



LOCAL RESTRICTIONS GRANT POLICY

Version 2

DECEMBER 2020

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Introduction

On 9, 22 and 31 October 2020, the Government announced the introduction of additional support for businesses to be made available via a series of grants to be paid by local authorities.

Local authorities are required to adopt policies to distribute grants to business, through periods of national and local restrictions. In Staffordshire, Tier 2 restrictions were imposed from 31 October and superseded by national restrictions imposed from 5 November, which required many businesses to close until 2 December. A new Tiered system was developed from 2 December onwards.

This document describes the manner in which this Council will distribute its funding to local businesses. Support will take the form of the following grants.

Name of Grant	Businesses Affected
Local Restrictions Support Grant (Closed) LRSG-C	Businesses mandated to close. <ul style="list-style-type: none">• 28 day period from 5 November.• Subsequent periods during which closures are mandated.
Local Restrictions Support Grant (Sector) LRSG-S	Nightclubs etc closed since 23 March 2020
Local Restrictions Support Grant (Open) LRSG-O	Leisure, Hospitality and Accommodation Businesses severely impacted under the 3 tier system
Additional Restrictions Grant (ARG)	Discretionary fund to be developed in phases.

The underlying principle of this policy is that the council will distribute grants in accordance with the methodology that the government has used to allocate funding to the Council. Whilst recognising discretion given to the Council

- LRSG-C LRSG-S & LRSG-O will be paid in line with the government guidance.
- ARG will be used to award similar levels of grant to organisations not qualifying for other grants.

The first iteration of the policy was written to specifically cover the 28 day 'lockdown' period from 5 November to 2 December 2020. The current version gives sufficient flexibility to accommodate changes to the Council's position in the 3 tier system.

The Policy will be updated from time to time, to reflect the changes to guidance and funding, and will be reviewed in its entirety no later than 30 April 2021.

1. Local Restrictions Support Grant (Closed)

This grant is intended to cover those businesses that were mandated to close as a consequence of government restrictions, either during the 28 day period of national lockdown from 5 November or any subsequent periods during which business closures are mandated.

This will affect businesses providing in-person services to customers from their business premises and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

Exclusions to Local Restrictions Support Grant (Closed)

- Businesses that are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors) are not eligible for the grant.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

The Council may from time to time define categories of business to be excluded from these grants.

1.1 National Lockdown 5 November to 2 December

During national lockdown this typically include the following types of business.

Amusements and visitor attractions (family entertainment centres)	Night Clubs*
Art Gallery / Museum (privately owned)	Outdoor Pursuits Centres
Bars	Play Centres /Soft Play Centres
Beauticians and salons	Private Golf Courses and Driving Ranges
Bowling Allies	Public Houses
Cafés with indoor / outdoor seating	Registered bed and breakfast accommodation
Bookmakers	(not Airbnb accommodation)
Camping and Caravan sites	Restaurants
Discotheques*	Shops and Retail Outlets selling non-essential goods.
Gyms, yoga / dance centres	Sexual Entertainment Venues*
Hairdressers	Sports Clubs (e.g. football, rugby)
Hotels	Theatres / Cinemas / Event Spaces
Ice Rinks	Trampoline Centres
Leisure Centres	Urban farms
Market Stalls (indoor or outdoor)	
Nail Bars	

Organisations marked * above, which were subject to national closures since 23 March 2020 will also be able to claim Local Restrictions Support Grant (Sector) for periods from 1-4 November and 3 December onwards.

The term 'closed' for the purpose of this grant means that the substantive function of the business has been forced to close. So bars and restaurants, shops etc which are able to trade as click and collect, delivery or take-aways only, will be treated as being closed.

Grants will initially be paid on a one-off basis, in respect of a 28 day period commencing on 5 November at the following rates;

- a. Businesses occupying hereditaments appearing on the rating list with a rateable value of £15,000 or under on 5 November will receive a payment of £1,334.

