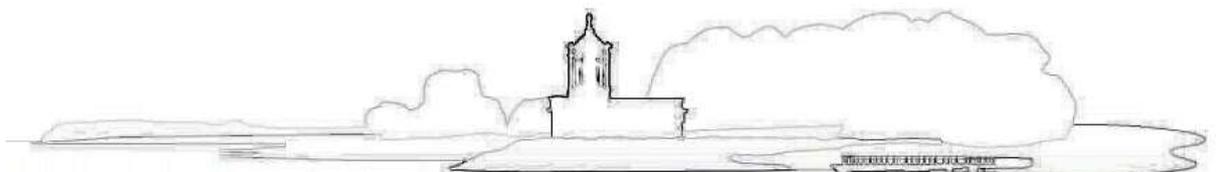


Rutland County Council

LOCAL RESTRICTIONS SUPPORT BUSINESS GRANTS (CLOSED BUSINESSES) POLICY (2020/21)

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Guardian	Sue Kirby, Economic Development Manager,
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Summary of document

The policy applies to the Local Restrictions Support Grant (Closed Businesses) as announced by central government on 3rd November 2020. The policy sets out to achieve a fair and robust approach to the award and allocation of the Local Restrictions Support Grant (Closed Businesses) as a result of the Government's response to COVID-19.

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1.0 INTRODUCTION

- 1.1 In response to the Coronavirus, COVID-19, the Government announced there would be support for businesses required to close for the duration a national lockdown period 5th November - 2nd December 2020.
- 1.2 The Government announced on 3rd November 2020 that it would provide a Local Restrictions Support Grant (Closed Businesses) referred hereafter as 'the Grant'. The Grant is for businesses that pay rates and are required by the Government to close for the duration stated in 1.1.
- 1.3 The Government will give local authorities an allocation, which they are required to pay to ratepayers of eligible businesses in line with a Government guidance.

2.0 LEGISLATION

- 2.1 Local authorities will be responsible for delivering Grants to eligible businesses. Section 1 of the Localism Act 2011 provides local authorities with the vires to make these payments.
- 2.2 The Department for Business, Energy & Industrial Strategy (BEIS) has issued guidance called 'Local Restrictions Support Grants (Closed) Addendum - Guidance for Local Authorities and, 'Local Restrictions Support Grants (LRSG) (Closed) Authority– Guidance for local authorities' which can be found here:
<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>
- 2.3 This policy refers to the Local Restrictions Support Grants (Closed) Addendum - Guidance for Local Authorities and 'Local Restrictions Support Grants (LRSG) (Closed) Authority– Guidance for local authorities'
- 2.4 There is a separate policy for the Additional Restrictions Grant (ARG).
- 2.5 This policy has been approved by the Council's Cabinet using delegated authority obtained in Report 97/2017.
- 2.6 The Council is not permitted to award discretionary relief to a precepting authority or itself, as a billing authority.
- 2.7 The Grant will result in a one off payment for eligible businesses. The payment is made to the ratepayer according to the Council's records. The Grant payment will be subject to tax (where a profit is made). A business can claim one Grant for each property it has that meets the eligibility criteria.

2.8 The Council reserves the right to amend this policy.

3.0 POLICY AIM

- 3.1 The policy aims to support the economy during the period of the national lockdown period stated in 1.1 alongside supporting the strategic aims and objectives of the Council in supporting local businesses.
- 3.2 The policy will seek to provide a Grant payment to ratepayers for those businesses that the Government have set out as eligible for the Grant in the first instance. Eligible businesses are set out in Section 4.2 and Appendix A.
- 3.3 The Council's priority is to ensure that it can provide financial support to local businesses required to close by Government published on the 3rd November 2020.
- 3.4 Funding will be provided on a rolling 28-day basis for as long as national restrictions apply, in line with the Grant offer letter sent to Local Authorities (using a Grant under section 31 of the Local Government Act 2003).
- 3.5 This Grant is only available to businesses that were open as usual and providing in-person services to customers from their business premises and then required to close. It is only available for businesses required to close due to restrictions that had their first full day of restrictions on or after the 9 September. It is not retrospective.
- 3.6 Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions will receive a payment of £1,334 per 28-day qualifying restriction period.
- 3.7 Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions will receive a payment of £2,000 per 28-day qualifying restriction period.
- 3.8 Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the local restrictions, will receive £3,000 per 28-day qualifying restriction period.
- 3.9 Some exclusions to the Grant will apply and these are detailed at 5.0.

