

Local Restrictions Support Grant (Open) Policy

Background

1. In response to the COVID-19 pandemic, the Government has announced the following grant funds to support businesses where restrictions have had a negative impact on businesses:
 - Small Business Grant Fund (SBGF)
 - Retail, Leisure and Hospitality Grant Fund (RHLGF)
 - Local Authority Discretionary Grant Fund (LADGF)
 - Local Restrictions Support Grant (Closed) (LRSG(Closed))
 - Local Restrictions Support Grant (Sector) (LRSG(Sector))
 - Local Restrictions Support Grant (Closed) Addendum
 - Local Restrictions Support Grant (Open) (LRSG(Open))
 - Additional Restrictions Grant (ARG).
2. The Government has announced further business grant funding to local authorities, to be rolled out to open businesses from 2 December 2020 following the end of the second national lockdown that ran between 5 November and 2 December 2020.
3. This grant scheme, of which a discretionary element applies, is further detailed in this policy document, and has been brought about to help those businesses that are not legally required to close but which are severely impacted by the localised restrictions put in place under Tier 2 or Tier 3 (dependent on which level our area falls in to, determined by the Government). This fund is referred to as Local Restrictions Support Grant (Open), LRSG(Open) or LRSG(O).
4. This grant funding support will take the form through a grant application process, whereby one grant application from an eligible business will result in 14 day payment cycles for the duration of Tier 2 or 3 restrictions in financial year 2020-2021. The scheme will be administered by business rate billing authorities in England.
5. This grant funding will be available to businesses that are subject to Tier 2 or Tier 3 local restrictions only. It is not expected that this grant funding will be available should Tier 1 be introduced for South Lakeland.
6. In the event of renewed widespread national lockdown restrictions being imposed or changes to the Tier system, the LRSG(Open) will cease to apply, and relevant businesses will receive funding through LRSG(Closed), subject to addendum guidance from Government.
7. It is estimated that South Lakeland will receive £2,326,289 for this grant scheme. This equates to a 14 day cycle allocation payment to SLDC from Government to allow for fortnightly payments of grants while we remain in Tier 2 (or should we move to Tier 3).
8. Local authorities can use this funding for business grants only. LAs do have a degree of discretion as to which businesses will receive this funding. The Government have made it clear that they expect this to be targeted at hospitality and leisure businesses, which some variations due to differing local economies and the impact that Tier 2 and 3 restrictions have on these sectors. This document will set out in full which businesses will be eligible.

9. The Government has set some national criteria which the Council must follow in terms of which businesses it can support, but Local Authorities have some discretion to determine which businesses to support within those criteria. In determining this scheme, the Council has sought to balance the amount of overall money it has received to distribute, with the number of businesses it can support. For the avoidance of doubt, the Council does not have the discretion to assist businesses that fall outside the criteria set out below under point 10.
10. For the full Government guidance on this scheme, please refer to the following link:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942853/local-restrictions-support-grant-OPEN-dec2-2020-onwards-la-guidance.pdf

Eligibility

11. Open businesses within the following sectors are eligible for this scheme:
- a) Hospitality – Pubs, Bars, Restaurants, Cafes, Social Clubs, Catering Companies and Wedding Suppliers.
 - i. Pure takeaway businesses are excluded.
 - b) Accommodation – Hotels, Bed and Breakfasts, Self-Catering Cottages, Campsites and Caravan Parks (those that are operating at this time of year).
 - i. Those which are registered for business rates will be eligible through the LRSG(O) scheme, those which meet the criteria to be registered for business rates and are in the process of transferring from Council Tax to Business Rates before 2nd Dec will be eligible through this scheme.
 - c) Leisure and Sports facilities such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, shooting ranges and other adventure pursuits.
 - i. This would be for those businesses severely affected by loss of revenue/paying customers due to restrictions around no households mixing indoors and/or the rule of 6 for outdoors activity.
 - d) Visitor Attractions such as museums, art galleries, zoos/aquaria, historic places or monuments, etc.
 - i. This would be for those businesses severely affected by loss of revenue/paying customers due to restrictions around no households mixing indoors and/or the rule of 6 for outdoors activity.

Non Eligible Businesses

12. Businesses that were **not** trading the day before restrictions were introduced are not eligible for this scheme.
13. Companies that were in administration, are insolvent or where a striking-off notice has been made are not eligible for this scheme.
14. Businesses that are unable to comply with the [State Aid requirements as set out in the Government Guidance](#) may be ineligible for this grant scheme.

Grant Award Amounts

15. Awards under the Local Restrictions Support Grant (Open) scheme are cash limited and therefore expenditure will not exceed the amount determined under point 7.

