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| REPORT TO: | Cabinet Member for Croydon Renewal Cabinet Member for Resources and Financial Governance |
| SUBJECT: | COVID 19 – Restart Grants |
| LEAD OFFICER: | Matthew Davis Deputy S151 Officer Chris Buss Interim Director of Finance Investment & Risk and S151 Officer |
| CABINET MEMBER: | Councillor Stuart King Cabinet Member for Croydon Renewal Councillor Callton Young Cabinet Member for Resources & Financial Governance |
| WARDS: | All |

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

Covid-19 has had an unprecedented impact on the economy at a global scale, including the UK and Croydon. Our response to distributing the newest Restart Business Grant Schemes will support the following priorities:

- Tackling ingrained inequality and poverty in the borough.
- Tackling the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.
- 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.

[Croydon Renewal Plan](#)

FINANCIAL IMPACT

On 3rd March 2021, the Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England. This support will take the form of a one-off grant funding scheme in the Financial Year 2021-2022. The scheme is called the Restart Grant (RG) and is administered by business rate billing authorities in England. The Government confirmed on 7th April 2021, that Croydon's share for the RG is £15,414,687. This funding is in addition to all of the other existing mandatory business grant schemes as detailed below.

Existing Scheme

- Local Restrictions Support Grant (Closed) Addendum - initial funding £5,845,518
- Local Restrictions Support Grant (Closed) Addendum 5th January - additional funding £8,768,277
- Tier 4 December Lockdown Grant Funding £3,626,378
- 3rd National Lockdown Grant funding £17,532,000
- Additional National Lockdown £9,185,814

The RG is to support business as we move through the roadmap of easing lockdown restrictions, and it will support businesses who are mainly reliant on delivering in-person services for the general public.

FORWARD PLAN KEY DECISION REFERENCE NO.: 2121CRenewal

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

The Leader of the Council has delegated to the Cabinet Member for Croydon Renewal, in consultation with the Cabinet Member for Resources & Financial Governance the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

The Cabinet Member for Croydon Renewal in consultation with the Cabinet Member for Resources & Financial Governance is recommended to:

- 1.1 Endorse and agree to the mechanisms and implementation of the Restart Grants distribution for Croydon, as detailed in this report.
- 1.2 Note, that the Leader has delegated authority to the Interim Director of Finance Investment & Risk and S151 Officer, to oversee the process and implementation of the mandatory Restart business grants.

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 Restart Grant. Which is being awarded to non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses. This is a one-off grant which is available to businesses from 1st April 2021. This funding is in addition to other mandatory grant funding that is available to business within Croydon. Detailed below are tables that detail all of the grant funding schemes that are available to our business community.
- 2.4. Croydon's share of the RG funding is £15,414,687, and this funding is to support businesses who mainly deliver in-person services who will continue to be

restricted in their trade, as we move through the Governments road map out of lockdown.

- 2.5. The table below confirms all of the business grant funding schemes, that are available to businesses in Croydon this includes the discretionary grant funding scheme which is detailed in 4 below, as well as all of the other mandatory grant funding schemes, and the RG is detailed in 13 below.

