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|                    |                                       |
|--------------------|---------------------------------------|
| Meeting            | <b>CABINET</b>                        |
| Time/Day/Date      | 4.00 pm on Thursday, 26 November 2020 |
| Location           | Remote Meeting using Microsoft Teams  |
| Officer to contact | Democratic Services (01530 454512)    |

## AGENDA

| Item   | Pages         |
|--|---------------|
| <b>1. APOLOGIES FOR ABSENCE</b>  |               |
| <b>2. DECLARATION OF INTERESTS</b>   |               |
| Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary. |               |
| <b>3. COVID-19 SUPPORT: DISCRETIONARY GRANT FUNDING</b>  |               |
| Report of the Strategic Director of Housing and Customer Services<br>Presented by the Business and Regeneration Portfolio Holder   | <b>3 - 26</b> |

### Circulation:

Councillor R Blunt (Chairman)  
Councillor R Ashman (Deputy Chairman)  
Councillor R D Bayliss  
Councillor T Gillard  
Councillor N J Rushton  
Councillor A C Woodman

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – THURSDAY 26 NOVEMBER 2020



|                               |  |                           |
|-------------------------------|--|---------------------------|
| <b>Title of Report</b>        | <b>COVID-19 SUPPORT: DISCRETIONARY GRANT FUNDING</b>   |                           |
| <b>Presented by</b>           | Councillor Tony Gillard<br>Business and Regeneration Portfolio Holder  |                           |
| <b>Background Papers</b>      | <a href="#"><u>Local Authority Discretionary Grant Fund – 29 May 2020</u></a>  | <b>Public Report:</b> Yes |
|                               | <a href="#"><u>Local Lockdown Grant Fund: Discretionary Funding – Community Scrutiny Committee 28 October 2020</u></a>   | <b>Key Decision:</b> Yes  |
| <b>Financial Implications</b> | <p>The Council has been granted £2.07m to cover discretionary grant support to businesses to March 2022. This funding is intended to cover the period of national restrictions from 5 November to 2 December 2020 and any further periods of national restrictions until March 2022. Additionally, local authorities may utilise some of this funding to provide wider business support.</p> <p>The Council will also be provided additional funding for supporting businesses on a discretionary basis when local restrictions, under a High or Very High (Tier 2 or 3) Covid-19 threat level, are imposed. We will not know the amount of funding provided for this form of discretionary grant funding (under either of these scenarios) until relevant local restrictions have been announced.</p> <p>The Department for Business, Energy and Industrial Strategy (BEIS) has confirmed that they will complete a New Burdens assessment on the various streams of grant funding to provide local authorities with funding for administering the scheme.</p> <p><b>Signed off by the Section 151 Officer:</b> Yes</p> |                           |
| <b>Legal Implications</b>     | <p>The proposed policies attached at Appendices 1 and 2 are based upon guidance from BEIS.</p> <p>There is no automatic right of appeal against a decision not to award a grant, or against the value of any grant. The only further recourse available to applicants is a challenge by way of a judicial review, and/or a complaint to The Local Government and Social Care Ombudsman.</p> <p><b>Signed off by the Deputy Monitoring Officer:</b> Yes</p>   |                           |

|  |  |
|--|--|
| <b>Staffing and Corporate Implications</b> | <p>A small number of staff will need to be redeployed from across the council to administer grants if local restrictions are implemented. This will be undertaken in such a way that the impact on the delivery of other services and projects within the council is minimised.</p> <p><b>Signed off by the Head of Paid Service:</b> Yes</p>  |
| <b>Purpose of Report</b>                   | <p>To seek Cabinet approval for the: National Restrictions Discretionary Support Policy (Appendix 1); and Local Restrictions Discretionary Support Policy (Appendix 2), and obtain delegated authority to amend these policies to reflect any future changes in guidance.</p>  |
| <b>Reason for Decision</b>                 | <p>To ensure the council can respond swiftly in the current national restrictions period and in the event of future periods of local or national restrictions.</p>   |
| <b>Recommendations</b>                     | <p><b>THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1) APPROVE THE: NATIONAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY (ADDITIONAL RESTRICTIONS GRANT) (APPENDIX 1); AND LOCAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY (APPENDIX 2)</b></li> <li><b>2) DELEGATES AUTHORITY TO THE SECTION 151 OFFICER, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR BUSINESS AND REGENERATION, TO:</b> <ul style="list-style-type: none"> <li><b>• UPDATE THESE DISCRETIONARY POLICIES IN RESPONSE TO FURTHER GUIDANCE OR CLARIFICATION FROM GOVERNMENT, TO REFLECT FUTURE RESTRICTIONS AND TO ENSURE THE SMOOTH ADMINISTRATION OF GRANTS;</b></li> <li><b>• VARY THE LEVEL OF GRANT AWARD TO INDIVIDUAL BUSINESSES AND ELIGIBILITY REQUIREMENTS TO ENSURE THE FAIR DISTRIBUTION OF GRANTS; AND</b></li> <li><b>• VARY THE ALLOCATION OF ADDITIONAL RESTRICTION GRANT FUNDS TO THE NATIONAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY AND TO TOP UP THE LOCAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY.</b></li> </ul> </li> </ol> |

