



WOKINGHAM BOROUGH COUNCIL

An Extraordinary Meeting of the **EXECUTIVE** will be held virtually on **WEDNESDAY 2 DECEMBER 2020 AT 7.00 PM**

Susan Parsonage
Chief Executive
Published on 24 November 2020

Note: The Council has made arrangements under the Coronavirus Act 2020 to hold this meeting virtually via Microsoft Teams. The meeting can be watched live using the following link: <https://youtu.be/2o6f0SJ2OgY>

This meeting will be filmed for inclusion on the Council's website.

Please note that other people may film, record, tweet or blog from this meeting. The use of these images or recordings is not under the Council's control.



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, learn, work and grow and a great place to do business

Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

MEMBERSHIP OF THE EXECUTIVE

John Halsall	Leader of the Council
John Kaiser	Deputy Leader and Executive Member for Finance and Housing
Parry Bath	Environment and Leisure
UllaKarin Clark	Children's Services
Charlotte Haitham Taylor	Regeneration
Pauline Jorgensen	Highways and Transport
Charles Margetts	Health, Wellbeing and Adult Services
Stuart Munro	Business and Economic Development
Gregor Murray	Resident Services, Communications and Emissions
Wayne Smith	Planning and Enforcement

ITEM NO.	WARD	SUBJECT	PAGE NO.
51.		<p>APOLOGIES To receive any apologies for absence</p>	
52.		<p>DECLARATION OF INTEREST To receive any declarations of interest</p>	
53.		<p>PUBLIC QUESTION TIME To answer any public questions</p> <p>A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice.</p> <p>The Council welcomes questions from members of the public about the items included on this agenda only.</p> <p>Subject to meeting certain timescales questions can only relate to an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions</p>	
54.		<p>MEMBER QUESTION TIME To answer any Member questions</p> <p>A period of 20 minutes will be allowed for Members to ask questions submitted on the items included on the Agenda.</p> <p>Any questions not dealt with within the allotted time will be dealt with in a written reply</p>	

Matters for Consideration

55.	None Specific	COVID WINTER GRANT SCHEME REPORT	5 - 10
56.	None Specific	ADDITIONAL RESTRICTIONS GRANT (ARG) – DISCRETIONARY GRANTS SCHEME PHASE 1	11 - 98

A decision sheet will be available for inspection at the Council's offices (in Democratic Services and the General Office) and on the web site no later than two working days after the meeting.

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TITLE	Covid Winter Grant Scheme Report
FOR CONSIDERATION BY	The Executive on Wednesday 2 December 2020
WARD	None specific;
LEAD OFFICER	Director, Children's Services - Carol Cammiss
LEAD MEMBER	Executive Member for Children's Services - UllaKarin Clark

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

This report provides details of the £170m Covid Winter Grant Scheme announced by the government on 8th November 2020, of which Wokingham Borough Council has been allocated £208,703.

The Executive is asked to agree to the proposed approach and channels for fund distribution to ensure that support reaches those in need without delay.

RECOMMENDATION

That the Executive:

- 1) approves the distribution of food vouchers to a total value of £100,000 to cover the Christmas 2020 and February 2021 half-term breaks to families with children in receipt of means-tested free school meals;
- 2) approves the distribution of up to £5,000 in total to Care Leavers to ensure that they have sufficient access to food and utilities over the winter months;
- 3) approves the distribution of the remainder of the grant through referral of families and individuals in need by voluntary sector partners (including under the umbrella of INVOLVE), other partners, and internal front-line staff into the Community Response Front Door facilitated by the Citizen's Advice Bureau;
- 4) approves that authority is delegated to the Director of Children's Services, in consultation with the Executive Member for Children's Services, to make decisions about the process for determination of level of support provided and means of delivery of support under 2 and 3 above, in line with guidance provided by the Department for Work and Pensions (DWP).

EXECUTIVE SUMMARY

This report outlines the intent of the £170m Covid Winter Grant Scheme and makes proposals for distribution of grant funds in Wokingham to families and individuals most in need.

The amount allocated to Wokingham Borough Council is £208,703

The grant covers the period 1st December 2020 to 31st March 2021, and in order to ensure that processes are in place to distribute funds without delay, the Executive is asked to urgently approve three proposals for use of the funds.

This is an urgent decision as set out in paragraph 6.3.35 of the Council Constitution and therefore call-in provisions will not apply for this decision. The reason for the urgency is that any delay in the distribution of Government funds would seriously prejudice the public's interest. The Mayor has given his consent to the urgency provision and the matter will be reported to the next available meeting of the Council, together with the reasons for urgency.

BACKGROUND

On 8th November 2020, the government announced a £170m Covid Winter Grant Scheme to be made available to County Councils and Unitary Authorities across England to support those most in need with the cost of food, energy, water bills and other associated costs over the winter months.

The grant covers the period 1st December 2020 to 31st March 2021.

£208,703 has been allocated to Wokingham Borough Council.

Authorities have been delegated authority to distribute the grant due to their access to local intelligence about those in most need. However, awards must be based on the following framework:

- At least 80% of the total funding will be ring-fenced to support households with children, with up to 20% of the total funding to support other households experiencing, or at risk of experiencing, poverty due to the pandemic. This may include households not currently in receipt of Department for Work and Pensions (DWP) welfare benefits.
- At least 80% of the total funding will be ring-fenced to provide support with food, energy and water bills for household purposes (including drinking, washing, cooking, central heating, and sanitary purposes) and sewerage, or other essentials. Within this condition there is flexibility about the proportion of support allocated to food and to bills.
- Up to 20% of the total funding can be used to provide support with other essentials clearly linked to the scheme conditions (including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens etc.), in recognition that a range of costs may arise which directly affect a household's ability to afford or access food, energy and water.
- The scheme is not intended to cover payment of rent or other housing costs because these are not directly related to food or utility bills and other benefits and support is available to cover these costs. Not is it intended to be used for the provision of general advice on managing debt and/or financial hardship.

For Wokingham, it is therefore proposed that:

1. Each of the 2,166 children and young people in receipt of means-tested free school meals receives food vouchers during the Christmas and February half term holidays to ensure that families have access to sufficient food during breaks from school. The food vouchers would be issued in the amount of £15 per child per holiday week. Total cost approximately £100,000.
2. Children who have left care (Care Leavers) receive funds to ensure that they have adequate access to food and utilities over the winter months. Total cost approximately £5,000.
3. The remaining funds are distributed via referral of families and individuals in need through the Community Response Front Door operated by the Citizen's Advice Bureau. (Total funds available approximately £104,000).

Note that the cost of administration of the grant will be met by existing resource in the council so that the grant is distributed in full to those who need support.

BUSINESS CASE

The £170m Covid Winter Grant Scheme aims to relieve pressure on families and individuals by supporting access to sufficient food and utilities over the coming difficult Winter months at a time of increasing hardship due to the impact of the ongoing Covid-19 restrictions.

Wokingham Borough Council has been allocated £208,703 from the fund to distribute to those most in need.

Support for Children in Receipt of Free School Meals

Families whose children are in receipt of means-tested Free School Meals are amongst the most vulnerable in Wokingham, particularly at a time of national crisis.

Families in receipt of the following benefits are eligible to apply for free school meals:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- support under Part VI of the Immigration and Asylum Act 1999
- the guaranteed element of Pension Credit
- Child Tax Credit
- Working Tax Credit run-on
- Universal Credit - if application is on or after 1 April 2018 household income must be less than £7,400 a year (after tax and not including any benefits)

It is proposed that part of the grant fund is used to support children in receipt of free school meals.

There are currently 2,166 children and young people in receipt of means-tested free school meals in Wokingham. Under the scheme, the family of each child would receive vouchers - which can only be used for food and groceries - in the amount of £15 per child per holiday week, covering the 2 weeks of the Christmas holiday and the week of February half term. Vouchers would be distributed via schools, and each voucher can be used in 10 local supermarkets offering families choice and access to their nearest food outlet. The total cost of this would be approximately £100,000.

Support for Care Leavers

Care Leavers in Wokingham are transitioning to adulthood under the most difficult national circumstances experienced in recent times. Young people have been particularly impacted, and for Care Leavers, who already face additional challenges, this additional uncertainty can be devastating. Care leavers are being supported by our services to ensure that their physical and emotional health is safeguarded, and funds from this grant, alongside other services, will help support our Care Leavers to meet the costs of food, utility bills and other needs within the scope of the grant over the challenging winter months. It is proposed support to the value of £50-£55 per Care Leaver is provided in the form of food vouchers, fuel vouchers, or provision of food or other items according to the need of each individual young person. There are currently 92 Care Leavers. The total cost of this support would be approximately £5,000.

Supporting other Families and Individuals

We recognise that there are other families and individuals in the Borough who will be facing hardship but who do not fit into the above groups. It is important that we ensure that families facing difficult circumstances are able to benefit from grant funds.

Our proposed approach is to work with frontline staff at the council, in our partners, and in the voluntary sector, who have direct knowledge of those who may need additional support, to promote referral of those families and individuals to us so that they can benefit from the grant. We will also encourage families and individuals to self-refer. Referrals will be channeled through our successful and effective partnership with the Citizens Advice Bureau (CAB) who already have the infrastructure in place to process referrals through the Community Response Front Door. The funds available through this route will be approximately £104,000.

It is proposed that the CAB carries out an assessment of the need of each family or individual referred, and makes recommendations to the Council for support provision, which will then be met as need is presented through food or fuel vouchers, or provision of food or other items within the scope of the grant according to need. The exact amount of grant to be allocated and the means of allocation will be determined by a council panel of senior officers, chaired by the Director of Children's Services, who will consider each recommendation and allocate funds. The detailed process will be finalised in consultation with the CAB by the end of November. If we discover that need is greater than the grant, we will report this to Executive for further decisions to be made.

Once the process is finalised, there will be an extensive marketing and communications campaign to ensure that all stakeholders and residents are aware of the grant availability and how to refer a family or individual or themselves for support.

Risks Associated with the Decision and Timescales

There is a risk, if the decision is delayed, that families and individuals in need will not receive the support they urgently need.

Due to the nature of the rapidly developing situation due to Covid-19 restrictions and the resultant uncertainty and hardship for families and individuals, the government is clear that local authorities need to be in a position to be able to begin rolling out support under this scheme as early as possible in December 2020.

Expected Outcomes

Once approval to distribute the funds as proposed is in place, work will begin immediately to establish processes to ensure that those who are in need receive support as quickly as possible, resulting in significant reduction of hardship for families and others struggling during the winter months of the Covid crisis.

The information gathered through this scheme will give the council rich intelligence about the levels of need in the Borough which will support our response to poverty.

The scheme will also enable the council to signpost families in need to other available resources in the Borough.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£208,703	Yes	Revenue
Next Financial Year (Year 2)	£Nil	Yes	
Following Financial Year (Year 3)	£Nil	Yes	

Other Financial Information

Receipt of the funding by the Council requires that the eligibility framework set out above is met, and that reporting back to central government is fulfilled. Should the recommendations in this report not be agreed, then alternative delivery options would need to be agreed as a matter of urgency to ensure funds are available to passport on to those most vulnerable in our community within the necessary timeline.

If further funds are required due to need exceeding the grant amount, a further report will be submitted to Executive for decision.

Stakeholder Considerations and Consultation

There will be consultation with INVOLVE, the CAB and council officers via Microsoft Teams meetings between 25th November and 1st December to determine the details of the process for ensuring that the fund is used to support those who are not in receipt of Free School Meals or are Care Leavers in a fair and equitable way.

Public Sector Equality Duty

Provision of support to those eligible for means tested Free School Meals provides assurance of equality of access in accordance with pre-determined criteria. Similarly, Care Leavers are known to be a vulnerable group in need of support due to their specific circumstances. The process for distribution of the remainder of the fund will be subject to an Equalities Assessment to ensure that support is accessible to all who need it.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

This decision will have no impact on the climate emergency project. It is an emergency winter hardship fund provided specifically to support families and individuals who are struggling to make ends meet due to the Covid-19 crisis.

List of Background Papers

None

Contact Viki Elliot-King	Service Children's Services
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TITLE	Additional Restrictions Grant (ARG) – Discretionary Grants Scheme Phase 1
FOR CONSIDERATION BY	The Executive on Wednesday, 2 December 2020
WARD	None specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Deputy Leader of the Council - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To seek approval from The Executive to adopt the Additional Restrictions Grant – Discretionary Grants Scheme Phase 1 policy.

RECOMMENDATION

That the Executive:

- 1) approves the Wokingham Borough Council's Additional Restrictions Grant - Discretionary Grants Scheme Phase 1 policy, relating to the Covid 19 pandemic as set out in Appendix 1 of the report.
- 2) delegates authority to the Deputy Chief Executive, in consultation with the Lead Member of Finance and Housing, to make minor amendments to the Policy as required for future phases.

1.0 EXECUTIVE SUMMARY

1.1 The Additional Restrictions Grant funding is to be used across Financial Years 2020/21 and 2021/22. Wokingham Borough Council has been awarded £3.4m.

1.2 The funding will be administered via a phased approach until March 2022 with £400,000 being made available immediately to fund Phase 1 of a Discretionary Grant Scheme, which covers businesses impacted by the national lockdown restrictions put in place from 5th November 2020 to the 2nd December 2020.