| Number | Letter | Official Grant Scheme Name | Period | Description | LBC Description | Awards | Grant to Croydon | Awards to Businesses | Amount | Application Close Date | Last Payment Date |
|--------|--------|---|---|---|-------------------------------------|---|---|---|--|------------------------|-------------------|
| 1 | A | Local Restrictions Grant (Sector) | 1/11/20 - 4/11/20 | Nightclub Grant | Nightclub Grant | Funding to those businesses closed by statute since first lockdown - nightclubs and sexual entertainment venues (from 4/11/20 payments will be made under LRSG(Closed)A | See LRSG (Closed) Addendum | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £667 per 14 day period £1000 per 14 day period £1500 per 14 day period | 31st March 2021 | 30th April 2021 |
| 3 | C | Local Restrictions Support Grant (Open) | 17/10/20 - 4/11/20 Period of Tier 2 lockdown in London | Tier 2 Impacted Grant | Tier 2- OCT | Funding to those businesses affected by the Local Restrictions in Tier 2 or 3 - specifically aimed at the Leisure and Hospitality Industries . This is a discretionary scheme and award levels are only those suggested by BEIS | £480,567 | RV LE £15K RV GT £15K and LT £51K RV GE £51K | up to £934 per 28 day period up to £1400 per 28 day period up to £2100 per 28 day period | 31st March 2021 | 30th April 2021 |
| 4 | D | Local Restrictions Support Grants (Closed) Addendum | 5/11/20 - 2/12/20 | 2nd National Lockdown Grant | National NOV Lockdown mandatory | Funding to those businesses closed by statute on 2nd National Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses | £5,845,518 To be topped up if necessary. This funding includes LRSG (Sector) Funding | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £1334 per 28 day period £2000 per 28 day period £3000 per 28 day period | 31st March 2021 | 30th April 2021 |
| 5 | E | Additional Restrictions Grant | 5/11/20 - 2/12/20 Amount paid can be spent up to 31/3/22 | 2nd National Lockdown Discretionary Grant | National NOV Lockdown Discretionary | Discretionary Scheme to be decided by the Local Authorities | £7,734,200 £3,435,165 £20 per head of population. No top up will be awarded. | <i>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</i> | | TBC | TBC |
| 6 | F | Local Restrictions Support Grant (Open) Version 2 | 02/12/20 to 29/12/20 | Tier 2 Impacted Grant | Tier 2 - DEC | Funding to those businesses affected by the Local Restrictions in Tier 2 or 3 - specifically aimed at the Leisure and Hospitality Industries . This is a discretionary scheme and award levels are only those suggested by BEIS | £361,455 To be topped up if necessary. This funding includes LRSG (Sector) Funding | RV LE £15K RV GT £15K and LT £51K RV GT £51K | Up to £467 per 14 day period Up to £700 per 14 day period Up to £1050 per 14 day period | 31st March | 30th April 2021 |
| 7 | G | Christmas Support Payment for wet-led pubs | 02/12/20 to 29/12/20 | Christmas Support Payment (CSP) | Christmas Support Package (CSP) | One off payment of £1,000 for pubs . Pubs that derive over 50% of their income from food sales will not be eligible to receive funding through this grant scheme. | £70,400 - One off funding | <i>Pubs where food sales are less than 50% of takings.</i> | £1,000 | 28th February 2021 | 31st March 2021 |

| Number | Letter | Official Grant Scheme Name | Period | Description | LBC Description | Awards | Grant to Croydon | Awards to Businesses | Amount | Application Close Date | Last Payment Date |
|--------|--------|---|--------------------------------|-------------------------------------|-------------------------------|--|---|--|--|------------------------|-------------------|
| 8 | H | Local Restrictions Support Grant (Closed) Version 2 | 16/12/20 to 29/12/20 | Tier 3 Impacted Grant | Tier 3 DEC | Businesses closed due to tier 3 lockdown | £22,345 L/As will receive 80% of estimated following the first 14- | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £667 per 14 day period £1,000 per 14 day period £1,500 per 14 day period | 31st March 2021 | 30th April 2021 |
| 9 | I | Tier 4 | 20/12/2020 to 04/01/2021 | 3rd Lock Down Grant | Tier 4 Dec Lockdown | Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses | £3,626,378 | RV LE £15K RVGT£15Kand LTE51k RV GT £51k RV GT £15K and LT £51K RV GE £51K | £667 per 14 day period £1,000 Per 14 day period £1,500 per 14 day period £1,000 per 14 day period £1,500 per 14 day period | 31st March 2021 | 30th April 2021 |
| 10 | J | National Lock Down CBSG | 05/01/2021 to 15/02/2021 (TBC) | National Lock Down January | 3rd National Lock Down | | £17,532,000 | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £4,000 (TBC) £6,000 (TBC) £9,000 (TBC) | 31st March 2021 | 30th April 2021 |
| 11 | K | LRSGCAJAN | 05/01/2021 to 15/02/2021 | LRSGCAJAN | | Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses | £8,768,277 | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £2,001 £3,000 £4,500 | 31st March 2021 | 30th April 2021 |
| 12 | L | LRSGCAFEB Additionan National Lock Down | 16/02/2021 to 31/03/2021 | National Lock Down February & March | Additional National Lock Down | Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, sports facilities and hospitality businesses | £9,185,814 | RV LE £15K RV GT £15K and LT £51K RV GE £51K | £2,096 £3,143 £4,714 | 31st May 2021 | 30th June 2021 |
| 13 | M | Restart Grant | 01st April 2021 | Restart | Restart | Funding to those businesses closed by statute on Tier 4 Lockdown - to include non-essential retail, leisure, personal care, gym facilities and hospitality businesses | £15,414,687 | RV LE £15K RV GT £15K and LT £51K RV GE £51K RV LE £15K RV GT £15K and LT £51K RV GE £51K | £2,667 £4,000 £6,000 £8,000 £12,000 £18,000 | | |