- b. Businesses occupying hereditaments appearing on the rating list with a rateable value over £15,000 and less than £51,000 on 5 November will receive a payment of £2,000.
- c. Businesses occupying hereditaments appearing on the rating list with a rateable value of £51,000 or above on 5 November, will receive a payment of £3,000.

For the avoidance of doubt, grants will be paid according to the rating list as it appears on 5 November 2020. Entries into the list after this date will not attract a grant, even if made retrospectively with effective dates prior to 5 November.

Where it appears to the Council that an entry in the list is erroneous and needs to be removed, the Council will not pay the grant.

Similarly, the rate of grant payments will not be altered as a consequence of changes to rateable value made after 5 November.

In cases where it was factually clear to the Council that the rating list was inaccurate on that date, we may withhold the grant and/or award the grant based on the view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

Grants are paid to the person or organisation who was responsible for the business rates on 5 November. Where the Council has reason to believe that the information that they hold about the ratepayer on 5 November is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

1.2 Tier 3 Restrictions from 2 December 2020 onwards.

The Local Restrictions Support Grant (Closed) paid for any time during which Staffordshire is a designated Tier 3 risk area are similar in nature to those paid during lockdown. Some differences do apply and so the grants are documented in full here.

The following types of business are required to close during Tier 3 restrictions.

Amusements and visitor attractions (family entertainment centres)	Outdoor Pursuits Centres
Art Gallery / Museum (privately owned)	Play Centres /Soft Play Centres
Bars	Private Golf Courses and Driving Ranges
Bowling Allies	Public Houses
Cafés with indoor / outdoor seating	Registered bed and breakfast accommodation
Bookmakers	(not Airbnb accommodation)
Camping and Caravan sites	Restaurants
Discotheques*	Sexual Entertainment Venues*
Yoga / dance centres	Sports Clubs (e.g. football, rugby)
Hotels	Theatres / Cinemas / Event Spaces
Ice Rinks	Trampoline Centres
Leisure Centres	Urban farms
Night Clubs*	

Organisations marked * above, which were subject to national closures since 23 March 2020 will also be able to claim Local Restrictions Support Grant (Sector) for periods from 1-4 November and 2 December onwards.

The term 'closed' for the purpose of this grant means that the substantive function of the business has been forced to close. So bars and restaurants, shops etc which are able to trade as click and collect, delivery or take-aways only, will be treated as being closed.

Grants will be paid, to businesses mandated to close, on a 14-day recurring basis, commencing on 2 December at the following rates;

- a. Businesses occupying hereditaments appearing on the rating list with a rateable value of £15,000 or under will receive a payment of £667 per 14-day qualifying restriction period.
- b. Businesses occupying hereditaments appearing on the rating list with a rateable value over £15,000 and less than £51,000 on 5 November will receive a payment of £1,000 per 14-day qualifying restriction period.
- c. Businesses occupying hereditaments appearing on the rating list with a rateable value of £51,000 or above on 5 November, will receive a payment of £1,500 per 14-day qualifying restriction period.

Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closures regulations came into force including changes which have been backdated to this date, will be ignored for the purposes of eligibility.

The Council will not adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began.

In cases where it was factually clear to the Council on the local restriction date that the rating list was inaccurate on that date, we may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

1.3 Tier 2 Restriction Periods

During any period of Tier 2 restrictions, closure rules apply to bars and public houses which do not serve substantial meals. Local Restrictions Support Grant (Closed) can therefore be paid as follows.

- a. Businesses occupying hereditaments appearing on the rating list with a rateable value of £15,000 or under will receive a payment of £667 per 14-day qualifying restriction period.

- b. Businesses occupying hereditaments appearing on the rating list with a rateable value over £15,000 and less than £51,000 on 5 November will receive a payment of £1,000 per 14-day qualifying restriction period.
- c. Businesses occupying hereditaments appearing on the rating list with a rateable value of £51,000 or above on 5 November, will receive a payment of £1,500 per 14-day qualifying restriction period.

1.4 Wet-Led Public Houses

Subject to confirmation of government funding, pubs that predominantly serve alcohol rather than provide food will be eligible for a one-off £1,000 in December 2020.

