

1. Background to Business Grants

- 1.1 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
- 1.2 To support businesses through this period the Government announced the **Local Restrictions Support Fund (closed) (LRSF) and the Additional Restrictions Grant (ARG)**, with guidance for local authorities released on the 3rd November 2020. This LRSF fund has set eligibility criteria that the local authority will adhere to in order to determine eligibility for this scheme. However 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

2. The Additional Restrictions Grants Fund

- 2.1 On 5 Nov 2020, the Government published guidance for local authorities for the ARG and this can be found [here](#).
- 2.2 The grant fund for the Oadby and Wigston Borough Council area is being managed by Oadby and Wigston Borough Council, which is responsible for delivering grants to eligible businesses and charities. The Council must follow the guidance set by the Government. The Council has authority to make these payments under Section 1 of the Localism Act 2011.
- 2.3 The Council as decided to set out the scope of the AGF grant scheme on their website, providing clear guidance on which types of business are being prioritised, as well as the rationale for the level of grant to be provided.
- 2.4 The Government intends that this grant scheme widens access to support to businesses that are struggling to survive due to the latest shutdown but are unable to access other grant funding. Local authorities are asked to make payments as quickly as possible to support struggling businesses. Once applications have been received. Oadby and Wigston Borough Council will progress these payments as a matter of urgency but recognise the need to undertake a thorough assessment and appropriate due diligence before grants are paid.
- 2.5 Due to the very compressed timescales to meet these expectations of the Government and businesses, the Council has not been able to consult with external partners on the development of this policy but has liaised with neighbouring local authorities to inform it. The council has taken full account of the requirements of Government (as set out in the guidance received on the 3rd Nov 2020) and the issues and questions that have arisen locally and

nationally through the delivery of previous grant schemes.

2.6 Potential applicants will be/are asked to note that:

1. 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. Businesses or those who are self employed who have accessed grant support through either the Local Restrictions Support Grant (Open) or Local Restrictions Support Grant (Closed) Addendum will also not be eligible for this grant scheme (as identified in para 29 of the guidance). The Council does not have the discretion to vary this position.
2. 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.
3. Grants awarded under this scheme will not generally affect the Council's business ratings list or any rates charges payable by the recipient.
4. Notwithstanding this, any applicant who should in fact be added to the rates list will be, which may result in a rates bill.

3 Total Funding Available

- 3.1 The Government has allocated £1.14m towards this funding and that is 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 around 50% of the total allocation.
- 3.2 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.
- 3.3 As is likely to be the case in the Oadby and Wigston Borough area, 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.

4 Who will and will not benefit from the ARG Scheme?

4.1 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.

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

1. Ongoing fixed costs
2. The amount of staff they employ
3. Loses incurred as a result of lockdown
4. Ability to trade online during the lockdown period

4.3 National priorities

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).

4.4 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

4.4 OWBC wishes to support those businesses that adhere to the priorities as set out in section 4 and are able to demonstrate significant hardship is being experienced as a result of the recent lockdown. In order to assess against this OWBC has set up an application process that applicants will be required to fill in. This will be explored further in section 5.

5. Application Process and Timescale

5.1 The Government recognizes that local authorities will need to run some form of application process as the potential beneficiaries are highly unlikely to be known directly by the local authorities. Also, the Council must manage the

process in a fair and equitable manner within the funding available.

- 5.2 In order to make this process as easy as possible for businesses the Council intends to run 1 application form for the LRSF and ARG. Once received the Council will then assess which grant businesses are eligible and allocate the funding this way. In order to make this as fair as possible the level of grants given out through the AGF will match those given out through the LRSF scheme (see section 6). However in exceptional instances the Council reserves the right allocate additional funding from the ARG to support larger businesses in the area (as allowed in para 25 of the ARG guidance)

The Council invites applications via its website – https://www.oadby-wigston.gov.uk/pages/coronavirus_information

Any applicant who is unable to apply via the website should contact businessgrants@oadby-wigston.gov.uk.

- 5.3 Applications can be made from Week commencing the 16th Nov to midnight on 2nd December. Potential applicants should assume that this window will not be extended, although the Council reserves the right to do so. It is expected that OWBC will undertake assessments on a weekly basis.
- 5.4 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.
- 5.5 The Council will individually assess and validate applications as they are received and may request further information should it be required. The pre-payment checks will include confirming eligibility, checks against Companies house and other government websites.
- 5.6 Applicants would 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 regulations. The Council's website will require applicants to confirm acceptance of various compliance statements through tick boxes.
- 5.7 The Council will undertake written post payment assurance around compliance, in particular State Aid as per the request set out in the guidance provided by national government for post payment monitoring and reporting
- 5.8 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.

6. How will the value of grants be calculated?

6.1 As identified there will be one application process for both grants. In order to treat businesses equitably and fairly the grant amounts for the ARG scheme will align to those in the LRSF scheme. These will be

If a business has a RV

1. £1667 for RVs up to £15k
2. £2000 for RVs between £15k and up to £51k
3. £3000 for Rvs over £51k

Should a business not have an RV the grant amount will be based on turnover:

1. £1667 for turnover up to £75k
2. £2000 for turnover between £75k and £250k
3. £3000 for turnover above £250k

6.2 The Government guidance states that in taking decisions on the appropriate level of grant, local authorities may want to take into account the level of:

1. Fixed costs faced by the business in question,
2. The number of employees,
3. Whether businesses have had to cease trading and are unable to trade online
4. The consequent scale of impact of this lockdown on income

6.3 The Council has considered this statement and has developed an application process and assessment criteria that take these considerations into account.

6.4 As allowed within the guidance (para 25) the Council reserves the right to award a higher level of funding to support larger businesses that are important to our local economy. This allocation will be determined on a case by case basis.

6.5 Oadby and Wigston Borough council would encourage all businesses applying for the grants to utilise the full suite of support programmes made available by government.

6.6 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. Due to this 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. Managing the Risk of Fraud

- 7.1 The Council and the Government will not accept deliberate manipulation and fraud. Any business or person caught falsifying their records or the information submitted to gain a grant award will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.
- 7.2 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.
- 7.3 The Council also reserves the right to use any details submitted by businesses to check against national records and databases to highlight any potential fraudulent activity.

8. Policy Review

- 8.1 This policy has been written in line with Government guidance. It will be subject to dynamic review as circumstances dictate and in line with future clarifications and changes that may be announced by the Government.