1.3 The remaining £3m will be used to support businesses through to March 2022, predominantly in the form of future discretionary grant schemes or phases but also through funding of wider business support activities that meet a clear need and can be shown to support local businesses.

1.4 This discretionary scheme supplements the Mandatory Scheme of £1.4m which supports businesses which have been mandated to close under the national lockdown restrictions.

1.5 This report sets out a proposed Phase 1 offer to Wokingham Businesses, taking into consideration demand, economic need, and feedback from local business representatives.

1.6 This is an urgent decision as set out in Rule 6.3.35 of the Council Constitution and therefore call-in provisions will not apply for this decision. The reason for the urgency is that if businesses do not receive urgent support they may collapse and this would seriously prejudice the public's interest. The Mayor has given his consent to the urgency provision and the matter will be reported to the next available meeting of the Council, together with the reasons for urgency.

2.0 BACKGROUND

2.1 The UK Government has announced a range of measures to support businesses during the Covid-19 (Coronavirus) pandemic.

2.2 On 31st October 2020, the Government announced the introduction of additional support for Local Authorities under National and Local Covid Alert Level 3 restrictions. There are two parts to the grants scheme package, the Local Restrictions Support Grant (Closed) Addendum and the Additional Restrictions Grant (ARG). Both grant schemes are fully funded by Central Government and the funds will be administered by Wokingham Borough Council in accordance with the guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS). The guidance makes it clear that no further ARG funding will be made available to local authorities for business support regardless of whether further lockdowns are imposed.

2.3 Wokingham Borough Council has already allocated £230,000 under the Local Restrictions Support Grant (LRSB), a mandatory grant scheme for businesses that have been instructed to close under the current restrictions imposed on 5th November and who have commercial property on the local valuations list.

2.4 Under the LRSB eligible businesses will receive a one-off payment of between £1,334 and £3,000 depending on the rateable value of their commercial premises. The LRSB scheme is already operational across the Borough.

2.5 The proposed Discretionary Grant Scheme Phase 1 sits alongside the LRSB scheme and is intended to provide immediate financial support to businesses significantly impacted by the current restrictions but who do not qualify for the LRSB scheme.

3.0 BUSINESS CASE

3.1 The Government recognises that the mandatory grant schemes omit a number of businesses. This being due to the requirement to have liability for Business Rates. As a result, additional funding is available to Local Authorities to administer a discretionary grant scheme.

3.2 On 3rd November 2020 Guidance was issued to Local Authorities, with complete discretion being given to devise a local scheme. The Guidance confirms Local Authorities can determine how much funding to provide to businesses from the Additional Restrictions Grant funding provided, and exactly which businesses to target.

3.3 However, it encourages Authorities to develop discretionary grant schemes 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. This could include for example, businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. Local Authorities may also choose to help businesses outside the business rates system who are effectively forced to close, e.g. market traders. or, to provide additional support to larger local businesses important to the local economy (on top of the funding provided to those businesses via the LRSB (Closed) scheme and with due reference to State Aid).

3.4 In addition to the above, funding may be used to provide wider business support designed to assist the business community as a whole. This may include advice and guidance for businesses and/or skills training to support their ability to trade in changed circumstance etc.

3.5 The government recognise that economic need will vary across the country, and so the precise design of the discretionary fund will be up to each local authority. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.

4.0 NATIONAL CRITERIA

4.1 The Government has set the following eligibility criteria for receipt of this funding:

- A business must have been trading before restrictions came into force to be eligible
- Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework are ineligible.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

5.0 NATIONAL GRANT AWARDS

5.1 Local authorities have the discretion to determine the amount of funding offered to individual businesses and the frequency of payment.

6.0 NATIONAL GUIDANCE PROCESS

6.1 The Government recognise that there will likely be a need to run some form of application process as the potential beneficiaries are unlikely to be known directly by local authorities.

6.2 The application process will enable proportionate pre-payment checks to be undertaken to confirm eligibility for the scheme. Prepayment checks must include confirming that by accepting payments recipients are in compliance with State aid rules.

6.3 Local authorities must use their discretion in identifying the right person to receive the funding, based on the application process.

6.4 Authorities are required to call or write to individual businesses advising them that by accepting the grant, they are confirming they are eligible for the grant scheme and that any payments accepted will be in compliance with State aid requirements.

7.0 ALLOCATION OF ADDITIONAL RESTRICTIONS GRANT (ARG)

7.1 The total ARG funding for Wokingham is £3.4m to cover both the current financial year 2020/2021 and the following financial year 2021/2022. Once we exit national or LCAL 3 restrictions there will be no additional funding under this grant scheme if we re-enter national or LCAL 3 restrictions within these financial years.

7.2 £400,000 of the total ARG funding has been initially allocated for this proposed Phase 1 of a Discretionary Grants Scheme covering the 4-week period from 5th November 2020. However, if demand from eligible businesses exceeds that amount then we would anticipate additional resources being released from the total ARG funding stream with the approval of the Deputy Chief Executive.

7.3 The remaining £3m will be used to support businesses through to March 2022, predominantly in the form of future discretionary grant schemes or phases but also through funding of wider business support activities that meet a clear need and can be shown to support local businesses. Proposals for new Grant schemes or support activities will be developed in consultation with local businesses and representative groups with appropriate approval sought.

8.0 POLICY REVIEW

8.1 To ensure that the Additional Restrictions Grant reaches those businesses most in need, this policy will be reviewed in January 2021 by the Income, Payments and Recovery Manager together with the Assistant Director of Housing, Income and Assessments, Interim Assistant Director - Housing & Place Commissioning and Director of Resource and Assets. The Council reserves the right to modify eligibility criteria, and funding thresholds, as a result.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Funding has been made available from Central Government up until March 22. For WBC this will be in the region of £3.4m.	Yes	Revenue (Grant funded)
Next Financial Year (Year 2)			Revenue (Grant funded)
Following Financial Year (Year 3)			

Other Financial Information

The cost of these grant payments will be met through additional government funding, a one-off lump sum payment amounting £3.4m and equating to £20 per head.

The £3.4m allocation is to cover financial years 2020/2021 and 2021/2022 and will need to be drawn on during any future period we may spend under LCAL Very High or national restrictions

Local authorities will be required to report on their progress in developing and delivering the Additional Restrictions Grant Fund weekly to the Department for Business, Energy and Industrial Strategy alongside the existing reporting on the Local Restrictions Grant Scheme (Closed) Addendum.

Stakeholder Considerations and Consultation

Internal key stakeholder contributed to the creation of the policy

Public Sector Equality Duty

Having reviewed the equality requirements this discretionary policy relates to individual businesses and not specific individuals. Therefore, no Equality Impact Assessment is required.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

No impact on the Council's carbon neutral objective.

List of Background Papers

- The Local Restrictions Support Grant (Closed)
- V.1 Addendum Local Restrictions Support Grant (Closed)
- V.1 Additional Restrictions Grant
- BEIS FAQ's

Contact Andrew Kupusarevic

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Service Housing, Income and Assesments

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WOKINGHAM BOROUGH COUNCIL

**COVID-19 Business Support
Additional Restrictions Grant
Discretionary Grant Scheme
Phase 1**

Version Control

Version	Date	Author	Comments
1	23.11.2020	Andrew Kupusarevic	draft

1.0 Background

1.1 On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under National and Local Covid Alert Level 3 restrictions. There are two parts to the grants scheme package, the Local Restrictions Support Grant (Closed) Addendum and the Additional Restrictions Grant (ARG). Both grant schemes are fully funded by Central Government and the funds will be administered by Wokingham Borough Council in accordance with the guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS). The guidance makes it clear that no further funding will be made available to local authorities for business support regardless of whether further lockdowns are imposed.

1.2 On 5 November 2020, when new national restrictions were imposed by Government, all Local Authorities triggered the start of the ARG. Under the ARG, Local Authorities are able to support local businesses through discretionary grant schemes as well as through other wider support measures. The focus of any support must be on businesses significantly impacted by any restrictions put in place to control the spread of Covid-19.

1.3 The ARG funding is to be used across Financial Years 2020/21 and 2021/22. Wokingham Borough Council has been awarded £3.4m.

1.4 The funding will be administered via a phased approach until March 2022 with £400,000 being made available immediately to fund Phase 1 of a Discretionary Grant Scheme.

1.5 Discretionary Grant Scheme Phase 1 covers businesses impacted by the national lockdown restrictions put in place from 5th November 2020 to the 2nd December 2020. Applications will be open until 2nd January 2021. This will allow businesses to assess and evidence any impact and for the Council to ensure the funds are distributed in a fair and transparent way to those businesses that need it most.

1.6 The grants will be administered as a one-off payment in line with the criteria below.

1.7 If you would like further advice on this scheme and how it will be applied, please visit: <https://www.wokingham.gov.uk/business-and-licensing/business-and-growth/coronavirus-announcements/>

2.0 Which businesses will be eligible for the Discretionary Grant Scheme Phase 1?

2.1 Wokingham Borough Council will not be providing additional financial support to businesses that are already receiving grant funding via the Local Restrictions Support Grant (Closed) scheme (Addendum).

2.2 This policy is not designed to provide financial support to individuals IE: wage support. The Self-Employed Income Support Scheme and Coronavirus Job Retention Scheme are in place to provide those who are self employed and employees with income support.

2.3 Those businesses that are in administration, insolvent or where a striking off notice has been made, are not eligible for funding under this scheme.

2.4 Only businesses which were trading on/up to 04 November 2020 are eligible for this scheme.

2.5 The Additional Restrictions Grant is there primarily to financially support those businesses forced to close or significantly impacted by the national restrictions announced on 31 October 2020.

The following eligibility criteria applies:

i. Your business is not registered for business rates (commercial premises) and has been instructed to close by the restrictions announced on 31 October 2020.

ii. Your business is registered for business rates (commercial premises), has not been instructed to close but is significantly impacted* by the restrictions announced on 31 October 2020.

iii. Your business is not registered for business rates (commercial premises), has not been instructed to close but is significantly impacted* by the restrictions announced on 31 October 2020.

*Businesses that have chosen to close but not been required to will not be eligible for this grant, unless they can demonstrate significant impact on their trading through cancelled orders for products and services to closed businesses in the retail, hospitality, leisure or events sectors.

2.5 Only one grant will be paid to the business irrespective of the number of hereditaments they may have.

2.6 A business that has been instructed to close and has commercial property on the local valuations list would need to apply via the Local Restrictions Support Grant (Closed) scheme. <https://www.wokingham.gov.uk/business-and-licensing/business-and-growth/coronavirus-announcements/>

2.7 Market Traders who have been prevented from trading because of the national lockdown restrictions or can demonstrate significant loss of income as a result of these restrictions may be eligible. Market Traders eligible for a grant will be paid by the Local Authority where their home address is (i.e. Wokingham Borough Council will only pay grant to market traders' resident in the Borough). The location of the markets they attend will not be considered as part of this grant scheme unless exceptional circumstances apply and can be demonstrated.

3.0 Funding Levels

3.1 This will follow in line with the lower Local Restrictions Support Grant (Closed) Addendum band.

3.2 All payments made under phase 1 will receive a maximum grant of £1,500 subject to state aid limits.

4.0 How do I apply?

4.1 There will be an online application form published on the Council's website <https://www.wokingham.gov.uk/business-and-licensing/business-and-growth/coronavirus-announcements/>.

4.2 In deciding whether to make an ARG payment we will have regard to the Businesses circumstances. In order to do this each Business must supply (where possible) reasonable supporting evidence to support their request for the ARG payment. This will include, but is not limited to:

- Lease documents / Licencing agreement
- Summary of your monthly fixed outgoings
- Your business must evidence ongoing fixed building-related costs
- Number of staff
- Bank statements, for the last 3 months
- What support have you already received
- What steps have you taken to minimise your outgoings – agreed rent reductions etc
- Have you seen a reduction in your operating costs – if so please clarify

NB: Applicants will also be required to submit evidence to demonstrate actual loss of demand and income due to restrictions. As a minimum, a statement of circumstances will be required and ideally supported by additional documentation including details of contracts lost or cancelled booking diaries/work schedules or cancelled customer bookings.

4.3 Eligibility checks will also be carried out including an independent security and fraud check by an external company as required by Government.

4.4 If an application is received from a business that does not meet all the required criteria, they will be informed as soon as possible of this and the reason(s) they are not eligible.

4.5 The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money may face prosecution and any funding issued will be subject to claw back.

4.6 It is anticipated payments to successful businesses will be made as soon as is reasonably practical after a decision has been made.

4.7 No grants will be awarded without an application being made.

5.0 Decision Making and Appeals

5.1 Applications received will be reviewed by the NNDR Grants Team and a recommendation on award will be made by this team. The NNDR Grants Team will ensure that the decision outcome is notified by email as soon as is reasonably practical after the application review date.

5.2 There are no rights of appeal.

6.0 State Aid

6.1 State aid applies to these schemes, and all recipients are required to comply with the maximum permitted funding under the relevant State aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework for UK Authorities (lower thresholds apply to agriculture, fisheries and aquaculture business). The De Minimis aid and the Temporary Framework can be combined to bring the aid per company to up to €1 million. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

6.2 Excluding small and micro undertakings (fewer than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet), a business receiving grant paid under the Temporary Framework must also confirm that they were not an undertaking in difficulty on 31 December 2019. This exemption for small and micro undertakings does not apply if the undertaking is subject to collective insolvency proceedings under national law, has received rescue aid that has not been repaid, or is subject to a restructuring plan under State aid rules.