3 RESTART GRANT MANDATORY SCHEME

- 3.1 On 3rd March 2021, the Government announced the introduction of grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England. This support will take the form of a one-off grant funding scheme in the Financial Year 2021-2022. On 7th April 2021 the Government confirmed the value of grant funding available to Croydon. In distributing this grant the Council will follow Government guidance (Appendix 1). It is expected that Local Authorities will provide local businesses with grant funding as soon as possible from 1 April 2021. The application closure date for this scheme is 30 June 2021 and final payments must be made by 31 July 2021.
- 3.2 The RG scheme is for businesses on the rating list only and it is a one-off grant.
- 3.3 The RG will support non-essential retail premises with grant of up to £6,000 in **Strand One** of the RG. The following thresholds apply for these businesses:
- 3.3.1 Businesses occupying premises appearing on the local rating list with a rateable value of exactly £15,000 or under on 1st April 2021 will receive a payment of £2,667.
 - 3.3.2 Businesses occupying premises appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on 1st April 2021 will receive a payment of £4,000.
 - 3.3.3 Businesses occupying premises appearing on the local rating list with a rateable value of exactly £51,000 or over on 1st April 2021 will receive a payment of £6,000.
- 3.4 The RG will also support hospitality, accommodation, leisure, personal care and gym business premises with one-off grants of up to £18,000 in **Strand Two** of the RG. The following thresholds apply for these businesses:
- 3.4.1 Businesses occupying premises appearing on the local rating list with a rateable value of exactly £15,000 or under on 1st April 2021 will receive a payment of £8,000.
 - 3.4.2 Businesses occupying premises appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on 1st April 2021 will receive a payment of £12,000.
 - 3.4.3 Businesses occupying premises appearing on the local rating list with a rateable value of exactly £51,000 or over on 1st April 2021 will receive a payment of £18,000.
- 3.5 Local Authorities are responsible for determining whether businesses are entitled to a grant under the non-essential retail thresholds, or under the hospitality, accommodation, leisure, personal care and gym business thresholds. The guidance includes a list of in scope business but confirms that, Local Authorities will have to use their local knowledge and the definitions and criteria set out in the guidance to assist in making a decision on eligibility of a business for this scheme.
- 3.6 **Strand One:** up to £6,000 per business premise – Non-essential Retail – for the purposes of this scheme, a non-essential retail business can be defined as a business that is used mainly or wholly for the purposes of retail sale or hire of

goods or services by the public, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.

