

Carlisle City Council- COVID 19 Discretionary Business Grants-

Local Restrictions Support Grant (OPEN)

Policy December 2020

Introduction

- 1.1 In order to support Business through tier 2 and 3 restrictions enacted to help reduce the spread of Coronavirus, the government has announced a new Local Restrictions Support Grant (open) for Local Authorities to distribute to local businesses. The LRSG (Open) is a discretionary grant, which will be administered to local businesses, alongside the Local Restrictions Support Grant (closed) grant for businesses which are required to close.
- 1.2 The LRSG (OPEN) is intended to support hospitality and leisure businesses which have, although can stay open in tier 2 and 3 restrictions, are nonetheless severely impacted by these restrictions, and have often had to adapt
- 1.3 Carlisle City Council has been allocated a fixed allocation of approximately 400,000 to support businesses. The Council has therefore sought to use this allocation to balance supporting as many businesses as it can with this fund, with providing individual grants that amount to meaningful support for businesses.

Eligibility

- 2.1 The government guidance gives Local Authorities the discretion to build a local policy which fits with the local economic needs and priorities of their district. However, the grant is aimed at businesses in the hospitality, leisure and accommodation sectors. This includes:
 - Pubs, restaurants and cafes which serve food and can therefore remain open during these restrictions but see a disruption in their trade due to the restrictions put in place.
 - Holiday/travel accommodation providers (B&Bs, Self-catered holiday cottages, and Hotels) who are able to trade however will see a reduction in visitors as longer distance travel is discouraged to tier 2 and 3 areas.
 - Leisure & sport businesses (e.g. leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, and shooting ranges) that

occupy rateable premises (and are the ratepayer) which are able to trade but will see a disruption in their trade due to the restrictions put in place.

- 2.2 Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- 2.3 Businesses must have been trading before the first full day of national or LCAL 2/3 restrictions to be eligible to receive a grant support (Wednesday 1st December 2020).
- 2.4 Full government guidance and criteria can be found here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935141/local-restrictions-support-grant-OPEN-la-guidance.pdf
- 2.5 As this grant is aimed at hospitality and leisure businesses, and we have a fixed budget with which to allocate the grant, we will not be able to support businesses who fall outside this criteria, however, depending on the restrictions, such businesses may be eligible for a grant from the ARG.
- 2.6 Our priority will be to support businesses which occupy rated premises, and are the ratepayer, however, once we are satisfied that we are able to support such businesses, businesses which fall outside the business rates system may also qualify for this grant, such business could include:
 - B&Bs/holiday lets that pay council tax instead of business rates
 - Business which operate in a shared space where they are not the ratepayer.
- 2.7 As part of our second priority category, events sector/supplier businesses which can demonstrate that they have seen a disruption to their trade due to the restrictions imposed may also be eligible for a grant. This could include for example wedding suppliers that have seen cancellations due to the new restrictions surrounding weddings in tier 2.
- 2.7 Grants will be awarded per business, and the Council may take into consideration grants paid to linked businesses (businesses which share premises costs, rates liability, or have linked directors/persons with significant control) when awarding grants. Businesses with multiple hereditaments however may apply per hereditament.
- 2.8 Businesses which are allowed to open but have chosen to close during the period of restrictions (and will re-open once restrictions are lifted) are eligible for this scheme rather than LRSG closed.
- 2.9 For reference the guidance for tier 2 restrictions can be found here:
<https://www.gov.uk/guidance/tier-2-high-alert>

Determining the value of grants awarded to businesses

- 3.1 Businesses that do not meet the eligibility criteria above will not receive a grant from this fund.
- 3.2 Grants will be awarded in bands. For businesses who are ratepayers of hereditaments on the rating list, grant amounts:
- a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under when restrictions were put in place would be eligible for up to £467 every 14 days.
 - b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 when restrictions were put in place would be eligible for up to £700 every 14 days.
 - c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above when restrictions were put in place would be eligible for up to £1050 every 14 days.
- 3.3 For businesses outside the business rates system, number of employees will be used to calculate the level of grant awarded as below:

Number of employees	1-10	11-25	26+
Grant amount	Up to £467	Up to £700	Up to £1,050

- 3.4 Grants will be awarded every 14 days on a rolling basis for every 14 days that restrictions last for. Any restrictions lasting less than this will be reduced pro rata.