6.3 Grants provided under the Local Restrictions Support Grant scheme can be made under either the De Minimis Regulation (where the relevant conditions are met), or under the COVID-19 Temporary Framework for UK Authorities¹ where for example, the De Minimis threshold has been reached. Local Authorities must ensure all relevant State aid law requirements are complied with, including any relevant reporting requirements to the EU Commission under State aid rules.

6.4 Businesses will be required to confirm that they comply with the scheme conditions, for example that they did not fall within the definition of an undertaking in difficulty on 31 December 2019 (excluding small and micro businesses), and have not received more than the maximum permitted funding for State aid. Local Authorities will write to businesses to ask for confirmation of this.

7.0 Payments of a Discretionary Grant Payment

7.1 All payments will be made by Business Services via a bank transfer payment into the businesses account.

8.0 Overpayments

8.1 If the Council becomes aware that the information contained in an application for a Discretionary Grant was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council will seek to recover the value of any Discretionary Grant paid made as a result of that application.

9.0 Fraud

9.1 The Council is committed to the fight against fraud in all its forms. Any Business who tries to fraudulently claim a Discretionary Grant might have committed an offence under the Fraud Act 2006.

9.2 If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

9.3 The government will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

10.0 Publicity

10.1 In addition to details being contained on the Council's website, the scheme will be advertised via social media and support from the Business Growth Hub.

11.0 Monitoring

11.1 The Business Rates Team and The Senior Finance Specialist will monitor the amount and types of award made. This monitoring information will be available for management and members at any time, and any other relevant persons or organisations with whom data can be shared within appropriate legislation and guidance.

11.2 In addition, the Investigations Team carries out monitoring on the amount of awards made to each funding stream.

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Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants (Closed) Addendum

Guidance for Local Authorities

Local Restrictions Support Grants - (Closed) Addendum 5 November – 2 December 2020

1. National restrictions refer to legally binding restrictions imposed on all Local Authority areas in England in response to the threat posed by coronavirus.
2. When national restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and (Closed) will be superseded by the conditions set out in this addendum. Businesses will not be eligible for multiple versions of the Local Restrictions Support Grant under widespread national restrictions.
3. Local Authorities (LAs) who triggered the Local Restrictions Support Grant (Open) between 1 August and 4 November will still receive their payments for that period.
4. Local Authorities will receive a pro-rata payment for 1 November to 4 November under the Local Restrictions Support Grant (Sector), to support eligible nightclubs and sexual entertainment venues. LAs will then be able to support those businesses through LRSG (Closed) set out in this addendum.
5. The Local Restrictions Support Grant (Closed) will move from a 14-day payment cycle to an alternative payment cycle. For 5 November – 2 December a 28-day payment cycle will be applied. Grant funding will be issued to Local Authorities at the beginning of the 28-day payment cycle, which is the first day widespread restrictions come into force nationwide.
6. This funding will be provided on a rolling 28-day basis for as long as national restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).
7. 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.
8. Each eligible Local Authority will be issued funding allocations that will be calculated using Valuation Office Agency (VOA) data, based on the categories of business relevant to the closures imposed by Government, and monitored with Local Authorities using DELTA. This is to provide each eligible Local Authority with an allocation based on a consistent approach that reflects the businesses closed by national restrictions. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.
9. The thresholds that apply to LRSG (Closed) apply to this addendum:
 - a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £1,334 per 28-day qualifying restriction period.

- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £2,000 per 28-day qualifying restriction period.
 - c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £3,000 per 28-day qualifying restriction period.
10. On 5 November 2020, when new national restrictions are imposed by Government, all Local Authorities will trigger the Additional Restrictions Grant (ARG), besides those Authorities mentioned in the Additional Restrictions Grant guidance (paragraph 11), which had already agreed this support with Government at the time of publication. Local Authorities are only eligible to receive funding through the ARG once in the 20/21 Financial Year, but the funding can be used in Financial Years 20/21 and 21/22.
11. If a Local Authority was subject to local restrictions prior to national restrictions being imposed, the Local Authority will remain eligible to claim for applicable variations of the Local Restrictions Support Grant during the period before national restrictions came into force.
12. Once national restrictions are removed, Local Authorities will again be eligible to receive support consistent with their LCAL. Local Authorities would then be subject to the conditions of that scheme, including the eligibility date starting from the first full day of re-entry into that LCAL and the 14-day payment cycle.
13. Local Authorities will receive 90% of the estimated grant funding at the point of entry of the first 28-day period of national closures. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further 28-day periods of closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.
14. All other conditions relevant to the Local Restrictions Support Grants apply, including insolvency, tax regulations, managing the risk of fraud, post-event assurance, monitoring and evaluation requirements and State aid conditions.

This publication is available from: www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities

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Department for
Business, Energy
& Industrial Strategy

Additional Restrictions Grant

Guidance for Local Authorities



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Any enquiries regarding this publication should be sent to us at: enquiries@beis.gov.uk

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The guidance

1. This guidance is intended to support Local Authorities in administering the Additional Restrictions Grant (ARG) to support businesses in their local economies and to provide additional support to grant funding under the Local Restrictions Support Grant.
2. This support was announced on the 31 October 2020. This guidance applies to England only from 14 October 2020. It is not retrospective.
3. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities in England.
4. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.gov.uk/>

Introduction

5. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level 3 restrictions.
See announcement: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>
6. This support will take the form of a funding scheme in Financial Year 2020-2021 and can be used across Financial Years 20/21 and 21/22. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England.
7. This document provides guidance to Local Authorities about the operation and delivery of the Additional Restrictions Grant scheme.
8. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 restrictions.
9. This guidance is aimed at Local Authorities. However, in the case that funding under this scheme was provided to Combined Authorities (see paragraph 11), then the Combined Authority will be subject to the same conditions and obligations under this guidance as Local Authorities.
10. Local Authorities that previously entered LCAL 3 restrictions may have already accessed additional enhanced business support settlements. These settlements are now part of the Additional Restrictions Grant.

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11. Areas that have agreed this support at the time of publication are: Liverpool, Lancashire, Greater Manchester, South Yorkshire, West Yorkshire, Warrington and Nottinghamshire.
 12. All Local Authorities in England, except those covered by agreements made in areas listed in paragraph 11, are now eligible for funding under this scheme due to the widespread national restrictions coming into force on 5 November 2020.
 13. Under the Additional Restrictions Grant, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each eligible Local Authority when LCAL 3 or widespread national restrictions are imposed. Local authorities can use this funding for business support activities. We envisage this will primarily take the form of discretionary grants, but LAs could also use this funding for wider business support activities.
 14. If Local Authorities use ARG for direct business support grants, the same conditions of grant apply as for the Local Restrictions Support Grant (Closed), however local authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
 15. Once a Local Authority exits national or LCAL 3 restrictions they will not receive additional funding under this grant scheme if the Local Authority then re-enters national or LCAL 3 restrictions.
 16. This support for businesses is separate from local public health support, e.g. the £8 per head made available to Local Authorities under LCAL 3 restrictions through the Contain Outbreak Management Fund.

How will the grant be provided?

17. National and local restrictions are legally binding restrictions imposed where the Secretary of State for Health and Social Care requires the closure of businesses under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
18. In line with the eligibility criteria set out in this guidance, Government will provide grant funding to Local Authorities under national and LCAL 3 restrictions. This funding will be a one-off lump sum payment when national or LCAL 3 restrictions have come into force from 14 October 2020, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).
19. Government will issue Local Authorities funding, in line with the following guidance and the grant offer letter sent to Local Authorities, for the cost of the Additional Restrictions Grant (using a grant under section 31 of the Local

Government Act 2003). Local Authorities will be responsible for delivering the funding.

20. Local Authorities that will be responsible for making payments to businesses, and which will receive funding from Government, are business rate billing authorities in England.
21. We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens Assessment will be completed, and funding then provided to authorities.

How much funding will be provided to businesses?

22. Local Authorities can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target.
23. However, we encourage Local Authorities to develop discretionary grant schemes 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. This could include – for example – businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector.
24. Local Authorities may also choose to help businesses outside the business rates system, which are effectively forced to close – for example market traders.
25. Finally, Local Authorities could use ARG funding 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.
26. In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.
27. The grant amounts given to individual businesses will be subject to state aid limits.

Exclusions to Additional Restrictions Grant funding

28. Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.

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29. For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
 30. Local or Combined Authorities that have already agreed enhanced support settlements will not be eligible for further funding under this scheme (see paragraph 11 for exclusions).

Who will receive this funding?

31. Where a grant is issued, the business who, according to the billing authority's records, was the ratepayer in respect of the hereditament on the date LCAL 3 or national restrictions first came into force, is eligible for the grant. Where a Local Authority has reason to believe that the information that they hold about the ratepayer on the first full day of national or LCAL 3 restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make 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. Some businesses outside the business rate system may also receive grants.
32. Businesses must have been trading on the first full day of national or LCAL 3 restrictions to be eligible to receive a grant support.
33. The Local Authority 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. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
34. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants (for example, if they become insolvent).

Will grants be subject to tax?

35. Grant income received by a business is taxable. The Additional Restrictions Grant will need to be included as income in the tax return of the business.
36. Only businesses which make an overall profit once grant income is included will be subject to tax.

Managing the risk of fraud and payments in error

37. The Government will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain additional grant money will

face prosecution and any funding issued will be recovered, as may any grants paid in error.

38. Local Authorities must continue to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the increased risks of both fraud and payment error. In this respect, grant administrators should consider supplementing existing controls with digital tools to support efficient, appropriate and accurate grants awards.
39. The Government Grants Management Function have waived the annual fee and made their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of Covid-19 emergency grants until 31 March 2021. Use of Spotlight to support pre-award due diligence is strongly recommended.
40. Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions, through fundamental (basic) due diligence checks. In particular, Spotlight can quickly and easily flag where organisations have recently become inactive to support authorities review the ongoing viability of recipients prior to making awards.
41. Spotlight can also provide enhanced due diligence, through a paid-for service, and grant administrators are encouraged to consider the benefits of enhanced due diligence. Local Authorities should discuss their digital tool requirements with the Government Grants Management Function at:
spotlightlocalauthority@cabinetoffice.gov.uk

Pre- and post-event assurance

42. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and State aid conditions for these schemes.
43. The general principle applies that Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including these grants.
44. Local Authorities must be satisfied that all State aid requirements have been fully complied with when making grant payments. Full details, including sample declaration forms, are contained in in this guidance.
45. To deliver this assurance requirement, Local Authorities should develop pre- and post-payment assurance plans for each grant scheme. There should be an eligibility check and a recipient check on all payments, whether pre- or

post-payment. The plans should set out the actions and checks Local Authorities will undertake to ascertain regularity of payments. They should cover the pre-payment checks for grants still to be paid, but also the post payment assurance checking regime that the Local Authority will introduce to identify irregular payments.

46. The volume and depth of checks that a Local Authority undertakes as detailed in these plans should be proportionate to the grant value versus the cost of the check, and informed by a Fraud Risk Assessment of the likelihood of error and/or fraud in the payments they have made.
47. Consequently, Fraud Risk Assessments should also be undertaken for each grant scheme and comprise part of the assurance plan. To support Local Authorities in developing their risk assessments the Department will provide risk assessment templates tailored to the relevant funds.
48. The Government Grants Management Function and Counter Fraud Function will support Local Authorities to carry out post-event assurance work to identify high risk payments and to estimate and measure the likely incidence of fraud and error that has occurred in the scheme. This requires statistically significant sample testing of key residual risks to assess the level of fraud / error that has arisen from the residual aspect of identified fraud risks. Post-event assurance is therefore dependent upon a detailed fraud risk assessment being undertaken for the scheme. Guidance will be made available to Local Authorities to support the development of Post Event Assurance Action Plans.
49. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will need to be undertaken by the Local Authority.

Monitoring and reporting requirements

50. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises. The data will include:
 - number of applications received for the scheme,
 - number of payments being processed,
 - number of actual payments, and
 - value of payments made.
51. Local Authorities may be required to provide data in order to allow reporting by Parliamentary constituency. BEIS will work with Local Authorities to

facilitate such reporting.

52. Annex A contains information on Post Payment Monitoring requirements.
53. Local Authorities will be asked to provide a monthly report to the Department comprising an update on their Fraud Risk Assessments and pre- and post-payment assurance activities as they are delivered over the lifetime of each of these grants separately. The Department will provide a reporting template in due course.
54. If Local Authorities detect fraud (successful rather than attempted), or if they suspect fraud (attempted as well as actual) that is organised, large scale systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend Local Authorities report it simultaneously to the dedicated inboxes at the National Anti Fraud Network (intel@nafn.gov.uk) and the National Investigation Service (report@natis.pnn.police.uk). Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.
55. The Government Counter Fraud Function has worked in partnership with Experian to introduce two new complementary products to assist public bodies in addressing residual fraud risks when dispersing funds for the Covid-19 financial support schemes by addressing their residual fraud risks. These tools will allow Local Authorities to:
- a. verify the bank accounts of companies in receipt of these business grants; and
 - b. provide insight into whether the company was trading at the relevant date for these grants.
56. These tools are available via the National Fraud Initiative (NFI) and can be used for both pre- and post-payment checks. They apply to both registered companies (at Companies House) and unregistered companies such as sole traders. For further information and to access the tools, please email helpdesk@nfi.gov.uk
57. This monitoring and reporting is in addition to any relevant reporting requirements to the EU Commission under State aid rules.

