

ADDRESSING THE IMPLICATIONS FOR BUSINESSES AND THE CITY CENTRE IN THE CONTEXT OF THE CORONAVIRUS RESTRICTIONS

1. INTRODUCTION AND CONTEXT

1.1 Cambridge City Council has introduced a number of initiatives to support the city through the Coronavirus pandemic.

1.2 On 31 October 2020, the Government announced a four-week national lockdown from 5 November to 2 December 2020 to help address a second wave of the pandemic. This has required following types of businesses and venues to close or restrict how they provide goods and services for the duration of the national lockdown:

- non-essential retail
- hospitality venues
- accommodation
- leisure and sports facilities
- entertainment venues
- personal care facilities

Guidance on what this period requires can be found at www.gov.uk/guidance/new-national-restrictions-from-5-november#businesses-and-venues.

1.3 The announcement of the lockdown, and its subsequent start, have brought forward the need to review support arrangements and confirm those arrangements remaining in place, any small changes required to those, for example in terms of timescale for the support, as well as any new initiatives.

1.4 This report outlines the above, and requests approval on any new or amended support to be put in place. The report also asks for approval for delegated authority

2 DECISIONS

- 2.1 The Strategic Director, following consultation and agreement with the **Executive Councillor for Finance and Resources**:
- a. confirms the intention to introduce the Local Restrictions Support Grant scheme, a mandatory scheme, in line with the Section 31 grant determination and Government support and the information in paragraphs 3.3-3.7
 - b. approves the initial proposals in paragraphs 3.8-3.15 for support to be provided via the Additional Restrictions Grant (ARG) Scheme in line with Section 31 grant determination, with the Government Guidance for the ARG, and with local economic need over the current national lockdown period from 5 November 2020;
 - c. will finalise the local policy and process for the Additional Restrictions Grant scheme, approve updates (where required by government guidance and updates) and oversee application assessment and grant distribution relating to the Covid-19 national lockdown from 5 November 2020;
 - d. will, in consultation with the Executive Councillor, Chair and Spokes, develop and agree amended proposals for support under the Additional Restrictions Grant scheme in line with further Government guidance and local economic need. Further development of the scheme is required to support businesses through further restrictions where ARG support is appropriate, up to and including 31st March 2021 for grants approval, and where appropriate for grant use in 2021/22 in line with Government decision over timescales for the funding, and as outlined in section 3.14. Support will be in line with the provisions of the Local Economic Recovery Strategy and the Greater Cambridge local economic needs and opportunities will underpin this further development;
 - e. will finalise local policy in line with any amendments arising from 2.1 (d) above, and oversee application assessment and grant distribution of the amended policy.

- 2.2 The Strategic Director, following consultation and agreement with the **Executive Councillor for Climate Change, Environment and City Centre**:
- a. approves the introduction of a rental holiday for all market and street traders during the initial periods of national lockdown from 5 November 2020 and, with agreement by Exec Councillor, for subsequent periods of national lockdown required on or before 31 March 2021;
 - b. approves the extension of a 25% discounted pitch fee for all market traders from the end of the national lockdown period until 31 March 2021;
 - c. approves the arrangement that, up until 31 March 2021, any market trader who chooses to surrender their pitch may do so without giving notice and will also have the right to return to take up a pitch again (after that date, they will need to make a new application in order to return); and
 - d. approves the waiver of normal notice periods until 31 March 2021 for any market trader wishing to terminate lease permanently

- 2.3 The Strategic Director, in consultation and agreement with the **Executive Councillor for Transport & Community Safety**:
- a. approves proposals set out in section 5 for the introduction of free city centre worker permits for city centre car parks (as agreed by the Council's car parking team), primarily aimed at helping lower paid essential business workers during period(s) of national lockdown up until March 2021; and
 - b. delegates authority to the Head of Commercial Services to implement this approval in line with best practice, and compliance requirements.

3. BUSINESS SUPPORT GRANTS

Background

- 3.1 Earlier this year, the Council implemented a number of

government-funded Covid-19-related, which have now closed and are no longer available. These include:

- a. £13.9 million for businesses in the Retail, Hospitality and Leisure sectors (based on 507 properties with a rateable value between £15,000 and £51,000 which received £25,000 single grant payments each and 121 properties with a rateable value below £15,000, which received £10,000 single grant payments each)
- b. £8.31 million in Small Business Grant payments to 831 business-rated companies (£10,000 single grant payments each);
- c. £1.19 million to small businesses through additional funding for which the Council could apply some discretion in meeting local economic circumstances. The Council scheme focussed on businesses in flexible office space, market and street traders and charities and not-for-profit organisations, which were not eligible for the previous two Covid-19 grant payments (3.1 a and b).

