



BROMSGROVE DISTRICT COUNCIL

URGENT DECISIONS

FRIDAY 4TH DECEMBER 2020 AT 3.51 P.M.

MEMBERS: Councillors

AGENDA

PLEASE NOTE - THE ATTACHED URGENT DECISION HAS BEEN ELECTRONICALLY SIGNED OFF BY ALL THE NECESSARY MEMBERS/OFFICERS DUE TO THE CURRENT COVID-19 SITUATION.

1. Urgent Decision - LRSG Grant (Pages 1 - 20)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

17th December 2020

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BROMSGROVE DISTRICT COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES

Subject: LOCAL RESTRICTION SUPPORT GRANT AND ADDITIONAL RESTRICTIONS GRANTS

Brief Statement of Subject Matter:

The government announced new schemes of support for businesses impacted by the coronavirus restrictions in November 2020.

The announcement introduced five schemes of support which are applicable as local authorities move between tiers of local restrictions or in cases where national restrictions are imposed. There is detail in the attached reports about these schemes and how they work.

The recommendations are that:

1. the guidance for awards of Local Restriction Support Grant (Open) and Additional Restrictions Grant detailed in appendix A are adopted.
2. The Head of Financial and Customer Services is authorised to finalise the guidance and to make other decisions including amendments to the guidelines in relation to the payment of grants, in consultation with the portfolio holder for finance and enabling.
3. The determination and payment of grants, in line with the guidelines, is delegated to Revenue Services Officers.

Decision: To adopt the proposed schemes as per the attached reports.

Date: 4th December 2020

RESOLVED:

Grounds for Urgency:

Due to the scheduling of the next Council meeting an urgent decision is required in order for the scheme to be implemented as soon as possible, in line with Government requirements and to ensure support to businesses is not delayed.

DECISION APPROVED BY:

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Chief Executive

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Dated

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Section 151 Officer

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Dated

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Monitoring Officer

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Dated

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Leader

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Dated

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Chairman, Overview & Scrutiny Board

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Dated

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Chairman

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Dated

Bromsgrove District Council: Additional Restrictions Grant

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 Government has also provided funding for local authorities in the form of an Additional Restrictions Grant which can be used during tier 3 or national restrictions to provide direct grants to business. Local Authorities have discretion as to how the funds are used and which businesses to support, however, Government guidance encourages support to be provided to:
 - a) Businesses which are not legally required to close but are severely impacted by restrictions put in place to control the spread of Covid-19; and
 - b) Businesses outside the businesses rates system which are required to close but are ineligible for LRSG(Closed) grants.
4. Additional Restrictions Grants can also be used to provide support to larger businesses which are important to the local economy, on top of the funding provided via the LRSG (Closed) Scheme.
5. This document set out which businesses are eligible for funding from the Additional Restrictions Grants, the process for application, the amount of grant that will be paid, and the frequency of payments.

Council Approach

6. The Government guidance gives the council discretion over the grant scheme and its decisions regarding the scheme will be final.
7. The funding allocated to the council by Government can be used for a range of business support measures up to 31st March 2022 and therefore requires management in terms of allocation to ensure funding is available for future business

support in the long term; and to provide immediate support in the event of any further national or regional restrictions. Funding has been set aside in tranches to allow for the delivery of support in a phased manner.

8. The Council has received £1,997,620 for the Additional Restrictions Grant and will allocate £998,000 for the initial Additional Restrictions Grant (Discretionary Grant) Scheme. The discretionary grant scheme will focus on providing grants of up to £3,000 in line with the LRSG (Closed) limits.

Eligible Businesses

9. The ARG (Discretionary Grant) Scheme will be available to businesses which:
 - a) are not eligible for LRSG;
 - b) were trading the day before the relevant national or local restrictions took effect; and
 - c) are able to demonstrate that they have had a significant reduction in income due to the Coronavirus Restrictions
 - d) Occupy and trade from premises within the Bromsgrove District Council Area; or be providing services mainly within the Bromsgrove District.
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 ARG(Discretionary Grant) 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) which occupy rateable premises and are in the supply chain for businesses within the retail, hospitality and leisure sectors.

