

Covid-19 Discretionary Local Restrictions Support and Additional Restrictions Grants Policy

Introduction

In October 2020, the Government announced the introduction of additional support for Local Authorities to support local businesses under National and Local Covid Alert Level restrictions. There were 5 schemes announced, two of which provides the council with the discretion to design its own scheme. The discretionary schemes are called the Local Restrictions Support (Open) Grants and the Additional Restrictions Grants.

Both grant schemes are fully funded by Central Government and the funds will be administered by the council in accordance with this policy whilst taking into account guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry of Housing, Communities and Local Government (MHCLG).

Local Restrictions Support (Open) Grant – LRSG Open

LRSG Open is triggered when a Local Authority is placed into Local Covid Alert Level 'High' (LCAL 2) or 'Very High' (LCAL 3) restrictions. Under LRSG Open, Local Authorities have been asked to develop a discretionary grant scheme to help those businesses which are not legally required to close but are severely impacted by the restrictions under LCAL 2 and 3 to control the spread of Covid-19. Eligibility criteria for Barnet Businesses and Residents are detailed in this policy.

Additional Restrictions Grant – ARG

On 5 November 2020, when new national restrictions were imposed by Government, all Local Authorities triggered the start of the ARG. Under the ARG, Local Authorities have been asked to develop a discretionary grant scheme to help those businesses which are significantly impacted by the restrictions put in place to control the spread of Covid-19 but do not meet the eligibility criteria applicable to the Local Restrictions Support Grant (Closed) or Local Restrictions Support Grant (Closed) Addendum grants. Full eligibility criteria for Barnet Businesses and Residents are detailed in this policy.

Eligibility Criteria

Businesses who:

- Are not entitled to Local Restriction Support Grant (Closed) or Local Restrictions Support Grant (Closed) Addendum scheme payments as they are not responsible for payment of business rates, **and**
- Were open and trading the relevant date (see exclusions section below), **and**
- Are now required to close under restrictions (e.g. non-essential market traders, street traders, Bed & Breakfast, shared workspace).

Businesses who:

- Are not entitled to Local Restrictions Support Grant (Closed) or Local Restrictions Support Grant (Closed) Addendum scheme as they are not responsible for payment of business rates, **and**
- Were open and trading the relevant date (see exclusions section below), **and**
- While not legally forced to close but are nonetheless severely impacted by the restrictions put in place to control the spread of COVID19 (e.g. businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector such as mobile discos).

Businesses who:

- Are not eligible or did not apply under any other grant scheme, for example, may have qualified for Local Restrictions Support Grant (Closed) scheme but are waiting for a business rate valuation decision from the independent Valuation Office Agency, **and**
- Were open and trading the relevant date (see exclusions section below), **and**
- Are either required to close or while not legally forced to close are nonetheless severely impacted by the restrictions put in place to control the spread of COVID19 (e.g. businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector, markets, Bed and Breakfast, shared workspaces), **and**
- Are having to pay unavoidable fixed property costs during the period of restrictions.

Awards may also be considered at the discretion of the Director of Resources or Assistant Director of Finance where they deem it appropriate either via a grant or other business support.

Exclusions

- Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the COVID19 Temporary State Aid Framework.
- Businesses that are in administration, insolvent or where a striking-off notice has been made.
- Businesses not trading on the relevant date:
 - The relevant date for LRSG Open is 16 October 2020
 - The relevant date for ARG is 4 November 2020

- Business that have chosen to close but have not been required to either by National or Local restrictions.
- Businesses who have not suffered a loss in income owing to Covid-19 and local or national restrictions.
- Business not liable for Business Rates where the owner or trader does not live within the Borough.

Funding Levels

General

The table below provides the maximum levels of funding available for each business applying:

Criteria	Award
<p>Businesses occupying a commercial property on the local authority ratings list, with a Rateable Value of £51,000 or above.</p> <p>OR</p> <p>Where there is no Rateable Value, then businesses paying a mortgage or rent of £51,000 or above per annum.</p>	£2,100 per 28-day period
<p>Businesses occupying a commercial property on the local authority ratings list, with a Rateable Value of over £15,000 and less than £51,000.</p> <p>OR</p> <p>Where there is no Rateable Value, then businesses paying a mortgage or rent of over £15,000 and less than £51,000 per annum.</p>	£1,400 per 28-day period
<p>Businesses occupying a commercial property on the local authority ratings list, with a Rateable Value of £15,000 or less.</p> <p>OR</p> <p>Where there is no Rateable Value, then businesses paying a mortgage or rent of £15,000 or below per annum.</p>	£934 per 28-day period
<p>A business that does not qualify for any of the above awards owing to them having no mortgage or rental liability associated with the business.</p>	£500 per 28-day period

