

Eden District Council LRSG (Open) Policy

Background

1. The government has introduced the Local Restrictions Support Grant (Open) to enable Local Authorities to provide grants for businesses that are still open but severely impacted by Tier 2 or Tier 3 restrictions.
2. For those business who are legally required to close under local restrictions, the Local Restrictions Support Grant (Closed) will apply instead.
3. Local authorities will receive an allocation for each 14-day period that their area remains in Tier 2 or Tier 3 restrictions. This funding ceased once Tier 4 and then National Lockdown restrictions were introduced.

National Criteria

3. The Government has set out some national criteria for the Local Restrictions Support Grant (Open). These conditions are
 - The business must have been trading the day before Tier 2 restrictions were introduced ie 1 December. As Tier 2 restrictions were preceded by national 'lockdown measures, requiring the closure of some businesses that are otherwise eligible, it is accepted that those businesses are still trading.
 - Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
 - Grant income received by a business is taxable
 - Grant income is subject to State Aid regulations.
4. Local Authorities have the freedom to determine the precise eligibility criteria for these grants. However, Government expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses. These can be businesses who are ratepayers or those outside of the business rates system.
5. 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 Tier 2 or 3 restrictions
6. The government guidance and criteria can be seen in full here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942853/local-restrictions-support-grant-OPEN-dec2-2020-onwards-la-guidance.pdf

Eligibility

7. The Council plans to align its LRS (Open) Scheme from Government proposal outlined above for eligibility. The Council's scheme will be predominantly focussed on those businesses who demonstrate their eligibility as being severely impacted by Tier 2 Restrictions.
8. For reference the guidance for Tier 2 Restrictions which applied in Eden from 2 – 30 December 2020 can be found at www.gov.uk/guidance/tier-2-high-alert
9. This grant fund is aimed specifically at businesses who are impacted by Tier 2 restrictions and not the COVID-19 pandemic as a whole. Therefore businesses applying should be able to demonstrate an impact due to no travel allowed from Tier 3 and 4 areas, restrictions on household mixing inside, rule of 6 outside and maximum of 15 people for weddings.
10. Eligible businesses through Tranche 1 are as follows;
 1. Hospitality – Pubs, Bars, Restaurants, Cafes, Social clubs and Visitor Attractions (
 - Pure Takeaway businesses are excluded
 - Pubs who are legally required to close due to Tier 2 restrictions are excluded as they are funded under the Local Restrictions Support Grant (Closed) instead
 2. Accommodation – Hotels, Bed and Breakfasts, Self-Catering Cottages, Campsites and Caravan parks
 - Self-catering cottages on Council Tax rather than business rates must meet the 140 day advertising requirements to be eligible.
 3. Leisure and sports facilities such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, shooting ranges and adventure pursuits centres.
 - This would be for those businesses severely affected by loss of revenue/paying customers due to restrictions on household mixing indoors and the rule of 6 outdoors.

Tranche 2 (launched on 3 March) extended the criteria of this fund to the following businesses

4. Hospitality supply chain – eg. Catering Companies, Wholesalers, Travel businesses, Breweries, Coach companies and Kennels/Catteries whose usual business relies on people taking holidays
5. Wedding Suppliers – with fixed premises ie. not mobile make-up artists, hairdressers or photographers
6. Events businesses or event suppliers – this should be businesses that would usually hold events or supply equipment to events during December that could not take place due to restrictions.

7. Personal Care services - Hairdressers, beauticians etc. who must have their own salon or premises – not including individuals who rent a chair in a salon

All of the above should have fixed business premises in Eden, this does not include home or mobile working.

Applicants must be able to demonstrate a severe impact due to Tier 2 restrictions from 2 – 30 December 2020.