State aid

58. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The Local Authority 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.

59. Payments made can be provided under the existing De Minimis rules, to any one organisation over a three fiscal year period, provided doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).
60. The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called *de minimis* aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.
61. Annex B of this guidance contains two sample declarations which Local Authorities may wish to use with either payments under the De Minimis rules or under the Covid-19 Temporary Framework for UK Authorities. Where Local Authorities have further questions about De Minimis or other aspects of State aid law, they should seek advice from their legal department in the first instance.
62. On 13 October 2020 the European Commission (CION) announced further amendments to its State aid Temporary Framework - introducing a new measure enabling further support to companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 due to the coronavirus outbreak. The support can be provided for up to 70% (90% in case of micro and small companies) of the beneficiaries' fixed costs that are not covered by their revenues or other specified sources, up to a maximum amount of EUR 3 million per undertaking. The aid under this measure cannot be cumulated with other aid for the same eligible costs and is subject to further conditions set out in the Temporary Framework. The U.K. Government has notified the CION of its intention to use the new provision and must await approval from the CION to do so. The Covid-19 Temporary Framework for UK Public Authorities will need to be amended before aid under this new measure may be provided. All Local Restrictions Support Grants guidance documents will be updated to reflect the new provisions if and when they are applied to the LRSG schemes once the U.K. Government has approval. See announcement:
https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872

Annex A – Post-payment reporting

Background

1. Local Authorities will be required to report to the department on the fund.
2. Weekly reports will cover:
 - a. Number of actual payments made
 - b. Where Local Authorities use an application process to assess grant awards, the total amount of applications per restriction period
 - c. Total amount of actual payments
 - d. Issues encountered in implementing the scheme to allow BEIS to support development of solutions with Local Authorities.
3. The return will be completed using the DELTA Reporting system.

Process

4. Local Authorities will report on progress in making payments to eligible rate paying businesses for each period of restrictions.
5. Each report will only cover grants provided by Local Authorities to eligible business during the period as per paragraph 13. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Total number of applications received	Number of applications received in the restriction period
Total number of grants provided	Number of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Total value of payment made	Value of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Comments	Highlight in this box issues that Local Authorities are encountering while implementing the scheme.

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Data collections for evaluation

6. Local Authorities are also required to collect information from businesses receiving these grant payments, and will be expected to account for how the funding has been spent. Grant recipients should also be advised that they may be contacted for research purposes, and that their data will be shared with BEIS for research and evaluation purposes.
7. It is vitally important that we have this information centrally to allow us to understand and evaluate how the provision is working. We do this for a number of different reasons, including;
 - a. Accountability – to provide a clear and transparent basis for why this policy has been implemented, and its progress over time
 - b. Efficiency – ensuring that we are maximising the value delivered from this public spending and ensuring opportunities for analysis and learning for the future
 - c. Effectiveness – ensuring that policy makes a positive impact and understanding the context of when that happens
8. We will devise a mechanism by which Local Authorities can frequently share this information with BEIS, which is the most cost-effective way of collecting a wide data set. Local Authorities will need to ensure they have appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. We will fully support Local Authorities through this data collection, and will share further details and advice by the end of November.
9. The list below sets out the minimum information we require Local Authorities to collect for LRSG (Closed):
 - a. Business Rate Payer name
 - b. Hereditament address
 - c. Ratepayer email address
 - d. Size of business the grant relates to
 - e. Sector
 - f. Unique identifier (preferably Company Reference Number)
 - g. Grant awarded
 - h. Amount of grant paid

-
- i. Date grant paid
 - j. Grant name

10. This provides important information that will support evaluation and further our understanding of the impact of the grants. Further details including the definitions of the terms above will be provided advice w/c 9 November.

Annex B – State aid: Sample paragraphs that could be included in letters to grant recipients

Template to send to beneficiaries of aid awarded based on the UK COVID-19 Temporary Framework¹

Dear [Name of Aid Recipient]

Confirmation of State aid received under the Covid-19 Temporary Framework for UK Authorities scheme

Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework scheme for the UK.

The maximum level of aid that a company may receive is €800 000 (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework. The Euro equivalent of the Sterling aid amount is calculated using the Commission exchange rate² applicable on the date the aid is offered.

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received. You must retain this letter for four years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation³) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19

¹ Approval reference.

² https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

outbreak.⁴ This undertaking in difficulty test does not apply to small and micro undertakings (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet) unless they are subject to insolvency proceedings, have received rescue aid that has not been repaid, or are subject to a restructuring plan under State aid rules.⁵

This aid is in addition any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.

Confirmation of State aid received under x Scheme, and Undertaking in Difficulty status

Please sign the attached statement confirming your eligibility, in principle, for aid.

I confirm that I have received the following aid under measures approved within the European Commission's Temporary Framework between March 2020 and December 2020.

I confirm that I am not a small or micro company, and that my undertaking was not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.

Body providing the assistance/ aid	Value of assistance (in €)	Date of assistance

DECLARATION

Company	
Company Representative Name	
Signature	
Date	

⁴ If you are an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation you may still be entitled to de minimis aid if you have received less than €200,000 in de minimis aid in the last three years. You should contact us if you consider that you may qualify for de minimis aid on this basis.

⁵ Third amendment to the Covid-19 Temporary Framework: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.218.01.0003.01.ENG&toc=OJ:C:2020:218:TOC

Template to send to beneficiaries of aid awarded based on De Minimis Rules

Dear []

NON-DOMESTIC RATES ACCOUNT NUMBER: _____

The value of the grant payment to be provided to [name of undertaking] by [name of local authority] is £ [] (Euros []).

This award shall comply with the EU law on State aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of de minimis aid within the current financial year or the previous two financial years). The de minimis Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Amount of <i>de minimis</i> aid	Date of aid	Organisation providing aid	Nature of aid

I confirm that:

1) I am authorised to sign on behalf of _____ [name of undertaking]; and

2) _____ [name of undertaking] shall not exceed its De minimis threshold by accepting this grant payment.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

I confirm that I wish to accept the grant payment in relation to the above premises.

DATE:

Refusal of Grant form

Name and address of premises	Non-domestic rates account number	Amount of Grant Funding

I confirm that I wish to refuse grant in relation to the above premises.

I confirm that I am authorised to sign on behalf of _____ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

<u>Name and address of premises</u>	<u>Non-domestic rates account number</u>

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Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grant (Closed)

Guidance for Local Authorities



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Any enquiries regarding this publication should be sent to us at: enquiries@beis.gov.uk

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The guidance

1. This guidance is intended to support Local Authorities in administering the Local Restrictions Support Grant (LRSB) for businesses that are required to close under Local Covid Alert Level 'Very High' restrictions (LCAL 3).
2. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities and sets out the criteria for the Local Restrictions Support Grant (Closed).
3. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.gov.uk/>

Introduction

4. On Wednesday 9 September, the Government announced there would be further funding to support businesses that are legally required to close due to restrictions being put in place to manage coronavirus and save lives. See announcement: <https://www.gov.uk/government/news/ministers-announce-new-grants-for-businesses-affected-by-local-lockdowns>
5. The Government announced on Friday 9 October changes to the grants within this scheme to provide further support to businesses required to close due to local restrictions. <https://www.gov.uk/government/news/job-support-scheme-expanded-to-firms-required-to-close-due-to-covid-restrictions>
6. On Saturday 31 October 2020 the Government announced further support for businesses through Additional Restrictions Grant. See announcement: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>
7. Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures. <https://www.gov.uk/guidance/local-covid-alert-level-very-high>
8. This support will take the form of a grant funding scheme in Financial Year 2020-2021, called the Local Restrictions Support Grants (Closed).
9. Local Authorities will be provided with funding for businesses that were required to close because of the formal publication of local restrictions

guidance by central Government that resulted in a first full day of closures on or after the 9 September. This funding is not retrospective.

10. In addition to this funding, Local Authorities will continue to receive funding for the Local Restrictions Support Grant (Open) scheme that supports businesses that are under Local Covid Alert Level 'High' (LCAL 2) restrictions. This continued funding will be subject to an adjustment which takes into account support provided through the Local Restrictions Support Grant (Closed).
11. Local Authorities that have previously entered LCAL 3 restrictions may have already accessed additional enhanced business support settlements as part of the Additional Restrictions Grant (ARG). The scheme stems from support negotiated by local leaders proportionate to their local economic needs. Areas that have agreed this support at the time of publication are: Liverpool City Region, Lancashire, Greater Manchester, South Yorkshire, West Yorkshire, Warrington and Nottinghamshire.
12. Under the Additional Restrictions Grant, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each eligible Local Authority when LCAL 3 restrictions are first imposed. Local Authorities should use this funding to provide support to businesses.
13. This support for businesses is separate from local public health support, e.g. the £8 per head made available to Local Authorities under LCAL 3 restrictions through the Contain Outbreak Management Fund.

How will the grants be provided?

14. Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area.
15. In line with the eligibility criteria set out in this guidance, central Government will provide funding to Local Authorities that pay grants to eligible businesses that are affected by local restrictions and required to close (with normal reconciliation between grant allocation and actual eligible costs). Central Government will fully reimburse Local Authorities, in line with the following guidance and the grant offer letter sent to Local Authorities, for the cost of the grant (using a grant under section 31 of the Local Government Act 2003). Local Authorities will be responsible for delivering the funding to eligible businesses.
16. Local Authorities, subject to local eligibility, will receive funding to meet the cost of payments to businesses within the business rates system based on an assessment of the number of eligible business hereditaments.
17. Local Authorities will receive 80% of the estimated grant funding following the first 14-day period of closures. When this threshold of funding has been

reached, Government will pay Local Authorities the further agreed funding. If further 14-day periods of closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.

18. Local Authorities that will be responsible for making payments to businesses, and which will receive funding from Government, are business rate billing authorities in England.
19. Local Authorities will need to provide grant funding to businesses in 14-day tranches in order to capture businesses in payment cycles and not to create multi scheme entry points. Businesses that close in the middle of a payment cycle will not become eligible for the scheme until they enter the next 14-day payment cycle.
20. It is expected that Local Authorities will provide local businesses with grant funding within 28 days of being eligible for each payment cycle.
21. This grant scheme will offer support to businesses required to close as part of the LCAL 3 management of coronavirus transmission and infection in areas where business closures as part of a nationally agreed package of localised restrictions are put in place.
22. Where feasible, the LRSG (Closed) scheme will be netted off from the funding provided by the LRSG (Open) scheme. This is to ensure that businesses are not provided grant funding from both schemes at the same time but instead, consecutively.
23. Local Authorities will be able to use their ARG funding to top up grant funding where they deem it necessary to support businesses essential to their local economies.
24. Local Authorities will need to work with central Government to calculate the number of businesses that are in scope in each rateable value tier within the scheme. Local authorities will be sent a template to provide their estimates. See Annex B.
25. We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens Assessment will be completed, and funding then provided to authorities.

How much funding will be provided to businesses?

26. Businesses that were open as usual and providing in-person services to customers from their business premises and then required to close for a consecutive period of no less than 14 days as a result of regulations made

under the Public Health (Control of Disease) Act 1984 will be eligible for this funding. This is referred to as the qualifying restriction period in this guidance.

27. This funding is only available for businesses required to close due to restrictions that had their first full day of restrictions on or after the 9 September. It is not retrospective.
28. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions will receive a payment of £667 per 14-day qualifying restriction period.
29. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions will receive a payment of £1,000 per 14-day qualifying restriction period.
30. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the local restrictions, will receive £1,500 per 14-day qualifying restriction period.
31. Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closures regulations came into force including changes which have been backdated to this date, should be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began. In cases where it was factually clear to the Local Authority on the local restriction date that the rating list was inaccurate on that date, Local Authorities may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.
32. Subject to State aid limits, businesses will be entitled to receive a grant for each eligible hereditament within the restriction area. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

Exclusions to Local Restrictions Funding (business rate payers)

33. Businesses that are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).
34. Businesses subject to local restrictions that are implemented for less than 14 days and businesses that are closed for less than 14 days are not eligible for grant funding.
35. Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.

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36. Businesses that have chosen to close but not been required to will not be eligible for this grant.
 37. Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
 38. For the avoidance of doubt, businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
 39. Specific businesses subject to national closures since 23 March 2020 will not be eligible for this funding. They will be provided support through the strand of the LRSG (Sector) for nationally mandated business closures.
 40. In the event of renewed widespread national 'lockdown' restrictions being imposed, the Local Restrictions Support Grant (Sector) will cease to apply, as relevant businesses will receive funding from the LRSG (Closed), subject to adaptations. Please see published LRSG (Closed) addendums where relevant.

Who will receive this funding?

41. The person who according to the billing authority's records was the ratepayer in respect of the hereditament on the date of the first full day of local restrictions is eligible for the grant. Where the Local Authority has reason to believe that the information that they hold about the ratepayer on the first full day of the local restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make 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.
42. The precise set of businesses eligible for the scheme may vary between each area based on the LCAL 3 restrictions that are established in recognition of the specific evidence and conditions for each area. To find out what additional measures apply in your area, see link: <https://www.gov.uk/guidance/full-list-of-local-covid-alert-levels-by-area>
43. A business running a public house, bar or other business involving the sale of alcohol for consumption on the premises must cease to carry on that business, unless alcohol is only served for consumption on the premises as part of a table meal, and the meal is such as might be expected to be served as the main midday or main evening meal, or as a main course at either such meal.
44. For the purposes of the above paragraph, a "table meal" is a meal eaten by a person seated at a table, or at a counter or other structure which serves the purposes of a table and is not used for the service of refreshments for

consumption by persons not seated at a table or structure serving the purposes of a table.

