



**WEST LANCASHIRE BOROUGH COUNCIL
ADDITIONAL RESTRICTIONS GRANT POLICY**

27 NOVEMBER 2020



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1. Introduction

- 1.1 In response to the COVID-19 pandemic, on 31 October 2020, the Government announced a further package of financial assistance to enable local authorities to support businesses in their local area that had been placed under Local COVID Alert Level Very High (LCAL3) or national restrictions.
- 1.2 The Additional Restrictions Grant (ARG) is a discretionary scheme which in part, is aimed to provide additional funding to local authorities to support businesses which have been severely impacted by the LCAL3 and national lockdown restrictions but do not qualify through the Local Restrictions Support Grants (LRSG). It is for local authorities to develop the ARG scheme, however Government guidance states priority is given to:
- Businesses while not legally forced to close are nonetheless severely impacted by LCAL3 and national restrictions, for example, businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector.
 - Businesses forced to close as a result of LCAL3 or national restrictions and do not have a rateable value, for example, market traders or businesses in shared spaces.
- 1.3 National and local restrictions are legally binding restrictions imposed where the Secretary of State for Health and Social Care requires the closure of businesses under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 1.4 West Lancashire moved into LCAL3 on 17 October 2020 and became subject to increased localised restrictions. This meant all pubs and bars within the borough had to close from that date, unless they are serving substantial meals. In addition, from 19 October 2020 the adult gaming industry, casinos, bingo halls, bookmakers, betting shops, and soft play areas had to close and car boot sales were not permitted.

1.5 National restrictions were imposed on 5 November 2020 and meant as well as businesses required to close under LCAL3 certain other businesses were mandated to close by Government. These included non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

2. Purpose & Scope

- 2.1 The purpose of this policy is to set out the criteria under which West Lancashire based businesses may qualify for a grant under the ARG scheme, the evidence required to support an application and the appropriate level of grant that may be awarded.
- 2.2 [Government guidance](#) dated 3 November 2020 (Additional Restrictions Grant - Guidance for Local Authorities) and Government FAQ's received on 9, 16 and 23 November 2020 set out the criteria which the Government advises the Council should consider in administering the ARG.
- 2.3 In line with the eligibility criteria set out in Government guidance, under the ARG scheme Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each eligible Local Authority when LCAL3 or widespread national restrictions are imposed.
- 2.4 Due to West Lancashire entering LCAL3 prior to national restrictions being imposed the Council already accessed an additional enhanced business support settlement from Government and this settlement amount now forms part of the ARG fund.
- 2.5 The Council will be responsible for delivering the funding and this support will take the form of a funding scheme in Financial Year 2020- 2021 and can be used across Financial Years 20/21 and 21/22.
- 2.6 The Council intends to use this funding primarily for discretionary grants, but can also use this funding for wider business support activities. Wider business support is spending designed to assist the business community, but, unlike grants, is not direct funding for individual businesses. This may include advice and guidance for businesses, skills training to support their ability to trade in changed circumstance etc. As this is a discretionary grant scheme, it will be for the Council to determine how best to split the funding between grant schemes and other business support activities.
- 2.7 ARG funding can also be used by the Council to support the business community over an extended period between November 2020 and March 2022.
- 2.8 The Council's decisions regarding the ARG scheme and use of funding will be final and there is no appeal process.

3. Eligibility

3.1 To be eligible to apply for a grant under the ARG scheme a business (including self-employed and sole-traders who run their business) must meet all of the following criteria:

- Have been mandated to close as a result of LCAL3 or national restrictions but do not have a rateable value

OR

Are able to demonstrate they are not legally forced to close but have been severely impacted due to LCAL3 or national restrictions, for example, businesses

which are in hospitality, accommodation, retail, leisure, travel, personal care and events sectors which have been allowed to remain open and also businesses that supply products or services to these sectors.