- 16. In most cases, eligible businesses will be registered with the Council for business rates, and therefore grant amounts will be determined by the business property's rateable value.
- 17. In fewer cases, where eligible businesses that are not registered for business rates (i.e. B&Bs paying Council Tax, outdoor pursuits businesses etc), the grant award will be made under the 5% discretionary top-up of this policy, and grant amounts will be determined by employee numbers.
- 18. Grant award amounts:

Rateable Value	Grant Amount per 14-day restrictions	Employee Numbers	Grant Amount per 14-day restrictions
£15,000 or less	£467	0-9	£467
£15,001 - £50,999	£700	10-24	£700
£51,000 +	£1,050	25+	£1,050

- 19. If the fund is oversubscribed, the Council reserve the right to amend grant levels, based on applications received and approved.
- 20. The grant scheme is per hereditament (property). Businesses with more than one property that is rated in the business rates list will be eligible for more than one grant. In case where businesses do not operate from a hereditament (property), grant applications should be made one application per business only.
- 21. Payments will be made per 14-day period for as long as the council remains in Tier 2 or 3, or until such time that new schemes replace this scheme. The first payment period is from 2 December 2020 to 16 December 2020.

Application process

- 22. An application process will be used to administer this grant schemes, details of which will be at www.southlakeland.gov.uk when available.
- 23. It is recognised that the Council now holds significant amount of data for businesses who have been eligible through previous grant schemes, therefore it is our aim to make the application process as efficient as possible for the applicant and the Council, to ensure timely payments. Data security is of the utmost importance to the Council, please refer to our Point 33 on our data protection and [privacy policy](#).

Appeals Process

- 23. There is no right to appeal and the decision of the Council is final.
- 24. 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.

EU State Aid Requirements

- 25. All State aid requirements must be met and complied with under this grant scheme, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting

requirements to the EU Commission.

26. Recipients will be asked to complete a declaration to confirm the position in relation to State Aid.

Taxation and the provision of information to HMRC

27. The Council has been informed by Government that all payments under the scheme are taxable. The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position. All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

Evidence That You Will Need to Provide

28. The Council is relying on businesses to be honest and open with the Council, and to present to us your evidence of need and eligibility for this grant scheme.
29. As part of your application you will need to provide the following information:

Information	Evidence Required	Comment
Applicant Details	Details of you, the applicant submitting the application to us	You should be authorised to do so on behalf of the eligible business
Payment details	If you have received a grant from us recently, we will look to pay these bank details (subject to a new application), based on your new application submission. If you have not received a grant from us previously, or your bank details have changed, a copy of your full business bank statement clearly showing account name, business address, sort code and account number	The payee must match the name of the business or individual listed on the business rates or council tax account. Where your address does not match that of the property within the application, a utility bill will be sought clearly showing your business address
Your Business Unique Identifier Type	This unique identifier will be with your company reference number, charity number, self-assessment number, national insurance number, taxpayer reference or VAT number	We also need to capture the business sector and business size, as a requirement from Government
Evidence of the negative impact of local restrictions on your trading business	You will need to provide your average monthly fixed business property costs, if you are trading online, your annual turnover, and written details of how the latest restrictions have affected your business.	You must refer specifically to how the most recent restrictions (2 nd December onwards) have impacted your business. You can also make reference to the wider impact and scale of losses you have experienced because of the COVID-19 pandemic and resulting restrictions
Evidence of eligibility under State Aid rules	This will be done by way of self-declaration on the online application form, previous grants received in the past three financial years should be declared on the application form	If you are unsure whether State Aid applies to your business, you will need to seek independent legal advice.

30. The Council reserves the right to request supporting information and additional evidence from the applicant to support the grant application pertaining to the above information. Withholding of this information or failure to supply with the grant application period may result in your application being refused.

Definitions

31. “Bed and Breakfast” - grant applications from B&B’s that are in either business rate or council tax will be accepted. The property should be wholly or mainly used as guest premises and will be registered as a food businesses with the Council. Properties which are mainly domestic and renting a spare room or rooms through ‘AirBnB’ or similar booking platforms are not eligible.
32. “Self-catering holiday cottage” - self-catering holiday cottages which are available to let for short periods that total 140 days or more per year should be rated as a self-catering property and valued for business rates and will be eligible through this scheme. Those which meet the criteria to be registered for business rates and are in the process of transferring from Council Tax to Business Rates before 2nd Dec (that is, the Local Taxation team has been informed and is factually aware of the business usage of the property prior to this date) will be eligible through this scheme. Those who do not meet the 140 days criteria or have not begun the process to transfer from Council Tax to Business Rates will not be eligible for this scheme.

Data Protection

33. The Council treats all its information that it holds on file with the upmost care and confidentiality. For more on our Privacy Policy, and to see how we use and share your data, please see here: www.southlakeland.gov.uk/your-council/council-business/data-protection-and-privacy-policy/privacy-policies/

Managing Fraud Risk

34. Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
35. Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

Recovery of Grants Incorrectly Paid

36. If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

Right to Update this Policy

37. The Council reserves the right to update and change this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error or omission. Any future updates will be published on our website.