- 3.7 The following criteria will be used to assess whether a business is eligible for a grant under this threshold:
- 3.7.1 Businesses offering in-person non-essential retail to the general public
 - 3.7.2 Businesses that were likely to have been required to cease their retail operation in the January 2021 lockdown.
 - 3.7.3 Businesses that had retail services restricted during January lockdown.
 - 3.7.4 Businesses that sell directly to consumers.
- 3.8 **Strand Two:** up to £18,000 per business premise – Hospitality – for the purpose of this scheme, a hospitality business can be defined as a business whose main function is to provide a venue for the consumption and sale of food and drink.
- 3.8.1 Businesses offering in-person food and drink services to the general public.
 - 3.8.2 Businesses that provide food and/or drink to be consumed on the premises, including outdoors.
- 3.9 **Leisure** – for the purposes of this scheme, a leisure business can be defined as a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.
- 3.10 The following criteria will be used to assess whether a business is eligible for a grant under this threshold:
- 3.10.1 Businesses that may provide in-person intangible experiences in addition to goods.
 - 3.10.2 Businesses that may rely on seasonal labour.
 - 3.10.3 Businesses that may assume particular public safety responsibilities.
 - 3.10.4 Businesses that may operate with irregular hours through the day, night and weekends.
- 3.11 The definition of a leisure business should exclude, all retail businesses, coach tour operators, tour operators and telescopes.
- 3.12 **Accommodation** – for the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel and other purposes.
- 3.13 The following criteria to assess whether a business is eligible for a grant under this threshold is:
- 3.13.1 Businesses that provide accommodation for ‘away from home’ stays for work or leisure purposes.
 - 3.13.2 Businesses that provide accommodation for short-term leisure and holiday purposes.
- 3.14 The definition of an accommodation business should exclude, private dwellings, education accommodation, residential homes, care homes, residential family centres, beach huts.

3.15 **Gym & Sports** – A gym and sport business can be defined as a commercial or non-profit establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally.

3.16 The follow criteria will assess whether a business is eligible for a grant under this threshold:

3.16.1 Businesses that offer in-person exercise and sport activities to the general public.

3.16.2 Businesses that open to members of the public paying an entry or membership fee.

3.16.3 Businesses that require extensive cleaning protocols, which significantly slow down trade.

3.16.4 Businesses that offer exercise classes or activities, which may mandate space and no mask etc.

3.17 The definition of a gym and sport business should exclude, home gyms, home exercise studios, home sports courts, and home sports grounds.

3.18 **Personal Care** – A personal care business can be defined as a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics and wellbeing.

3.19 The following criteria will be used to assess whether a business is eligible for a grant under this threshold:

3.19.1 Businesses that deliver in-person holistic, beauty and hair treatments.

3.19.2 Businesses that provide services such as tattoos and piercings.

3.19.3 Businesses that offer close-contact services, which are required to deliver the treatment.

3.19.4 Businesses that offer services, treatments or activities that require social distancing and cleaning protocols, which have led to a reduction in their capacity to deliver personal care services.

3.20 A personal care business should exclude businesses that only provide personal care goods, rather than services, businesses used solely as training centres for staff, apprentices and others, businesses providing dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services which incorporate personal care services, treatments required by those with disabilities and services relating to mental health.

4 EXCLUSIONS TO RESTART GRANT

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 were in administration, are insolvent or where a strike-off notice has been made are not eligible for funding under these schemes.
- 4.4 Businesses that are not within the rating system will not be eligible to receive funding under these schemes.
- 4.5 Business that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
- 4.6 Exclusions already mentioned in 3.9, 3.12, 3.15 and 3.18 above.

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 1st April 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 Croydon Council will be responsible for determining whether businesses are entitled to a grant under the non-essential retail threshold, or under the hospitality, accommodation, leisure, personal care and gym thresholds.
- 5.3 The primary principle for the RG scheme is to support businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the relevant sectors.
- 5.4 If a business operates services that could be considered non-essential and also fall into another category, such as hospitality in the higher funding threshold, the main service can be determined by assessing which category constitutes 50% or more of their overall business. The main service principle will determine which threshold of funding a business receives. Businesses will need to declare which is their main service. Croydon Council will exercise reasonable judgement to determine whether or not a business is eligible for grants under which funding threshold and be satisfied we have taken reasonable and practicable steps to pay eligible businesses and to pay them the correct amount.
- 5.5 It is understood that in some cases it may not be materially clear whether a business falls into one of the categories, so decisions on the eligibility of these businesses will be at Croydon Council's discretion.
- 5.6 Business must have been trading on 1st April 2021 to be eligible to receive a RG.
- 5.7 Businesses are considered to be trading if it is engaged in business activity. They will be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. To help further some trading indicators are:

- 5.7.1 The business has staff on furlough
- 5.7.2 The business continues to trade online, via click and collect services
- 5.7.3 The business is not in liquidation, dissolved, struck off or subject to a striking off notice

- 5.8 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.
- 5.9 Businesses that receive the grants will be subject to subsidy allowance rules (formerly known as State Aid rules).
- 5.10 All businesses will be required to self-certify that they meet all eligibility criteria.

6 TO REQUEST THE GRANTS

- 6.1 Where it is already known to Croydon Council that a business will qualify for a RG, the grant will be automatically paid via our online portal. We must be satisfied that businesses that have previously received related grants under this scheme meet the eligibility criteria for a RG.
- 6.2 We will run an application process for all first-time applicants for a Covid-19 Restart business grant.
- 6.3 The following information must be known or held for all businesses who receive a RG:
 - a) Name of business
 - b) Business Trading Address including postcode
 - c) Unique identifier e.g. Company Reference Number if applicable, VAT registration number, Self-Assessment/Partnership Number, National Insurance Number etc
 - d) High level SIC Code
 - e) Nature of Business
 - f) Date business established
 - g) Number of employees
 - h) Business rates account number
 - i) Cumulative total of previous funding received under all Covid-19 business grant schemes
- 6.4 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. The link to the RG is below.

<https://www.croydon.gov.uk/business-licences-and-tenders/running-business/business-support-and-advice/support-grants-businesses-0/restart-grant-april-2021>;
- 6.5 The online portal has a series of triage questions which enables us to identify what businesses are eligible for the RG, what businesses need to provide more information, and what businesses do not qualify for the grant.
- 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 For businesses who are requesting a grant for the first time, pre and post payment assurance checks will be carried out, this is in order to ensure the business meets the qualifying criteria and to verify business bank account and relevant company ID, if the business is not a sole trader.
- 6.11 Business who are automatically awarded a grant as per 6.1 above have already been subject to the same pre and post payment assurance checks as described in 6.10 above.

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 Croydon's share of the RG funding is £15,414,687, and this funding is to support businesses who mainly deliver in-person services who will continue to be restricted in their trade, as we move through the Governments road map out of lockdown.
- 9.2 The grant funding will be used to support the sustainability of our local businesses that have been forced to close, and are now able to re-open with restrictions. It will support and maintain employment for residents which will have a positive impact on the Council's finances in the longer term.

- 9.3 The resource cost of the delivery of these grants has been scoped in-house thus far, however it should be noted that additional support has been requested as the team are now struggling to process grants as well as maintain BAU. Within Revenue services, we are in the busiest period of the year with the issue of 180,000 annual bills for Council Tax and Business Rates. 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.
- 9.4 The Government have confirmed that New Burdens funding will be available to Local Authorities in relation to the new grant schemes. The amount of funding Croydon will receive is TBC.
- 9.5 Local Authorities are required to undertake prepayment checks for all RG payments. This requirement is not limited to new applicants and will look at both the company and the company's bank account in accordance with the guidance.
- 9.6 Daily monitoring of all grant payments will take place so that we are aware if funding limits have been exceeded. It should be noted that top up funding will be received should we spend more than the grant allocation.
- 9.7 Weekly and monthly reporting will be completed and returned to government and HMRC.

10. THE EFFECT OF THE DECISION

- 10.1 All eligible businesses will receive this funding to support their livelihoods from 1st April 2021 as we move through the government's road map out of lockdown. This will help to sustain businesses and employment within the borough.