## **1.0 BACKGROUND**

- 1.1 Between March and September 2020, North West Leicestershire District Council was responsible for administering grant schemes to support businesses in response to Coronavirus. These schemes were known as the: small business; retail, hospitality and leisure and discretionary grant funds and the council distributed £19.7m to 1,833 businesses within North West Leicestershire. These grant fund schemes were formally closed by the Department for Business, Energy and Industrial Strategy (BEIS) at the end of August 2020.
- 1.2 On 9 September 2020 the Chief Secretary to the Treasury announced that Government would provide businesses with additional grants in the event that they are asked to close as part of a local restriction. In the period leading up to the end of October, the Council had been making preparations to design its 'Local Lockdown Grant Fund: Discretionary Funding', with an outline policy presented to Community Scrutiny on 28 October ahead of approval planned for the November Cabinet meeting. However, due to delays in the revised guidance on the intended scheme from BEIS, the decision was taken to defer the report to the December Cabinet meeting.
- 1.3 On 31 October 2020 the government announced a 4 week period of national restrictions from 5 November 2020 to 2 December 2020. Following this announcement, further revisions of the grants guidance from the Department of Business, Energy and Industrial Strategy were published. The guidance outlines the various means of funding that Councils are to administer to support businesses affected by the November/December 2020 national restrictions, but also future periods of national and local restrictions under a High or Very High Covid-19 threat level. These various grants include discretionary grants (as set out in this report) as well as mandatory grants payable to businesses who occupy business premises. As such, it is important to confirm that grant applications for businesses in rateable business premises, covering the national lockdown period, launched on 16 November 2020.
- 1.4 Cabinet approval is now sought in respect of two discretionary schemes that will support businesses through this initial period of national restrictions and any future periods of national or local restrictions, where they are not funded via mandatory grants through the business rates system. Along with other support for businesses in rateable premises during periods of national or local Very High restrictions, these grants provide a system of business support grant schemes that work alongside to support those most affected by restrictions.
- 1.5 The National Restrictions Discretionary Support scheme, designed to support businesses through periods of national closure is proposed to commence on 30 November 2020 to cover the period of national restrictions from 5 November to 2 December 2020.
- 1.6 At the time of writing this report, it is anticipated that a further discretionary support scheme will be presented to Cabinet in due course to cover a wider and additional business support scheme. It will be proposed that an allocation from the remaining Additional Restrictions Grant Funding will be made for this purpose – please see section 3 for more detail.
- 1.6 Given the urgency of this decision, a exemptions from call-in has been obtained since any call-in would prevent timely launch of the scheme and hold back essential grant funding to local businesses in need.

## **2.0 PRINCIPLES GUIDING ALL DISCRETIONARY GRANT SCHEMES**

- 2.1 In developing the grant policies proposed and appended to this report, the council has learnt lessons from the discretionary grant fund administered over the summer and developed the outline policy based on the three principles outlined below.

- 1. Getting payments to eligible businesses quickly is a priority.** Many businesses have already been severely affected by Coronavirus, and any additional period of closure is likely to add additional pressure to them. The need to have an application process means businesses will have to wait at least four weeks after restrictions are imposed before receiving a discretionary grant – it's therefore vital that the council's policy and processes ensure businesses get paid as quickly as possible.
- 2. We will retain the flexibility to vary payment amounts to ensure we maximise the amount of support we provide.** Having a flexible approach in the summer's discretionary grant fund allowed the council to increase the amount paid out in response to lower than anticipated demand for funds. Given demand will be similarly uncertain for the LRDG, the outline policy gives authority to the Section 151 Officer, in consultation with the Portfolio Holder for Business and Regeneration, to vary the payment amounts to businesses based on the applications received; thus ensuring the council provides the maximum support possible to businesses.
- 3. We will streamline the eligibility criteria to reduce the complexity of the grant scheme.** The discretionary grant scheme administered in summer had complex eligibility requirements, which resulted in a complex application process that some businesses found frustrating and meant officers needed to enter a dialogue with most applicants in order to receive all of the evidence required. Businesses are likely to find a similar application process even more challenging for local restrictions, as there may not have the data available to evidence loss of income or costs over a shorter period. The eligibility for the LDGR will therefore focus on whether the business has closed in response to the local restrictions. This approach closely follows BEIS' guidance.

## **3.0 NATIONAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY (ADDITIONAL RESTRICTIONS GRANT) – APPENDIX 1**

- 3.1 The Council has been allocated a one-off £2.07m Additional Restrictions Grant to cover discretionary grant support to businesses to March 2022. This funding is intended to cover:
- The period of national restrictions from 5 November to 2 December 2020;
  - Any further periods of national restrictions until March 2022 and
  - Any wider grant funding to support businesses more widely.
- 3.2 In their guidance, BEIS set out that Local Authorities can determine how much funding to provide to businesses from the Additional Restrictions Grant funding provided (£2.07m) and exactly what businesses to target. Local Authorities are encouraged to develop discretionary grant funds to help those businesses which, while not legally forced to close, are severely impacted by the restrictions in place and can also choose to help businesses outside of the business rates system which are effectively forced to close.

