

BLABY DISTRICT COUNCIL – Additional Restrictions Support Grant

1 Introduction

In response to the increasing infection rate recently experienced across the nation as a result of Coronavirus Pandemic a 28 day national lockdown came into force as of 00:01 on the 5th November and will be in place until the 2nd December

To support businesses through this period the Government announced **the Additional Restrictions Grant (ARG)**, with guidance for local authorities released on the 3rd November 2020. The ARG gives Local Authorities the discretion to develop further criteria to best support the local economy. It is this local criteria and the development of the associated grant scheme that is the subject of this local policy

On 5 Nov 2020, the Government published guidance for local authorities for the ARG and this can be found [here](#).

2 How will the grants be provided (legislative framework)

Blaby District Council will be responsible for delivering discretionary grants to eligible businesses. Section 1 of the Localism Act 2011 provides for the necessary permissions to make these awards and payments.

3 Summary

The fund for Blaby district businesses is managed by Blaby District Council. The Council must follow the guidance set by the Government. It is the intention of Blaby District Council to exercise its powers under the Act (in 2 above) to award discretionary grant payments to eligible businesses and charities within the scope of this document which follows the government guidance as far as is practicable to do so.

Local authorities are required to set out the scope of the scheme on their website and (i) provide guidance on which types of business are being prioritised (ii) explain the rationale for the level of grant to be provided.

The Government intends that this scheme widens access to support for businesses that are struggling to survive due to the Coronavirus shutdown but are unable to access other current grant funding.

Local authorities are asked to make payments as quickly as possible. Blaby District Council will make every effort to do so.

The Council has consulted with Officers of the Council's Business Hub and taken into consideration information from the Federation of Small

Businesses in the development, preparation, assessment and payment of this scheme.

The guidance suggests that local authorities may wish to consider collaborating in the design of their schemes to ensure consistency across a functional economic area. Blaby District Council along with other Leicestershire Councils are mindful of this suggestion, however the extent to which this can be achieved in practice is limited by the significant time constraints and by local priorities.

Potential applicants will be/are asked to note that:

The Government and the Council expects businesses to take advantage of other Government grant/support schemes in the first instance where they are able to do so.

1. Grants under this scheme will be subject to tax in line with the applicant's tax arrangements. For businesses, the Government advises this is only where there is an overall profit for the tax year once this award is included.
2. Grants awarded under this scheme will not generally affect the Council's business ratings list or any rates charges payable by the recipient.
3. Notwithstanding this, any applicant who should in fact be added to the rates list will be, which may result in a rates bill.

4 Value of the discretionary fund (grant fund information)

The Government has allocated £2.031m towards this funding and that is allocation to stretch to cover this lockdown period and any future potential lockdown periods. Due to this it is expected that a proportion of funding will be set aside to support business through any future lockdowns should they be put into place. It is expected this will be approx. 20% of the total fund

As per para 13 of the guidance Local Authorities can use this funding for business support activities. The Council envisages that this will primarily take the form of discretionary grants. However the Council reserves the right to commit a proportion of this funding for wider business support activities should it be viewed that this would be of more benefit.

As is likely to be the case in the Blaby District, over subscription to the funding available for this scheme will require local authorities to prioritise which types of businesses will receive funding, the Government states it will be at the local authority's discretion as to which types of business are most

relevant to their local economy. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.

5 The Funding Allocation

The Council is proposing to utilise the ARG funding to fund two grant schemes. The **28 Day Closure Scheme** and the **Additional Restrictions Main Scheme**.

In taking a straightforward approach in determining individual grant levels, as an approximate guide:

4% of the fund will be reserved for the 28 Day Closure Scheme. The Council reserves the right to alter this percentage if applications exceed those estimated to be eligible to apply.

76% for the Additional Restrictions Main Scheme.

20% of the fund reserved as a contingency amount to provide for future grants to be awarded.

The Council reserves the right to vary these percentages should the volume of demand or outcomes of the application process require this.

6 Who will and will not benefit from the ARG Scheme

The Government suggests that local authorities may wish to consider collaborating as they design their discretionary schemes to ensure consistency where they are working across a functional economic area, notably here the Leicester and Leicestershire Local Enterprise Partnership (LLEP) area; and to ensure alignment and reduce duplication with any other local discretionary business grants that may have been established. The councils within the LLEP area are mindful of this suggestion, however the extent to which this can be achieved in practice will be limited by the significant time constraints and by local priorities.

As set out by the Government, the ARG is to be primarily and predominantly allocated taking into consideration the following points.

1. Ongoing fixed costs
2. The amount of staff employed by a business
3. Losses incurred as a result of lockdown
4. Ability to trade online during the lockdown period

National Guidance

Nationally the Government's guidance has encouraged that this fund is used to help businesses that were not forced to close but severely impacted (e.g. suppliers to the retail, hospitality, leisure or events industry).

