

Torridge District Council

20/11/20

Additional Restrictions Grant Policy

1. This support will take the form of a funding scheme in Financial Year 2020-2021 and can be used across Financial Years 20/21 and 21/22. The scheme is called the Additional Restrictions Grant (ARG)
2. The Local Authority can use this funding for business support activities. This will primarily take the form of discretionary grants, but will also be used for wider business support activities
3. Where the ARG is used for direct business support grants, the same conditions of grant apply as for the Local Restrictions Support Grant (Closed), however the Local Authority will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
4. National and local restrictions are legally binding restrictions imposed where the Secretary of State for Health and Social Care requires the closure of businesses under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
5. The Local Authority can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target.
6. The Local Authority will develop a local discretionary scheme to help those businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19.
7. The Local Authority will develop a local discretionary scheme to help businesses outside the business rates system, which are effectively forced to close
8. The Local Authority will develop a local discretionary scheme to provide additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the LRSB (Closed) scheme, with due reference to State Aid.
9. In taking decisions on the appropriate level of grant, the Local Authority will take into account the level of fixed costs faced by the business in question, whether they are unable to trade online and the consequent scale of coronavirus losses
10. The grant amounts given to individual businesses will be subject to state aid limits.
11. Businesses that 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 be excluded from the scheme
12. For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme
13. Where a grant is issued, the business who, according to the billing authority's records, was the ratepayer in respect of the hereditament on the date LCAL 3 or national restrictions first came

into force, is eligible for the grant. Where a Local Authority has reason to believe that the information that they hold about the ratepayer on the first full day of national or LCAL 3 restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authority should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day. Some businesses outside the business rate system may also receive grants.

14. Businesses must have been trading on the day preceding the first full day of national or LCAL 3 restrictions to be eligible to receive a grant support
15. The business must confirm that by accepting the grant they are eligible for the terms of the scheme
16. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants (for example, if they become insolvent)
17. Grant income received by a business is taxable. The Additional Restrictions Grant will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax
18. Any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be recovered, as may any grants paid in error
19. The digital due diligence tool Spotlight will be used as part of the payment assurance process – to be confirmed by S151 Officer
20. The National Fraud Initiative (NFI) tools will be used as part of the post payment assurance process completed by Exchequer
21. The Local Authority will follow BEIS guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and State aid conditions for these schemes
22. The general principle applies that Local Authority are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including these grants.
23. The Local Authority must be satisfied that all State aid requirements have been fully complied with when making grant payments.
24. The Local Authority will develop pre and post-payment assurance plans for each grant scheme. There should be an eligibility check and a recipient check on all payments, whether pre- or post-payment. The plans should set out the actions and checks Local Authority will undertake to ascertain regularity of payments. They should cover the pre-payment checks for grants still to be paid, but also the post payment assurance checking regime that the Local Authority will introduce to identify irregular payments
25. The volume and depth of checks that the Local Authority undertakes as detailed in these plans should be proportionate to the grant value versus the cost of the check, and informed by a Fraud Risk Assessment of the likelihood of error and/or fraud in the payments they have made.