- 3.3 BEIS also set out that Local Authorities can use Additional restrictions Grant Funding to provide wider business and additional support to larger local businesses important to the local economy.
- 3.4 Finally, BEIS state that Local Authorities can also use this funding to top-up discretionary grants that will be administered in the High or Very High (Tier 2 or 3) Covid-19 alert system.
- 3.5 The Council's proposed scheme is detailed in Appendix 1.
- 3.6 Given the potential for there to be further calls on this funding for the purposes of supporting businesses through future periods of national restrictions, providing wider business support and potentially topping-up funding for the Local Restrictions Discretionary Grants funding, it is proposed that £500k of the £2.07m (24%) is allocated to provide businesses with discretionary grants in response to the November/December 2020 national restrictions period.
- 3.7 In line with the delegations within the recommendation, the Council proposed to reserve the right to alter this allocation if required to ensure fair distribution to businesses and manage the chance of future national restriction periods.
- 3.8 Dependent on a business' circumstances, there are two ways under this policy that businesses can be supported:

**A) Grants for businesses that have been forced to closed.** This scheme will complement the local restrictions support grant by supporting businesses that have been forced to close for the majority of the lockdown period but are not eligible for the Local Restrictions Support Grant. This includes non-ratepaying businesses that have been required to close by law and businesses that were not required to closed, but have done so for whatever reason (e.g. due to supply chain issues or lack of business). Full details can be found in section 4 of the policy at Appendix A.

Businesses will be paid grants equivalent to the mandated Local Restrictions Support Grant, as detailed below.

| Rateable value, annual rent or annual mortgage costs | ARG – A Grant amount (for a 4 week lockdown period) |
|--|---|
| £15,000 or under                                     | £1,334  |
| £15,001 – £50,999                                    | £2,000  |
| £51,000 or over                                      | £3,000  |

**B) Grants for businesses severely affected, but not closed.** This scheme is for businesses that did not close for the majority of the lockdown period, but have nonetheless been severely affected by it. Full details are included in section 5 of the policy at Appendix A.

Government has advised that Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether businesses have had to close completely and are unable to trade online, and the consequent scale of Covid-19 losses.

The Council has considered this statement and whilst such an approach might be both desirable, it is not considered achievable given the imperative to make payments quickly and the challenge of evidencing some of these requirements. The Council has concluded that a much simpler approach is required. The council will, therefore, pay businesses the lower of:

- The amount requested by the business;
- An equal share of the funding available; or
- £3,000.

- 3.9 As detailed above, officers plan to present a further discretionary support scheme to Cabinet in due course to cover a wider and additional business support scheme. It will be proposed that an allocation from the remaining Additional Restrictions Grant Funding will be made for this purpose.

#### **4.0 LOCAL RESTRICTIONS DISCRETIONARY SUPPORT POLICY – APPENDIX 2**

- 4.1 The Council will receive separate funding to support businesses on a discretionary basis where High or Very High (Tier 2 or 3) local restriction periods are in place for 28 days or longer.
- 4.2 The Local Restrictions Support Grant (Open) funding is intended to support those businesses that will be hardest hit by nationally imposed local restrictions – namely, those within the hospitality, hotel, bed & breakfast and leisure business.
- 4.3 Funding for this support will be provided based on the number of businesses within these industries according to the Valuation Office Agency's rating list, with a small top-up of 5% for businesses that fall outside of the ratings system.
- 4.4 It is important to note that there is a separate, mandatory grant scheme for businesses that are required to close by the local restrictions and occupy a rateable premise.
- 4.5 The proposed policy is set out at Appendix B.
- 4.6 Government's guidance suggests that authorities may wish to offer grants based on the rateable value of properties, including:
- £934 per 28-day period of restrictions for businesses occupying properties with a rateable value of £15,000 or under;
  - £1,400 per 28-day period of restrictions for businesses occupying properties with a rateable value between £15,001 and £50,999;
  - £2,100 per 28-day period of restrictions for businesses occupying properties with a rateable value of £51,000 or over.
- 4.7 The council will use these values as a guide, but will also look to ensure parity between ratepaying and non-ratepaying businesses in determining the value of grants awarded. The council does not believe that the 5% top-up of funding provided by Government will be enough to enable parity. There is also a risk that the funding provided by government will not cover all businesses in rateable premises due to inaccuracies in the stated use of a property within the Valuation Office Agency's data.



- 4.8 Grant values will, therefore, be determined once all applications have been received, and the council will look to amend the above values to the level that ensures all the available funding is distributed to businesses.
- 4.9 The council may also, at its discretion, look to top-up the funding available for these grants with funding from the Additional Restrictions Grant. This will depend on the amount of funding remaining within the Additional Restriction Grants and how long that funding is likely to be needed to last.

## **5.0 GRANT FUNDING AND FINANCIAL IMPLICATIONS**

- 5.1 The Council has been granted £2.07m to cover discretionary grant support to businesses to March 2022. This funding is intended to cover the period of national restrictions from 5 November to 2 December 2020 and any further periods of national restrictions until March 2022. Additionally, local authorities may utilise some of this funding to provide wider business support.
- 5.2 The Council will also be provided additional funding for supporting businesses on a discretionary basis when local restrictions, under a 'High or Very High Covid-19 threat level, are imposed. We will not know the amount of funding provided for discretionary grant funding under either of these scenarios until relevant local restrictions have been announced.
- 5.3 The principles outlined in this report seek to minimise the financial risk to the Council from administering the above funding in the event of national or local restrictions having been imposed for a specified period. The primary risk is that we pay businesses more than we receive in funding, leaving the council to fund the shortfall.
- 5.4 The Department for Business, Energy and Industrial Strategy (BEIS) has confirmed that they will complete a New Burdens assessment on the various streams of grant funding to provide local authorities with funding for administering the scheme. At the time of writing this report we await further confirmation of the value of this funding.