The payment will be made on top on the existing grants for businesses. This will cover those in tiers 2 and 3 forced to reduce their operations as a result of the latest regional measures put in place to contain transmission of the virus.

2. Local Restrictions Support Grant (Sector)

Eligible businesses are Nightclubs, dance halls, discotheques, sexual entertainment venues and hostess bars that have been subject to national closures since 23 March 2020 and which have not been able to re-open as a result of regulations made under the Public Health (Control of Disease) Act 1984.

Businesses must have been trading on **23 March 2020** to be eligible to receive a grant payment.

Other businesses may be added to this list in future, but those entitled to Local Restrictions Support Grant (Closed) cannot receive 'Sector' grants for the same period. If new national closures of business property types are announced, then the business must have been trading on the date of the announced closure in order to be eligible.

During the period 5 November to 2 December these businesses will receive Restrictions Support Grant (Closed), as above. 'Sector' grants will resume from 3 December, for as long as the businesses are mandated to close.

For the avoidance of doubt, businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.

Business in this sector will not be eligible if they have re-purposed their business and as a result been able to open, for example changing their business from a nightclub to a bar.

The person who, according to the billing authority's records, was the ratepayer in respect of the hereditament on the 1 November 2020 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 national restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

Following the 28 day lockdown period, payments will be made, as follows, for each **14-day period** of closure.

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of £15,000 or under on the date of the commencement of the national restrictions will receive a payment of £667 per 14-day qualifying restriction period.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the national restrictions will receive a payment of £1,000 per 14-day qualifying restriction period.
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the national restrictions will receive a payment of £1,500 per 14-day qualifying restriction period.

A pro-rata payment will be made to businesses in this sector, to cover the period from 1 to 4 November. No payment will be made for periods prior to 1 November.

3. Local Restrictions Support Grant (Open)

This strand of support was announced by the government on 22 October 2020 to help kick-start recovery for businesses that are not legally required to close but are severely impacted by the restrictions under Local Covid Alert Level 'High' (LCAL 2) and 'Very High' (LCAL 3) restrictions.

On 31 October 2020 the county of Staffordshire entered the High' (LCAL 2) category which imposed local restrictions on businesses and residents. A series of grants were available to support businesses affected by such restrictions, though these were somewhat superseded by the national lockdown measures, from 5 November.

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 kickstart recovery by supporting sustainable businesses that have not been legally required to close but which are severely impacted by LCAL 2 or 3 restrictions.

Should Staffordshire revert to a stage 2 risk level, the following Local Restrictions Support Grant (Open) will be paid.

- Grants of up to £467 per 14-day period for hospitality, hotel, bed and breakfast and leisure businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions (31 October)
- Grants of up to £700 per 14-day period for hospitality, hotel, bed and breakfast and leisure businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions. (31 October)
- Grants of up to £1,050 per 14-day period for hospitality, hotel, bed and breakfast and leisure businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions. (31 October)

A small discretionary fund will be available to assist with other types of business outside of these criteria.

4. Additional Restrictions Grant

Under the Additional Restrictions Grant, the council received a one off lump sum payment amounting to £20 per head of population as national restrictions were imposed on 5 November.

The Council is required to write a policy to allocate those funds during the period from 5 November 2020 to 31 March 2022. Local authorities can use this funding for any business support activities. The government envisage this will primarily take the form of discretionary grants, but the council also use this funding for wider business support activities. £2,000,000 of funding is open for grant funding applications. The deadline for the first round of applications is 18 December and applications will be processed in date order of receipt.

The allocation of these funds is providing urgently needed support to businesses that are seriously impacted by the national lockdown but do not qualify for Local Restrictions Support Grant (Closed).

The allocated amounts may change dependent on the demand/take-up for each strand. If one strand was to underperform whilst another was to be oversubscribed, these allocated amounts will be reviewed. If changes to the national guidance/criteria were to be made following the Additional Restrictions Grant review by government (planned for January 2021), such would be reflected in an amendment to our scheme.

