

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL RESTRICTIONS DISCRETIONARY GRANTS

OUTLINE POLICY

1. Background to the local restrictions support grants

On 9 September 2020 the Government announced that there would be additional grants from businesses that are asked to close as part of local restrictions to reduce the spread of Coronavirus. Payments will be made to businesses that were open as usual and providing in-person services from their business premises, but are then required to close for a consecutive period of no less than two weeks as a result of regulations made under the Public Health Act.

There will be one grant scheme for businesses occupying hereditaments (business premises) on the business rates list, which will be administered according to guidance from the Department for Business, Energy and Industrial Strategy.

A second grant scheme will provide discretionary grants to businesses that need to close due to the local restrictions but are not on the business rates list. This is known as the **Local Restrictions Discretionary Grants (LRDG)**. Local Authorities are required to develop and publish a policy for administering LRDG. This document outlines North West Leicestershire District Council's LRDG policy.

As local restrictions are not currently in place in North West Leicestershire, this is an outline policy. In the event of local restrictions being adopted, this policy will be updated by the Section 151 Officer, in consultation with the Portfolio Holder for Business, to reflect the specific circumstances of the local restrictions and the funding available.

2. The Local Restrictions Discretionary Grants Fund

On 24 September 2020 the Government published its guidance for local authorities for the Local Restrictions Support Grant. This provides guidance on administering both the ratepayer and discretionary elements of the support grant, and can be found on the link below. It was followed by a further announcement by the Chancellor of the Exchequer on 9 October 2020, which increased the value and frequency of payments.

<https://www.gov.uk/government/publications/coronavirus-covid-19-local-restrictions-support-grant-guidance-for-local-authorities>

In terms of the discretionary grant, Governments intends this funding to enable local authorities to help other businesses affected by closures which may not be on the business rates list. This includes businesses that are required to close as a result of the local lockdown, but local authorities can also support other businesses that may have no choice but to close.

Funding will be provided for each two-week period of localised restrictions that require businesses to close. Local Authorities have discretion to determine which businesses are eligible and how much grant they can receive, up to a maximum payment of £1,500 per qualifying two week period. Businesses can only receive one grant per qualifying two week period.

Local Authorities are required to set out the scope of their discretionary grant scheme on their website, providing clear guidance. This policy meets this requirement.

3. Total funding available

The amount of funding available for the LRDG will depend on what businesses are required to close as part of local restrictions. The Department for Business, Energy and Industrial Strategy has confirmed that local authorities will receive a top-up of 5% of the funding provided for businesses in rateable premises to fund the discretionary grants. The funding available will, therefore, depend on the nature of any local restrictions imposed, and how many businesses are required to close.

This policy will be updated to reflect the amount of funding available if local restrictions are to be introduced and when we are aware of how much funding will be available.

4. What businesses will be eligible for a discretionary grant?

Businesses will be eligible if they meet the following criteria:

- They have been required to close by local restrictions for at least two weeks; either in direct response local restrictions or because the local restrictions mean they have no choice but to close. This may be due to supply chain disruption or a lack of customers, and have been closed for two weeks.
- The business is based in North West Leicestershire.
- The business can be confirmed as a genuine business.

For the avoidance of doubt, businesses will **not** be eligible for a discretionary grant if:

- The period of closure is less than two weeks.
- They have been able to trade during the local restrictions.
- They are eligible for the ratepayers grant.
- They are in administration, insolvent or where a striking-off notice has been made at the date of the local lockdown.

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

5. How will the value of grants be calculated?

The maximum grant that can be paid from the LRGF is £1,500 for each two-week qualifying period, and it is up to each Local Authority to determine the most appropriate level of grant for each business. BEIS 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.

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 evidence some of these requirements. The Council has concluded that a much simpler approach is required, with each grant being the lower of:

- An amount requested by the business;
- An equal share of the funding available; or
- £1,500.

The Council reserves the right to amend this policy if required to ensure the fair and equitable distribution of funding to businesses within North West Leicestershire; this may be necessary if demand significantly outstrips the amount of funding and additional prioritisation is required.

Eligibility decisions and the value of grants and the levels paid are at the discretion of the Council's Section 151 Officer in consultation with the Business and Regeneration Portfolio Holder.

6. Application process and timescale

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 application process will be launched after two weeks of localised restrictions have passed, as that is the point at which businesses become eligible and the amount of funding available will be confirmed. There will then be a 10 day window for businesses to apply and we will look to make payments as soon as possible once applications have closed.

The Council will invite applications via its website. Any applicant 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 Council's website will set out the information required from applicants, which will be the minimum reasonably required to establish eligibility and enable a fair and equitable assessment of grant entitlement. Applicants will need to provide evidence of:

- **Having to close as a result of local restrictions.** In practice, this means that businesses will need to provide evidence that they are in an industry that has been required to closure, or evidence that they have had to close in response to the local restrictions. This may be in the form of links to the businesses website or social media pages, copies of emails sent to customers or received from suppliers
- **Being based within North West Leicestershire.** This could be as simple as a bill to an address in North West Leicestershire.
- **The identity of the business.** Applicants will be required to share relevant documentation confirming their identity and business e.g. copy of a utility bill or HMRC correspondence in connection with the business.
- **The bank account into which any grant will be paid.** This is to ensure it related to the business in question. A streamlined process will be adopted if the business has already received a support grant from the council.

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.

The Council will undertake written post payment assurance around compliance based on an assessment of the risk of fraud and error.

Once the application window has closed, the Council will conclude the assessment process, determine the successful applicants and the level of funding to be awarded. Payments will start as soon as possible. Further detail is given in section 5.

If the local restrictions remain in place for more than four weeks, businesses will become eligible for a second payment. In this case, businesses will need to reconfirm that they remain eligible for the grant via a streamlined application process. Any businesses that missed the first application window will be able to submit a full application for the second round. This process will continue as long as additional two week periods are triggered.

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.

7. Managing the risk of fraud

The Council and the Government will not accept deliberate manipulation and fraud. 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.

8. 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, to reflect the specifics of any local restrictions in place and in line with future clarifications and changes that may be announced by the Government.