

Warwick District Council

Covid-19 Local Restrictions Support Grant (OPEN) Policy (discretionary scheme)

December 2020

Contents	Page
1. Introduction	3
2. Aim of this Policy	3
3. Administration of the Local Restrictions Support Grant (OPEN)	4
4. Businesses that will be supported under the Local Restrictions Support Grant (OPEN)	4
5. Eligibility Criteria for the Local Restrictions Support Grant (OPEN)	5
6. Amount of grants available to businesses	6
7. Application Process	6
8. State Aid	6
9. Tax	7
10. Managing the risk of fraud	7
11. Appendix A	8

1. Introduction

- 1.1 In response to the COVID-19 pandemic, in October 2020, the Government announced a further package of financial assistance to support businesses in their local area who are still open but severely impacted by Local Covid Alert Level 'High' (LCAL2) and 'Very High' (LCAL3) restrictions.
- 1.2 On Thursday 22 October, the Government announced additional funding to support businesses under restrictions in LCAL 2 and 3. This is support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.
- 1.3 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care uses 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 The Local Restrictions Support Grant (Open) is aimed at hospitality, hotel, bed & breakfast and leisure businesses that are still able to open. Local Authorities will have discretion as to how to award grant funding to individual businesses. The grant funding can only be spent on business grants.
- 1.5 Each eligible Local Authority will be issued funding allocations that will be calculated using Valuation Office Agency (VOA) data on the number of hospitality, accommodation and leisure businesses in that Local Authority geography, plus a 5% top-up. This is to provide each eligible Local Authority with an allocation based on a consistent approach that reflects the businesses particularly impacted by LCAL 2 and 3 restrictions.

2. Aim of this Policy

- 2.1 This policy sets out the approach that will be taken by Warwick District Council in relation to the Local Restriction Support Grant (Open) Scheme. It aims to support eligible local businesses that are still able to open but have been severely impacted by the current localised restrictions which were imposed on 2 December 2020.
- 2.2 The Policy seeks to provide clear guidance to potential applicants about the nature of the fund, the eligibility criteria, the types of businesses that this scheme is designed to assist and the level of grant funding that will be available.
- 2.3 This policy should be read in conjunction with the Government Guidance which has been issued to all Local Authorities in order to enable them to develop their local level scheme.

- 2.4 The Government Guidance document can be found using the following web-link;

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946373/local-restrictions-support-grant-OPEN-2-dec-onwards-la-guidance.pdf

3. Administration of the Local Restrictions Support Grant (Open) Scheme

- 3.1 Warwick District Council is responsible for administering the Local Restrictions Support Grant (Open) Scheme to eligible businesses within its geographical boundary.
- 3.2 Under the Local Restrictions Support Grant (Open), Government will provide grant funding to Local Authorities to support eligible businesses that are affected by LCAL 2 and 3 restrictions. This funding will be provided on a rolling 14-day basis for as long as LCAL 2 or 3 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).
- 3.3 Local Authorities, which are the recognised business rates billing authorities' in England, will receive funding from Government and be responsible for making payments to businesses.
- 3.4 Local Authorities have the freedom to determine the precise eligibility criteria for these grants. However, Government would expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses. Local Authorities should consider how the Local Restrictions Support Grant (Open) funding can help kick-start recovery by supporting sustainable businesses that have not been legally required to close but which are severely impacted by LCAL 2 or 3 restrictions.
- 3.5 Warwick District Council will limit the total amount of awards granted under the discretionary Local Restrictions Support Grant (Open) Scheme to the limit of funding that has been provided by Central Government.
- 3.6 Once the above limit has been reached through grant payments, there can be no further payments made to businesses under this scheme, whether or not they meet the eligibility criteria set out in this policy document.

4. Businesses that will be supported under Local Restrictions Support Grant (Open) Scheme

- 4.1 As per the Government guidance for this scheme, Warwick District Council will accept applications for grants from businesses within the Hospitality, Hotel, Bed & Breakfast and Leisure businesses.
- 4.2 A more definitive list of businesses can be found in Appendix A at the end of this document.
- 4.3 Businesses that cannot be supported under this scheme are;
- Businesses that have been mandated to close as part of the localised restriction tiers (LCAL 2 or LCAL 3)
 - Businesses that are subject to strike off notice, insolvency or administration
 - Businesses established after the introduction of LCAL 2 or 3 restrictions in their Local Authority (i.e. 2nd December 2020).

5. Eligibility criteria for the Local Restrictions Support Grant (Open) Scheme

- 5.1 An application form will be produced for eligible businesses to complete and they will be required to upload certain evidential records in order to satisfy the criteria listed below in 5.2.
- 5.2 Eligible businesses must be able to evidence that;
- The business has been open and trading during the localised restrictions in either LCAL 2 or 3
 - The business has been severely impacted by the localised restrictions on socialising, put in place to manage coronavirus and save lives.
 - The business is based within the Warwick District Council area.
 - The business falls into one of the categories as detailed in Appendix A
 - The business was established prior to the introduction of LCAL 2 or 3 restrictions in their Local Authority (i.e. 2nd December 2020).
- 5.3 As part of the assessment criteria, Council Officers will check that applicants satisfy all parts as mentioned in 5.2. The assessment of 'severely impacted' will be based on a legal declaration confirming that that income has been reduced by at least 20% between aligning periods in 2019 and 2020, however Council Officers will ask for evidence of this in a selection of cases in order to verify this and satisfy audit requirements.
- 5.4 Applicants to this scheme will also be required to make a legal declaration within the application form that they meet the above eligibility criteria.

