

(CCC) Local Restriction Support Grant

I am seeking information regarding the recent Local Restriction Support Grants given to small businesses in light of the recent COVID situation. For commercial tenants, payment of rent was stopped due to the lockdown. However, now that the Local Restrictions Support Grants have been given to small businesses, they are now being asked to pay the aforementioned rent. I find this unusual as licensed market traders have had 3 months fees waived, yet other commercial tenants must pay. I would like to know if the council is asking all commercial tenants for rent back, or is it a select few?

Additionally, as this was a government funded scheme, is there further help available to commercial tenants/small businesses from the council itself. The Cambridge City Council website mentions additional support grants from a council related support scheme, but no more information is given. Any information regarding these grants and eligibility criteria would be welcome.

Response:

The Council has wide ranging information on support available due to Coronavirus on its webpage with specific pages for residents and businesses (<https://www.cambridge.gov.uk/coronavirus-financial-support-for-residents> and <https://www.cambridge.gov.uk/coronavirus-information-for-businesses>). These pages provide information on financial support and our main Coronavirus page covers other support and advice available.

In respect of the government's business support grants such as the Local Restriction Support Grants (LRSG) and the original business support grants, the Council's role is the local administration and distribution of these grants. The funding, regulations and guidance is provided by government.

The Council has now paid out over £24m to date to businesses in Cambridge, including tenants, in business support payments this year, in addition to the rates relief provision. These payments were primarily designed to help cover fixed costs due to the impact of the pandemic.

The Council launched its Additional Business Support Grant (ABSG) scheme on Wednesday 25 November which is aimed at businesses that do not qualify for support through the LRSG. Applications can be made via the Additional Business Support Grant web page (<https://www.cambridge.gov.uk/additional-business-support-grant>) .

These grants are based on the Council's Additional Business Support policy (<https://www.cambridge.gov.uk/media/8914/additional-business-support-policy.pdf>). This policy sets out grant applicant categories relating to:

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- businesses renting commercial premises (or dedicated workspaces) in Cambridge required to close during the national lockdown; and
- businesses in commercial premises/workspaces in Cambridge not required to close during the national lockdown but severely impacted.

The Council has no funding except this government funding which is for all eligible businesses, not specifically Council commercial tenants. The Council promotes the availability of these grants to all businesses as well as its own commercial tenants and how to apply. The grants are intended in part to help businesses meet some of their fixed costs such as rent, utility costs, insurance etc.

The LRSG grant amounts were fixed based on the rateable value of the property which is aimed at businesses that do not qualify for support through the LRSG with ABSG for businesses that do not qualify for support through the LRSG. Other support is available to businesses such as furlough payments, loans etc.

As a commercial landlord, the Council manages numerous tenants with a range of types of tenancies/agreements as well a wide range of sizes of businesses and properties. While some agreements are longer term, others provide tenants with options to terminate agreements to reduce liabilities if necessary or as their business needs change.

When the first lockdown was announced in March, the Council advised its commercial tenants that if they had cash flow issues, they could defer payment of rent for a period of 3 months and the Council would not pursue any arrears during that time. It was stated at that time that rent payment would be required and that the relevant management surveyor would be in contact to discuss this over the coming months.

The government grants were for all businesses, not just Council tenants, and in part for meeting costs such as rent and other fixed costs. As the original government grants have been paid, the Council has been working with commercial tenants to agree repayment plans but it has continued to expect rent to be paid by all tenants.

In respect of the Council's licensed market traders, they occupy on a licence basis. These are able to be terminated by the traders upon short notice. The basis of occupation meant that market traders were not eligible for the initial business grants from government although they were able to access subsequent discretionary grants at a lower amount than those businesses paying business rates.

As market traders could terminate their agreements upon short notice and most were not allowed to trade, it was agreed that market fees would be waived for period of lockdown. This gives the traders and Council certainty of future trade as well as removing the administrative time for both of dealing with lots of terminations and then regrants as and when lockdown ended.

Further queries on this matter should be directed to foi@cambridge.gov.uk