3.2 Although those earlier government-funded schemes were based on different applicant categories and grant-funding levels (not directly comparable with the new grant schemes introduced by the government for the national lockdown from 5 November), it is worth noting that the Council is able to draw on this previous experience and the practical arrangements put in place at that time. Now, the Government has asked the City Council to implement two new Covid-19 grant schemes for business support in relation to the national lockdown.

Local Restrictions Support Grant (LRSB)

3.3 This is a mandatory, national scheme applying across local government in England and covers businesses in properties with a rateable value. There are different versions of the scheme which apply to different Covid alert levels (and whether or not businesses

are forced to close), but the current focus is on the scheme that applies in periods of national lockdown¹.

- 3.4 Under the LRSG scheme during a national lockdown, a single grant to cover the four-week period will be paid to each eligible business. Businesses with more than one qualifying property will receive more than one grant. The rate of payment for eligible businesses will be:
- a. For properties with a rateable value of £15,000 or under, grants will be £1,334 for the four weeks
 - b. For properties with a rateable value of over £15,000 and below £51,000, grants will be £2,000 for the four weeks
 - c. For properties with a rateable value of £51,000 or over, grants will be £3,000 for the four weeks.

This '£51,000 or over' rateable value category is worth noting because the previous Covid-19 grant schemes earlier this year were limited to businesses with a rateable value below £51,000.

- 3.5 The Government has allocated the City Council £2.727 million to distribute to eligible businesses relating to the current four-week national lockdown period (5 November to 2 December). This allocation currently represents 90% of the of the estimated grant funding requirement, that was calculated using Valuation Office Agency (VOA) data, based on the categories of business relevant to the closures imposed by Government. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided. Government have also indicated that the grant allocation will be extended if the national lockdown restrictions are extended. Should restrictions on leaving national lockdown be phased via a Government decision to move through other Covid alert levels², the grant provisions may be amended by Government in line with

1. This is an addendum to the Local Restrictions Support Grant (Closed) scheme.

2. That is 'Very High' (when the Government requires business to close during local lockdowns) or 'High' (when businesses are not forced to close but some may experience a severe impact due to other restrictions in place) and 'Medium'.

their guidance on mandatory grants for businesses within specific tiers.

3.6 The Grant payments to the Council are made under section 31 of the Local Government Act 2003 and in line with the section 31 grant determination approved by the Treasury. The grant will be managed in accordance the relevant official guidance (see background papers in Section 8, below).

3.7 The LRSG is a mandatory grant. It therefore does not require an urgent decision but is included in this paper for information and completeness only. The LRSG scheme for the period of the national lockdown is being launched in the week ending Friday 13 November.

Additional Restrictions Grant (ARG)

- 3.8 Support under this scheme will be in line with Additional Restrictions Grants: guidance for Local Authorities. On the basis of £20 per head of population³, the Government has allocated Cambridge £2.495 million for this scheme. It has indicated that this is a one-off payment under such a scheme, and may need to meet needs up to end of March 2021 and even into 2021/22. Therefore, the Council needs to consider the immediate needs for support during the current national four-week lockdown, but also those beyond that period, for which, at the moment, we do not have specific guidance.
- 3.9 The Government guidance suggests three ways in which local authorities may wish to use their Additional Restrictions Grant via direct grants to businesses:
- a. to help those businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19.(e.g., businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector);
 - b. to help businesses outside the business rates system, which are effectively forced to close – for example market traders; and
 - c. to provide additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the LRSG (Closed) scheme, with due reference to State Aid.
- 3.10 Councils may allocate funding to meet local economic needs. Once the Council has finalised its local policy approach, it will be important to apply this approach consistently and without exceptions.
- 3.11 Council Officers have considered the guidance and the provisions within the grant allocations letter and the remaining gaps in clarity

³. Based on Office for National Statistics 2019 mid-year population statistics.

in detailed spend period for the funding allocation which remain to be resolved. They have considered the key themes provided by Government and how these might be best applied within the city, gaps where businesses may have received no funds up to date, and also the potential for consistency across local authorities in the Cambridge and Peterborough area. We are also working to ensure a simple framework which can be applied to get funding out to those who need it as soon as practically possible within the relevant compliance parameters.