6. Amount of individual grants that businesses will receive

- 6.1 Warwick District Council will be awarded a sum of £37,225 each 14 days that we are in localised restriction Tier 3 to support businesses under this scheme.
- 6.2 Warwick District Council is committed to award grants in line with the Government guidance and recommendations.
- 6.3 Each business that is a recipient of the Local Restrictions Support Grant (Open) scheme will receive a grant based on the rateable value of their Business Rates assessment, these are split as follows and payable per 14-day qualifying period;
- RV 15,000 and under: £467
 - RV 15,001 – 50,999: £700
 - RV 51,000 and over: £1,050
 - Non rated businesses: £467

7. Application Process

- 7.1 Applications for a grant under this scheme will be accepted via an online form.
- 7.2 The scheme will be launched on 2nd December 2020, and continue until Government advise that the scheme is to be ceased.
- 7.3 It is the intention of Warwick District Council to avoid undue burden and complexity on businesses in respect of the application process.
- 7.4 Whilst avoiding undue complexity, and burden on applicants, appropriate evidence will be necessary in support of an application to demonstrate the eligibility criteria outlined in this policy is met and to assist the Council in making an informed decision on the award of a grant.
- 7.5 The on-line application form will identify the evidence requirements in line with those set out above in section 5.
- 7.6 The decision of the Council in respect of the award of or refusal of a grant will be final. There will be no appeal process.

8. State Aid

- 8.1 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. Therefore, the Council must be satisfied that State aid requirements are met before grants can be paid out to individual applicants.

- 8.2 Under De Minimis rules an organisation is permitted to receive up to the equivalent of €200,000 of aid within a three-year period.
- 8.3 Where the threshold of €200,00 has been reached payments can still be made in line with the Covid-19 Temporary Framework for UK Authorities, which has been introduced to support businesses during the current COVID-19 outbreak. This temporary framework permits an organisation to receive up to the equivalent of €800,000.
- 8.4 Where an applicant is below but close to that threshold, the grant award will be set at such an amount as to ensure that the applicant does not exceed this threshold.
- 8.5 As part of the application process, all applicants will be asked to make a legal declaration to confirm that the award of this grant will comply with EU law on State Aid, which requires that they have not received any other state aid that exceeds in total €800,000, under the De Minimis Regulations EC 1407/2013.

9 Tax

- 9.1 As prescribed for in the guidance provided to Warwick District Council by the Government, grant income received by a business is taxable therefore any grant paid under the Local Restrictions Support Grant (Open) scheme will be subject to tax.
- 9.2 Only businesses which make an overall profit once grant income is included will be subject to tax.

10 Managing the risk of fraud

- 10.1 Warwick District Council will not tolerate any acts of fraud in relation to its Local Restrictions Support Grant (Open) Scheme. Any persons found to be submitting a fraudulent claim by, for example, falsifying records will be reported to the police for criminal investigation and could face prosecution. Robust action will be taken to recover any monies paid in respect of the fraudulent claim.
- 10.2 The Council will undertake comprehensive checks to ensure that grants are paid only in respect of genuine applications.
- 10.3 The Council reserves the right to reclaim any grant that has been paid in error or as a result of a fraudulent claim.

APPENDIX A

LOCAL RESTRICTIONS SUPPORT GRANT (OPEN)

Hospitality, hotel, B&B and leisure businesses not legally forced to close, 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

Any businesses listed below that are receiving a LRSG (Closed) or LRSG (Sector) grant are not eligible for this scheme.

Hospitality

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

Note:

- In **Tier 3** these businesses will have to remain closed and will therefore be eligible for the Local Restrictions Support Grant (Closed) scheme
- If Warwick District is moved into **Tier 2** This is when applications can be submitted for this scheme from open Hospitality businesses as listed above.
- 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.

Hotels, etc.

Hotels, bed and breakfast, guest houses

Note:

- In **Tier 3** the majority of these businesses will have to remain closed and will therefore be eligible for the Local Restrictions Support Grant (Closed) scheme
- If in **Tier 3** if you have remained open for key workers and you can satisfy the eligibility criteria, you may apply for this scheme.
- If Warwick District is moved into **Tier 2** This is when applications can be submitted for this scheme from open accommodation businesses as listed above.
- Airbnb rooms and serviced apartments are not eligible for this grant

Leisure

Gymnasiums, sports grounds, sports facilities, businesses affected by the cancellation of sporting events or spectators at such events, 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 centres.

Note:

- In **Tier 3** the majority of these businesses will have to remain closed and will therefore be eligible for the Local Restrictions Support Grant (Closed) scheme
- If in **Tier 3** you have been able to reopen (Gymnasiums, outdoor sports facilities etc.) and you can satisfy the eligibility criteria then you may apply for this scheme
- If Warwick District is moved into **Tier 2** This is when applications can be submitted for this scheme from open Leisure businesses as listed above.
- Nightclubs and adult entertainment venues closed by national restrictions are not eligible under the Government's rules, they will be eligible for the LRSG (Sector) scheme.