

Hyndburn Borough Council

Additional Restrictions Grant Policy November 2020

Additional Restrictions Grant

1. Introduction

- 1.1 In Autumn 2020, the Government announced 5 new grants to assist businesses which would be administered by local councils. Generically, four of the grants are referred to as Local Restrictions Support Grant (LSRG), along with a further grant called Additional Restrictions Grant (ARG). This Policy deals with Additional Restrictions Grant (ARG) Scheme.
- 1.2 Three of the grants follow prescribed rules from the Government and the Council does not require a policy to implement them, they are Local Restrictions Support Grant (Closed), Local Restrictions Support Grant (Closed) Addendum, and Local Restrictions Support Grant (Sector).
- 1.3 The other two grants, the Local Restrictions Support Grant (Open) and the Additional Restrictions Grant have elements which allow the Council to exercise discretion in some areas of paying the grant and therefore require the Council to produce and approve policies via its normal approval mechanisms.
- 1.4 This Policy deals with the Council's approach to the Additional Restrictions Grant.
- 1.5 The Policy in regard to the Local Restrictions Support Grant (Open) was approved by the Cabinet under Emergency Powers on the 25th November 2020 and can be found on the Council's website.
- 1.6 ARG is designed to provide help to a wide range of businesses severely impacted by the pandemic, with particular emphasis to providing financial assistance to those businesses which had not previously qualified for other Government support or Council grants.
- 1.7 The Government has made £1,620,860 available to the Council to distribute as support to businesses. The funding is capped at this level. It can be paid as direct grants to individual businesses or used to fund projects and schemes meant to assist businesses generally or some combination of both. Due to the limited funding and the financial pressures under which local businesses are currently operating, the Council as a priority will commit the available resources to grants paid directly to businesses. The funding cannot be used to fund direct council activity. The funding is to be spent by the 31st March 2022.
- 1.8 The grant can be paid to large or small businesses and is not restricted to businesses which have a rateable value assessment in their name. Separate businesses operating from shared premises can apply for the grant as can those operating a mobile business or the self-employed. There are however strict qualifying conditions around the payment of the grant and businesses have to meet all the necessary criteria before they will be considered for a grant payment.

- 1.9 The grant is payable in 28 day blocks commencing from the 17th October 2020, the point at which Hyndburn and the rest of Lancashire entered Tier 3 status.
- 1.10 The ARG Scheme is a cash limited grant scheme and the Council will therefore prioritise applications to ensure the grants are directed to those areas most in accord with the Department of Business Energy & Industrial Strategy's directions around the principles and purposes of the grant.
- 1.11 The Government has provided guidance on the amounts to be paid as grants to successful applicants and the Council intends to follow this guidance, with the ability to flex its response, as required to manage the overall programme within the funding cap. The indicative amounts likely to be paid are as follows,
- Grants of up to £934 per 28 day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of commencement of the local restrictions
 - Grants of up to £1,400 per 28 day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of commencement of the local restrictions.
 - Grants of up to £2,100 per 28 day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or over on the date of commencement of the local restrictions.
- 1.12 Any changes to the rateable value or to the hereditament, which result in a change to the local rating list after the first full day of localised restrictions and business closures came into force (17th October 2020), including changes which have been backdated to this date, will be ignored for the purposes of eligibility. Hyndburn Borough Council will not pay or recover grants where the rating list is subsequently amended retrospectively to the local lockdown date. In cases where it was factually clear to us that on the local lockdown date, the liability for business rates was inaccurate on that date, we may withhold the grant and/or award the grant based on our view of who would have been entitled to the grant had the liability been accurate. This is entirely at the discretion of Hyndburn Borough Council and only intended to prevent manifest errors.
- 1.13 Where a business is awarded a grant but does not have a rateable value, the grant award will be based on the number of employees in line with BEIS definitions of size of companies.¹

Description	Number of Employees	Grant Payable p 28 days
Micro/Small	Up to 50	Up to £934

¹ Guidance taken from BEIS Local Restrictions Support Grant & Additional Restrictions Grant –Frequently Asked Questions Extended – Issue 1

Medium	Up to 250	Up to £1,400
Large	More than 250	Up to £2,100

1.14 Businesses will have to make separate claims for each 28 day period to confirm their eligibility. However, initial claims will cover the period from the 17th October to the 11th December 2020. The Council will publish on its website how businesses should make subsequent grant claims. Businesses are required to notify the Council of any changes in their circumstances which would alter their entitlement to a grant.

2. Eligibility

2.1 You must be a business to apply for this grant.²

2.2 Businesses must be based within Hyndburn and be able to demonstrate they have been severely impacted by the introduction of the additional local lockdown measures.

2.3 Businesses must have been trading up to the date the additional local lockdown restrictions were introduced (17th October 2020) and for the full period of the grant application. (Usually 28 days but from the 17th October to the 11th December 2020, for the first grant application.)

2.4 Businesses must have been established and be able to demonstrate they were trading prior to the 23rd March 2020, the day of the first National Lockdown and that they have been severely impacted by the additional restrictions. Businesses established after the introduction of the National Lockdown measures are not eligible.