- Trading on the day before LCAL3 (16 October 2020) or national restrictions (4 November 2020) were introduced
 - Located and trading within West Lancashire
 - Not eligible for any Local Restriction Support Grants.
- 3.2 Businesses will only be eligible for one grant irrespective of the number of premises they occupy.
- 3.3 For the purpose of this scheme a business is considered to be trading if it is engaged in business activity. This is interpreted as carrying on a trade or profession, or buying and selling goods or services, with a view to making a profit or surplus.
- 3.4 Businesses will not be eligible if they are able to continue trading because they do not depend on providing direct in-person services from their premises and can operate their services effectively remotely, such as accountants and solicitors.
- 3.5 Businesses that have chosen to close but not been required to will not be eligible for this grant, unless they can demonstrate they have been severely impacted.
- 3.6 Grants will not be made available to private/residential accommodation where rooms/properties are let out, that do not have a food licence, ie Airbnb.
- 3.7 If a business is part of a non-franchised national chain they will not be eligible for a grant under the ARG scheme.
- 3.8 If a business remains open when mandated to close it would be against the law and any business doing so will be ineligible for a grant. If a previously non-compliant business were to become compliant, it can be considered eligible for a future grant from the date of compliance.
- 3.9 If a business has previously received a business support grant during the first national lockdown they can still apply for the ARG.
- 3.10 For the avoidance of doubt, if a business has received funding from the Coronavirus Job Retention Scheme, or are eligible for the Self-Employed Income Support Scheme, they can still apply for the ARG if they meet the eligibility criteria. However, Government guidance states that the ARG must not be used as a wage supplement for the self-employed, rather as a support to the business that the self-employed person runs.
- 3.11 Businesses that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 3.12 The Council reserves the right to vary the terms of this scheme, introduce a closing date or close the scheme at any time, and without notice, should it be necessary to do so, for example, if there are any changes or extensions to the LCAL or national restrictions.

4. Fair Funding Approach

The Council will adopt a fair funding approach to the ARG scheme in order to ensure that all eligible businesses have the opportunity to apply and receive funding as fairly and quickly as possible.

5. Determination of Grant Amounts and Payments

- 5.1 The ARG scheme will aim to follow the LRSG for the amounts awarded and payment schedules.
- 5.2 The level of grant paid under the ARG scheme will depend on the rateable value or fixed annual property costs of the eligible business premises, subject to paragraph 5.5, as follows:
 - £15,000 or under, will receive grants up to a maximum of £667 per two weeks of closure (£1,334 per month)
 - Over £15,000 and less than £51,000, will receive grants up to a maximum of £1,000 per two weeks of closure (£2,000 per month).
 - £51,000 or over, will receive grants up to a maximum of £1,500 per two weeks of closure (£3,000 per month).
- 5.3 For businesses that have not legally been forced to close grant sums will be paid at up to 70% of the relevant awards listed in paragraph 5.2, subject to paragraph 5.5.
- 5.4 Fixed annual property costs will only be considered if the business does not have premises on the rateable value list. For the purpose of this grant fixed annual property costs include rent/mortgage payments identifiable to the business.
- 5.5 The following exceptions apply to paragraphs 5.2 and 5.3:
 - If an eligible business does not have premises with a rateable value and its fixed annual property costs are less than £3,000 or they cannot be specifically identifiable to the business, a one off lump sum grant of £500 will be awarded, subject to the Council's discretion.
 - Regular market traders will receive a one off lump sum grant of £500, subject to the Council's discretion, as a result of rent concessions which have already been applied by the Council
- 5.6 The Council reserves the right to amend the grant levels on a pro-rata basis.
- 5.7 The Council will aim to review all applications within 10 working days.
- 5.8 Payments will be made by electronic transfer directly to the bank account provided in the application form, provided the business can show a direct link to this account.

