



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grants and Additional Restrictions Grant – Frequently Asked Questions (FAQ)

Extended – Issue 1



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General

- 1. Is it possible to get separate allocations for Local Restrictions Support Grant (LRSG), (Closed), (Sector) and (Closed) Addendum, instead of one lump sum?**

No, allocations arrive with Local Authorities in lump sum payments wherever possible to reduce the number of financial transactions. Local Authorities can find the detail of individual scheme allocations from their Grant Offer Letters.

- 2. As the Grant Determination Letter does not separate payments for the Additional Restrictions Grant and other Local Restrictions Support Grants, how should Local Authorities split their allocations?**

Local Authorities will need to split their allocations as detailed in their Grant Offer Letters.

- 3. How can Local Authorities prove that businesses were trading the day before closures were required?**

Fully constituted businesses not in liquidation, dissolved or subject to a striking off notice are eligible. This can be checked using the digital due diligence tool Spotlight.

- 4. Some Local Authorities own rate paying businesses, e.g. theatres, leisure centres and golf courses. Are Local Authorities eligible for LRSG and ARG schemes in respect of these businesses?**

No, Local Authorities are not eligible. If Local Authorities are the owners or beneficiaries of separate legal entities, such as trusts, these businesses may receive grants, where the undertaking meets the scheme eligibility criteria (because eligibility is assessed on the basis of the separate legal entity).

- 5. Can Local Restrictions Support Grant or Additional Restrictions Grant funding be used to support individuals' costs such as wages?**

No. Local authorities should not be establishing schemes that are designed to provide financial support to individuals i.e. wage support. The Self-Employed Income Support Scheme and Coronavirus Job Retention Scheme are in place to provide those who are self-employed and employees with income support.

- 6. Can the Additional Restrictions Grant provide grant funding to new businesses as it can be spent up until Financial Year 21/22? (Update)**

Yes, while start-ups do not meet the criteria for Local Authorities' discretionary grant schemes, that a business must have been trading prior to restrictions, Local Authorities can provide grant funding to support new business start-ups as part of ARG wider business support measures.

- 7. Can you advise on the proposed closing date for new applications for discretionary schemes?**

The Additional Restrictions Grant can be spent up until Financial Year 21/22, so applications can run at the Local Authorities' discretion up to this deadline. The LRSG (Open) scheme has 28-day payment cycles, depending on eligibility, and is for businesses that are severely impacted by local restrictions; therefore, there is no specific closing date for businesses applying for this scheme, but Local Authorities are encouraged to provide support to those businesses in need as quickly as

possible. Where areas are in LCAL High restrictions and eligible for LRSG (Open) for multiple months, we recommend a rolling 28-day payment schedule to businesses, in line with the schedule of payments to Local Authorities.

8. Will we receive any further information on the monitoring and evaluation requirements?

Yes, monitoring and evaluation guidance is being provided.

9. What are the categorisations for size of businesses mentioned in regards to monitoring and evaluation?

Below is the definition of the size of business the grant relates to for the purposes of monitoring and evaluation. Micro, small, medium, large, according to number of employees, where:

Micro – 0-9

Small – 10-49

Medium – 50-250

Large – More than 250

10. What are the DELTA reporting requirements for the grant schemes?

Weekly monitoring of each scheme will be required. The information required will cover:

- a. how the schemes will operate;
- b. when you expect to start making payments;
- c. details of eligibility (for Closed schemes);
- d. number of grants paid;
- e. value of grants paid;
- f. when you expect to make a final payment.

11. When will weekly monitoring begin for the grant schemes?

The first weekly DELTA return is due on Monday 16 November.

The more detailed data for monitoring and evaluation should be collected by Local Authorities now, for submission to BEIS once a data submission mechanism has been designed.

12. Will BEIS be publishing league tables?

Aggregate data collected from Local Authorities for LRSG schemes and ARG will be published.

13. If a business receives a grant and then becomes insolvent, enters liquidation or is subject to a striking off notice, should a Local Authority recover the grant?

No, if at the time of receiving the grant the business met the eligibility criteria, then at a later date the business became insolvent, entered liquidation or is subject to a striking off notice, this would not lead to recovery of the grant.

14. Can grants be withheld where businesses owe business rates or other unrecovered monies to the billing authorities?

The LRSG and the ARG schemes are not under any circumstance intended to provide Local Authorities with the ability to offset existing or future business rates liabilities or other unrecovered money separate from grant funding by Government.

15. Do Local Authorities have to revisit cases and recover money for grants that have been awarded based on a rateable value that was subsequently changed?

Any changes to the rating list (rateable value or to the hereditament) after the first full day of restrictions should generally be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local or national restrictions began. However, Local Authorities can use their discretion, so should not need to refer cases to the VOA to seek rating list alterations.

