

Redditch Borough Council: Local Restriction Support Grant (Open)

Introduction

1. As part of the Government's response to the Coronavirus it has announced schemes of business support grants intended to help to
 - a) business closed due to tier 3 or national restrictions: Local Restrictions Support Grant (Closed) and Local Restrictions Support Grant (Closed) addendum.
 - b) businesses that are not forced to close but are significantly impacted by restrictions on socialising in place during tier 2 or tier 3 restrictions: Local Restrictions Support Grant (Open).
 - c) businesses that have been closed on a national level: Local Restrictions Support Grant (Sector).
2. The schemes are called Local Restriction Support Grants and they provide payments to businesses on 14-day or 28-day cycles dependant on the level of restrictions.
3. The Local Restrictions Support Grant (Open) is a discretionary scheme and Local Authorities will be required to determine their own guidelines for the determination of eligibility for and amount of grants under the scheme.
4. This document set out which businesses are eligible for funding from the LRSO (Open) grants scheme, the process for application, the amount of grant that will be paid, and the frequency of payments.

Council Approach

5. The Government guidance gives the council discretion over the payment schedule and the timing of grants to businesses. If the authority enters tier 2 or tier 3 restrictions, we will make payments to business as quickly as possibly in order to help businesses in need.
6. The council intends to prioritise support to business in accordance with the Government's general objectives for the scheme to support hospitality, hotel, bed and breakfast and leisure businesses, businesses outside of the sector will be considered for grants where they have been severely impacted by restrictions on socialising implemented due to tier 2 or tier 3 restrictions.
7. The funding allocated to the council will be based on the number of relevant businesses within the rating list for the council's area plus a 5% uplift to enable support to be provided to businesses which are not subject to business rates. Funding will be received for each 28-day period of tier 2 or tier 3 restrictions.

8. The funding allocation will be fixed and will not be increased to reflect demand. A managed process and prioritisation of grants will be required to ensure that expenditure for the scheme is controlled.

Eligible Businesses

9. The LRSG (Open) Scheme will be available to businesses which:
 - a) were trading the day before the tier 2 or tier 3 restrictions took effect; and
 - b) can demonstrate that they have had a significant reduction in income due to the Coronavirus Restrictions
 - c) occupy and trade from premises within the Borough of Redditch.
10. Businesses in rateable and non-rateable premises can apply.
11. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible to receive funding under the scheme.
12. There is a requirement for all grants under this scheme to be state aid compliant. Businesses which have already received grant payments that equal the maximum levels of state aid permitted under the de-minimis rules and the Covid-19 temporary state aid framework will not be eligible for the ARG (Discretionary Grant) Scheme.
13. Businesses will be required to make an application for the LRSG (Open) scheme within the relevant application period. Applications made outside of the period will be ineligible for grant.

Priority of awards

14. In determining applications for grant priority will be given to businesses
 - a) Within the hospitality, hotel, bed & breakfast, or leisure sectors.
 - b) Within the supply chain for the hospitality, hotel, bed & breakfast or leisure sectors.
 - c) Supported by the night-time economy and impacted by restrictions on socialising e.g. taxi companies, late night take-aways.
15. Businesses connected to the supply chain for hospitality, hotel, bed & breakfast or leisure sectors will need to provide evidence that 50% or more of their income is from businesses within these sectors.
16. Businesses will need to demonstrate a significant impact on their income due to the Coronavirus restrictions. A significant impact will be a loss in income of over 30%.

17. Businesses from outside the priority groups will be considered for support on a case by case basis but will need to demonstrate a significant loss in income as a result of the restrictions on socialising implemented at tier 2 or tier 3.

Application Period

18. The LRS (Open) Scheme will, subject to available funding, provide support to businesses during any 28-day periods of tier 2 or tier 3 restrictions.
19. To be eligible for support an application must be made within the relevant 28-day period. For example, if local restrictions commence on 1st February 2021 an application would be required on or before 28th February 2021.
20. Where restrictions are imposed and extended each extension will be treated as a separate period for the determination of the application period. Therefore, if a tier 3 restriction is in place from 1st January to 28th January; and is then extended to 25th February an application made after 28th January 2022 would only be eligible for support for the second period from 29th January to 25th February. An application made after 25th February would be ineligible for support.
21. Where there are continual periods of restrictions successful applications made in a period will be used to determine support for any continuous period of restrictions; fresh applications will be required where there is a break in the period of restrictions. For example, if a tier 3 restriction is in place from 1st January to 28th January; and is then extended to 25th February, successful applications made prior to 28th January will be used to consider support in the extended period of restrictions.

Backdating and Appeals

22. In exceptional circumstances applications made outside of the application window will be considered for backdating into the previous period. Evidence of the reasons for delays in application must be provided.
23. Decisions to refuse grant may be appealed in writing and will be determined by the Assistant Financial Support Officer or the Financial Support Manager

Amount of Grant

24. Grants will be allocated as follow:

Businesses occupying premises in the Non-Domestic Rating List		Businesses which do not occupy ratable premises	
Rateable Value	Grant	Turnover p.a.*	Grant
Less than £15,000	£934	Less than £140k	£934
£15,000 to £50,999	£1,400	£140k -to £499k	£1,400
Greater than £50,999	£2,100	£500k or above	£2,100

25. The grant amounts will be paid in respect of a 28-day period of restrictions; where tier 2 or tier 3 restrictions end as the authority has moved into national lockdown, grant payments will be paid on a pro-rata basis.
26. LRSO (Open) will be awarded in priority to Additional Restrictions Grants.

Evidence Required

27. For the applications to be considered, we require businesses to demonstrate that they meet the eligibility criteria above. We anticipate that to demonstrate this businesses will need to provide:

Evidence to demonstrate a substantial loss in income as a result of the tier 2 or tier 3 restrictions

Evidence that the business was operating on the day before any periods of tier 2 or tier 3

Evidence of the impact that restrictions on socialising have had on the business

Confirmation of State Aid compliance

Applications completed using the Council's on-line application form.

State aid

28. There is a requirement for all grants made under this scheme to be state aid compliant. Please see further government guidance on this via this link (Section 58 - 62):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1. Additional Restrictions Grant - FINAL LA guidance 03112020.pdf

Other information

29. Grant income received by a business is taxable therefore funding paid under the LRSG (Open) Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
30. The Government and the Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
31. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.