4.1 Phase 1 Additional Restrictions Grant:

Businesses trading on 4 November from commercial premises for which they are not the direct ratepayer (e.g. shared spaces or premises under a paramount control of another party) will receive a payment of £667 in respect of each 14 day period, for which they are mandated to close, commencing 5 November.

- Businesses who, whilst not mandated to close, provide goods or ‘business to business services’ to a customer base that is mandated to close. This could include – for example – businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector. Where such trade represents more than 50% of the expected business of the organisation and that organisation closes from 5 November, grants will be paid at a similar rate to the Local Restrictions Support Grant (Closed)
 - Non-ratepayers occupying commercial premises will receive £1,334
 - Rateable value up to £15,000 will receive £1,334
 - Rateable value from £15,001 up to £51,000 will receive £2,000
 - Rateable value over £51,000 will receive £3,000
- Regular Market Traders, trading within the council’s area and not having received a grant from another local authority, will receive £1,334 for the 28 day period commencing 5 November 2020.

4.2 Phase 2 Additional Restrictions Grant:

The direct funding grant will be aimed at micro and small businesses which are defined as follows:

To be a small business under the Companies House Act 2006, a business must satisfy two or more of the following requirements:

- Turnover of £10.2 million or less
- £5.1 million or less on its balance sheet
- 50 employees or less

To be a micro business, under the Companies House Act 2006, a business must satisfy **two** or more of the following requirements:

- Turnover of £632,000 or less
- £316,000 or less on its balance sheet
- 10 employees or less

Phase 2 grants will be paid to:

- Businesses operating from domestic premises can claim a grant of £375 per 14 day period, commencing 5 November 2020, whilst they are unable to trade due to national or local restrictions.
 - Businesses themselves involved in the events sector or arts and entertainment sector (not in rateable premises) can claim a grant of £375 per 14 day period
 - Businesses involved in the agriculture sector (not in rateable premises) and have demonstrable losses due to the hospitality sector closing can claim a grant of £375 per 14 day period.

- Other small or micro businesses not eligible for LRSG or ARG1 will be considered on a case by case basis and could be eligible for a grant of £375 per 14 day period subject to providing suitable evidence as listed below.

For the avoidance of doubt, Phase 2 Additional Restrictions Grant are available only to businesses registered at Companies House. Self employed individuals cannot claim this grant and should refer to the Self Employed Income Support Scheme.

Application Process

For all of the above grants, applications will be made online and the applicant will be required to confirm;

- That they satisfy the eligibility criteria relevant to the appropriate grant application.
- The nature of the business. (Sector)
- The company registration number or UTR number in the case of sole traders.
- Size of the business (employees, turnover, balance sheet)
- That they were trading from the premises on the appropriate qualifying date
- That they have closed the business when required to do so in line with restrictions if applicable
- That receipt of the grant will not exceed State Aid compliance rules
- The bank account into which the grant is to be paid.
- Evidence of the bank account (this will not be needed if it was provided in support of a Business Support Grant earlier in 2020)
- Evidence of a minimum of 30% loss in turnover from 1 September 2020 compared to the same period in 2019.(ARG Phase 2) (businesses that started after 1 September 2019 and have no comparable evidence will be treated on a case by case basis)
- Copy of lease or rental agreement if appropriate (ARG Phase 1 & 2)

The Council may request such supporting information as it feels appropriate to confirm eligibility to grant payments. Grants will be withheld if applicants do not provide information requested within 3 days of submitting the application.

In taking decisions on the appropriate level of grant, the Council may have regard to the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.

4.3 Phase 3 Additional Restrictions Grant

A further policy is being developed for the remaining £700,000 of funding.

Appeals Process

Grants are paid at the discretion of the Council with awards being determined within the Economic Growth and Revenues teams as appropriate. No formal right of appeal exists, but an applicant who is dissatisfied with a grant determination make request that it be reviewed by a more senior officer within the department. Following this a further appeal can be made via the Councils Complaints procedure.