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

16. Is the enhanced Cabinet Office Spotlight tool different to the Experian Government Counter Fraud Tool on NFI?

Yes, the tools are different and can therefore be used to complement each other. Each tool has its strengths for particular checks and risk indicators. Both tools offer a company check, but only the NFI tool offers a bank account validation check to help mitigate the risk that funds are paid to incorrect accounts, whilst Spotlight will determine if the company has changed or if they are in receipt of other government funding. Both tools conduct company checks to provide information about the company trading status in order to help identify companies not entitled to a grant. Similarly, both tools:

- are delivered through secure web applications;
- use the information they hold to risk score resulting matches to help the end user interpret the results;
- incorporate case management functionality which allows the user to record the outcomes which feed into key metrics/management information; and
- charge a fee, significantly below market rate, to cover their costs. Enhanced Spotlight charges 50p per check and NFI Experian Active Company check 35p (plus an administrative fee of £75 per file). Note the NFI Experian Bank Account Validation check also attracts the same charge - so doing both NFI Experian checks would cost 70p (plus £75 per file).

It should be noted that the standard Spotlight tool, which is free for COVID-19 schemes, offers a wide range of due diligence checks drawn from data sources including Companies House and the Charity Commission and can check state aid limits and a change in company nature. We therefore recommend using this first as it can significantly reduce the number of records to be checked via the chargeable tools.

For further information please contact:

- Spotlight - spotlight-localauthority@cabinetoffice.gov.uk
- NFI - nfiquiries@cabinetoffice.gov.uk

17. Can Local Authorities pay grants to personal bank accounts where the applicant is a sole trader and does not have a business bank account?

Yes, Local Authorities can pay into a personal account in the case of sole traders, providing that the Local Authority has performed prepayment checks.

18. How can Local Authorities verify whether or not a business is insolvent?

Guidance on the Local Restrictions Support Grants and Additional Restrictions Grant is available on GOV.UK and includes information on managing the safe administration of these grants, including verifying the solvency of a business. The Government Grants Management Function has waived the annual fee of its digital due-diligence tool, Spotlight, to support the administration of Covid-19 emergency grants until 31 March 2021. Please contact the Spotlight team for more details via spotlight-localauthority@cabinetoffice.gov.uk.

19. If a business is required to close but decides to stay open, can it receive a grant?

No. Part 4 of The Health Protection (Coronavirus Restrictions) Regulations 2020 states a business required to close “must cease to carry on that business or provide that service”. To remain open would be against the law and any business doing so will be ineligible for a grant. A business is required to self-declare it has closed when it applies for a grant under the LRSG (Closed), LRSG (Closed) Addendum and LRSG (Sector).

Local Restrictions Support Grant (Closed) Addendum

20. How was an allocation arrived at?

Each Local Authority has received a 90% allocation of what is estimated to be needed to provide grants to eligible hereditaments. Through weekly monitoring the amounts allocated will be assessed and topped-up where necessary. Local Authorities will be reimbursed for all payments made to eligible businesses. Included in the LRSG (Closed) Addendum payment are payments to businesses that were previously eligible for LRSG (Sector) funding, e.g., nightclubs. Due to the relatively low number of establishments recorded in VOA SCAT codes for businesses such as nightclubs, weekly monitoring will allow Local Authorities to report actual numbers and an accurate pro-rata payment for period of 1 – 4 November can be made for the LRSG (Sector) scheme.

21. What are the main things for Local Authorities to consider when looking at eligibility for LRSG (Closed) Addendum funding, in cases like village halls?

Local Authorities can assess three key eligibility factors: whether the ownership is eligible, whether the business in question pays business rates and whether that business has been mandated to close.

22. Are accommodation premises eligible for LRSG (Closed) Addendum grants?

Holiday accommodation must close under national restrictions set out for 5 November – 2 December. This includes hotels, hostels, bed and breakfast accommodation, holiday apartments, home, cottages or bungalows, campsites, caravan parks or boarding houses, canal boats or any other vessel unless the exemptions set out in law apply. Therefore, any of these accommodation types that are rate paying businesses (with the property used for business and not personal use), are eligible for (Closed) Addendum grants. This includes those businesses that continue to provide accommodation in line with the exemptions set out in the national restrictions legislation.

23. Small offices received grants in March, will they be eligible during November national restrictions?

As offices were permitted to reopen and have not been required to close again, they will not be eligible to receive grants under the Local Restrictions Support Grant (Closed) Addendum.

24. What happens where there is more than one liable party per property? Do they get a grant each, or are they expected to share?

The grant will be awarded to the ratepayer who bears the business rate liability. In the unlikely event that an unincorporated association are jointly liable for ratepaying in a business mandated to close, then the hereditament will be eligible for one grant, and Local Authorities can assess how to distribute the grant on a case-by-case basis.

Local Restrictions Support Grant (Closed)

25. How will the total amount of funding a Local Authority receives be calculated?

Government will work with Local Authorities to identify eligible businesses and will use local intelligence, combined with internal estimates, to decide the initial allocation. The allocation will be adjusted where necessary to ensure all businesses who are mandated to close are supported by the LRSG (Closed) scheme.