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- b) which occupy rateable premises and are within the events sector, or travel and tourism sector.
 - c) which occupy premises that are not included in the rating list but have been ordered to close by Government e.g. some market traders, and small bed and breakfasts.
 - d) which occupy rateable premises and are supported by the late-night economy e.g. takeaways, taxi companies.
15. Businesses connected to the supply chain for retail, hospitality and 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 coronavirus restrictions.

Application Period

18. The ARG (Discretionary Grant) Scheme will, subject to available funding, provide support to businesses during periods of national or tier 3 restrictions imposed up to 31st March 2022.
19. To be eligible for support an application must be made:
- a) For the national restriction in place from 5th November 2020 to 2nd December 2020; the 20th December 2020
 - b) For any subsequent tier 3 or national restriction: The final day of the restriction period.
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 the 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.

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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	£1,334	Less than £140k	£1,334
£15,000 to £50,999	£2,000	£140k -to £499k	£2,000
Greater than £50,999	£3,000	£500k or above	£3,000

25. The grant amounts will be paid in respect of a 28-day period of restrictions; for periods of between 14 days and 28 days grants will be determined pro rata. No grants will be payable for any period of restrictions of less than 14 days.

Evidence Required

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

Evidence to demonstrate a substantial loss in income as a result of the current lockdown.

Evidence that the business was operating on 4th November 2020, or on the day before any periods of tier 3 or national restrictions

Evidence that the business, or its main supply chain was mandated to close

Confirmation of State Aid compliance

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

State aid

27. 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

28. Grant income received by a business is taxable therefore funding paid under the ARG (Discretionary Grant) Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
29. 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.
30. 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.

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LOCAL RESTRICTION SUPPORT GRANT AND ADDITIONAL RESTRICTIONS GRANTS

Relevant Portfolio Holder	Cllr G N Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester, Head of Financial and Customer Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A

1. SUMMARY OF PROPOSALS

This report considers the new support and the council's guidelines for making awards from its allocation.

2. RECOMMENDATIONS

Cabinet is asked to RESOLVE that

- a) The guidance for awards of Local Restriction Support Grant (Open) and Additional Restrictions Grant detailed in appendix A are adopted.
- b) The Head of Financial and Customer Services is authorised to finalise the guidance and to make other decisions including amendments to the guidelines in relation to the payment of grants, in consultation with the portfolio holder for finance and enabling.
- c) The determination and payment of grants, in line with the guidelines, is delegated to Revenue Services Officers.

3. KEY ISSUES

- 3.1 The government announced new schemes of support for businesses impacted by the coronavirus restrictions in November 2020.
- 3.2 The announcement introduced five schemes of support which are applicable as local authorities move between tiers of local restrictions or in cases where national restrictions are imposed. The visualisation below summarises which grant schemes become payable at each level of restriction.

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	Available Funding Schemes: Local Restrictions & Additional Restrictions Grant			
Covid Alert Level	Medium Tier 1	High Tier 2	Very High Tier 3	National
Local Funding Scheme			LRSB(Closed)	LRSB(Closed) Addendum
		Local Restrictions Support Grant (Open)		
			Additional Restrictions Grant	
Sector Funding Scheme	Local Restrictions Support Grant (Sector)			

3.3 A basic summary of each grant scheme is included below:

3.4 Local Restriction Support Grant (Closed)

LRSB (Closed) is a mandatory grant scheme which will provide support to businesses which are subject to closure by law due to tier 3 restrictions being placed on a local area.

To qualify for LRSB (Closed) a business must:

- be required to close for a consecutive period of not less than 14 days.
- be providing in-person services from the premises required to close, and unable to provide these services remotely.
- be the eligible ratepayer on the day the restrictions take effect.
- be open and trading on the day before the restrictions came into effect.
- pubs, bars and restaurants which are required to close by law, but open to provide a click and collect or takeaway service will be treated as closed.