45. Businesses must be closed for the entirety of the 14-day payment cycle to be eligible. If a business is open and then decides to close during a payment, they will only become eligible for a grant when they enter the next 14-day payment cycle. If a business is operating as a closed business at the point of national lockdown, they will be eligible for a full grant under the 28-day payment cycle from LRSG (Closed). All bars and pubs required to close due to national restrictions are eligible for a grant under the LRSG (Closed) Addendum. This will be from the beginning of the 28-day payment cycle. If they chose to operate as a takeaway, click and collect or online with delivery services they will be counted as closed because their substantive business has to close.
46. The Local Authority 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. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
47. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants at any point in any local restrictions period. For example, if they become insolvent.

Will these grant schemes be subject to tax?

48. Grant income received by a business is taxable. The Local Restrictions Support Grant will need to be included as income in the tax return of the business.
49. Only businesses which make an overall profit once grant income is included will be subject to tax.

Managing the risk of fraud and payment in error

50. The Government will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
51. Local Authorities must continue to ensure the safe administration of grants and that appropriate measures are put in place, pre-award, to mitigate against the increased risks of both fraud and payment error. In this respect, grant administrators are encouraged to supplement existing controls with digital tools to support efficient, appropriate and accurate grants awards.

-
52. The Government Grants Management Function have waived the annual fee and made their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of Covid-19 emergency grants until 31 March 2021. Use of Spotlight to support pre-award due diligence is strongly recommended.
53. Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions, through fundamental (basic) due diligence checks. In particular, Spotlight can quickly and easily flag where organisations have recently become inactive to support Local Authorities reviewing the ongoing viability of recipients prior to making awards.
54. Spotlight can also provide enhanced due diligence, through a paid-for service, and grant administrators are encouraged to consider the benefits of enhanced due diligence.
55. Local Authorities should discuss their digital tool requirements with the Government Grants Management Function at:
spotlightlocalauthority@cabinetoffice.gov.uk

Pre- and post-event assurance

56. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and State aid conditions for these schemes.
57. The general principle applies that Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including of these grants.
58. Local Authorities must be satisfied that all State aid requirements have been fully complied with when making grant payments. Full details, including sample declaration forms, are contained in in this guidance.
59. To deliver this assurance requirement, Local Authorities should develop pre- and post-payment assurance plans for each grant scheme. There should be an eligibility check and a recipient check on all payments, whether pre- or post-payment. The plans should set out the actions and checks Local Authorities will undertake to ascertain regularity of payments. They should cover the pre-payment checks for grants still to be paid, but also the post

payment assurance checking regime that the Local Authority will introduce to identify irregular payments.

60. The volume and depth of checks that a Local Authority undertakes as detailed in these plans should be proportionate to the grant value versus the cost of the check, and informed by a Fraud Risk Assessment of the likelihood of error and/or fraud in the payments they have made.
61. Consequently, Fraud Risk Assessments should also be undertaken for each grant scheme and comprise part of the assurance plan. To support Local Authorities in developing their risk assessments the Department will provide risk assessment templates tailored to the relevant funds.
62. The Government Grants Management Function and Counter Fraud Function will support Local Authorities to carry out post-event assurance work to identify high risk payments and to estimate and measure the likely incidence of fraud and error that has occurred in the scheme. This requires statistically significant sample testing of key residual risks to assess the level of fraud / error that has arisen from the residual aspect of identified fraud risks. Post-event assurance is therefore dependent upon a detailed fraud risk assessment being undertaken for the scheme. Guidance will be made available to Local Authorities to support the development of Post Event Assurance Action Plans.
63. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will need to be undertaken by the Local Authority.

Monitoring and reporting requirements

64. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises. The data will include:
- numbers of businesses eligible for the scheme,
 - number of payments being processed,
 - number of actual payments, and
 - value of payments made.
65. Local Authorities may be required to provide data in order to allow reporting by Parliamentary constituency. BEIS will work with Local Authorities to facilitate such reporting.
66. Annex A contains information on Post Payment Monitoring requirements.
67. Local Authorities will be asked to provide a monthly report to the Department comprising an update on their Fraud Risk Assessments and pre- and post-payment assurance activities as they are delivered over the lifetime of each of

these grants separately. The Department will provide a reporting template in due course.

68. If Local Authorities detect fraud (successful rather than attempted), or if they suspect fraud (attempted as well as actual) that is organised, large scale or systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend Local Authorities report it simultaneously to the dedicated inboxes at the National Anti Fraud Network (intel@nafn.gov.uk) and the National Investigation Service (report@natis.pnn.police.uk). Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.
69. The Government Counter Fraud Function has worked in partnership with Experian to introduce two new complementary products to assist public bodies in addressing residual fraud risks when dispersing funds for the Covid-19 financial support schemes by addressing their residual fraud risks. These tools will allow Local Authorities to:
- a. verify the bank accounts of companies in receipt of these business grants; and
 - b. provide insight into whether the company was trading at the relevant date for these grants.
70. These tools are available via the National Fraud Initiative (NFI) and can be used for both pre- and post-payment checks. They apply to both registered companies (at Companies House) and unregistered companies such as sole traders. For further information and to access the tools please email helpdesk@nfi.gov.uk
71. This monitoring and reporting is in addition to any relevant reporting requirements to the EU Commission under State aid rules.

State aid

72. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The Local Authority 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.
73. Payments made can be provided under the existing De Minimis rules, to any one organisation over a three fiscal year period, provided doing so does not

exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).

74. The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called *de minimis* aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.
75. Annex C of this guidance contains two sample declarations which Local Authorities may wish to use with either payments under the De Minimis rules or under the Covid-19 Temporary Framework for UK Authorities. Where Local Authorities have further questions about De Minimis or other aspects of State aid law, they should seek advice from their legal department in the first instance.
76. On 13 October 2020 the European Commission (CION) announced further amendments to its State aid Temporary Framework - introducing a new measure enabling further support to companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 due to the coronavirus outbreak. The support can be provided for up to 70% (90% in case of micro and small companies) of the beneficiaries' fixed costs that are not covered by their revenues or other specified sources, up to a maximum amount of EUR 3 million per undertaking. The aid under this measure cannot be cumulated with other aid for the same eligible costs and is subject to further conditions set out in the Temporary Framework. The U.K. Government has notified the CION of its intention to use the new provision and must await approval from the CION to do so. The Covid-19 Temporary Framework for UK Public Authorities will need to be amended before aid under this new measure may be provided. All Local Restrictions Support Grants guidance documents will be updated to reflect the new provisions if and when they are applied to the LRSG schemes once the U.K. Government has approval. See announcement:
https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872

Annex A – Post-payment reporting

Background

1. Local Authorities will be required to report to the department on the grant fund.
2. Weekly reports will cover:
 - Numbers of businesses eligible for the scheme

- Number of actual payments per restriction period
- Total amount of actual payments
- Issues encountered in implementing the scheme to allow BEIS to support development of solutions with Local Authorities

3. These returns should be completed using the DELTA Reporting system.

Process

4. Local Authorities will report on progress in making payments to eligible rate paying businesses, for each period of restrictions.
5. Each report will only cover grants provided by Local Authorities to eligible business during the period as per paragraph 9. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Total number of eligible businesses	This reflects the number of eligible businesses identified by the Local Authorities to receive funding under the scheme.
Total number of grants provided under each element of the scheme (£667, £1k, £1.5k).	Number of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Expected date of completing all payments to eligible businesses	Date at which the Local Authorities believes it will have identified and provided grants to all eligible businesses within each 14-day payment cycle.
Comments	Highlight in this box issues that Local Authorities are encountering while implementing the scheme.

Data collections for evaluation

6. Local Authorities are also required to collect information from businesses receiving these grant payments, and will be expected to account for how the funding has been spent. Grant recipients should also be advised that they may be contacted for research purposes, and that their data will be shared with BEIS for research and evaluation purposes.
7. It is vitally important that we have this information centrally to allow us to understand and evaluate how the provision is working. We do this for a number of different reasons, including;
 - a. Accountability – to provide a clear and transparent basis for why this policy has been implemented, and its progress over time
 - b. Efficiency – ensuring that we are maximising the value delivered from this public spending and ensuring opportunities for analysis and learning for the future
 - c. Effectiveness – ensuring that policy makes a positive impact and understanding the context of when that happens
8. We will devise a mechanism by which Local Authorities can frequently share this information with BEIS, which is the most cost-effective way of collecting a wide data set. Local Authorities will need to ensure they have appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. We will fully support Local Authorities through this data collection, and will share further details and advice by the end of November.
9. The list below sets out the minimum information we require Local Authorities to collect for LRSG (Closed):
 - a. Business Rate Payer name
 - b. Hereditament address
 - c. Ratepayer email address
 - d. Size of business the grant relates to
 - e. Sector
 - f. Unique identifier (preferably Company Reference Number)
 - g. Grant awarded
 - h. Amount of grant paid
 - i. Date grant paid
 - j. Grant name
10. This provides important information that will support evaluation and further our understanding of the impact of the grants. Further details, including the definitions of the terms above, will be provided w/c 9 November.

Annex B – Example template for estimate of eligible businesses for each rateable value grant tier

- Local Authorities will need to work with central Government to calculate the number of businesses that are in scope of each rateable value tier within the scheme. These are businesses with a rateable value of:
 - £15k and below;
 - more than £15K & less than £51K;
 - £51K and above.
- Local Authorities will be sent the following template to provide their estimates of businesses in scope.

A	B	C	D	E	F	
1	LRSG Eligible Business Estimates					
2						
3	Local Authority Name:					
4	Rateable Value (£)					
5	Example Category	15k and below	More than 15k & less than 51k	51k and above	Total Eligible No.	Notes
6	Gyms/dance studios/fitness studios				0	
7	Sports centres (all types)				0	
8	Pubs/bars				0	
9	Casinos				0	
10	Betting shops				0	
11	Arcades				0	
12	Other (e.g. bingo halls, soft play centres)				0	
13	Totals	0	0	0	0	
14	**Insert/delete category rows as required**					
15						
16						
17	Estimate Grant Amount	Per Two-Week Period				
18	15k and below	£	-			
19	More than 15k & less than 51k	£	-			
20	51k and above	£	-			
21	Estimated Total	£	-			
22						

Annex C – State aid: Sample paragraphs that could be included in letters to grant recipients

Template to send to beneficiaries of aid awarded based on the UK COVID-19 Temporary Framework¹

Dear [Name of Aid Recipient]

Confirmation of State aid received under the Covid-19 Temporary Framework for UK Authorities scheme

Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis

¹ Approval reference.

of their Temporary Framework, including the COVID-19 Temporary Framework scheme for the UK.

The maximum level of aid that a company may receive is €800 000 (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework. The Euro equivalent of the Sterling aid amount is calculated using the Commission exchange rate² applicable on the date the aid is offered.

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received. You must retain this letter for four years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation³) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak.⁴ This undertaking in difficulty test does not apply to small and micro undertakings (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet) unless they were already in insolvency proceedings, have received rescue aid that has not been repaid, or are subject to a restructuring plan under State aid rules.⁵

This aid is in addition any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.

Confirmation of State aid received under x Scheme, and Undertaking in Difficulty status

Please sign the attached statement confirming your eligibility, in principle, for aid.

I confirm that I have received the following aid under measures approved within the European Commission's Temporary Framework between March 2020 and December 2020.

² https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

⁴ If you are an undertaking in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation you may still be entitled to de minimis aid if you have received less than €200,000 in de minimis aid in the last three years. You should contact us if you consider that you may qualify for de minimis aid on this basis.

⁵ Third amendment to the Covid-19 Temporary Framework: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2020.218.01.0003.01.ENG&toc=OJ:C:2020:218:TOC

I confirm that I am not a small or micro company, and that my undertaking was not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.

Body providing the assistance/ aid	Value of assistance (in €)	Date of assistance

DECLARATION

Company	
Company Representative Name	
Signature	
Date	

Template to send to beneficiaries of aid awarded based on De Minimis Rules

Dear []

NON-DOMESTIC RATES ACCOUNT NUMBER: _____

The value of the grant payment to be provided to [name of undertaking] by [name of local authority] is £ [] (Euros []).

This award shall comply with the EU law on State aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of de minimis aid within the current financial year or the previous two financial years).

The de minimis Regulations 1407/2013 (as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

Amount of <i>de minimis</i> aid	Date of aid	Organisation providing aid	Nature of aid

I confirm that:

- 1) I am authorised to sign on behalf of _____ [name of undertaking]; and
- 2) _____ [name of undertaking] shall not exceed its De minimis threshold by accepting this grant payment.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

I confirm that I wish to accept the grant payment in relation to the above premises.

DATE:

Refusal of Grant form

Name and address of premises	Non-domestic rates account number	Amount of Grant Funding

I confirm that I wish to refuse grant in relation to the above premises.