## **6.0 FEEDBACK FROM THE COMMUNITY SCRUTINY COMMITTEE**

- 5.1 The Community Scrutiny Committee considered the principles set out in this report (which have been taken forward into the redesigned schemes presented) at their meeting on 28 October 2020. There were no comments from the Members of this committee.

| <b>Policies and other considerations, as appropriate</b> |   |
|--|---|
| Council Priorities:                                      | Support for businesses and helping people into local jobs   |
| Policy Considerations:                                   | This is a new policy for new grant schemes.   |
| Safeguarding:  | None.   |
| Equalities/Diversity:                                    | Administration of the grants will be via an e-form available on our website. Where businesses are unable to complete a form online we will provide a paper copy.  |
| Customer Impact:   | The redeployment of staff may have a negative impact on the delivery of other services. We will not know where staff will be redeployed from, and therefore what services may be affected, until this grant scheme is triggered.  |
| Economic and Social Impact:                              | The administration of this policy will work to reduce the economic impact from businesses being required to close in response to coronavirus restrictions.  |
| Environment and Climate Change:                          | None  |
| Consultation/Community Engagement:                       | Business and Regeneration Portfolio Holder<br>Leader of the Council<br>Deputy Leader of the Council<br>Corporate Portfolio Holder<br>NWLDC's Economic Recovery Cell and Strategic Coordination Group<br>Community Scrutiny Committee  |
| Risks:   | <p>The policies proposed seek to minimise the financial risk to the Council from administering the above funding in the event of national or local restrictions having been imposed for a specified period. The primary risk is that we pay businesses more than we receive in funding, leaving the council to fund the shortfall.</p> <p>Other risks include:</p> <ul style="list-style-type: none"> <li>- Potential fraud and error in applications, which is mitigated by a robust application process.</li> <li>- Damage to the Council's reputation, through poor administration or because the grants available to not meet business' expectation.</li> </ul> |
| Officer Contact  | Tracy Bingham<br>Head of Finance and Section 151 Officer<br><a href="mailto:Tracy.bingham@nwleicestershire.gov.uk">Tracy.bingham@nwleicestershire.gov.uk</a>  |

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**NATIONAL RESTRICTIONS**  
**DISCRETIONARY SUPPORT POLICY**

**1. Background**

On 31 October the Governments announced that there would be a new four-week lockdown period. To support businesses that are affected by these restrictions and any further restrictions, Government launched a number of different grant schemes for businesses, known as the Local Restrictions Support Grant and the Additional Restrictions Grant.

The Additional Restrictions Grant is a £2.07m grant fund provided by Government to support businesses in North West Leicestershire. North West Leicestershire District Council has discretion on how best to use the funding to support businesses, but Government has advised that it could be used for:

- a) Discretionary grants to support businesses which have not been legally forced to close but have nonetheless been severely impacted by restrictions, as well as those businesses forced to close but are outside the business rates system;
- b) Additional support to larger local businesses important to the local economy; and
- c) Wider business support activities.

Full guidance for local authorities can be found on gov.uk:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935130/additional-restrictions-grant.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935130/additional-restrictions-grant.pdf)

The council has carefully considered the guidance and clarifications issued by Government, as well as our understanding of the economic environment in North West Leicestershire, in the design of its National Restrictions Discretionary Support policy.

This policy focuses on the immediate discretionary grants we will offer during periods of national restrictions (point a above). The wider business support, including how the council supports larger local businesses (points b and c above), will be considered in longer-term work covered by the council's economic recovery plan and will depend on how much funding is remaining after immediate grants have been administered.

**2. Allocation of funding**

Government has stated that the £2.07m grant is a one-off payment to support businesses between now and March 2022. That means the council will not receive

any additional funding to support businesses through further national lockdowns. Therefore, the council must balance the needs of businesses now against the chance of an unknown number of future national lockdowns.

Government will provide additional funding to support businesses should North West Leicestershire enter the High or Very High categories of the Covid-19 alert system (also known as tiers 2 and 3). However, the council judges that this funding is unlikely to be adequate to support businesses through periods of localised restrictions. As a result, some of the ARG funding may be required to top-up these grants.

For these reasons, the council intends to allocate £500,000 of the £2.07m (24%) funding to provide businesses with discretionary grants in response to the November 2020 national lockdown period. This will ensure that the council retains sufficient funding to support businesses through a further 3 national lockdown periods. Alternatively, as the uncertainty around future restrictions is reduced, the funding will be allocated to supporting businesses through the council's economic recovery plan.

**The council reserves the right to alter this allocation if required to ensure the fair distribution of this grant to businesses now and manage the chance of future national lockdowns.**