3.5 Local Restriction Support Grant (Closed) addendum

LRSB (Closed) addendum is a mandatory grant scheme which will provide support to businesses which are required by law to close due to national restrictions being implemented. The qualifying criteria for the grant will be the same as LRSB (Closed), however, the period over which payments are made will be increased.

3.6 Local Restriction Support Grant (Open)

LRSB (Open) is a discretionary grant scheme which will provide support to businesses which are significantly impacted by restrictions on socialising that are implemented because an area has entered tier 2 or tier 3 restrictions.

The qualifying criteria for the grant are included in the appendix to the report. Government has recommended that support is provided to business within the hospitality, hotel, bed and breakfast and leisure sectors. The guidance will target support to these businesses and to businesses in the retail, hospitality and leisure supply chain and to businesses within the late-night economy impacted by restriction on socialising.

3.7 Local Restriction Support Grant (Sector)

LRSB (Sector) is a mandatory grant scheme which will provide support to businesses in sectors required to close at a national level. At present these restrictions apply to nightclubs, discothèques, sexual entertainment venues and hostess bars. To qualify for LRSB (Sector) a business must:

- have been required to close at a national level and been closed since 23rd March 2020
- be liable ratepayer on 1st November 2020

3.8 Additional Restrictions Grant

ARG is a discretionary scheme and local authorities must develop their own criteria for any grants offered under the scheme. Funding has been provided for the period to 31st March 2022 and details of the guidance proposed is included in the appendix to the report.

3.9 Exclusions to grants apply to all schemes and grants will not be provided where a business is in liquidation, administration or is subject to a striking off notice. Grants must be compliant with EU state aid rules and companies will be required to confirm a grant is state aid complaint.

3.7 The amount of grant to be provided and the periods for which grants are paid is detailed in the following tabulation.

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	LRSG – Open	LRSG – Closed	LRSG – Closed Addendum	LRSG – Sector	Additional Restrictions Grant
Grant Payment Cycle	28 days	14 days	28 days	14 days	Determined locally
Grant Payable RV £0 - £15,000	£934	£667	£1,334	£667	
Grant Payable RV £15,001 - £50,999	£1,400	£1,000	£2,000	£1,000	
Grant Payable RV £51,000 & Above	£2,100	£1,500	£3,000	£1,500	

Financial Implications

- 3.11 The costs of the grants made under the grant schemes will be met in full by Government. Controls must be put in place to ensure that the award of grant does not exceed the funds allocated by Government.

Legal Implications

- 3.12 There are no specific legal implications.

Service/Operational Implications

- 3.13 The operation of the scheme will place additional pressures on the Revenue Services Section – the scheme will be delivered within existing resources but a review of the impact of delivery of discretionary schemes on the effectiveness of the revenues services will be required and additional resources may be needed to remedy any decline in overall performance.

Customer / Equalities and Diversity Implications

- 3.14 The scheme will be required to deliver support quickly to businesses within Bromsgrove and must ensure that the maximum amount of funding is made available to businesses within the Bromsgrove area.

4 RISK MANAGEMENT.

- 4.1 There is risk of reputational damage if the scheme does not maximise expenditure and ensure the full amount of support is provided to businesses within the Bromsgrove District.

5. **APPENDICES**

Appendix A: Bromsgrove District Council – Guidelines for Local Restrictions Support Grant (Open).

Appendix B: Bromsgrove District Council – Guidelines for Additional Restrictions Grant (Discretionary Grant) Scheme

6. **BACKGROUND PAPERS**

Guidance documents published by Department for Business, Energy and Industrial Strategy (BEIS):

Local Restriction Support Grant (Open) Guidance for Local Authorities

Local Restriction Support Grant (Closed) Guidance for Local Authorities

Local Restriction Support Grant (Closed) Addendum Guidance for

Local Authorities Support Grant (Sector) Guidance for Local Authorities

Additional Restrictions Grant Guidance for Local Authorities

Technical FAQs documents published by BEIS

AUTHOR OF REPORT

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Bromsgrove District 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 LRSO (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 Bromsgrove District Council Area.
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-minimus 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 LRSO (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:

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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

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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.

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