Grants administration process

- 4.1 In order to ensure payment reach businesses as quickly as possible, we will aim to fast track payments to businesses which received LRSG closed grants for November initially (priority A businesses).
- 4.2 Following this, an online application for the grant fund will be made available on Carlisle City Council's website, for any businesses which feel they are eligible for the grant but did not receive a fast-tracked payment, and, if funding remains available, for priority B businesses as listed above in section 2. A printable version will be made available online, which businesses can complete and return with **all the relevant documents** to: Discretionary Grants Fund, Carlisle City Council, Civic Centre, Carlisle, Cumbria CA3 8QG

For businesses who do not have access to the internet, businesses can call 01228 817200 to request an application is sent out to them. Please ensure your application is returned answered fully with all the relevant documents attached.

- 4.3 It will be important that you provide all the information accurately and truthfully and provide **all** the supporting documents that are requested. Failure to do so could lead to your application being declined or significantly delayed.
- 4.4 We will aim to fast track applicants who have applied to LRSG closed and ARG but may be asked to confirm whether their circumstances have changed. This will aim to speed up the awards process for such businesses.
- 4.5 Once we receive an application, we aim to process the grant payment within 21 days, however, this will be dependent on receiving **all the evidence required**. We may need to contact you to clarify some details of your application or request more evidence, we ask that you be co-operative with such requests as this will help ensure all applications can be processed in a timely manner.
- 4.6 You must answer all the questions honestly when completing your application, if the Council suspects any business is trying to fraudulently claim the grant, it will investigate accordingly. Where evidence of fraud is present, we will prosecute the offending business.

Evidence

- 5.1 The Council is relying on businesses to be honest and open with the Council and present to us their evidence of need and eligibility for the Discretionary Business Grant Fund. Please see appendix 1 for a list of documents needed to support your application.

Tax

- 6.1 Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax

State Aid

- 7.1 The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission. The local authority must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with

all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission. The de minimis level is usually €200,000 to any one business over any three-year period but for the purposes of this grant, the limit has been increased to €1 million.

- 7.2 The Council will require each business to confirm that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with State aid requirements.

Data protection

- 8.1 We will use your information to assess your application for financial support. We will confirm information about you and your account from credit referencing agencies to confirm account validity and your identity. If you provide false or inaccurate information, we will record this.
- 8.2 All personal information will be processed in accordance with the terms of the General Data Protection Regulation.
- 8.3 We are also required to share information with the Department for Business, Energy and Industrial Strategy (BEIS) as they are the government department providing the funding. The BEIS may contact you as part of their research and evaluation surveys.
- 8.4 For full information on how any personal information we gather will be processed, please visit our privacy statement at <https://www.carlisle.gov.uk/Privacy-Statement/Economic-Development-Functions-Privacy-Statement>.

Definitions

- 9.1 “Bed and Breakfast” - The property should be wholly or mainly used as guest premises and will in most cases be registered as a food businesses with the Council. Properties which are mainly domestic and renting a spare room through ‘Air BnB’ or similar are not eligible.
- 9.2 “Self-catering holiday cottage” - Self-catering holiday cottages which are available to let for short periods that total 140 days or more per year should be rated as a self-catering property and valued for business rates. Those which are registered for business rates will be eligible through the Local

Restrictions Support Grant (Closed) scheme, those which meet the criteria to be registered for business rates but have not yet transferred over will be eligible through this scheme. Those who do not meet the 140 days criteria will not be eligible for either scheme.

Right to update our policy

- 10.1 The council reserves the right to update or change this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error or omission.

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Appendix 1- evidence needed to support an application

If you have received an ARG or LRSG closed grant already for the November restrictions, we should have the details already for your business.

If you have not, please also ensure that you submit the following:

- A copy of a bank statement, no older than 2 months which matches the details provided on the form

Please note, if you use a personal bank account, we will also need some evidence to verify your trading activity, which could include:

- sales receipts
- purchase of equipment or products which relate to your business
- invoices
- lease or agreement with landlord for the premise you operate your business from (if this is not your home)
- some other piece of information that evidences your business activity