### **3. Overview of NWLDC's National Restrictions Discretionary Support Grants**

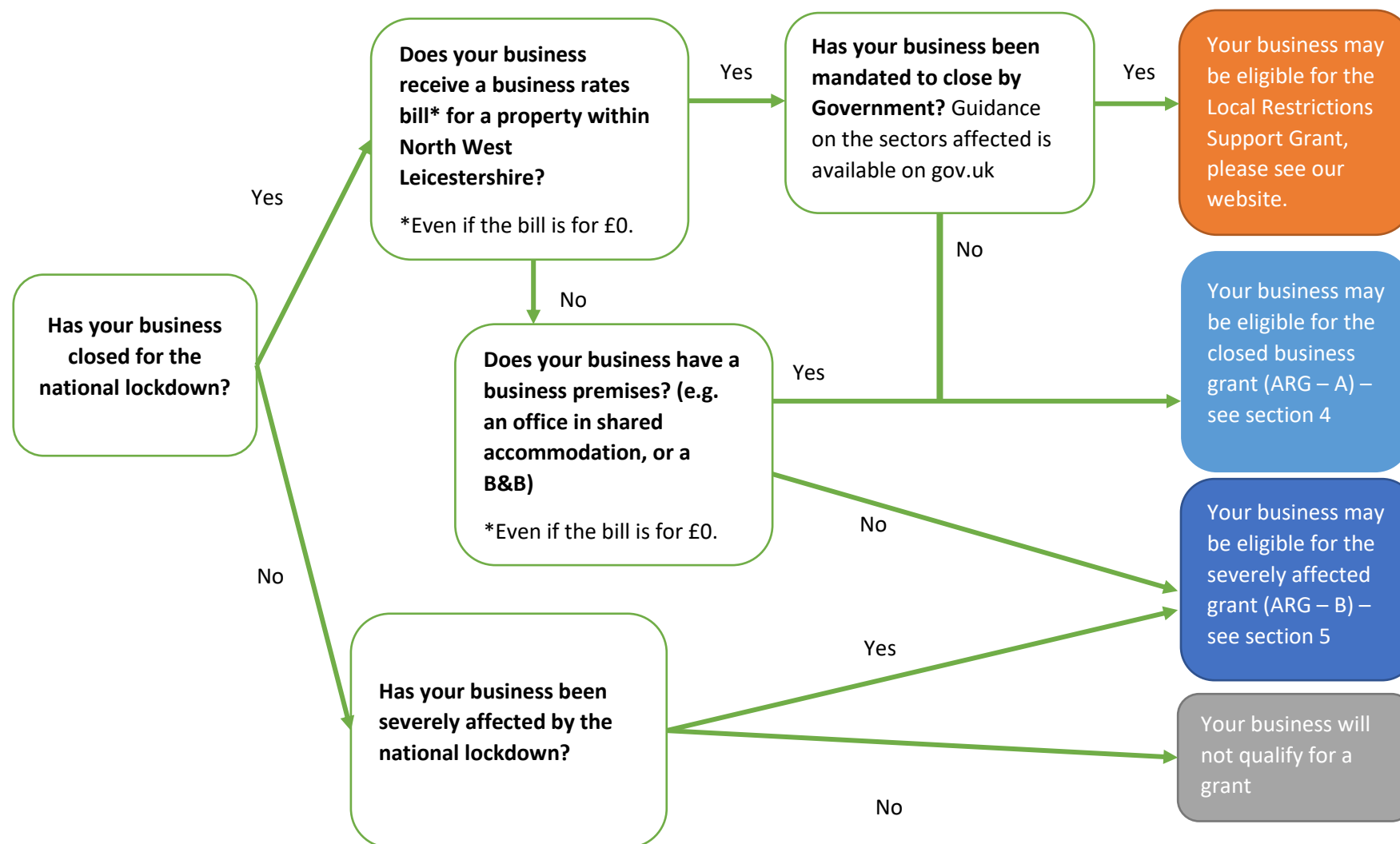
In order to ensure businesses are supported as much as possible, the council considers it necessary to split the National Restrictions Discretionary Support Grants into two schemes to support different types of businesses:

**A. Grants for businesses that have been forced to closed.** This scheme will complement the local restrictions support grant by supporting businesses that have been forced to close for the majority of the lockdown period but are not eligible for the Local Restrictions Support Grant. This includes non-ratepaying businesses that have been required to close by law and businesses that were not required to closed, but have done so for whatever reason (e.g. due to supply chain issues or lack of business). Full details of this scheme are included in section 4 of this policy.

**B. Grants for businesses severely affected, but not closed.** This scheme is for businesses that did not close for the majority of the lockdown period, but have nonetheless been severely affected by it. Full details of this scheme are included in section 5 of this policy.

The flowchart below provides a simplified guide on which scheme businesses should apply for.

**Figure 1: Flowchart to determine which grant to apply for**



*Note: Please note that this is an indicative flow chart and does not guarantee eligibility.*

#### 4. Grants for businesses forced to close (ARG-A)

##### Eligibility

In order to be eligible for this grant, your business must:

- Must have closed for your main trade the majority of the lockdown period. This could be because your business was required to close by the government restrictions listed on gov.uk<sup>1</sup>. It could also be because your business was not viable, for instance due to supply chain disruption.
- Not be eligible for a Local Restrictions Support Grant. This grant is targeted at businesses that are required to close by government restrictions and are ratepayers. More details of this grant are on our website: [https://www.nwleics.gov.uk/pages/coronavirus\\_business\\_support](https://www.nwleics.gov.uk/pages/coronavirus_business_support)
- Have a business premises in North West Leicestershire that either has a rateable value, or which they pay rent or a mortgage on. This includes those in shared premises and B&Bs, but excludes businesses that are based from home (e.g. self-employed) or from a vehicle (e.g. tradespeople). Those excluded should apply for the severely affected scheme (ARG – B).
- Was trading the day before the national lockdown period (4 November for the November 2020 lockdown period)

You will **not** be eligible for this grant scheme if:

- Your business was not closed. This will include if your business was able to continue its main trading in other ways, e.g. by changing your business model to a click and collect service or by working from home.
- Your businesses has received grant payments equal to the maximum levels permitted under the de minimis and the covid-19 temporary state aid framework.
- Your business was not trading, is in administration, insolvent or where a striking-off notice has been made.