Other eligibility criteria that must be met to be able to access this grant are that the business:

1. Can't be insolvent
2. Can't be in administration
3. Can't have a striking off notice
4. Must adhere to state aid requirements by receiving the funding

Blaby District Council wishes to support those businesses that adhere to the priorities as set above and are able to demonstrate significant hardship is being experienced as a result of the recent lockdown. In order to assess against this the Council has set up an application process that applicants will be required to fill in. This is detailed in section 8 of this document.

28 Day Closure Scheme

The 28 Day Closure Scheme is designed to support those businesses that have been required to close during the 28 day lockdown period but are not liable for business rates and have not been eligible for the LRSG (Closed) addendum scheme.

Eligible businesses will be asked to complete an application form in order for their case to be considered. Grant amounts will mirror those of the LRSG (Closed) addendum scheme.

Additional Restrictions Main Scheme

Under the Additional Restrictions Main Scheme the Council will consider awards to businesses that fall into one or more of the following categories:

- Supplies retail, hospitality, leisure, events which either cannot operate or is severely restricted in its' ability to operate during the restriction period
- Businesses that have received no funding from earlier 2020 Covid Grant funding schemes
- Businesses that can demonstrate severe reductions in income levels
- Businesses that the Council considers important to the local economic picture for the district that have a relatively high on-going fixed cost and can demonstrate that they have suffered a significant fall in income directly due to the Covid-19 crisis

Applications for this scheme will require additional evidence to be provided relating to:

- Fixed Costs
- Income Loss during recent months
- Number of Employees

Grant amounts may be awarded from £500 up to £5,000 but the Council anticipates that grant amounts will be generally lower than this amount and subject to the number of applications and amount of funding available to distribute. However in exceptional instances the Council reserves the right to allocate additional funding to businesses that are important to the local economy.

The level of grant will be determined by

- a. The level of fixed costs
- b. The number of employees
- c. The impact and continuing impact of Covid-19 losses
- d. The business being closed and unable to operate because of the lockdown

The emphasis of this fund will be on making meaningful payments to those in significant need, rather than paying as many businesses as possible small amounts. For this reason grants will be determined on a case by case basis following careful consideration of the information provided. Therefore an application to this grant scheme does not guarantee that a grant will be received.

7 Eligibility

The business must have been trading for the 14 days prior to the 5th November 2020 within the Blaby District.

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

8 The Application Process

Both ARG schemes will operate through an online application process accessible via a website link. The questions within each form will be specific to each scheme and the relevant supporting evidence will need to be uploaded via the website or electronically delivered to the nndr@blaby.gov.uk mailbox. Each application will be assessed individually, and an award considered where the criteria has been met, sufficient supporting evidence provided and sufficient funds remaining to do so.

The website will set out the information required from applicants to allow for a fair and equitable assessment of grant entitlement. Applicants will need to evidence:

- Compliance with the scheme eligibility requirements
- Relatively high ongoing fixed costs
- A significant fall in income due to the Coronavirus Covid-19 crisis
- Identification of the business and of the person making the application
- Evidence that the bank account into which any grant will be paid relates to the business, charity etc

Applications for the 28 Day Closure Scheme can be made from 30th November to 8th January 2021. Applications for the ARG Main Scheme can be made from December 11th 2020 to 15th January 2021. Any potential applicants should not rely on the assumption that this application window will be extended, although the Council reserves the right to do so. 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.

An application will be refused if:

- It does not meet the criteria specified within this scheme.
- The information and evidence is not provided or not provided in a sufficient quantity
- There are not sufficient funds to be able to make payment of an award
- The claim is defective (missing information or data and this has been requested but the information is still outstanding after 10 working days)
- The application appears to contain false, altered, or include deliberately misleading information, or be a false or fraudulent application

Evidence requirements that will/may be sought:

- Copy of lease agreement
- Copies of any rental agreements or mortgage statements
- Marketing material to confirm Bed and Breakfast facility being offered
- Most recent set of accounts
- Copies of bank statements
- Letter signed by the Director of the company confirming the identity

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 and assuming there is enough grant funding left to enable a new decision to be made. The only further recourse available to applicants is a judicial review, which is the means by which the decisions of the Council under discretionary powers may be challenged

Applicants will also be asked to confirm that by accepting payments they are in compliance with State Aid rules, that to the best of their knowledge they are eligible for the scheme, and acknowledge that the council reserves the right to recover any funding made in error or as the result of misleading information being submitted and that they are happy for their information to be stored in adherence to the relevant GDPR requirements. The Council's website will require applicants to confirm acceptance of various compliance statements through tick boxes.

9 Managing the risk of fraud

The Council and the government will not accept deliberate manipulation and fraud. Any business 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 'Spotlight', a digital assurance tool. This tool will also assist the Council with pre and post payments assurance, including identification of high-risk payments. We will also joint work across councils and government departments in preventing fraud.

10 Payment monitoring and reporting

The Council will be reporting progress in delivering this and the existing grant schemes to the government.

11 Scheme review

This procedure has been written in line with government guidance:

Department for Business, Energy and Industrial Strategy (BEIS) Additional Restrictions Grant – guidance for local authorities

This will be subject to review as circumstances dictate and in line with any future changes, revised guidance, or announcements by the Department for Business, Energy & Industrial Strategy.

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