The Additional Restrictions Grant proposal

- 3.12 Using previous work to identify gaps in other support and to meet local economic need, the proposal is to initially provide the following support in the form of a single payment under the ARG during, initially, for the four-week lockdown period. Table 1 (see next page) sets out the proposed applicant categories and grant levels.
- a. For those businesses forced to close, but nonetheless not eligible for the Local Restrictions Support Grant, the payments are in line with the mandatory grant provided under the LRSO.
 - b. For those not forced to close, but where the national lockdown restrictions have severely impacted business, lower grant figures will apply as these businesses are allowed to trade.
- 3.13 The proposals cover groups lying outside of those eligible for the LRSO and where we have identified potential gaps in support for businesses impacted by the national lockdown period, even where they haven't been required to close.
- a. Businesses in Cambridge not paying business rates themselves but located in properties for which business rates are paid
 - b. Supply chain businesses in Cambridge supporting the retail, hospitality and leisure (whether or not paying business rates themselves).
 - c. Market and street traders operating in Cambridge.
 - d. Hardship fund for self-employed people in Cambridge excluded from the Self-Employed Income Support Scheme: (eg, those who started businesses after the qualifying date for SEISS hair-dressers, beauty therapy, children's entertainers operating in others' homes or other community venues)⁴.
- 3.14 The rationale for the two payment levels are that we believe that, although many businesses will be significantly impacted by the

⁴. Please note that this group is still subject to further advice from the Department of Business, Energy and Industrial Strategy.

national lockdown, those required to close will be more heavily impacted than those who are able to remain open.

- 3.15 As the longevity of the grant extends beyond the immediate lockdown period, the Council will monitor the initial scheme and develop any further grant offers and or wider business support proposals, working closely with partners. The provisions of the Local Economic Recovery Strategy and the Greater Cambridge local economic needs and opportunities will underpin this further development.

Table 1: Additional Restrictions Grant: proposed applicant categories and grant levels

Applicant type	Banding	Grant level	
		Forced to close	Not forced to close but faces severe impact:
Businesses not paying business rates themselves but located in properties for which business rates are paid	Annual rent up and including £15,000	£1,334	£934
	Annual rent of more than £15,000 but below £51,000	£2,000	£1,400
	Annual rent of £51,000 or more	£3,000	£2,100
Supply chain businesses supporting the retail, hospitality and leisure (whether or not paying business rates themselves).	Rateable value or annual rent up and including £15,000	£1,334	£934
	Rateable value or annual rent more than £15,000 but below £51,000	£2,000	£1,400
	Rateable value or annual rent of £51,000 or more	£3,000	£2,100
Market and street traders	Flat rate	£500	£350

<p>* Hardship Fund for Self-employed business owners falling outside of the Self-Employed Income Support Scheme</p> <p>*Please note that this group is still subject to further advice from BEIS</p>	Flat Rate	£500	£350
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4. **ADDITIONAL SUPPORT FOR MARKET AND STREET TRADERS.**

- 4.1 The seven-day market in Cambridge continues to play an important part in the City's offer to residents and visitors alike.
- 4.2 The Council has provided continued support to traders since the early lockdown in March via Urgent Decisions taken in March and September and subsequently reported to Environment & Community Scrutiny Committee on 2 July and 1 October respectively.
- 4.3 Prior to the pandemic, the market had around 170 traders, which has dropped to around 130 active traders. Monthly income has dropped by £30,000. Street traders normally provide an income of around £5,000-£6,000 per month
- 4.4 It is anticipated that only about 30 market traders and 26 street traders (out of 36 street traders) could trade as essential traders, during the national lockdown.
- 4.5 To help sustain General and Sunday market occupancy figures in the future and a viable city centre market during this lockdown period, and to address uncertainties arising on further restrictions applied, the following measures are proposed:

- a. to provide market and street traders with a rent-free period for a four-week period over the proposed national lockdown, and where required, to apply similar support to further periods of national lockdown, where agreed by executive Councillor, up until 31 March 2021;
- b. To apply a 25% discount to all General and Sunday Market traders pitch fees for any periods outside national lockdown periods up until 31 March 2021;
- c. To extend the 'relinquishing of licence' measure for market traders (i.e., removal of the four-week notice period condition) from the 30 November 2020 (proposed in the urgent decision taken in June and reported to Committee in October 2020) to 31 March 2021.
- d. Market traders who choose to surrender pitch may do so without usual notice and have right to return up until 31 March 2021
- e. Further support is available to eligible market traders through the proposed Additional Resources Grant in section 3 above (see Table 1).