##### Value of Payments

Businesses will be paid grants equivalent to the mandated Local Restrictions Support Grant, as detailed below.

| Rateable value, annual rent or annual mortgage costs | ARG – A Grant amount (for a 4 week lockdown period) |
|--|---|
| £15,000 or under                                     | £1,334  |
| £15,001 – £50,999                                    | £2,000  |

<sup>1</sup> Guidance on which businesses have been required to close can be found here:

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england#scope-of-restrictions>

|                 |        |
|-----------------|--------|
| £51,000 or over | £3,000 |
|-----------------|--------|

If the rateable value and annual rent/mortgage costs place businesses in two different bands, the grant will be awarded based on the rateable value of the business premises to ensure parity with the Local Restrictions Support Grant.

Payments are made per business, not per property. Businesses with multiple properties should therefore apply based on their highest cost premises only and will receive one grant.

Payments will be made to businesses once their applications have been approved, and these applications will be funded out of the £500,000 funding allocation for the November 2020 lockdown.

Businesses should be aware that any grants received will count as income for tax purposes.

**The Council reserves the right to amend this policy, including eligibility requirements and payment amounts, if required to ensure the fair and equitable distribution of funding to businesses within North West Leicestershire.**

## **5. Grants for businesses severely affected, but not closed (ARG-B)**

### **Eligibility**

In order to be eligible for this grant, your business must:

- Be based in North West Leicestershire.
- Not be eligible for a Local Restrictions Support Grant or the closed business discretionary grant (ARG-A).
- Was trading the day before the national lockdown period (4 November for the November 2020 lockdown period)
- Have been severely impacted by the lockdown period. This means that the business has suffered, or is likely to suffer in the near future, significant financial loss as a result of the lockdown period. It is up to businesses to determine and evidence that they have been severely impacted by the lockdown restrictions. The Council will ask businesses to explain and evidence how they have been affected, and will consider:
  - The reasonableness of the businesses' assertion that it has been severely impacted. This will be based on the council's wider understanding of the business and how its sector has been affected.

- The level of income reduction. As a general rule, we consider a 40% drop in income to be a severe impact. However, there are circumstances where a lower fall in income could still be considered a severe impact on a business, for instance if there is a time lag between restrictions occurring and the impact being seen in sales. It is, therefore, not a prescriptive percentage.
- Any evidence provided by the business for previous covid-19 support grants, and other publically available information which could be used to corroborate the businesses grant claim.

For the avoidance of doubt, businesses that are based at home or operate from a vehicle could be eligible for this grant.

You will **not** be eligible for this grant scheme if:

- The Council cannot assure itself that your business has been severely affected.
- Your business has received grant payments equal to the maximum levels permitted under the de minimis and the covid-19 temporary state aid framework.
- Your business was not trading, is in administration, insolvent or where a striking-off notice has been made.

### **Value of Payments**

Government has advised that Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether businesses have had to close completely and are unable to trade online, and the consequent scale of Covid-19 losses.

The Council has considered this statement and whilst such an approach might be both desirable, it is not considered achievable given the imperative to make payments quickly and the challenge of evidencing some of these requirements. The Council has concluded that a much simpler approach is required. The council will, therefore, pay businesses the lower of:

- The amount requested by the business;
- An equal share of the funding available; or
- £3,000.

Businesses will only be eligible for one payment per lockdown period. Payments will not be made until the application window has closed and the vast majority of applications have been reviewed. This means the earliest businesses will receive their grant for the November 2020 lockdown period is likely to be the week commencing 21 December.



As noted in section 2, the council will make £500,000 available to support businesses through the November 2020 lockdown period. This funding will be used to fund the forced to close scheme (ARG-A) first, with any remaining funding being used to fund this grant scheme (ARG-B). However, as also noted in section 2, the Council reserves the right to vary the allocation of funding to lockdown period based on the number of applications received and the level of grants that results in for businesses.

Businesses should be aware that any grants received will count as income for tax purposes.

**The Council reserves the right to amend this policy, including eligibility requirements and payment amounts, if required to ensure the fair and equitable distribution of funding to businesses within North West Leicestershire.**

## **6. The application process and evidence requirements**

The Government recognises that local authorities will need to run an application process to ensure some proportionate checks are made to confirm eligibility and determine the value of the grant before payment is made.

The council will have two separate application processes for the two grant schemes described above (ARG-A and ARG-B). Businesses will need to ensure they apply for the correct application form based on this policy and guidance set out on our website.

The applications will be launched for the November 2020 lockdown period on 30 November 2020. The application windows will remain until 13 December, although if businesses are unsuccessful applying for the closed scheme (ARG-A) they may, at the council's discretion, be allowed additional time to apply for the severely affected grant (ARG-B) if they did not have much notice to apply.

The Council will invite applications via its website and will manage the application process through a specialist grant portal: [www.grantapproval.co.uk](http://www.grantapproval.co.uk). Using this software will automate some checks and enable the council to may businesses more quickly. If an applicant is unable to apply via the website should email us or phone our customer services on 01530 45 45 45 to request a paper application form.