6. Required Evidence

- 6.1 In order for the application to be considered, the Council require businesses to demonstrate that they meet the eligibility criteria detailed in this policy.
- 6.2 We anticipate that to do this, applications will need to include:

- Self-certification that the business has been mandated to close as a result of LCAL3 or national restrictions and does not have a rateable value.
 - A summary description of how the business has been severely impacted due to LCAL3 or national restrictions being imposed.
 - A bank statement, or equivalent, that is less than 3 months old to allow the business or business owner's address and bank account details to be verified.
 - Evidence of fixed property costs, examples include, but are not limited to a signed lease agreement, signed licence agreement, signed rental agreement or signed mortgage agreement, showing an identifiable link to the business.
 - Confirmation that the business is not eligible/has not received any grant under the LRSG schemes.
 - Confirmation of State Aid compliance
- 6.3 Businesses may be required to provide evidence to show they have been severely impacted, such as business accounts, bank statements showing income prior and post restrictions, and details of cancelled orders.
- 6.4 If a business supplies a sector that has been forced to close as a result of LCAL3 or national restrictions, a statement will be required from the company showing what percentage of their revenue comes from businesses in those sectors, and the level of impact this has had on their income.
- 6.5 If the application does not include the required evidence and documents the Council will be unable to consider the grant and there will be a delay in processing the application until all requested documentation has been provided.

7. State Aid

- 7.1 All grants made under the ARG scheme must be State Aid compliant and the Council must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments.
- 7.2 Under State Aid rules, grant payments under the scheme can be provided under existing De Minimis rules, provided doing so does not exceed the €200,000 (£175,000) limit over 3 years.
- 7.3 If this threshold has been reached payments can still be made under the COVID-19 Temporary Framework for UK Authorities subject to €800,000 limit (£700,000). The business must complete the declaration within the application form.
- 7.4 Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

8. Tax

Grant income received by a business is taxable therefore funding paid under the T3 LRSG fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

9. Refusal of Grant

If the grant application is refused, the business will be informed of the reasons why in writing. They will not be allowed to re-apply. The Council's decisions regarding the scheme will be final and there is no appeal process.

10. Fraud

- 10.1 The Government and the Council will not accept deliberate manipulation and fraud. We may use data for the prevention and detection of fraud under section 68 of the Serious Crime Act 2007 as part of the Government's commitment to preventing fraud. Section 68 enables the Council to disclose information for the purposes of preventing fraud.
- 10.2 Any business caught falsifying their records to gain grant money will face prosecution and any business not entitled to funding will have the grant withdrawn and reimbursement required.
- 10.3 The processing of personal data shared with the Council in any anti-fraud data matching exercise will be carried out with statutory authority under the powers vested in Part 6 of the "Local Audit and Accountability Act 2014". It does not require the consent of the individuals concerned under the Data Protection Act 2018.
- 10.4 All data used and shared with external agencies including the Department of Work and Pensions, HMRC and the Her Majesty's Court Service, etc. where relevant will be in accordance with the Data Protection Act 2018 and the GDPR.
- 10.5 Businesses should be aware at the current time there is an increased risk of fraud. This includes risks that someone may impersonate the Council either to commit fraud against your business or to gain information allowing them to make an application for a business's grant.

11. Additional Information

- 11.1 Applications for the grants can be made online [here](#).
- 11.2 The Council will not accept any liability for any matters that may arise in connection to businesses as a result of applying for, receiving or not receiving grant funding under the Local Restrictions Support Grant scheme.
- 11.3 The Council is required to account for how it spends public funds. As such the Council will likely be required to publish or disclose upon request details of any amounts paid to businesses under this scheme. This will be necessary to meet the Council's Transparency obligations and the requirements of the Freedom of Information Act 2000.
- 11.4 The Council seeks to ensure that direct and indirect discrimination are eliminated by abiding to the Equality Act 2010. The Council will endeavour to ensure that its policies and procedures do not result in discrimination in terms of access to grant funding and staff understand and operate according to the principles of fairness and equality.

- 11.5 Enquiries about this scheme can be emailed to BusinessSupport@westlancs.gov.uk or the Business Grants Support Team can be called directly on 01695 585050 between 9am to 5pm Monday to Friday.