4.6 Based on a recent average four-week income from trading, the proposal for a four-week rental holiday is estimated to cost c£50k in income for the council, but the support is based on underpinning longer term viability for the marketplace.

5. CAR PARKING

- 5.1 The requirement for social distancing measures to help prevent transmission of the pandemic in the last six months has led to Government guidance prioritising car travel when appropriate.
- 5.2 The Council has continued to help delivery of services to residents during 2020 through the provision of parking concessions including free parking permits in the city centre for public and voluntary sector workers requiring access to support the most vulnerable residents in their homes. The Council has also supported essential businesses to remain open during lockdown and provided a period of reduced-price parking through to the late summer to help encourage customer confidence to return to the centre in a Covid-safe way after the initial lockdown period.
- 5.3 In applying any support through changes to parking, the Council needs to balance the public health and economic recovery requirements with its commitment to addressing climate change and transport related emissions.
- 5.4 In October 2020, an urgent decision by Executive Councillor agreed that the support for free parking permits for approved public and voluntary sector workers supporting residents in relation to the pandemic restrictions would be extended until 31 March 2021.
- 5.5 The announcement and subsequent start to a national lockdown has led to a further review of support, and a proposal to provide further support to essential businesses within the city centre. The proposal is to:
 - a. Introduce a new “city centre worker” permit providing free access for parking across all multi-storey car parks except for the Grand Arcade. The permit provides support primarily aimed at helping lower paid essential business workers to access their workplace in compliance with the current HMG guidance.
 - b. The permit will apply during the current four-week period of

national lockdown, and, by agreement with Executive Cllr, for any subsequent periods of lockdown occurring up until 31 March 2021.

5.6 In order to manage the support effectively the following process will apply.

- a. Applications will need to be supported by headed email or application direct from employers
- b. Ticket will be 24/7 to allow for shift and weekend workers

5.7 Owing to the national lockdown, and the reduction in visitors to the city centre, the estimated income impact for the Council is around £1 million during this period. Physically, the car parks will all have significant empty space provision. Cost of city centre worker permits for the 4 weeks, based on the earlier lockdown, is estimated to be at a cost of £100,000.

5.8 Social distance measures in car parks: Socially distanced car parking is considered unenforceable: bollards would simply be moved. More substantial and enforceable measures would be costly, time consuming and likely to be superseded as the guidance changes. The current model of supermarket car parking is being replicated during lockdown; there are no restrictions and the public actively self-police.

5.9 Control Measures in flow:

There are appropriate signs to:

- a. encourage the use of contactless payment at exit, reducing the risk presented by use of a keypad and possible infringement of social distancing at pay machines;
- b. restrict the occupancy car park lifts by using the Addenbrookes model of footprints sticker in the lift designating where to stand and changing behaviour
- c. Stairwells to have keep left signs to maintain social distancing
- d. Signs to encourage the able bodied to use the stairs

- e. Provision of hand sanitiser to be provided in line with the wider city centre recovery plan when that is published

6. RISKS

	Key risks	Mitigations in place
6.1	The local business grant support scheme for the national lockdown from 5 November does not apply government guidance properly. The Government refuses to pay for some grant payments.	The Council's emerging policy will reflect the latest government guidance as it becomes available and is updated.
6.2	The Council has to return to the government some of the business support grant funding allocated to Cambridge because insufficient eligible applications are received.	The Council will publicise the availability of the business support grants to business likely to be eligible for a grant and will encourage them to apply. Grant payment levels will be monitored regularly, and follow-up action taken to maximise take-up of the scheme by eligible businesses.
6.3	Too many eligible applications. Cannot pay all these applicants from the government funding available.	Businesses within the business rate system that are required to close as a result of the four-week national lockdown from 5 November will receive the business grant support to which they are entitled. For the Additional Business Support Scheme, used to support businesses required to close that are outside the business rates system or not required to close but impacted by the lockdown period will be devised carefully to focus on those types of business

	Key risks	Mitigations in place
		with particular needs: a 'first come, first served' approach will be applied to applicants within the Additional Business Support Grant scheme – and this will be made clear to applicants.
6.4	The Council pays grants to ineligible applicants in error or to fraudulent applicants.	The policy for the business support grant scheme for the national lockdown from 5 November will feature clear eligibility criteria and anti-fraud measures. Regular checks will be put in place to ensure accuracy and consistency and to detect and prevent potential fraud.
6.5	Risk of access issues for public and voluntary sector workers to city to support vulnerable residents leading and risk of essential business employees not accessing work during lockdown in line with government travel guidance of use of cars where appropriate, resulting in reduced service on essential items to customers and residents	Provision of appropriate support during lockdown period or periods to underpin essential services
6.6	Risk of market trader termination of leases resulting in city centre market degradation, void stalls and reduced income	Review and provision of appropriate support to help traders manage through the pandemic period and support recovery post lockdown

