

Oadby and Wigston Borough Council

Local Restrictions Support Grant (Open) Policy

1. Background to Local Restrictions Support Grant (Open)

- 1.1 The Government has provided additional funding to local authorities to support businesses in Tier 2 and Tier 3 (also known as Covid High or Very High areas) which did not have to legally close, but were severely impacted by the local restrictions. This funding is intended to kick start recovery by supporting sustainable businesses. The Local Restrictions Support Grant (Open) – (LRSG (Open)) is one of these grants.
- 1.2 The funding local authorities receive is based on the number of hospitality, hotel, B&B, and leisure businesses in their area. The Council has received £127,083 for the period 22nd September 2020 to 4 November 2020.
- 1.3 Guidance states the funding assumes that businesses receive grants equivalent to 70% of the fixed grants for which legally closed businesses are eligible.
- 1.4 Local Councils have the freedom to determine the precise eligibility criteria for these grants, but the Government expects the funding to be targeted at hospitality, hotel, B&B and leisure businesses.
- 1.5 Due to the size of the grant, and it being based on the above criteria, the Council therefore invites applications from severely impacted businesses in the hospitality, hotel, B&B and leisure sectors (as defined by the Council in Appendix A), and will make payments at the 70% level of closed business grants as recommended by the Government.
- 1.6 Areas such as Oadby and Wigston were subject to restrictions on socialising for a period before the Tier System was introduced on 14th October 2020, and Government has back dated funding for which the restrictions began, and this, for Oadby and Wigston, is 22nd September 2020.
- 1.7 For businesses legally required to close from 5 November 2020 due to the national lockdown, this grant scheme initially runs from 1 August 2020 until 4 November 2020. Such businesses will then be funded during the national lockdown at a higher level (100%) under the Local Restrictions Support Grant (Closed) scheme. Should Tier 2 or 3 local restrictions be re-imposed at the end of the national lockdown and businesses are permitted to reopen, periodic payments will once again be made under this scheme.
- 1.8 For businesses not legally required to close during the national lockdown from 5 November, the Council will continue to make payments during the

lockdown period. However, these will be funded from the Additional Restrictions Grant and will be at the 70% level.

- 1.9 This scheme will initially run until April 2021, with a Government review point in January 2021. If the tier to which Oadby and Wigston is subject changes during this period, the grant scheme will be updated accordingly as instructed by / agreed with the Government.
- 1.10 Businesses can choose to spend the grants as they wish. The Government expects that many businesses will use the grants to cover high fixed property-related costs.

2. Who will benefit from the LRSG (Open) Scheme?

- 2.1 Hospitality, hotel, B&B and leisure businesses which were not legally closed from 22nd September 2020, but which were/are severely impacted by the restrictions on socialising, and which pay rates directly to Oadby and Wigston Borough Council or occupy rated premises under a formal tenancy but are not the direct ratepayer.
- 2.2 A list of eligible business types is given at Appendix A; any other businesses considering applying for a grant will be assessed against this list. One grant per period may be claimed for each eligible premises.
- 2.3 The Council estimates there are around 87 eligible rate paying properties, based on a review of the ratings list.
- 2.4 The Council may review the list of eligible businesses ahead of any payment periods following the end of the national lockdown, adding and removing business types depending upon funding and trading conditions.
- 2.5 For clarity and the avoidance of doubt, 'open' grants are not available to shops (whether deemed essential or not), takeaways and homeworkers. Non-essential shops that are legally required to close during the national lockdown from 5 November are eligible for funding under the separate Local Restrictions Support Grant (Closed) scheme. The Council will consider wider sectors under the Additional Restrictions Grant in due course.
- 2.6 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.

3 Other Qualifying Conditions

- 3.1 Businesses must have been the ratepayer or tenant at 22nd September 2020. Business which began trading or became the ratepayer or tenant after 22nd September 2020 cannot be funded under this scheme.
- 3.2 Businesses must not be in administration, insolvent or subject to a striking-off notice at the time of applying or receiving a grant.
- 3.3 Businesses must ensure that by receiving a grant they will not be in breach of state aid thresholds. In summary, grants can be received under the existing De Minimis rules, provided doing so does not exceed the rolling three-year €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). Additional rules apply for businesses that are 'an undertaking in difficulty'. Businesses in any doubt should take their own legal advice.
- 3.4 Businesses may apply for this fund regardless of any other national or local COVID-19 grants or loans already received.
- 3.5 As repeat payments will be made under this scheme if local restrictions are re-imposed after the national lockdown ends, businesses must promptly inform the Council should they become ineligible for grants and must return any overpaid funding.