11. Businesses which were allowed to open but chose to close during the period of restrictions (and intend to re-open once restrictions are lifted) are eligible for this scheme rather than LRSG closed. However, businesses which do not usually operate during Winter months should not apply.
12. As this grant is aimed at hospitality and leisure businesses, and we have a fixed budget with which to allocate the grant, we are prioritising these businesses under Tranche 1. We have since widened the criteria to support other businesses under Tranche 2. Currently we are unable to support businesses who fall outside of the criteria under these two tranches. We may widen the eligibility criteria at a later date if there is funding remaining.
13. This funding is aimed at supporting businesses which have ongoing fixed costs, therefore our priority will be to support businesses which occupy rated premises, and are the ratepayer. Businesses outside of the business rates system which are eligible at this stage are B&Bs and self-catering cottages which are on Council Tax, subject to the other eligibility criteria being met. As indicated previously, we may widen the eligibility criteria at a later date if there is funding remaining.
14. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
15. This scheme is aimed at local businesses, therefore in order to be eligible for the fund, the business will have to be predominantly based in Eden with the majority of their business or headquarters in Eden.

How much is available?

16. Government has provided suggested funding tiers as a guide for Local Authorities, anticipating that grant funding is provided under these tiers unless there is an economic need to deviate. The Council intends to follow Government guidance and the grant levels will be as follows:
17. For businesses eligible for this funding who are ratepayers of hereditaments on the rating list, grant amounts will be paid on a 'per hereditament' basis, ie:
 - a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 2 December will receive a payment of £467 per 14 days of restrictions.
 - b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 2 December will receive a payment of £700 per 14 days of restrictions.

- c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on 2 December, will receive £1,050 per 14 days of restrictions.

18. For businesses eligible for this funding, who are not the ratepayers or are outside the business rates system, the grants will be awarded 'per business' on size, based on number of employees as follows:

Number of employees	1-10 (including sole traders)	11-25	26+
Grant amount	£467	£700	£1,050

19. When awarding on a per business basis, 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.

Again, these payments will be paid per 14 days of restrictions.

20. As Eden was in Tier 2 for 29 days until 30 December, a single payment will be provided for the full period – these amounts are £967, £1,450 or £2,175.

Application process

21. An application form will be required for this scheme. An online application for the grant fund will be made available on Eden District Council's website. Where businesses are unable to complete the online form, a printable version is available which businesses can complete and return with **all the relevant documents** to: Local Restrictions Support Grant (Open), Eden District Council, Town Hall, Penrith, Cumbria, CA11 7QF. Please request this form by email from lrsopen@eden.gov.uk. For businesses who do not have access to the internet, businesses can call 01768 817 817 to request an application form is sent out to them. Please ensure your application is returned answered fully with **all the relevant documents attached**.
22. Applications will remain open until the funding is exhausted.
23. 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.
24. The Council will review applications within 10 working days and will process payments within 5 working days of determining applications.
25. You must answer all of 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.

Appeals Process

25. There is no right to appeal and the decision of the Council is final.
26. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

What evidence will I need to provide?

27. 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.
28. As part of your application you will need to provide the following information.

Information	Evidence Required	Comment
Payment details	Copy of bank statement clearly showing name, address, sort code and account number	This must match the name of the business or individual listed on the business rates bill or lease/mortgage agreement
Evidence of trading on or before 2 December 2020	This will be done on self-declaration and verified using other evidence provided as part of your application.	Where you have a business rates account this will be sufficient as the date liable will be used. For businesses that are not rated we reserve the right to ask for additional evidence if required. This could be in the form of stock orders, lease agreements etc.
Evidence of eligibility under state aid rules	This will be done by way of self-declaration on the online application form	If you are unsure whether state aid applies to your business you need to seek independent legal advice

Definitions

29. “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.
30. “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 meet the criteria to be registered for business rates but have not yet transferred over will be eligible for this scheme. Those who do not meet the 140 days criteria will not be eligible.

State Aid

31. 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.

32. 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.

Tax

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

Data Protection

34. We are committed to protecting your personal data and privacy and to complying with the requirements of the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and other privacy laws. The information you supply on this form may be shared with our contractors and partners, who help to deliver our services. We will only retain your personal data for as long as necessary to fulfil the purposes it was collected for, after which time it will be securely deleted. For more information on how we protect your personal data, see our [Privacy Policy](#).
35. This funding is provided by the Department of Business, Energy and Industrial Strategy (BEIS). Your data will be shared with BEIS as part of the monitoring and evaluation purposes and you may be contacted by BEIS for research purposes.

Right to update the policy

36. The Council reserves the right to update and 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.