2.5 Businesses that for any part of the period the grant is payable, that are in administration, are insolvent or where a striking off notice has been made are not eligible for a grant.

2.6 Businesses will be entitled to only one payment for each 28 day period regardless of the number of premises they occupy or operate from within Hyndburn. The Council reserves the right to only pay one grant if it receives multiple applications from businesses from the same property which are owned or operated as a group, related or associated companies.

² While there is no standard definition of a business for the purposes of this grant we would expect as a minimum any applicant to be able to demonstrate the business has at least one employee and earns income from the sale of goods or service. The Council may require further evidence to determine if any grant applicant meets the requirement of being a business and if it not convinced that the applicant is a business reserves the right to refuse grant.

- 2.7 To be eligible a business must complete the on-line application form and provide the Council with all the information it requests, both at the time of the application and subsequently. All applications must correctly provide the required undertakings undertaking in regard to State Aid, acknowledge the Council's right to recover the funds if they are incorrectly paid, sign the grant application form, agree the sharing of any data supplied within the Council and with other Government Departments including HMRC and outside organisations for verification and all other purposes including the prevention and detection of fraud and other criminal acts.
- 2.8 If the Council sets a deadline for the receipt of applications, any applications made after the closing date will not be eligible. The period for applications or a closing date will be made clear on the Council's website and the application form.

3. Exclusions

- 3.1 Businesses that have not suffered severely due to the impact of COVID 19 cannot apply for this grant.
- 3.2 Businesses that are not based or trading in Hyndburn are excluded from applying for this grant. They may be eligible to apply in other Council areas for this or a similar grant.
- 3.3 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 will not be eligible for this grant.
- 3.4 For the avoidance of doubt, businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.
- 3.5 Businesses which contravene national or local guidance or requirements in respect of COVID 19 will not be eligible. This includes contravening Closure notices at any point.

4. Funding allocation, taxation and state aid

- 4.1 The ratepayer who, according to the billing authority's records was the ratepayer in respect of the hereditament on the date of the first full day of local lockdown is eligible for the grant. Where the Local Authority has reason to believe that the information that they hold about the ratepayer on the first full day of the local lockdown is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Recipients of the grant will be asked to give an undertaking that if it subsequently emerges, they should not have received the grant they will repay it.
- 4.2 Grant income received by a business is taxable, therefore the ARG will need to be included as income in the tax return of the business.

- 4.3 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.
- 4.4 Payments made can be provided under the existing De Minimis rules, provided doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached can be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000) if they meet the requirements.
- 4.5 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.

5. Priority Order for Grant Award

- 5.1 The Council has been awarded a fixed amount of £1,620,860 to meet the cost of ARG awards for the period from the 17th October 2020 to 31st March 2022. The Council however expects the demand for these grants will be high and will exceed the funds available by the 31st March 2021. Applications will therefore be ranked using a scoring system to determine which businesses most closely meet the criteria the Department for Business, Energy & Industrial Strategy (BEIS) has set for this grant. This is described below.
- 5.2 The amount of grant awarded will be at the discretion of the Council, but is likely to follow the pattern of grants awarded under the Local Restrictions Support Grant (Open) Scheme for payments to businesses in the hospitality, accommodation and leisure sector, with the following being paid for each 28 day period starting from the 17th October, based on the businesses' rateable value.

Rateable Value	Grant Award per 28 days
Equal to or less than £15,000	£934
Over £15,000 but less than £51,000	£1,400
Over £51,000	£2,100

5.3 If a business does not occupy or trade from premises with a direct rateable value for the business, the grant award is likely to be based on the number of employees, following the Department of Business, Energy & Industrial Strategy classification of relative business sizes, as indicated below .

Department Of Business, Energy & Industrial Strategy Business Size Classification	Employee Numbers	Grant Award
Micro & Small	Less than 50	£934
Medium	50 or more but less than 251	£1,400
Large	Over 250	£2,100

5.4 For very small businesses with very few employees (less than 5 Full Time Equivalents) or businesses with a small annual turnover or where the applicant is self-employed, the Council reserves the right to adjust the level of grant payment from the figure indicated here to what it believes to be an appropriate amount given the size of the business and with regard to the overall number of applications received.

5.5 If applications are likely to exceed the funds made available by the Government to the Council, the Council will use a scoring system to award grants to those businesses it determines most closely meet the Government's criteria for this grant. A scoring system to allocate points to each applicant will be used to determine the priority order for the award. An appropriate cut-off point in relation to the overall funds available will

be used to determine which businesses will receive a grant . The scoring system will be weighted to recognise the importance of supporting businesses with the following characteristics,

- Businesses that have not previously received a grant in connections with COVID 19 from the Council or received other financial support from the Government . (Businesses that have however received help previously from the Government or the Council can still apply.)
- Businesses that can demonstrate a significant drop in turnover due to the imposition of extra COVID 19 measures.
- Businesses with significant fixed costs
- Businesses in significant areas of the local economy

5.6 Businesses will be required to resubmit an application form for each new period of grant award of 28 days after the first two periods of 28 days end on the 11th December 2020. There is no guarantee that a previous successful application will lead to a future award. Businesses who were not successful previously may reapply and will be considered, as will any businesses wishing to apply for the first time. Details of how to reapply will appear on the Council's website.

