

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

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:
 - o 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.
 - o 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.
 - o 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. These 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. 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.

	Local Restrictions Discretionary Support scheme requirement
The rent or mortgage costs of the property (if not in a rateable property)	A recent: <ul style="list-style-type: none"> - Rent invoice - Mortgage statement - Relevant rent or mortgage contract.
Severely impacted by the lockdown	Businesses will need to explain how they have been severely impacted. Businesses may wish to back up their assessment with the following evidence: <ul style="list-style-type: none"> - Bank statements for October and November, showing the decline in sales. - Business's financial accounts, showing drop in revenue during November. - Sales data showing a significant fall in sales during November. - Notifications to customers of closure of the businesses <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"> - A delivery note - Expenses/sales receipt - Purchase order
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

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.

6. 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.

7. 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 restrictions; and in response to any future clarifications and changes that may be announced by the Government.