The application process will guide applicants through the evidence businesses are required to provide, which will be the minimum reasonably required to establish eligibility and enable a fair and equitable assessment of grant entitlement. As the eligibility requirements for each scheme are different, so are the required evidence. The table below sets out the evidence required for each scheme, and potential examples of evidence the business could provide.

|   | <b>Businesses forced to close (ARG-A)</b>  | <b>Businesses severely affected (ARG-B)</b>   |
|---|--|---|
| Business has closed for the majority of the lockdown period | <p>Businesses could provide:</p> <ul style="list-style-type: none"> <li>- Notifications of closures to customers. For instance, copies of emails or social media posts to announce closure or pictures showing the premises is closed.</li> <li>- Sales data showing no sales during the lockdown period.</li> </ul> | Not applicable.   |
| The rent or mortgage costs of the property                  | <p>A recent:</p> <ul style="list-style-type: none"> <li>- Rent invoice</li> <li>- Mortgage statement</li> <li>- Relevant rent or mortgage contract.</li> </ul>   | Not applicable  |
| Severely impacted up the lockdown                           | Not applicable   | <p>Businesses will need to explain how they have been severely impacted.</p> <p>Businesses may wish to back up their assessment with the following evidence:</p> <ul style="list-style-type: none"> <li>- Bank statements for October and November, showing the decline in sales.</li> <li>- Business's financial accounts, showing drop in revenue during November.</li> <li>- Sales data showing a significant fall in sales during November.</li> <li>- Notifications to customers of</li> </ul> |

|  |  |  |
|--|--|--|
|  |  | closure of the businesses<br><br>This is not a complete list and businesses should provide evidence they feel supported their assessment of being severely impacted. |
| Business must have been trading on 4 November  | Evidence of the business trading, such as: <ul style="list-style-type: none"> <li>- A delivery note</li> <li>- Expenses/sales receipt</li> <li>- Purchase order</li> </ul> |  |
| Business is based in North West Leicestershire | Recent utility bill linking the business to the address in the application form  |  |
| Verifying business identity                    | Recent bank statement for the business   |  |

The Council will individually assess and validate applications as they are received and may request further information and validation. The pre-payment checks will include confirming eligibility and that by accepting payments the would-be recipients confirm they are in compliance with State Aid rules. The application form will require applicants to confirm acceptance of various compliance statements, including that the business considers itself eligible for the grant, that State Aid rules will not be breached and acceptance that the grant can be recovered should the Council discover that the business is not eligible.

## **7. Appealing a decision made by North West Leicestershire District Council**

There will be no automatic right of appeal against a decision not to award a grant, or against the value of any grant. However, the Council may at its discretion reconsider any refusal or grant value if there is clear evidence that a significantly wrong decision may have been made. The only further recourse available to applicants is a challenge by way of a judicial review, which is the means by which the decisions of the Council under discretionary powers may be challenged and/or a complaint to The Local Government and Social Care Ombudsman.

## **8. Managing the risk of fraud**

The Council and the Government will not accept deliberate manipulation and fraud. Through the application processes businesses will be required to confirm that they believe they are eligible for the grant based on the guidance provided by the Council. Any business or person caught falsifying their records to gain a grant award will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.

The Government's grants management and counter fraud functions will provide local authorities with access to 'Spotlight', a digital assurance tool. This tool will also assist the Council with pre and post payments assurance, including identification of high-risk payments. There will also be joint working across councils and government departments in preventing fraud.

## **9. Policy review**

This policy has been written in line with Government guidance. It will be revised under delegations by the Section 151 Officer, in consultation with the Portfolio Holder for Business and Regeneration, if: changes need to be made to ensure the smooth administration of the scheme; to update the policy for any future national restrictions; and in response to any future clarifications and changes that may be announced by the Government.

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**LOCAL RESTRICTIONS**  
**DISCRETIONARY SUPPORT POLICY**

**1. Background**

On 3 November the Government published guidance on the support local authorities will be able to provide support businesses if their area moves into the high or very high risk Covid alert categories, also known as tiers two and three. Government has called this grant scheme the Local Restrictions Support Grant (Open), and it is intended to support those businesses that will be hardest hit by nationally imposed local restrictions. To avoid confusion with other Local Restriction Support Grants the council is administering, we will call this grant the Local Restriction Discretionary Support scheme.

Government's guidance states that this grant should be focused on hospitality, hotel, bed & breakfast and leisure businesses, and will be provided for every 28 days local restrictions are in place. Funding will be provided based on the number of businesses within these industries according to the Valuation Office Agency's ratings list, with a small top-up of 5% for businesses that fall outside of the ratings system.

Full guidance for local authorities can be found on gov.uk:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935141/local-restrictions-support-grant-OPEN-la-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935141/local-restrictions-support-grant-OPEN-la-guidance.pdf)

The council has carefully considered the guidance and clarifications issued by Government, as well as our understanding of the economic environment in North West Leicestershire, in the design of Local Restriction Discretionary Support scheme.

**2. Eligibility for the Local Restrictions Discretionary Support scheme**

Government's guidance advises that Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether businesses have had to close completely and are unable to trade online, and the consequent scale of Covid-19 losses when determining eligibility for the grant.

In order to be eligible for this grant, your business must:

- Be a hospitality, hotel, bed and breakfast or leisure business.
- Have a business premises in North West Leicestershire that either has a rateable value, or that you pay rent or a mortgage on. This includes those in

shared premises and B&Bs, but excludes businesses that are based from home (e.g. self-employed) or from a vehicle (e.g. tradespeople).

