

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

NATIONAL RESTRICTIONS

DISCRETIONARY SUPPORT POLICY

1. Background

On 4 January 2021 the Governments announced that there would be a new lockdown period (Lockdown 3.0) that is expected to last for at least six-weeks. This followed North West Leicestershire being placed into Tier 4 restrictions from 31 January. To support businesses that are affected by these restrictions and any further restrictions, Government launched, several different grant schemes for businesses, known as the Local Restrictions Support Grant and the Additional Restrictions Grant.

The Additional Restrictions Grant is a £3.0m 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

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 original £2.07m additional restriction grant was a one-off payment to support businesses up until March 2022. That means the council will not receive additional funding to support businesses through national lockdowns, although Government has provided a further £920,000 to top-up grants as part of the Business Support Package for the January 2021 lockdown period.

The council has previously allocated £500,000 of ARG funds to support businesses through the November and December restriction periods.

The cost of providing grants as set out in this policy, which cover restrictions up to 31 March, is estimated to be £1.7 million.

The council therefore estimate that £740,000 will remain available to support businesses through further periods of restrictions and to funder wider business support activity as part of the council's economic recovery plan. This will be on top of any additional funding received by Government for the restart grants announced in the budget in March 2021.

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

The council considers it necessary to continue to support businesses that have closed or been severely affected by the latest national lockdown, but are ineligible for support from the national scheme, known as the Local Restrictions Support Grant.

The council is, therefore, relaunching the National Restrictions Discretionary Support Grant using funding from the ARG.

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. 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
- Have been trading the day before the national lockdown period (either 30 December 2021 for businesses that reopened in December, or 4 November for businesses that remained closed during the Tier 3 restrictions).
- Have closed, or been severely affected by the lockdown period, which are detailed below:

Closure Criteria

- Must have closed for your main trade for the majority of the lockdown period. This could be because your business was required to close by the government restrictions listed on gov.uk¹. It could also be because your business was not viable, for instance due to supply chain disruption.

Severely Affected Criteria

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 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 publicly available information which could be used to corroborate the businesses 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.
- Your business was not trading, is in administration, insolvent or where a striking-off notice has been made.
- The Council cannot assure itself that your business has been severely affected.

Value of Payments

¹ 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>

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

Rateable value, annual rent or annual mortgage costs	Grant value for the period 30 December to 15 February	Grant Value for the period 16 February to 31 March
£15,000 or under	£2,239	£2,096
£15,001 – £50,999	£3,357	£3,143
£51,000 or over	£5,036	£4,714

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 only be eligible to receive one grant.

Businesses will only be eligible for one payment per lockdown period.

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.

4. Additional Top-Up Payment for Businesses Occupying a Business Premises

On 5 January Government announced additional top-up payments for businesses required to close, known as the Business Support Package for January. These additional one-off grants are for ratepayers of businesses that are required to close, with values of either £4,000, £6,000 or £9,000.

The council will use the additional ARG funding provided as part of this support to match these payments for businesses receiving discretionary grants for this period that occupy a business premises. Businesses that are based at home (e.g. self-employed) or from a vehicle (e.g. tradespeople) will not be eligible for this top-up, reflecting their lower running costs.

There will not be a separate application process for these grants – potentially eligible applicants will be identified when officers review an application. Payments will match the mandatory scheme as detailed below:

Rateable value, annual rent or annual mortgage costs	ARG amount (for a six-week lockdown period)
£15,000 or under	£4,000
£15,001 – £50,999	£6,000

£51,000 or over	£9,000
-----------------	--------

The council reserves the right not to award this grant to businesses where there are concerns that the support provided may exceed the business' normal income for the period.

5. 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 January 2021 lockdown period grant scheme. The first will be a streamlined application for businesses that have already received a National Restriction Discretionary Support Grant covering the November 2020 lockdown period. The second will be a full application for businesses that did not apply, or were not successful, for the original grant.

Applications covering the period from 31 December to 15 February will be launched in the week commencing 1 February 2021. There will be no further application process for the period 16 February to 31 March 2021, businesses instead will be awarded the further grant automatically unless request not to receive it.

The application windows will remain until 31 March 2021, in line with the application window for the Local Restrictions Support Grant (Closed), which is set by the Department for Business, Energy and Industrial Strategy.

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 full 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. The table below sets out the evidence required and potential examples of evidence the business could provide.

Eligibility Requirement	Evidence Required
Business has closed or been severely affected by the national restrictions	<p>It is up to businesses to provide sufficient evidence to show that they have closed or been severely affected by the restrictions.</p> <p>To evidence that the business has closed, applicants could provide:</p> <ul style="list-style-type: none"> - Notifications of closures to customers. For instance, copies of emails or social media posts

	<p>to announce closure or pictures showing the premises is closed.</p> <ul style="list-style-type: none"> - Sales data showing no sales during the lockdown period. <p>To evidence a business has been severely affected, a business could provide.</p> <ul style="list-style-type: none"> - Bank statements for December, January and the first two weeks of February, showing the decline in sales. - Business's financial accounts, showing drop in revenue during the tier 4 restrictions and six-week lockdown period commencing 5 January 2021. - Sales data showing a significant fall in sales during January. - Notifications to customers of closure of the businesses <p>This is not a complete list and businesses should provide evidence they feel shows they were closed or supports their assessment of being severely impacted.</p>
The rent or mortgage costs of the property	<p>A recent:</p> <ul style="list-style-type: none"> - Rent invoice - Mortgage statement - Relevant rent or mortgage contract.
Business must have been trading on either 4 November or 4 January (depending on when they were last open)	<p>Evidence of the business trading, such as:</p> <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.

6. 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.

7. 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.

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, 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.