5.7 Payment of grants will only be made to a business bank account that the Council can verify as belonging to the business applying for the grant.

5.8 The Council reserves the right to bring the grant award process to a close at any point, including estimating that that the money available is exceeded by demand or for other administrative reasons.

6. Appeals

6.1 Unsuccessful applicants will not be eligible because they do not meet, or are unable to prove that they meet the grant scheme's criteria or because there is insufficient funding and others have been prioritised ahead of them. There is no right of appeal against any decision not to award a payment.

7. Fraud

7.1 We are responsible for fraud-prevention measures and the protection of public funds. The Council will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain additional 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 Council will be undertaking extensive pre and post award checks to minimise the risk of fraud or payment error. The Council will also be using various electronic analysis

to verify information supplied including cross checking details with HMRC and other Government Departments and third party suppliers.

- 7.3 In addition, the Government's Grant Management Function and Counter Fraud Function will be deployed to perform post payment checks.
- 7.4 Local authorities have the right to recover costs from those who claim the payment fraudulently.
- 7.5 As part of the efforts to combat fraud, payments will only be made via BACS to verified Bank Accounts in the name of the business applicant.

8. Publication

- 8.1 Details of this scheme will be published on our website and paper copies of this document will be made available to residents by request.

9. Complaints

- 9.1 The Council's Complaints Procedure will apply in the event of any complaint about the application of this scheme.

10. Equalities

- 10.1 Our intention is to make this scheme fair and equitable for all applicants. This scheme is accompanied by a Customer First Analysis which has been produced in response to our obligation to the Public Sector Equality Duty as outlined in the Equality Act 2010. No adverse impact on any protected characteristic has been identified as a result of this scheme.

11. Data Protection

- 11.1 Details of our privacy notice can be found at www.hyndburnbc.gov.uk/privacy-notice/

Customer First Analysis –Additional Restrictions Grant

The Council's response to the public sector equality duty is a comprehensive Customer First Analysis which has been adapted here to encompass this large project:

Purpose

- **What are you trying to achieve with the policy / service / function?**

The fair, reasonable and consistent administration of the Additional Restrictions Grant for businesses in Hyndburn.

- **Who defines and manages it?**

The Additional Restrictions Grant is based on guidance and criteria as provided by the Department of Business, Energy and Industrial Strategy in Autumn 2020. Local administration of the scheme will be managed by Benefits, Revenues and Customer Contact.

- **Who do you intend to benefit from it and how?**

Businesses located and trading in Hyndburn that have been severely impacted by the additional local lockdown requirements.

- **What could prevent people from getting the most out of the scheme?**

Lack of awareness could prevent businesses from applying to the scheme. We aim to combat this by reinforcing messages from the national advertising campaign with local messages.

- **How will you get your customers involved in the analysis and how will you tell people about it?**

No public consultation is intended for this policy, the implementation timescales do not allow for consultation. As always, we will take any feedback into consideration if received. As this is a scheme of limited scope and duration, and is based on Government guidelines, input from businesses prior to approval would be difficult to include.

Evidence

- **How will you know if the policy delivers its intended outcome / benefits?**

The Council will spend its allocated funding and eligible businesses will receive their payments quickly and efficiently.

- **How satisfied are your customers and how do you know?**

It is not possible to say in relation to this scheme.

- **What existing data do you have on the people that use the service and the wider population?**

We hold extensive and detailed data about our current businesses, in particular though our administration of National Non-Domestic Rates.

- **What other information would it be useful to have? How could you get this?**

It is not possible to forecast applicant numbers to the scheme, though this would be the most useful information to have.

- **Are you breaking down data by equality groups where relevant (such as by gender, age, disability, ethnicity, sexual orientation, marital status, religion and belief, pregnancy and maternity)?**

Not as part of this scheme.

- **Are you using partners, stakeholders, and councillors to get information and feedback?**

No – not applicable for this policy.

Impact

- **Are some people benefiting more – or less - than others? If so, why might this be?**

The Additional Restrictions Grant is available to all businesses operating in Hyndburn and therefore it is not expected that some people will benefit more and others less from the policy.

Actions

- **If the evidence suggests that the policy / service / function benefits a particular group – or disadvantages another - is there a justifiable reason for this and if so, what is it?**

There is no evidence to suggest that a particular group will benefit or be disadvantaged by this policy. .

- **Is it discriminatory in any way?**

No.

- **Is there a possible impact in relationships or perceptions between different parts of the community?**

The scheme has potential to cover a wide range of businesses in each area of the borough serving our community as a whole and it is therefore hoped that this will be evident to the different parts of our community.

- **What measures can you put in place to reduce disadvantages?**

n/a

- **Do you need to consult further?**

No.

- **Have you identified any potential improvements to customer service?**

Not in relation to this scheme.

- **Who should you tell about the outcomes of this analysis?**

This analysis forms part of our published policy.

- **Have you built the actions into your Business Plan with a clear timescale?**

n/a

- **When will this assessment need to be repeated?**

As and when this policy is updated.