- Have been trading the day before the local restrictions were imposed.
- Have been severely impacted by the lockdown period. This means that the business has suffered, or is likely to suffer in the near future, significant financial loss as a result of the local restrictions. It is up to businesses to determine and evidence that they have been severely impacted by the lockdown restrictions. The Council will ask businesses to explain and evidence how they have been affected, and will consider:
  - The reasonableness of the businesses' assertion that it has been severely impacted. This will be based on the council's wider understanding of the business and how its sector has been affected.
  - The level of income reduction. As a general rule, we consider a 40% drop in income to be a severe impact. However, there are circumstances where a lower fall in income could still be considered a severe impact on a business, for instance if there is a time lag between restrictions occurring and the impact being seen in sales. It is, therefore, not a prescriptive percentage.
  - Any evidence provided by the business for previous covid-19 support grants, and other publically available information which could be used to corroborate the business' grant claim.

You will **not** be eligible for this grant scheme if your business:

- has received grant payments equal to the maximum levels permitted under the de minimis and the covid-19 temporary state aid framework.
- was not trading before restrictions being imposed, is in administration, insolvent or where a striking-off notice has been made.
- was required to close as part of national restrictions imposed in March 2020, and which are still in force (e.g. nightclubs). There is a separate grant scheme for these businesses.
- has been required to close by the local restrictions and you occupy a rateable premises. There is a separate grant scheme for these businesses.

### **3. Value of Grants**

Government's guidance suggests that authorities may wish to offer grants based on the rateable value of properties, including:

- £934 per 28-day period of restrictions for businesses occupying properties with a rateable value of £15,000 or under;
- £1,400 per 28-day period of restrictions for businesses occupying properties with a rateable value between £15,001 and £50,999;
- £2,100 per 28-day period of restrictions for businesses occupying properties with a rateable value of £51,000 or over.

The council will use these values as a guide, but will also look to ensure parity between ratepaying and non-ratepaying businesses in determining the value of grants awarded. The council does not believe that the 5% top-up of funding provided by Government will be enough to enable parity.

There is also a risk that the funding provided by government will not cover all businesses in rateable premises due to inaccuracies in the stated use of a property within the Valuation Office Agency's data.

Grant values will, therefore, be determined once all applications have been received, and the council will look to amend the above values to the level that ensures all the available funding is distributed to businesses.

The council may also, at its discretion, look to top-up the funding available for these grants with funding from the Additional Restrictions Grant. This will depend on the amount of funding remaining within the Additional Restriction Grants and how long that funding is likely to be needed to last.

**The Council reserves the right to amend this policy, including eligibility requirements and payment amounts, if required to ensure the fair and equitable distribution of funding to businesses within North West Leicestershire.**

#### **4. The application process and evidence requirements**

The Government recognises that local authorities will need to run an application process to ensure some proportionate checks are made to confirm eligibility and determine the value of the grant before payment is made.

The Council will invite applications via its website and will manage the application process through a specialist grant portal: [www.grantapproval.co.uk](http://www.grantapproval.co.uk). Using this software will automate some checks and enable the council to pay businesses more quickly. If an applicant is unable to apply via the website should email us or phone our customer services on 01530 45 45 45 to request a paper application form.

The applications process will be launched as soon as practicably possible once businesses become eligible – which will be 28 days after restrictions are imposed. The application window will remain open for two weeks, but will close to enable grants to be provided to businesses. In the event of further 28-day periods of restrictions applying, a simplified application process will be introduced to enable businesses to reapply without a full application form.

The application process will guide applicants through the evidence businesses are required to provide, which will be the minimum reasonably required to establish eligibility and enable a fair and equitable assessment of grant entitlement. As the eligibility requirements for each scheme are different, so are the required evidence. The table below sets out the evidence required for each scheme, and potential examples of evidence the business could provide.

|  | <b>Local Restrictions Discretionary Support scheme requirement</b>  |
|--|---|
| The rent or mortgage costs of the property (if not in a rateable property)       | A recent: <ul style="list-style-type: none"> <li>- Rent invoice</li> <li>- Mortgage statement</li> <li>- Relevant rent or mortgage contract.</li> </ul>   |
| Severely impacted by the lockdown  | Businesses will need to explain how they have been severely impacted.<br><br>Businesses may wish to back up their assessment with the following evidence: <ul style="list-style-type: none"> <li>- Bank statements for October and November, showing the decline in sales.</li> <li>- Business's financial accounts, showing drop in revenue during November.</li> <li>- Sales data showing a significant fall in sales during November.</li> <li>- Notifications to customers of closure of the businesses</li> </ul> <p>This is not a complete list and businesses should provide evidence they feel supported their assessment of being severely impacted.</p> |
| Business must have been trading the day before local restrictions were supplied. | Evidence of the business trading, such as: <ul style="list-style-type: none"> <li>- A delivery note</li> <li>- Expenses/sales receipt</li> <li>- Purchase order</li> </ul>  |
| Business is based in North West Leicestershire                                   | Recent utility bill linking the business to the address in the application form   |
| Verifying business identity  | Recent bank statement for the business  |

The Council will individually assess and validate applications as they are received and may request further information and validation. The pre-payment checks will



include confirming eligibility and that by accepting payments the would-be recipients confirm they are in compliance with State Aid rules. The application form will require applicants to confirm acceptance of various compliance statements, including that the business considers itself eligible for the grant, that State Aid rules will not be breached and acceptance that the grant can be recovered should the Council discover that the business is not eligible.

## **5. Appealing a decision made by North West Leicestershire District Council**

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