I confirm that I am authorised to sign on behalf of _____ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

<u>Name and address of premises</u>	<u>Non-domestic rates account number</u>

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Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants (Closed) Addendum

Guidance for Local Authorities

Local Restrictions Support Grants - (Closed) Addendum 5 November – 2 December 2020

1. National restrictions refer to legally binding restrictions imposed on all Local Authority areas in England in response to the threat posed by coronavirus.
2. When national restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and (Closed) will be superseded by the conditions set out in this addendum. Businesses will not be eligible for multiple versions of the Local Restrictions Support Grant under widespread national restrictions.
3. Local Authorities (LAs) who triggered the Local Restrictions Support Grant (Open) between 1 August and 4 November will still receive their payments for that period.
4. Local Authorities will receive a pro-rata payment for 1 November to 4 November under the Local Restrictions Support Grant (Sector), to support eligible nightclubs and sexual entertainment venues. LAs will then be able to support those businesses through LRSG (Closed) set out in this addendum.
5. The Local Restrictions Support Grant (Closed) will move from a 14-day payment cycle to an alternative payment cycle. For 5 November – 2 December a 28-day payment cycle will be applied. Grant funding will be issued to Local Authorities at the beginning of the 28-day payment cycle, which is the first day widespread restrictions come into force nationwide.
6. This funding will be provided on a rolling 28-day basis for as long as national restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).
7. 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.
8. Each eligible Local Authority will be issued funding allocations that will be calculated using Valuation Office Agency (VOA) data, based on the categories of business relevant to the closures imposed by Government, and monitored with Local Authorities using DELTA. This is to provide each eligible Local Authority with an allocation based on a consistent approach that reflects the businesses closed by national restrictions. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.
9. The thresholds that apply to LRSG (Closed) apply to this addendum:

- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £1,334 per 28-day qualifying restriction period.
 - b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £2,000 per 28-day qualifying restriction period.
 - c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £3,000 per 28-day qualifying restriction period.
10. On 5 November 2020, when new national restrictions are imposed by Government, all Local Authorities will trigger the Additional Restrictions Grant (ARG), besides those Authorities mentioned in the Additional Restrictions Grant guidance (paragraph 11), which had already agreed this support with Government at the time of publication. Local Authorities are only eligible to receive funding through the ARG once in the 20/21 Financial Year, but the funding can be used in Financial Years 20/21 and 21/22.
 11. If a Local Authority was subject to local restrictions prior to national restrictions being imposed, the Local Authority will remain eligible to claim for applicable variations of the Local Restrictions Support Grant during the period before national restrictions came into force.
 12. Once national restrictions are removed, Local Authorities will again be eligible to receive support consistent with their LCAL. Local Authorities would then be subject to the conditions of that scheme, including the eligibility date starting from the first full day of re-entry into that LCAL and the 14-day payment cycle.
 13. Local Authorities will receive 90% of the estimated grant funding at the point of entry of the first 28-day period of national closures. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further 28-day periods of closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.
 14. All other conditions relevant to the Local Restrictions Support Grants apply, including insolvency, tax regulations, managing the risk of fraud, post-event assurance, monitoring and evaluation requirements and State aid conditions.

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Department for
Business, Energy
& Industrial Strategy

Additional Restrictions Grant – Frequently Asked Questions (FAQ)



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If you have any enquiries regarding this document/publication, to us at: enquiries@beis.gov.uk

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About this document

1. The Additional Restrictions Grant was announced on 31 October 2020 to enable Local Authorities to support businesses in their areas under Local Covid Alert Level Very High (LCAL 3) or national restrictions and to provide support to businesses alongside the Local Restrictions Support Grant. Guidance on this scheme has been published on GOV.UK.
2. This document aims to provide Local Authorities with answers to Frequently Asked Questions regarding the criteria and management of the fund.
3. For further information on business support, please see www.gov.uk/coronavirus/business-support

General

4. What is the purpose of this funding?

This funding is being made available to support local economies and businesses that have been adversely impacted by national and LCAL Very High restrictions imposed to prevent the spread of Covid-19.

5. How much funding will be provided?

Under the Additional Restrictions Grant, Local Authorities will receive a one-off lump sum payment amounting to £20 per head of population (ONS 2019 Mid-Year population estimates) in each eligible Local Authority when LCAL Very High or widespread national restrictions are imposed. In some cases, Combined Authorities will receive the funding when a group of Local Authorities enter LCAL Very High restrictions at the same time and agree to a package of support together. In these cases, the Combined Authority will be subject to the same conditions and obligations under this guidance as Local Authorities.

6. When does a Local Authority become eligible to receive this payment?

On the day that national or LCAL Very High restrictions are imposed on a Local Authority they will become eligible for payment under the Additional Restrictions Grant. All Local Authorities in England are now eligible under the scheme due to the national restrictions coming into force on 5 November 2020.

7. If a Local Authority exits National or LCAL Very High restrictions and then re-enters at a later date, will it receive an additional payment?

No, the Additional Restrictions Grant is a one-off lump sum payment.

8. When must Local Authorities use this funding by?

Funding provided under the Additional Restrictions Grant can be used across Financial Years 20/21 and 21/22.

9. Will Local Authorities within Combined Authorities where it is the CA that receives the Additional Restrictions Grant be eligible for additional funding via this scheme?

No, these Local Authorities will not receive further payments under the ARG and should access funds for business support through the payments made to the Combined Authorities.

10. Is this scheme UK-wide?

This grant funding scheme is only for English Local Authorities affected by local restrictions. However, The Chancellor announced on 5 November an increase in the upfront guarantee of funding for the devolved administrations from £14 billion to £16 billion. This uplift will continue to support workers, business and individuals in Scotland, Wales and Northern Ireland. The Barnett formula will apply in the usual way to any additional funding provided to departments in relation to this intervention.

11. Are grants made under the scheme subject to tax?

Grant income received by a business is taxable, therefore the Local Restrictions Support Grant will be subject to tax. Only businesses that make an overall profit once grant income is included will be subject to tax.

12. How will Local Authorities know when they become eligible for this grant?

Guidance on local restrictions is published on GOV.UK, setting out the extent of restrictions. As England will be under national restrictions from the 5 November 2020, all Local Authorities in England will be eligible from this date if an enhanced package wasn't already agreed (as was the case in Liverpool City Region, Lancashire, Greater Manchester, South Yorkshire, West Yorkshire, Warrington and Nottinghamshire at the time of publication).

13. Are there any conditions attached to this grant funding?

Recipients of grant funding must comply with all the scheme conditions, including State aid requirements and the provision of information to the Local Authority to support monitoring and assurance. By accepting the grant each recipient confirms that they are compliant with the conditions for the scheme. If a Local Authority subsequently finds that this self-declaration is incorrect, it will be able to take action and the business would be liable for clawback.

14. How long does this scheme run for?

The Additional Restrictions Grant provides funds for the financial years 2019/20 and 2021/22. There will be a review point for the scheme in January 2021.

15. How are Local Authorities expected to identify the types of businesses they wish to support within their area?

SCAT codes and property descriptions could assist Local Authorities to identify businesses that might be eligible. The SCAT codes and property descriptions can give an initial grouping, then we would encourage Local Authorities to use their local knowledge and existing records to assess which businesses they wish to support. It is ultimately for the Local Authority to decide how best to administer the grant in their area. Local Authorities could also run an application process to identify businesses that – while not legally closed – have been particularly affected by national restrictions.

16. What is the difference between ARG and LRSG (Open) as both schemes provide funding for discretionary grants?

The Additional Restrictions Grant is for discretionary grants and wider business support measures. The grant funding will be made available to Local Authorities at the point that national restrictions are imposed or at the point the Local Authority enters LCAL Very High restrictions. It is a one-off lump-sum payment.

The Local Restrictions Support Grant (Open) applies only to Local Authorities that have entered LCAL High or LCAL Very High and is suspended during widespread national restrictions. It is provided for every 28-day period that an area remains in LCAL High or Very High. The funding is intended to support hospitality, accommodation and leisure businesses.

Eligibility

17. Which businesses are eligible for grants through the Additional Restrictions Grant?

Local Authorities have discretion to determine which businesses to support and how much funding to provide. However, Local Authorities are encouraged to support businesses that have been severely impacted by the restrictions but may not qualify under the Local Restrictions Support Grant scheme.

18. Should Local Authorities use this funding to support business that have been required to close?

As businesses required to close will also be receiving support under the Local Restrictions Support Grant (Closed), Local Authorities may wish to focus on other businesses when allocating this fund. However, Local Authorities do have the freedom to use funds from the ARG to provide top-up grants to businesses that are in receipt of grants under other schemes.

19. What conditions must Local Authorities meet when distributing the grants?

Local Authorities using the ARG for direct business support grants are subject to the same conditions that apply to the Local Restrictions Support Grant (Closed). However, Local Authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.

In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.

20. If a hereditament does not resume trading after the restriction period is it still eligible for a cash grant?

Yes, so long as the business is not in liquidation or dissolved or is subject to a striking off notice when the grant is awarded.

21. Will Parish councils be eligible for this fund?

Yes, Town and Parish councils are eligible if they meet all the scheme criteria (the precepting authority exclusion does not apply to this fund). Each application must be assessed on its individual facts.

22. Can non-rated businesses receive support under this scheme?

Yes, Local Authorities can use this scheme to support businesses outside of the business rating system.

23. Can Local Authorities use ARG funding to provide top-up grants for businesses receiving LRSG grants?

Yes. Local Authorities have the freedom to use funds from the ARG to provide top-up grants to businesses that are in receipt of grants under other schemes.

24. Could a Local Authority make an agreement with site operators/owners, that host multiple non-rated retail businesses, for them to distribute funding amongst their tenants?

No. Both non-rate paying and rate paying businesses should apply for grants individually. The different elements of ARG and Local Restriction Support Grant (Closed) Addendum are designed so both rate paying and non-rate paying businesses will have access to grants.

25. If ARG is unspent can Local Authorities use it to support new businesses in 21/22 or must it be used to support businesses impacted by the outbreak of Covid-19 and the restrictions imposed by Government?

Local Authorities have the discretion to use funds for wider business support. However, we advise that Local Authorities allocate funds in line with the broader purpose of the scheme and therefore funds should be used to support businesses affected by the pandemic.

26. Are self-employed businesses eligible to receive funding under the ARG scheme?

Yes, at their discretion, Local Authorities can provide grants to self-employed businesses.

27. Can Local Authorities use ARG funding to support home-working businesses?

Yes, at their discretion Local Authorities can provide grants to home-working businesses.

Grant recipients

28. Can businesses that are eligible but don't want or need funding opt out?

A business may decline the grant.

29. What happens where there is more than one liable party per property? Do they get a grant each, or are they expected to share?

ARG is a discretionary grant scheme and Local Authorities will decide whether to pay the business ratepayer or the occupying business (or both).

30. How should grants be administered where a business is in administration or liquidation?

These grants have been created to provide support to active businesses. Businesses will need to confirm they are not in liquidation in order to receive the grant. Some businesses that fail the undertaking in difficulty test on 31 December 2019 are also ineligible for payments under the COVID-19 Temporary Framework for UK Authorities.

31. Is there a date by which a business needs to have been trading in order to be eligible to receive grants under this scheme?

The business must have been trading the day before restrictions came into force.

32. How does this funding work with shared space/serviced offices where tenants are not the rate payers?

Local Authorities will be able to provide grants to businesses not on the rating list that have been forced to close and/or those that have been severely affected by closures.

33. Will Local Authorities have to publish details of their schemes on their websites as with previous Covid-19 business support grant schemes?

Yes, Local Authorities are required to set out the scope of their discretionary grant scheme on their website and provide clear guidance to businesses on who is eligible and how they can apply.

34. What if the ARG grant does not cover the cost of supporting all severely impacted but not closed businesses?

The Additional Restrictions Grant can be administered at a Local Authority's discretion to any business that has been severely impacted. Local Authorities will need to determine how best to distribute funds among such businesses according to local needs.

35. Are the £20 per head calculations made on the total population or working age population?

The calculation is based on ONS 2019 Mid-Year Population Estimate for the total population within a Local Authority.

Payment

36. How will the funding for Local Authorities be calculated and paid?

Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each eligible Local Authority when LCAL Very High or widespread national restrictions are imposed. Payments will be made in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).

37. Will New Burdens payments be provided for this funding?

We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens Assessment will be completed, and funding will then be provided to Local Authorities.

38. When will Local Authorities receive the agreed funding from Government?

Local Authorities, or the Combined Authority in receipt of the ARG, will receive the funding on Friday 13 November.

39. Can Local Authorities use funding left over as underspend from previous Covid-19 grant schemes to award grants under this scheme?

While awaiting payment of the funding for the Additional Restrictions Grant, Local Authorities may use underspend from previous grants to cover costs. However, underspend for each grant must ultimately be returned through each respective grant's reconciliation process.

40. How should Local Authorities split the allocation of this funding between grants and other business support activities?

As this is a discretionary grant scheme, it will be for Local Authorities to determine how best to split the funding between grant schemes and other business support schemes.

41. What is the appeals process for businesses under this scheme?

There is no appeals procedure. It is up to Local Authorities to apply the guidance as they see fit.

42. Can Local Authorities have an overall discretionary scheme that covers both ARG and LRSO (Open)?

Yes, but Local Authorities will still be responsible for monitoring and reporting the schemes separately.