7. IMPLICATIONS

7.1 Financial implications:

- a. The Council has received notification of expected allocations under the LRSG and ARG. Any grant-funding not distributed by the termination of grant date will need to be returned to the Government.
- b. The impact of the national lockdown period of 4 weeks is expected to have an overall impact on car park income of circa £1 million.
- c. The support for parking permits for essential city centre business workers for the national lockdown period is estimated to cost in the region of £100k for the 4-week period, based on the numbers of permits applied for during the earlier lockdown period. The forecast would be updated in line with any future national lockdown requirements up until end of March 2021.
- d. The rent holiday for market and street traders for the initial national lockdown period is estimated to cost around £50k for the 4-week period. This forecast would be updated in line with any future national lockdown requirements up until the end of March 2021

7.2 Staffing implications: A dedicated officer team will oversee the development of local business support grants policy, its implementation and the assessment of grant applications, in addition to existing workloads. This includes managers experienced in co-ordinating a range of large-scale funding programmes and grants schemes, assessing claims, making payments, managing online applications and preventing fraud. Many of them were also involved in managing the Covid-19 grants schemes earlier this year.

The car park arrangements will be managed by the car parks team, in line with earlier and current permit management.

7.3 Equality and poverty implications: The Government's Local Restrictions Support Grant and Additional Restrictions Grant funding is intended, primarily and predominantly, to meet the needs of business. That said, officers are mindful of the possible

implications relating to ethnicity, disability and mental health.

- a. The officers co-ordinating the Council's Covid-19 business support grants will liaise with colleagues involved in community engagement, inclusion & cohesion and with the Cambridge Ethnic Community Forum in order to raise awareness amongst black and minority ethnic communities of the availability of the grant schemes.
- b. Although the business support grants will be accessed primarily via an online form, paper-based forms and support will be made available to applicants who do not find it easy to apply online.
- c. General enquiries made to the business.grants@cambridge.gov.uk generic email address are closely monitored so that if wider concerns are raised (e.g., in relation to hardship or mental health) the responses provided sign-post other support that may be available, such as links to relevant Council web pages and other useful website (e.g. for Cambridge Citizen's Advice Bureau).

7.4 Environmental implications: None for this report.

7.5 Procurement implications: None for this report.

7.6 Consultation: There has been no formal consultation, but discussions have taken place with the other authorities and business network partners within the Economic Recovery Sub-Group.

7.7 Legal implications:

- a. The Local Restrictions Support Grant and Additional Restrictions Grant payments to the Council are made under section 31 of the Local Government Act 2003. The Council will be responsible for delivering the funding to eligible recipients and for ensuring that recipients agree to comply with the conditions and requirements relating to the payment of grant including the circumstances in which grant can be clawed back and must be repaid.

- b. The Council is aligning its assessment and management procedures for the Local Restrictions Support Grant to the relevant official guidance provided by the Department for Business, Energy and Industrial Strategy. Similarly, the policy and procedures for the Council's Additional Business Support Grant will reflect the official guidance for the Additional Restrictions Grant. As that official guidance makes clear, the Council's decisions on eligibility and grant payments are final.
- c. In making grant payments, the Council will observe official guidance that local authorities "must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission."

8. BACKGROUND PAPERS

Relating to Business Support Grants

- Local Restrictions Support Grants: Guidance for Local Authorities, November 2020⁵, Department of Business, Energy and Industrial Strategy;
- Additional Restrictions Grant: Guidance for Local Authorities, November 2020, Department of Business, Energy and Industrial Strategy;

Relating to Market and Street Traders

- Report on General and Sunday Market Covid Impact to Environment and Community Scrutiny Committee on 1 October 2020, Cambridge City Council.

Relating to car-parking

- Record of urgent decision on Key Public Sector and Voluntary Sector workers free parking permits, made by the Executive Councillor for Transport and Community Safety on 28 October 2020, Cambridge City Council;

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⁵. The set of official guidance on the Local Restrictions Support Grant is divided into separate documents relating to the Open, Sector and Closed schemes. There is also an addendum to the Closed scheme which applies during periods of national lockdown. At such times, the Open and Sector schemes do not apply.