Exceptional circumstances determined by the Director of Resources or Assistant Director of Finance.	Officers discretion
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Local Restrictions Support (Open) Grant – LRSG Open

LRSG Open grants will be awarded for periods up to 28 days from the date LCAL 2 or 3 restrictions are imposed. Should Government announce any changes that suspends this scheme then payments will be pro-rata until that date. Repeat applications will be accepted from Businesses should their circumstances not have improved following a 28-day payment period, unless Government end or suspend this scheme.

London was put on LCAL 2 restrictions from the 17 October 2020 and then moved into National restrictions from 5 November 2020 which suspended LRSG Open grants. With the above in mind businesses who are awarded a LRSG Open grant from 17 October 2020 will receive a pro-rata payment for 19 days covering them up to and including 4 November 2020.

Government will provide the council with an absolute funding envelope for each 28-day period it is in LCAL 2 or 3. This means awards will be made on a first-come-first-served basis within that 28-day period until funding is exhausted.

Additional Restrictions Grant – ARG

ARG grants will be awarded for periods of up to 28 days from National Lockdown which started on 5 November 2020. Repeat applications will be accepted from Businesses should their circumstances not have improved following a 28-day payment period.

Government have provided the council with a one-off payment to support this scheme and it has been made clear that this will not be topped up. This means payments from this scheme will cease either when funds are exhausted or when the Director of Resources ends the scheme; whichever is sooner. Payments will therefore be made on a first-come-first-served basis.

Application Process

Applications must be made online via the council's website via the dedicated application portal and will include agreement that the applicant consents to all stipulated declarations. All applications must be supported by enough evidence to confirm that they meet the relevant criteria.

Applicants will have to complete the application in full and provide all information requested. The information requested is required to validate eligibility, data match for potential fraud and provide all necessary data requirements to BEIS. The council may change the evidence or data requested should government update their post-payment assurance data requirements.

Applicants will be required to make a declaration that the data entered is true and correct and that their evidence is genuine before submitting their claim.

Payments will only be paid when all eligibility criteria have been suitably evidenced. If fraud is suspected payments will be withheld.

Determination of Applications

Applications will be considered by a dedicated review team, overseen by The Exchequer Team. We aim to make a determination on every application within five working days of receiving a fully completed application form submitted with all necessary evidence.

Appeals

There will be no right of appeal against a decision not to award a payment. Applicants who are turned down will not be eligible because they do not meet the criteria.

The council will work with applicants to make sure they provide the necessary evidence to support a successful application. For instance, someone who provides an excel spreadsheet showing banking activity rather than their bank statement – in the first instance will be given a single opportunity to provide the missing evidence after which it will be deemed unsuccessful.

Policy Review

To ensure that the Discretionary Payments reach those businesses and or individuals most in need, this policy may be reviewed by the Director of Resources, following which the council reserves the right to modify eligibility criteria and or funding levels.

Combatting Fraud

In order to ensure that Discretionary Grant Payments are not subject to potential abuse, all submitted applications will require a statutory declaration of truth, a statement regarding data processing and a recovery of funds statement. This declaration allows for the council, through the Corporate Anti-Fraud Team, to carry out post-payment checks in order to give greater assurance that the funds were claimed correctly. Furthermore, the declaration carries warnings which further allow the Council to consider taking criminal action against persons who have been found to have deliberately made false applications for the funding. It also allows for the recovery of funds which have been paid which should not have been.

The Award

It is intended that all applications will be processed within five working days of receipt of all required evidence and payments will be made via BACS only. Successful applications should expect to receive the funds in their account within five working days of the decision.

For the avoidance of doubt where grants are awarded to Businesses liable for business rates, the award will be made to the liable party at the relevant date (see exclusions section for relevant date). Where a Business is liable for council tax (e.g. B & B), the award will be made to the liable party at the relevant date.

As funding is limited, any discretionary award will be on a first-come-first-served basis. The council cannot commit to funding further discretionary applications once all available government funding has been allocated.

Taxation

Grant income received by a business is taxable therefore funding paid under the LRSG Open or ARG fund will be subject to tax. However, only businesses which make an overall profit once grant income is included will be subject to tax.