4.0 QUALIFYING BUSINESSES FOR LOCAL RESTRICTIONS SUPPORT GRANT (CLOSED BUSINESSES)

4.1 In order to qualify, the Government have set out some national criteria which we will apply to all payments made from this Grant. These Grants can only go to businesses that meet **all** of the following:

- a) Are on the list of businesses required to close (see 6.0 and Appendix A)
- b) Are business rate payers
- c) Was trading on 4th November;
- d) Are not in administration, are insolvent or where a striking-off notice has been made; and
- e) Would not breach State aid rules in receiving a Grant (see Appendix C)

5.0 NON-QUALIFYING PROPERTIES

5.1 Businesses which are eligible for the existing Grants from any Government COVID-19 related scheme are not eligible. Such Grant schemes include but are not limited to:

- a) The Fisheries Response Grant ;
- b) Domestic Seafood Supply Scheme;
- c) The Zoos Support Grant ; and
- d) The Dairy Hardship Grant.

5.2 For clarification, businesses/individuals who have applied for the Coronavirus Job Retention Scheme or the Self-Employed Income support scheme (SEISS) are eligible to apply to the Grant

6.0 EXCLUSIONS TO LOCAL RESTRICTIONS FUNDING (business rate payers)

6.1 Businesses that are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).

6.2 Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.

6.3 Businesses that have chosen to close but not been required to will not be eligible for this Grant.

6.4 Businesses which have already received Grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.

- 6.5 For the avoidance of doubt, businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 6.6 Businesses that do not meet the criteria detailed at 4.1.
- 6.7 Businesses that were not trading on 4th November 2020.
- 6.8 The Council will not consider a business for a Grant if the application form is incomplete.

7.0 APPLICATION FOR A LOCAL RESTRICTIONS SUPPORT GRANT (CLOSED BUSINESSES)

- 7.1 Local Authorities will receive 90% of the estimated grant funding at the point of entry of the first 28-day period of national closures. For Rutland County Council; this is £786,276. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further 28-day periods of closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.
- 7.2 We are asking businesses to complete an on-line application form. Hard copy forms will not be accepted. The form asks a range of questions including information on the number of people employed, the sector the business operates in and details of the business rate payer and business owner.
- 7.3 Businesses will be asked to provide information and supporting documents including
 - Identification of the business or charity to which the application relates – company or charity number, VAT number
 - Evidence that the bank account into which any Grant will be paid properly relates to the business, charity, etc. – copy of a recent bank statement showing business transactions. This is required even where the applicant already receives other payments from the Council, or pays business rates by direct debit.
 - Business rates account reference number.
- The form also asks businesses to declare that the information provided is correct. This is because the Government will not accept deliberate manipulation and fraud - any business caught falsifying their records to gain Grant money will face prosecution and any Grant issued will be subject to claw back, as may be any Grants paid in error.

- The Council will not consider any business for an award if application forms are incomplete or if applications forms are not supported by evidence as listed in 7.3.

6.8 Businesses that meet the on-line application form requirements, and have provided supporting information and documents as requested, will then be contacted to enable us to make arrangements for payment.

7.0 GRANT PAYMENTS

7.1 The total Grant allocation to the Council is £786,276

7.2 Grant levels to eligible businesses are set out in 3.6 – 3.8

8.0 HOW THE AWARD WILL BE MADE

8.1 Applications will be assessed by the Revenues and Benefits Manager (Resources Directorate).

8.2 Applications will be approved or refused by the Strategic Director for Resources.

9.0 NOTIFICATION OF DECISION

9.1 The business will be notified electronically i.e. via email.

9.2 If an application is refused, the reason for the decision will be provided.

10.0 AWARD TIMESCALES

10.1 Efforts will be made to award Grants to eligible properties week commencing the 16th November 2020.

11.0 CANCELLATION AND REPAYMENT

11.1 The Government will not accept deliberate manipulation and fraud- any business caught falsifying their records to gain Grant money will face prosecution and any Grant issued will be subject to claw back, as may be any Grants paid in error.

11.2 Post payment assurance checks will be undertaken. The Government's Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.

12.0 COMPLAINTS AND APPEALS

- 12.1 Rating law does not allow for a ratepayer to appeal a decision by the Council on the refusal to award any discretionary rate relief which includes the Grant. However, in the interests of natural justice it is regarded as good practice for local authorities to establish a mechanism to allow appeals to be heard.
- 12.2 If an aggrieved business wishes to make an appeal against a decision made under this policy then they will need to write to the Revenues and Benefits Manager within 14 days of notification of the refusal by email to Lockdownbusinessgrants@rutland.gov.uk
- 12.3 Appeals will be forwarded to Cllr G Brown, Deputy Leader and the Portfolio Holder for Environment, Planning, Property and Finance who will consider the appeal. The ratepayer will be notified of the decision electronically and this decision will be final.

13.0 STATE AID

- 13.1 Whilst the UK left the EU on 31st January 2020, the withdrawal Agreement negotiated by the Government and the EU provides that during a transition period State aid rules will continue to apply as now and will be subject to control by the EU commission as at present.
- 13.2 Appendix C details the State aid rules.
- 13.3 Recipients of Grant may be asked to sign and return a statement confirming their eligibility to State aid.