Fraud

43. What should a Local Authority do if it detects or suspects fraud through this scheme?

If Local Authorities detect fraud (successful, rather than attempted), or if they suspect fraud (attempted, as well as actual) that is organised, large scale systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend Local Authorities report it simultaneously to the dedicated inboxes at the National Anti Fraud Network (intel@nafn.gov.uk) and the National Investigation Service (report@natis.pnn.police.uk). Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.

44. If a payment subsequently turns out to have been made due to fraud or error, will Government expect the council to meet the cost?

The Government will not accept deliberate manipulation and fraud – and any business caught falsifying its records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error. We will provide further guidance on payment assurance, including financial accountability.

State aid

45. Do State aid rules apply to business grants provided under this scheme?

Yes. State aid applies to these schemes, and all recipients are required to comply with the maximum permitted funding under the relevant State aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework for UK Authorities (lower thresholds apply to agriculture, fisheries and aquaculture business). The De Minimis aid and the Temporary Framework can be combined to bring the aid per company to up to €1 million. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

Excluding small and micro undertakings (fewer than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet), a business receiving grant paid under the Temporary Framework must also confirm that they were not an undertaking in difficulty on 31 December 2019. This exemption for small and micro undertakings does not apply if the undertaking is subject to collective insolvency proceedings under national law, has received rescue aid that has not been repaid, or is subject to a restructuring plan under State aid rules.

Grants provided under the Local Restrictions Support Grant scheme can be made under either the De Minimis Regulation (where the relevant conditions are met), or under the COVID-19 Temporary Framework for UK Authorities where for example, the De Minimis threshold has been reached. Local Authorities must ensure all relevant State aid law requirements are complied with, including any relevant reporting requirements to the EU Commission under State aid rules.

46. What checks are councils expected to make regarding State aid?

Businesses will be required to confirm that they comply with the scheme conditions, for example that they did not fall within the definition of an undertaking in difficulty on 31 December 2019 (excluding small and micro businesses), and have not received more than the maximum permitted funding for State aid. Local Authorities will write to businesses to ask for confirmation of this. Annex B of the Guidance provides a sample letter for Local Authorities to send to grant recipients.

47. What does it mean to be an Undertaking in Difficulty?

An 'undertaking in difficulty' is defined² as an undertaking in which at least one of the following circumstances occurs:

- a. In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.
- b. In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.
- c. Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

- d. Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.
- e. In the case of an undertaking that is not an SME, where, for the past two years:
 - i. The undertaking's book debt to equity ratio has been greater than 7.5; and
 - ii. The undertaking's earnings before interest, tax, depreciation and amortisation (EBITDA) interest coverage ratio has been below 1.0.

This test only applies to payments made under the Temporary Framework, but excludes small and micro businesses (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet). This exemption for small and micro undertakings does not apply if the undertaking is subject to collective insolvency proceedings under national law, has received rescue aid that has not been repaid, or is subject to a restructuring plan under State aid rules.

48. Are there any plans to increase the State aid limit from 800,000 Euros, in line with the change in EU State Aid rules on 13 October that allowed an increase to 3m Euros an undertaking?

On 13 October 2020 the European Commission (CION) announced further amendments to its State aid Temporary Framework - introducing a new measure enabling further support to companies facing a decline in turnover during the eligible period of at least 30% compared to the same period of 2019 due to the coronavirus outbreak. The support can be provided for up to 70% (90% in case of micro and small companies) of the beneficiaries' fixed costs that are not covered by their revenues or other specified sources, up to a maximum amount of EUR 3 million per undertaking. The aid under this measure cannot be cumulated with other aid for the same eligible costs and is subject to further conditions set out in the Temporary Framework. The U.K. Government has notified the CION of its intention to use the new provision and must await approval from the CION to do so. The Covid-19 Temporary Framework for UK Public Authorities will need to be amended before aid under this new measure may be provided. All Local Restrictions Support Grants guidance documents will be updated to reflect the new provisions if and when they are applied to the LRSG schemes once the U.K. Government has approval. See announcement: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1872

Assurance / reporting

49. What are the expectations for reporting back to central government? Could not returning all details risk grant repayments?

Local Authorities will be required to report to BEIS on the fund. Reports will cover the number of businesses eligible for the scheme, the number of actual payments per restriction period and any issues encountered in implementing the scheme.

Please refer to Annex A of the Guidance for full details of Post-Payment Reporting. The return will be completed using the DELTA reporting system.

DELTA returns serve two main purposes:

- a. Local Authorities continue to have enough cash to pay grants to businesses;
- b. There is a huge amount of interest (including ministerial) in the performance of this grant scheme. We will be reporting this information to ministers on a regular basis.

50. Will Local Authorities be expected to provide returns on a constituent basis?

Local Authorities should organise their reporting such that returns on a constituency basis can be provided, if required.

51. When will LAs receive the Risk Assessment/Assurance Plan templates?

Further advice on assurance will be provided shortly.



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants and Additional Restrictions Grant – Frequently Asked Questions (FAQ)

Extended – Issue 2



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General

- 1. Where a Local Authority is entitled to recover funds distributed to businesses through previous grant schemes (SBGF, RHLGF, LADGF, LRSG, ARG) but is yet to do so, can the Local Authority withhold LRSG and ARG funds until other funds have been recovered?**

Local Authorities may withhold grant funding where businesses are required to return funding related to grants paid erroneously, for example where businesses have been overpaid or were later found to be ineligible for a previous grant fund. However, the LRSG and the ARG schemes are not intended to provide Local Authorities with the ability to offset one grant against another. Moreover, the grant should not be offset against existing or future business rates liabilities or other unrecovered money separate from grant funding by Government.

- 2. Will case studies be provided on withholding grants from businesses where Local Authorities are entitled to recover funds?**

As Local Authorities are responsible for administering the grant schemes, situations that allow for recovery of funds from some business are likely to be specific. Local Authorities are encouraged to work with each other to share case studies that are relevant to their own situations.

- 3. When should Local Authorities start reporting to BEIS using the reporting templates circulated week commencing 16 November 2020?**

DELTA: Weekly DELTA reporting is required to be completed every Monday. This will capture details of how you intend to operate your schemes and the numbers and value of grants paid.

Record-level data: We will send out further information in week commencing 23 November but intend to ask Local Authorities to provide by 4 December an initial return of data according to the Excel template and data definitions circulated on 16 November. This will provide us with an early indication of how the grant support is being used and help us design a more efficient data collection system for ongoing data returns. Local Authorities should continue to collect the required data for all grant applications, and when we have completed analysis of that initial return, we will advise further when we expect this to be reported to BEIS.

- 4. Is the government Experian Government Counter Fraud Tool on NFI currently available to check LRSG/ARG applications?**

The tool has two modules - a bank account verification tool and an active company check. While both modules are live it should be noted that the active company check was designed to undertake checks for Small Business Grant Fund (SBGF) and Retail, Hospitality and Leisure Grant Fund (RHLGF). As such the tool returns information on the company trading status on 11 March 2020. NFI and Experian are currently working to update the tool so that it checks the company status at a specific

date provided by the Local Authority. If you are interested in using this tool when this upgrade is live please register your interest at: nfiqueries@cabinetoffice.gov.uk

The NFI Experian bank account validation tool is not impacted. This tool checks the current position and as such can help provide the Local Authority with assurance about the company bank account details held.

Local Authorities are also strongly encouraged to use the Spotlight due-diligence tool to provide selected pre- and post-award company checks. The Spotlight fee has been waived for COVID-19 schemes, so we recommend that you use this service first and reduce the number of records to be checked via the chargeable tools. For further information on Spotlight please contact: spotlight-localauthority@cabinetoffice.gov.uk

5. Will Local Authorities be required to provide LRSG/ARG data to NFI? If so, will the specifications be based on the grants data template and definitions?

A final decision has not yet been made about LRSG/ARG data. The NFI is currently focussed on the request for Local Authorities to submit data in respect of the Small Business Grant Fund (SBGF), Retail, Hospitality and Leisure Grant Fund (RHLGF), and Local Authority Discretionary Fund. This data is due to be submitted by 29 January 2021.

If the Cabinet Office NFI subsequently elect to require this data be submitted, then this decision, along with a reasonable timetable, will be clearly communicated. The data specification would, as far as practical, mirror the one used for SBGF and the RHLGF and Local Authority Discretionary Grant Fund (LADGF).

6. Is use of the Spotlight tool compulsory?

No, Spotlight is not compulsory, but we strongly encourage using the tool to support prepayment checks.

It should be noted that the standard Spotlight tool, which is free for COVID-19 schemes, offers a wide range of due diligence checks drawn from data sources including Companies House and the Charity Commission and can check state aid limits and a change in company nature. We therefore recommend using this first as it can significantly reduce the number of records to be checked via the chargeable tools.

For further information please contact:
Spotlight - spotlight-localauthority@cabinetoffice.gov.uk

7. Where a company appears “Red” on Spotlight because it has a voluntary agreement, but it is not in liquidation or administration, would it be eligible to receive a grant?

Eligible businesses that have a voluntary agreement but are not in liquidation or administration will be eligible to receive a grant if they are still trading and operating but not if the grant is provided under the COVID-19 Temporary Framework for UK Authorities. Businesses that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

8. Will any changes be made to the information or datasets required as part of the weekly DELTA reporting responsibilities?

As BEIS continues to receive weekly reports there may be minor changes to the reporting template.

9. Are Local Authorities expected to continue to supply DELTA returns on a month-to-month basis?

No, weekly DELTA reporting is required to be completed every Monday. This will capture details of how you intend to operate your schemes and the numbers and value of grants paid.

10. What level of sector analysis is required at lower level SIC codes or at a detailed level in the weekly return requirements? Will there be additional guidance?

Sector level information is not required for the weekly DELTA return.

We do, however, ask that the business sector or type is collected within the record-level data return, initially due by 4 December 2020. This should be according to the 18 high-level SIC codes shared in the Data Definitions guidance.

11. What additional evidence do Local Authorities need to collect on top of the DELTA return?

Local Authorities are required to report more granular record-level data on individual grant applicants. This should be as per the Excel template and Data Definitions guidance circulated on 16 November 2020, which asks for details of the grant recipient, including relevant address and contact email, size and sector they operate in, and details of the grant awarded.

12. Do Local Authorities need to collect the VAT number, Companies House number and taxpayer reference held with HMRC?

For record-level data, Local Authorities should collect at least one unique identifier for each grant applicant. Ideally this would be Companies House Reference number, but recognise this will not apply to all grant applicants, so an alternative should be provided, which may include, but is not limited to, VAT Registration Number, Unique Taxpayer Reference, National Insurance Number, Registered Charity Number, Unique Property Reference etc. If appropriate, additional identifiers can be provided in the comments field. This should be reported with the record-level data return, initially due by 4 December 2020.

13. Who is responsible for undertaking prosecutions and recovering costs in the event of fraud?

We would expect Local Authorities to take all reasonable steps to investigate and recover the money, including reporting the case to Action Fraud and working with local police authorities to secure a prosecution.

If Local Authorities detect fraud (successful rather than attempted), or if they suspect fraud (attempted as well as actual) that is organised, large scale or systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend Local Authorities report it simultaneously to the dedicated inboxes at the National Anti Fraud Network (intel@nafn.gov.uk) and the National Investigation Service (report@natis.pnn.police.uk). Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.

14. Please confirm re business being struck off - is simply being “UNDER NOTICE to be struck off” sufficient to be ineligible or does the business have to actually have been struck off the companies register to become ineligible?

Yes, businesses “Under Notice to be struck off” are ineligible for a grant.

15. Can Freedom of Information (FOI) requests be made for the details of how Local Authorities have distributed grant funds?

If a FOI request is submitted to a Local Authority, they will need to follow their usual FOI procedures. FOI requests that ask for details on businesses will be subject to General Data Protection Regulation (GDPR). Local Authorities should also be mindful of the opportunity for fraud using information released under FOI.

16. Can further clarification be provided for “trading the day before restrictions came into force”?

Government considers a business to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services, with a view to making a profit or surplus. Fully constituted businesses in liquidation, dissolved, or subject to a striking-off notice are not eligible under these conditions. This can be checked using the digital due diligence tool Spotlight.

17. Are Local Authorities required to verify each business that declares its eligibility?

By accepting the grant, each recipient confirms that it is eligible for the scheme. Local Authorities will need to be satisfied that they have taken reasonable and practicable steps to pay eligible businesses. In some cases, self-declaration may be sufficient, in others Local Authorities may decide they need to do more.

18. When will grant determination letters be sent?

The following Grant Determination and Grant Offer Letters were sent on the 6

November 2020: LRSG (Open), LRSG (Closed) Addendum and Additional Restrictions Grant. We will send documentation for other allocations as soon as possible.

19. A number of businesses received grants under the initial Covid-19 business support schemes greater than their annual income. Should we pay them an additional grant?

Under the LRSG (Closed) schemes businesses should receive mandatory funding. Under discretionary schemes it will be the decision of the Local Authority whether the business will receive a grant.

20. When will further detail on New Burdens support be released, including funding for additional data capture requirements?

Yes, a New Burdens assessment has commenced, and we will make payments as soon as possible. We are working with a group of Local Authorities to understand the additional burdens.

21. Where a grant application has been received, but a company has not provided their company number, or a sole trader their self-assessment or NI number, are Local Authorities allowed to pay providing there are no other issues and the applicants details match rating records?