26. Fraud Risk Assessments should also be undertaken for each grant scheme and comprise part of the assurance plan using the risk assessment templates tailored to the relevant funds provided by BEIS
27. The Government Grants Management Function and Counter Fraud Function will be used to support the Local Authority to carry out post-event assurance work to identify high risk payments and to estimate and measure the likely incidence of fraud and error that has occurred in the scheme. This requires statistically significant sample testing of key residual risks to assess the level of fraud/error that has arisen from the residual aspect of identified fraud risks. Post-event assurance is therefore dependent upon a detailed fraud risk assessment being undertaken for the scheme. Guidance from BEIS will be used to support the development of Post Event Assurance Action Plans
28. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will be undertaken by the Local Authority
29. Monitoring and reporting information regarding the scheme will be provided to BEIS as required
30. If a Local Authority detects fraud (successful rather than attempted), or if they suspect fraud (attempted as well as actual) that is organised, large scale systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend a Local Authority report it simultaneously to the dedicated inboxes at the National Anti Fraud Network (intel@nafn.gov.uk) and the National Investigation Service (report@natis.pnn.police.uk). Local Authority may be contacted for further information to assist with lines of enquiry being pursued
31. This monitoring and reporting is in addition to any relevant reporting requirements to the EU Commission under State aid rules
32. The scoring matrix takes the average monthly income prior to application period (based on previous three months bank statements), less the income during the application period, plus the average fixed property costs incurred during restrictions (taken from most recent bills), to calculate the total cost to the business of the restrictions period. The grant awarded will be the at the stage below the total loss during restrictions calculated by the scoring matrix
33. Budget codes will identify the payment tranche and restriction level
34. BACS payment will be made weekly, on a Tuesday. Payments will reach the applicant's bank account on a Thursday. All paperwork to be with Exchequer by 2pm on Monday to enable them to go into the payment run on the Tuesday
35. Only evidence uploaded at the time of application will be considered. Incomplete or invalid evidence will not be included and may affect the amount of grant awarded. If the assessor cannot process the application because they do not have sufficient, valid evidence the application will be rejected and the applicant instructed to reapply with brief feedback on the reason for rejection
36. There is no appeals procedure and the Council's decision is final
37. 30% of costs for businesses who operate from a domestic premise rather than a business premise, will be used in the grant calculation. This reflects there is a domestic element in the costs provided

38. Where possible applications should be submitted every 14 days. In the event an applicant misses an application period (s), at their next application they will be asked to submit evidence that covers all application periods missed and their grant award will cover all applications periods missed

39. The Local Authority has the discretion to pay grants to the same businesses or to different eligible businesses in subsequent qualifying periods.

40. In applying their discretion on the amounts of grant, types of support and the eligible businesses for each qualifying period the Local Authority will adapt their approach to local circumstances, such as providing support for micro-businesses with fixed costs or support for businesses that are crucial for their local economies. All businesses who receive support must have been affected by the pandemic. The wider business support will be subject to the Local Authorities procurement process

41. The eligibility criteria, application process, scheme paperwork, grant amount, type of support offered and application period for the scheme will be reviewed at the Local Authority's discretion, including when the area moves between different levels of restrictions. The Local Authority will decide which, if any criteria to change. Any changes will be documented within this policy.

DISCRETION APPLIED AT NATIONAL LOCKDOWN LEVEL

42. If a business has a property with a rateable value of £51,000 or above, or received a £25,000 Discretionary Grant they can apply to this grant scheme every 28 days the national restrictions are in force. The same application process will be followed as for the 14-day applications but there will be an additional grant award level of £1500 per 14-day period. An eligible business can apply for this grant award, even if they have already received the LRSG (Closed) with Addendum

43. Second and subsequent applications will use a shorter application process. At the start of every three- month period (November – January, February – April etc) all applicants will need to complete the full application form and update the evidence provided. The full application form will also need to be done when there is a change to the restriction level

44. In order to apply a fair, transparent and quick process, applicants will not be asked to calculate any figures, instead they will be asked to upload copies of their most recent bank statements and fixed property costs bills. These will be input into the scoring matrix which uses formulae to convert the figures to a daily amount, thereby allowing a figure for both reduction in income and fixed property costs incurred for each application period to be calculated. The grant amount awarded will be the grant immediately below the figure calculated

45. The Local Authority has set the grant levels at £250, £450 and £667 each 14-day period of national lockdown

46. In addition to points 11 and 12, additional exclusions in force at the start of the scheme are businesses in the accommodation sector that advertise solely on Air BnB, businesses in the accommodation sector that are second homes that are also let to paying guests, Bed and Breakfast business with more than 6 letting rooms, businesses who were not open as usual and providing in-person services to customers up to 4th November 2020 and who did not intend to continue trading after 4th November 2020, businesses that have chosen to close but have not been required to as part of the national restrictions, businesses that are able to continue to trade as normal because

they do not depend on providing direct in-person services from premises and can operate their services effectively remotely and businesses who were an undertaking in difficulty before 31st December 2019 and market traders where their home address or commercial premises address is not within the Local Authority's area. The location of the markets they attend will not be considered as part of this grant scheme

47. Once this policy has been approved, subsequent amendments can be done by way of delegated authority to the Chief Executive in consultation with the Leader