Appendix A- Eligible and Non-Eligible Businesses

For a complete list of which business are required to close, including what to do if the business has mixed retail, and any exceptions to this list please refer to:

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>

Eligible businesses (businesses required to close)

Non-essential retail.

- Clothing, tailors and homeware stores
- Vehicle showrooms (including outdoor areas)
- Tobacconists / vape shops
- Florists
- Car washes
- Charity shops
- Photography studios and antique shops
- Dog groomers(Aesthetic)
- Electronics goods and mobile phone shops
- Market stalls selling non-essential goods
- Auction houses (except livestock and agricultural equipment)

**These venues are still eligible if they can continue to operate click-and-collect services (where goods are pre-ordered and collected off the premises, and delivery services.)*

Hospitality venues**

- Cafes/ coffee shop
- Restaurants including workplace canteens
- Pubs, bars and members and social clubs

*** Where a business has diversified to offer a limited order & collect / deliver service this will not affect their ability to access any grants.*

Accommodation*** providers including:

- Hotel
- Hostel
- Bed and breakfasts
- Holiday accommodation
- Guest house, boarding house
- Campsites and caravan parks

**** There are exceptions including where the accommodation is being used to shelter vulnerable people and people needing accommodation for work. Businesses providing restricted accommodation are still eligible for the grant. For a full explanation see: <https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>*

Personal care facilities and close contact services ** such as**

- Hair, beauty, tanning and nail salons.
- Tattoo parlours. Piercing studios,
- Spas, massage parlours, body and skin piercing services.
- Mobile personal services including in the practitioner's home.

***** Where services are being provided as part of a prescribed medical treatment e.g. massage for pain relief, or acupuncture; this is allowed to continue*

Leisure and sports facilities

- Leisure centres and sporting facilities
- Gyms
- Swimming pools, water sports venues
- Tennis courts, basketball courts, golf courses and driving ranges
- Fitness studio or dance studio
- Soft play areas, trampoline centres
- Archery, driving and shooting ranges

Entertainment venues

- Theatres, concert halls, cinemas, museums and galleries
- Casinos, amusement arcades, bingo halls, betting shops, gaming centres
- Bowling alleys, skating rinks, go-karting venues, soft play centres and areas,
- Indoor games, recreation and entertainment venues (e.g. escape rooms)
- Circuses, funfairs, zoos, and other animal attractions, water parks, theme parks.
- Indoor attractions at botanical gardens, heritage homes and landmarks / viewing platforms
- Nightclubs, sexual entertainment venues, hostess bars
- Dance halls, and discotheques
- Museums and galleries
- Conference centres and exhibition halls e.g. for the use of trade shows, banquets.

Other:

- Community centres and halls
- Places of worship

Special arrangements apply for private worship, provision of community services e.g. for blood-bank donations. For details see

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>

Non-Eligible Businesses (not required to close)

- Essential retail such as food shops, supermarkets, pharmacies, garden centres, hardware stores, building merchants and off-licences.
- Pet shops and agricultural supplies shops
- Petrol Stations, car repair and MOT services, bicycle shops, and taxi and vehicle hire businesses.
- Banks, building societies, post offices, loan providers and money transfer businesses
- Vehicle rental
- Funeral directors
- Launderettes and dry cleaners
- Takeaways – where the primary service is to provide take-away, order to be delivered, drive-through.
- Outdoor playgrounds
- Storage and distribution facilities
- Car parks, public toilets and motorway service areas
- Medical and dental services
- Vets
- Business services that can operate remotely e.g. accountants and solicitors (see 'exemptions' in the Government guidance)

Appendix B –Funding framework

For any business that

Rateable Value p.a. March 2020	>£15,000	>£15,001 - <£51k	51,001+
Grant payable / 28 days national lockdown	£1,344	£2,000	£3,000

Appendix C State aid

1. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The local authority must be satisfied that all State aid requirements have been fully met and complied with when making Grant payments, 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.

2. Local authorities have a discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).
3. Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three year period.
4. Payments of up to and including £25,000 (or where the De Minimis threshold has been reached) should be paid under the COVID-19 Temporary Framework for UK Authorities. Local authorities should note the conditions attached to the Temporary Framework, including the €800,000 threshold per undertaking (€120 000 per undertaking active in the fishery and aquaculture sector or €100 000 per undertaking active in the primary production of agricultural products), and requirement for recipients to declare they were not an undertaking in difficulty on 31 December 2019. An 'undertaking in difficulty' is defined by GBER (2014) as an undertaking in which at least one of the following circumstances occurs:
 - a. In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own Grants of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital.
 - b. In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.
 - c. Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
 - d. Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.
 - e. In the case of an undertaking that is not an SME, where, for the past two years:
 - i. The undertaking's book debt to equity ratio has been greater than 7.5 and
 - ii) The undertaking's EBITDA interest coverage ratio has been below 1.0.

**A large print version of this document is
available on request**



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