11. RISKS

- 11.1 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).
- 11.2 Risk assessments will be completed by Croydon's internal Fraud team and returned to government, for the purposes providing assurance.
- 11.3 The government will provide the Local Authority with a pre and post payment assurance plan template, which will also be completed and returned to government.

- 11.4 The Council will also be responsible for any initial recovery action regarding payments made in error or fraudulent claims.
- 11.5 Any funding not spent will need to be returned to BEIS within 30 days of the completion of the reconciliation exercise. BEIS reserves the right to vary, suspend or close the schemes with immediate effect, without notice and at any time.

12. OPTIONS

- 12.1 This grant funding is mandated by government so no other options of eligibility or business sector has been considered.
- 12.2 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

13. LEGAL CONSIDERATIONS

- 13.1 The Interim Director of Law and Governance comments that in response to the Coronavirus, COVID-19, pandemic the Government has put in place additional support for businesses that have been impacted by restrictions arising out of the pandemic. The Restart Grant (RG) has been issued under Section 31 of the Local Government Act 2003.
- 13.2 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
- 13.3 The Government has issued guidance for Local authorities in administering the RG which sets out eligibility criteria and other requirements the Council needs to adhere to, such as reporting and pre and post-event assurance (fraud mitigation measures). The Council will also be responsible for any initial recovery action regarding payments made in error or fraudulent claims. Any funding not spent will need to be returned to BEIS within 30 days of the completion of the reconciliation exercise. BEIS reserves the right to vary, suspend or close the schemes with immediate effect, without notice and at any time. This guidance, and any subsequent issued guidance, should be followed by officers when administering these grants.
- 13.4 EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020 (except some limited circumstances in which State aid rules still apply under the Withdrawal Agreement). The UK remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. On 4 March 2021 new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA. From 4 March Local Authorities must apply the updated

scheme rules in accordance with the RG guidance.

- 13.5 The Government's RG guidance sets out the three applicable subsidy allowances for this scheme: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. These allowances should be applied in accordance with the guidance and in accordance with the applicant's election (where relevant). The Council must be satisfied that all subsidy allowance conditions have been fully complied with when making grant payments.
- 13.6 The Council is required to keep records of any and all public subsidy which it gives to businesses and comply with the Transparency obligations under Article 3.7 of the TCA and in accordance with the guidance (which involves uploading any relevant information to the BEIS database). The Council will still need to comply with any relevant reporting requirements to the European Commission for any grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.

Approved by Doutimi Aseh, Interim Director of Law & Governance & Interim Deputy Monitoring Officer

14. HUMAN RESOURCES IMPACT

- 14.1. As it is now known that business grants would continue past the end of the financial year 2020/21, and more grant schemes have been 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, as the annual bills for Council Tax and Business Rates have been issued. The Revenues team are receiving large volumes of contact from residents and businesses as the new bills have been issued. There is a real need for the team to be adequately resourced to deal with the additional contact and also continue to administer grants.
- 14.2 The Council will also be responsible for any initial recovery action regarding payments made in error or fraudulent claims.

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

15. EQUALITIES IMPACT

- 15.1. There are no direct equality impacts arising from this report.
- 15.2. The impact of the virus is far reaching. The combined and unprecedented impact on the local economy, both on businesses and the workforce, has exacerbated 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.

- 15.3 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.
- 15.3 The Council will take steps to ensure grants are issued in a fair and equitable manner.

Approved by: Yvonne Okiyo, Equalities Manager

16. ENVIRONMENTAL IMPACT

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

17. CRIME AND DISORDER REDUCTION IMPACT

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

18. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

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

19. OPTIONS CONSIDERED AND REJECTED

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

20. DATA PROTECTION IMPLICATIONS

20.1 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.

20.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

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

Approved by Nicola Thoday 3th June 2020

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APPENDICES TO THIS REPORT:

Appendix 1 – Department of Business, Energy & Industrial Strategy guidance:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/981436/restart-grant-la-guidance.pdf

BACKGROUND DOCUMENTS: None