Local Authorities will need to be satisfied that they have taken reasonable and practicable steps to pay eligible businesses.

However, for the record-level data required for monitoring and evaluation, an appropriate identifier should be provided.

22. Can a “save progress” function please be added to the assurance reporting?

Unfortunately, a “save progress” function is not available on MS Forms, the platform which the assurance report utilises. However, we are also constantly reviewing the questions being asked in the return and appreciate the continued effort from Local Authorities to complete it each month.

23. Can BEIS introduce functionality to allow Local Authorities to save a copy of the MS Office form for the Assurance reports for our records please?

We have implemented a function to this month’s assurance return and future returns, which will provide a copy of submitted answers back to the Local Authority once submitted. Local Authorities are asked to input the email address they wish the answers to be sent to at the end of the return.

24. How can a Local Authority determine whether organisations such as village halls, community centres and charities are eligible to receive LRSG/ARG grants?

There are three key considerations when a Local Authority determines the eligibility of a business for a grant under the LRSG (Closed):

- Is the business the business rate payer of a hereditament that appears on the rating list?
- Is the main service of that business required to close due to local restrictions?
- Is the business able to self-declare that it meets all scheme conditions, including eligibility and State aid requirements?

Where an organisation meets all of these criteria, it is considered eligible to receive a grant through the mandatory LRSG (Closed) scheme. In cases where hereditaments remain open to provide services that can continue as they are exempt from the regulations (e.g. post office services, food banks) they are still eligible for the LRSG (Closed) grant, because they are unable to provide their main in-person service.

If an applicant is not a ratepayer, or is severely affected without having been required to close its main service, it may be able to apply for the discretionary LRSG (Open) or ARG grants. In these cases, it will be for Local Authorities to consider whether the applicant constitutes a business and can therefore receive a grant through this scheme, which is intended to support businesses.

25. If a mixed-use premises is evenly split between services that are required to close and services that can remain open, how should Local Authorities distribute grants to the business?

In order to qualify for the LRSG (Closed), businesses will be required to declare their main service themselves. Its main service should constitute more than a 50% proportion of the overall business. If a business is unable to demonstrate that its main service has been required to close, it may be able to apply for a grant through the discretionary LRSG (Open) or ARG schemes.

26. Are grants restricted to SMEs?

No, eligible businesses of all sizes may receive a grant, subject to the conditions of the specific grant scheme.

27. Are political organisations eligible to receive grants?

Where a business has been required to close and is a ratepayer, it will be eligible to receive a grant through the LRSG (Closed). Businesses that are able to continue to trade, because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely, are not eligible for LRSG (Closed). We expect that political organisations will fall into this category and will therefore not be eligible to receive grants through the LRSG (Closed) scheme. If an applicant is not a ratepayer, or is severely affected without having been required to close its main service, it may be able to apply for the discretionary LRSG (Open) or ARG grants. In these cases, it will be for Local Authorities to consider whether the applicant constitutes a business and can therefore receive a grant through this scheme, which is intended to support businesses.

Local Restrictions Support Grant (Closed) Addendum

28. Is it necessary to return information on business size for the LRSG (Closed) Addendum?

Yes, the same requirements on data for detailed monitoring and evaluation apply to the LRSG (Closed) Addendum.

29. Is there a final date by which applications for the LRSG (Closed) Addendum must be received, or do applications close when national restrictions end? Can retrospective applications be accepted?

We encourage Local Authorities to pay out grants as quickly as possible. The LRSG funding allocations must be spent during Financial Year 2020/2021.

Local Restrictions Support Grant (Closed)

30. Where a business operates seasonally and was therefore closed on the date before local restrictions were introduced but remains an active business, can it still qualify for a grant under the LRSG (Closed) scheme? Can occasional use by owners during the period of closure be discounted?

Yes, as long as the business was not insolvent, in liquidation or subject to a striking off notice on that date, it can be considered to be trading and is therefore eligible to receive grants under this scheme. Any occasional use by owners during the period of closure, must be lawful under the terms of the restrictions applicable within the Local Authority.

31. If a business operates for only part of the week and was therefore closed on the day before relevant restrictions began, is it eligible to receive grants under this scheme?

Yes, as long as the business was not insolvent, in liquidation or subject to a striking off notice on that date, it can be considered to be trading and is therefore eligible to receive grants under this scheme.

32. Are seasonal sports clubs such as cricket clubs and bowling greens, without a bar or social club that is open all year, eligible for LRSG (Closed) if their season ended before 4 November?

Yes, as long as the business was not insolvent, in liquidation or subject to a striking off notice on that date, it can be considered to be trading and is therefore eligible to receive grants under this scheme.

33. How can a business prove that its main service has closed? It may be necessary for a Local Authority to use its reasonable judgement in some cases.

Businesses will need to declare that their main service, constituting more than 50% of the overall business, has been required to close. Government acknowledges that in some cases, Local Authorities will need to exercise their reasonable judgement to determine whether or not a business is eligible for grants under this scheme and be satisfied that they have taken reasonable and practicable steps to pay eligible businesses.

34. Is LRSG (Closed) funding paid after each 14-day period of LCAL 'Very High' restrictions has passed?

Local Authorities will be paid for each 14-day period of LCAL 'Very High' restrictions after that 14-day period has passed.

35. If a business moves property during the period of relevant restrictions, how is the grant impacted?

The rateable value of the business is determined on the first day of relevant restrictions.

36. Are self-catering accommodation operators and similar businesses, which do not own the accommodation they manage and do not ordinarily serve customers on site, eligible to receive grants under this scheme?

In order to qualify for this grant, the business must be part of the business rates system. Therefore, businesses that manage the accommodation remotely must be the eligible business rates payers for that hereditament to receive a grant through the LRSG (Closed) scheme. If they are not, then they would need to apply for a grant through the discretionary LRSG (Open) or ARG schemes.

37. Who can Local Authorities contact with questions over specific business closures?

Local Authorities may consult the GOV.UK website on business and venue restrictions, available here: <https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>.

The COVID-19 business support website may also be helpful for Local Authorities: <https://www.gov.uk/coronavirus/business-support>

38. Where a business that was mandated to close only closes later, should LRSG (Closed) payments to be business be made pro-rata?

Part 4 of The Health Protection (Coronavirus Restrictions) Regulations 2020 states a business required to close "must cease to carry on that business or provide that service". To remain open would be against the law and any business doing so will be ineligible for a grant. A business is required to self-declare it has closed when it applies for a grant under the LRSG (Closed), LRSG (Closed) Addendum and LRSG (Sector). A business that was required to close but remained open for part of the 14-day payment cycle for this grant, would not receive a pro-rata payment. If a

previously non-compliant business were to become compliant, it can be considered eligible for a future payment cycle.

Local Restrictions Support Grant (Sector)

- 39. LRSB (Sector) is awarded for every 14-day period of closure. It started on 1 November 2020 but from the 5 November 2020 we went into full lockdown. Is a payment due for the period 1 November 2020 to 4 November 2020?**

Yes, this is a mandatory grant, a pro-rata payment is due for the period 1 November 2020 to 4 November 2020.

- 40. Does the definition of discotheques in the sector guidance apply to mobile discos for events, where the business has a unit for storage and a business rates account, or if it is just aimed at a permanent disco/nightclub?**

In order to qualify for the Local Restrictions Support Grant (Sector), a business must appear on the ratings list. If a mobile disco business does not appear on the rating list, it will not be eligible to receive grants through the LRSB (Sector) scheme, though it may apply to receive a discretionary grant through the LRSB (Open) or the ARG.

Local Restrictions Support Grant (Open)

- 41. Where the LRSB (Open) payment term ended prior to the introduction of national restrictions on 5 November, but the full allocation had not yet been spent, can any remaining balance be carried forward to further periods of applicable local restrictions?**

Yes. Local Authorities have until the end of this financial year to spend their LRSB (Open) allocation, though they are encouraged to provide support to businesses in need as quickly as possible.

- 42. Can BEIS confirm the full amount of LRSB (Open) funding provided to each Local Authority?**

Government has already shared the allocations for the LRSB (Closed) Addendum and the ARG. Figures for LRSB (Open) allocations paid before 5 November 2020 will be shared in due course.

- 43. The recent government guidance to businesses and the FAQs on the LRSB (Open) scheme seem to have made a conscious effort to move away from setting grant amounts by RV range. Can you confirm that the LRSB (Open) scheme can now be regarded as a pure discretionary scheme for Local Authorities to determine?**

Government has always been clear that the LRSB (Open) scheme is entirely discretionary. We would anticipate that Local Authorities provide grant funding under the tiers based on rateable value, unless there is a local economic need to deviate. However, Local Authorities can exercise their discretion and alter the amount of

funding offered to a business if they feel they have good reason to do so.

44. Is the funding for LRSB (Open) capped per every 28-day period?

Local Authorities will receive a fixed payment for each 28-day period of relevant LCAL High or LCAL Very High restrictions. The allocation will not be increased, and it is for Local Authorities to determine how best to distribute their allocated funding according to local needs.

Additional Restrictions Grant (ARG)

45. Question 7 of the Extended FAQs Issue 1 says the discretionary funding can be spent “up to financial year 21/22”, i.e., 31/03/2021, but question 8 in the original ARG FAQs says Local Authorities have all of 21/22 to spend it – which is correct?

Funding received through the ARG may be spent throughout financial year 2021-2022, meaning that the deadline for spending is 31/03/2022.

46. When returning monitoring information via DELTA to BEIS, how will Local Authorities be expected to record and report additional business support measures under ARG that are not paid directly to a business?

Local Authorities can add details of additional business support measures provided using ARG funding in the additional comments.

47. Can Local Authorities offer grants to businesses to help them through recovery, e.g., through building an e-commerce site?

Yes, a Local Authority may use ARG funding in any way that provides business support, so long as businesses themselves are the beneficiaries of funding.

48. Why is there a presumption that under ARG, Local Authorities should not be supporting the self-employed when so many self-employed and company directors paid dividends are excluded from SEISS & CJRS? If Local Authorities were to check that these businesses declare that the money was to go towards fixed costs would that be acceptable?

Discretionary grants, including the ARG, can be used to support the self-employed. However, the ARG must not be used as a wage supplement, rather as a support to the business that the self-employed person runs. In addition, the Local Restrictions Support Grant (Closed) is available to support self-employed people who are liable for business rates.

49. Question 42 of the Extended FAQs Issue 1 states: “A business must have been trading before restrictions came into force to be eligible”, whilst question 6 states: “Local Authorities can provide grant funding to support new business start-ups as part of ARG wider business support measures”. Does this mean Local Authorities can provide direct funding to new business start-ups/residents with business proposals?

While start-ups do not meet the criteria for Local Authorities’ discretionary grant

schemes if they were not set up before restrictions were introduced, Local Authorities can provide grant funding to support new business start-ups as part of Additional Restrictions Grant wider business support measures.

50. Can ARG funding be allocated to BIDs?

The ARG funding can be provided to Business Improvement Districts (BIDs) bodies to support them with the shortfall in their levy income, provided that the BID body is not the Local Authority, or a company under the control of the Local Authority.

51. Can ARG funding be used to offer business rate holidays to businesses that have not qualified for an extended retail discount?

No, Local Authorities should not under any circumstances use the schemes, including the ARG, to offset existing or future business rates liabilities or any other unrecovered money separate from grant funding by Government. We want eligible businesses to be in receipt of grant funding from central Government.

52. In order to deliver the business development/support programmes, Local Authorities will encounter capital costs for new projects that will be covered by the ARG grant. Additional staffing resources will also be required to deliver some of these projects. Can the ARG be used for these new staff for business support?

Funding from the ARG can be used to employ new staff that are employed for the sole purpose of providing outward facing business support/development projects as part of the delivery of the ARG, recognising that the deadline for spending is 31/03/2022. The ARG cannot be used to fund Local Authority staff that are administering ARG – that is the purpose of New Burdens.

53. Is it possible for a Local Authority to be the beneficiary of the ARG, for example through paying to subsidise car parks?

No, Local Authorities cannot use ARG to replace lost revenue on car parking (i.e. directly fund themselves).

54. Can ARG funding be used for ERDF match funding?

Yes, ARG could be used as match funding for an ERDF project. However, match funding must be available from the outset of a project, and the grant recipient would need to demonstrate that the funding was both relevant and required by the project. Match funding is treated the same as ERDF regardless of source, meaning that the total expenditure (including match funding) must be used for the agreed purposes and defrayed on eligible expenditure. All expenditure must be evidenced, auditable and defrayed prior to the inclusion in any claim and follow other proportionate ERDF compliance rules.

55. Can Local Authorities make multiple payments to the same customer for ARG?

As the ARG is a discretionary scheme, Local Authorities may decide to pay multiple grants to the same business. However, Local Authorities may wish to focus on businesses that are not already receiving support through other Local Restrictions Support Grant schemes.

56. Should the ARG be frontloaded this financial year, or should a particular amount be reserved for next financial year?

The ARG may be spent at a Local Authority's discretion during this financial year and next financial year. It is therefore for Local Authorities to decide how best to distribute funds, depending on local need.

57. Are Local Authorities allowed to use the ARG discretionary funding to support the Council's contribution to National Non-Domestic Rates Hardship awards?

Local Authorities cannot retain the grant funding themselves to fund the cost of awarding hardship rate relief to ratepayers. The Government has already provided fully funded Covid-19 rate relief measures worth over £10 billion this year.

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