4. Amount of each business grant

- 4.1 The Government says it is up to the Council to determine what precise funding to allocate to each business. This is because of how the Government is funding councils for the scheme and because councils determine the precise eligibility criteria in their area.
- 4.2 The grant levels below for businesses which pay rates are an approximate guide from the Government. The Council will pay these for the period 22nd September 2020 to 4 November 2020. The Council will aim to continue these amounts after the national lockdown ends should local restrictions be reintroduced, unless it becomes clear they cannot be afforded within the funding available.

- 4.3 The Council may vary the amounts paid from period to period, to remain within the available funding allocated by Government.
- For properties with a rateable value of £15,000 or less, grants of an indicative £934 per 28-day period.
 - For properties with a rateable value above £15,000 and less than £51,000, grants of an indicative £1,400 per 28-day period.
 - For properties with a rateable value of £51,000 or above, grants of an indicative £2,100 per 28-day period.
- 4.4 The rateable value of premises where the business is not the direct ratepayer will be assessed based on the RV of the premises, rent payments, etc.
- 4.5 Grants will be paid to towards the end of each period.
- 4.6 In the event that local restrictions end or change part way through a 28-day period, grants will be paid pro-rata unless otherwise instructed or advised by Government.
- 4.7 Should the total grants paid exceed the funding from the Government, the difference will be charged to the Additional Restrictions Grant allocation.
- 4.8 The initial grant amounts from 22nd September 2020 to the national lockdown on 5 November covers a period of 44 days. This is a multiplier of 1.57 (rounded to the nearest £50 . The amounts payable are shown in the table.

Rateable Value	Grant per 28 days	Grant 22nd September to 4th November
£15,000 and less	£ 934	£1,450
£15,001 to £50,999	£1,400	£2,200
£51,000 and above	£2,100	£3,300

5. Applying for a grant

- 5.1 Businesses must meet the criteria in section 2.
- 5.2 Applications for the first round of grants to 4 November should be made as soon as possible. The Council will determine a closing date which will be advertised on its website; this will not be sooner that 4 weeks after applications open.
- 5.3 Applications may be made any time thereafter but at the Council's discretion may take effect from the then current period and may not be backdated.

- 5.4 The Council will make any future 28-day payments automatically towards the end of the period, with no need for further applications.
- 5.5 Businesses must tell the Council of any changes in circumstances that might affect eligibility for grant payments. Failure to do this could lead to grants being clawed back.
- 5.6 Applications should be made online. Businesses will be required to provide information to demonstrate eligibility, bank account details, and state aid compliance and to prevent fraud and error. A summary of how the business has been severely impacted will be required. The Government has also asked the Council to collect other data, including the sector in which the business operates and the number of employees.

6. Will these grant schemes be subject to tax?

- 6.1 Grant income received by a business is taxable. Therefore, funding paid under this scheme will be subject to tax.
- 6.2 Only businesses which make an overall profit once grant income is included will be subject to tax.

7. Managing the risk of fraud

- 7.1 The government and the council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
- 7.2 The Government's grants management and counter fraud functions 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 potentially fraudulent activity.
- 7.4 The council may withhold all or part of any grant payment where there is reason to believe that the eligibility conditions have not been met.

8. Appeals

- 8.1 There is no right to appeal, and the decision of the Council is final. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

9. Policy Review

- 9.1 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.

APPENDIX A

LOCAL RESTRICTIONS SUPPORT GRANT (OPEN)

Hospitality, hotel, B&B and leisure businesses not legally closed,

but severely impacted by the temporary local restrictions

Eligible business types – the use of the premises must be wholly or mainly for these purposes to qualify for a grant

Hospitality

Restaurants, cafes, coffee shops, public houses, bars, social clubs, clubs and clubhouses, corporate event and wedding caterers and organisers.

Note:

➤ Businesses whose main operation is a 'takeaway' are not eligible for this grant, as they have generally not been severely impacted by temporary local restrictions.

➤ Businesses whose main operation is a café, restaurant or pub and which offer a takeaway or click and collect service are eligible for a grant.

Hotels, etc

Hotels, bed and breakfast, guest houses, serviced apartments.

Note: AirBnb rooms are not eligible.

Leisure

Gymnasiums, sports grounds, sports facilities, health clubs, fitness clubs/centres, spas, casinos, cinemas, theatres, concert halls, public halls, arenas, bingo halls, amusement arcades, bowling alleys, snooker clubs, skate parks, entertainment venues, farm parks, adventure activities, riding schools, scout huts, cadet huts, conference and exhibition centre, coach tour operators.

Note: Nightclubs and adult entertainment venues closed by national restrictions are not eligible under the Government's rules.

Supply chain to the above

Small and micro businesses (see Appendix B) supplying food and beverages to the above, whose trade has been severely impacted compared to pre-pandemic levels from 1st August onwards. Further evidence of income loss may be requested following the application.

Businesses applying or seeking to apply will be assessed against this list.