelihood during the period of national lockdown. This will help to sustain businesses and employment within the borough.

## **9.3 RISKS**

- 9.3.1 Spending against funding will be monitored daily to ensure that if grant funding is exceeded, the Council will receive a further top from government. Lack of spending will also demonstrate to the Council if there is low take up of the grant funding, and further measures will take place to boost take up for Croydon businesses. The grant process includes a two person authorisation process which reduces the risk of fraud. Local Authorise will also be required to report weekly on the government funding, and a future audit will be implemented (internally).

9.3.2 Risk assessments will be completed by Croydon's internal Fraud team and returned to government, for the purposes providing assurance.

9.3.3 A post payment assurance plan will also be completed and returned to government.

#### **9.4 OPTIONS**

9.4.1 This grant funding is mandated by government so no other options of eligibility or business sector has been considered.

9.4.2 The implementation of this grant will help to sustain Croydon's businesses which will in turn sustain employment in the borough. This will help to support future savings and finances for the Council.

Approved by: Matthew Davis, Deputy Section 151 Officer on behalf of the Interim Director of Finance, Investment & Risk (Section 151 Officer)

### **10. LEGAL CONSIDERATIONS**

10.1 The Head of Commercial and Property Law comments on behalf of the Director of Law and Governance that in response to the Coronavirus, COVID-19, the government has put in place additional support for businesses that had been impacted by social distancing and business closures restrictions arising out of the pandemic (using a grant under Section 31 of the Local Government Act 2003).

10.2 The Government has issued guidance for Local authorities in administering the Fund which sets out eligibility criteria and the government's recommended prioritisation of categories of business. This guidance should be followed when administering the funds.

10.3 Local authorities are responsible for delivering grants to eligible businesses and whilst there is no specific statutory power to make these payments, guidance indicates that Councils are able to rely on the General Power of Competence in Section 1 of the Localism Act 2011 to undertake these payments.

10.4 The United Kingdom left the EU on 31 January 2021, and the State Aid regime has been replaced by a similar regime known as 'Subsidy Control'. Under this regime, a subsidy is a measure which is

- given by a public authority and
- makes a financial or in kind contribution to an enterprise which is not available on market terms, and
- affects international trade

The Government's guidance on this new regime acknowledges that subsidies (or in this case grants) to very local companies are unlikely to be caught as this is unlikely to affect international trade. It is therefore considered that the proposals in this report will be compliant with the new Subsidy Control regime

and the proposed scheme follows government guidance. Nevertheless, the Council is required to keep a record of any and all public subsidy which it gives to businesses, in the implementation of the proposals in this report such a record will be maintained. The Subsidy Control regime is new and developing and any further relevant guidance on this will be shared with officers responsible for administering the Additional Restrictions Grant scheme.

- 10.5 It should also be noted that the Subsidy Control regime raises the thresholds limits of what was previously known as ‘the *de minimis* rule’ so that the Council can provide subsidy to an economic entity provided they have not received more than €380,000 of aid within a rolling three year period. These checks will be incorporated within the declarations which any business due to receive a grant will be required to make.

Approved by Sean Murphy, Head of Commercial and Property Law on behalf of the Interim Director of Law and Governance

## **11. HUMAN RESOURCES IMPACT**

- 11.1 There are no immediate issues arising from this report for Croydon Council employees. Delivery of these specific grants will not require additional staffing in Payments Revenues Benefits and Debt, and the grants will be administered by existing staffing within this service area. Adhoc, administration support has already been agreed by the Economic Development team.
- 11.2 As it is now more than likely that the business grants will continue past 15<sup>th</sup> February 2021, and more grant schemes will be announced by government, a request has been made to deploy staff into the team for future administration of additional grants. The business rates team will require additional resource and capacity, when the annual business rates bills are issued at the end of March 2021. The business rates team will receive large volumes of contact from businesses when the new business rates bills are issues, and the team will need to be resourced to deal with the additional contact and also continue to administer grants.

Approved by: Gillian Bevan Head of HR – Resources on behalf of the Director of Human Resources

## **12. EQUALITIES IMPACT**

- 12.1 There are no direct equality impacts arising from this report.
- 12.2 The impact of the virus is far reaching. The combined and unprecedented impact on the local economy, both on businesses and the workforce, has exacerbate inequalities, where some parts of our communities are disproportionately impacted for the short, medium and long term. The Council has been acutely aware of the disproportionate impact that the virus and lock down can have on particular demographics, such as BME communities, older residents and those with pre-existing health conditions.

- 12.3 Supporting businesses and sustaining jobs will assist in reducing inequality across the borough by supporting a sustainable economic recovery of the borough, thereby benefit in all communities.
- 12.4 The Council will take steps to ensure grants are issued in a fair and equitable manner.

Approved by: Yvonne Okiyo, Equalities Manager

### **13. ENVIRONMENTAL IMPACT**

- 13.1 There are no direct environmental considerations arising from this report.

### **14. CRIME AND DISORDER REDUCTION IMPACT**

- 14.1 The new grant funding will help to support business livelihoods, and sustain jobs preventing future issues through key principles of economic sustainability.

### **15. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 15.1 This is additional funding to the grants that have been already announced by government, it is aimed at those businesses that have been mandated to close by government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

### **16. OPTIONS CONSIDERED AND REJECTED**

- 16.1 Delivery of these grants is mandated by government so no other options have been considered or rejected.

### **17. DATA PROTECTION IMPLICATIONS**

#### **17.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

No, it will be business data that is processed however this will include sensitive financial evidence and banking details and therefore a process that conforms to GDPR and the processing of sensitive data has been implemented.

#### **17.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

A DPIA was completed for the last discretionary fund and all mandatory grants, all handling of data remains the same.

Approved by Nicola Thoday, Solicitor

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**REPORT CONTACT:** Catherine Black, Head of Payments, Revenues,  
Benefits & Debt

**BACKGROUND DOCUMENTS:** None