26. When will Local Authorities receive funding for the LRSG (Closed) scheme?

Local Authorities will receive 80% of the estimated grant funding following the first 14-day period of closures. When this threshold of funding has been reached, Government will pay Local Authorities the further agreed funding. If further 14-day periods of closures elapse and Local Authorities have stabilised a list of businesses that are in scope, Local Authorities will receive the full requested funding from Government. To ensure efficiency and a smooth funding delivery process, unnecessary underspend should be avoided where possible.

27. Is there a set application form for the LRSG (Closed) scheme?

No. Local Authorities can decide how best to structure application forms so long as they help establish eligibility for the relevant funds.

28. Are businesses that operate with domestic rates (e.g. B&Bs) eligible for the Local Restrictions Support Grant?

Only properties on the non-domestic rating list are eligible for the Local Restrictions Support Grant (Closed).

29. Are establishments that serve substantial meals eligible to receive grants through this scheme?

In LCAL Very High areas, pubs and bars will be obliged to close as a baseline. However, if they are serving substantial meals, such as a main lunchtime or evening meal, they may remain open and would therefore not be eligible for a grant. Restaurants that are not mandated to close would not be eligible for grants. Additional restrictions may apply depending on discussions between central and local government.

30. What happens where there is more than one liable party per property? Do they get a grant each, or are they expected to share?

The grant will be awarded to the ratepayer who bears the business rate liability. In the unlikely event that an unincorporated association are jointly liable for ratepaying in a business mandated to close, then the hereditament will be eligible for one grant, and Local Authorities can assess how to distribute the grant on a case-by-case basis.

31. If a business is forced to close its property, but employees can work from home, can it receive a grant?

If, by closing the business's hereditament, the business is prevented from providing its main service, then it will be eligible for a LRSG (Closed) grant, even if it is able to provide an alternative service through home working.

However, if the business can continue to provide its main service through homeworking, then it will not be eligible, but may be able to receive funding through the LRSG (Open) or Additional Restrictions Grant.

32. What level of verification is required to ensure businesses are closed?

A business will be required to confirm that it has closed when accepting the grant and Local Authorities are not expected to take any further steps to verify the business is closed. However, if the Local Authority receives information that shows the business is still open, they are expected to take the necessary steps to recover the grant funding and commence any legal proceedings against the business for breaching the terms of the grant scheme.

Local Restrictions Support Grant (Sector)

33. Are grants for businesses that are still subject to closures nationwide only available in Local Authorities under local restrictions?

These grants can be paid to any eligible business by all business rate billing authorities in England irrespective of whether local restrictions apply.

34. What happens where there is more than one liable party per property? Do they get a grant each, or are they expected to share?

The grant will be awarded to the ratepayer who bears the business rate liability. In the unlikely event that an unincorporated association are jointly liable for ratepaying in a business mandated to close, then the hereditament will be eligible for one grant, and Local Authorities can assess how to distribute the grant on a case-by-case basis.

Local Restrictions Support Grant (Open)

35. Allocations are based on hospitality and leisure business numbers; how do I identify businesses to support?

For the purposes of the calculations made to Local Authorities for this scheme, the allocations had regard to the VOA SCAT codes listed at Annex A, but these should not be used to determine eligibility for this scheme in any way. This scheme is discretionary. The leisure and hospitality numbers were used as a means to generate a consistent allocation for each Local Authority entering LCAL High and LCAL Very High, rather than identify the exact businesses to support in those sectors. Local Authorities will need to design a discretionary scheme to meet the economic needs of their area. The Local Authority is encouraged to use their local knowledge to identify the businesses it assesses need grant support.

36. If a Local Authority enters LCAL High restrictions, leaves within the 28-day period, then reenters during that initial 28 period, what allocation do they receive?

Businesses are only eligible for one payment per 28-day payment cycle. Where an area enters LCAL High, then re-enters within the same 28-day payment cycle, they will not be eligible for another LRSG (Open) payment. They will have to wait until the 28 days is complete to trigger the next payment.

37. Should we take applications or continue to give payments to business that previously qualified?

Local Authorities are expected to carry out an application process to identify those business that have been severely impacted by local restrictions. Local authorities can determine whether to continue to support the same businesses, the rate at which support is provided or whether to support additional businesses.

38. What constitutes “LCAL High Type Restrictions”?

When no indoor household mixing was introduced.

Additional Restrictions Grant (ARG)

39. What is considered to be wider business support?

Wider business support is spending designed to assist the business community, but, unlike grants, is not direct funding for individual businesses. This may include advice

and guidance for businesses, skills training to support their ability to trade in changed circumstance etc.

40. How should Local Authorities split the allocation of this funding between grants and other business support activities?

As this is a discretionary grant scheme, it will be for Local Authorities to determine how best to split the funding between grant schemes and other business support schemes.

41. Can a Local Authority use Additional Restrictions Grant funding when not under national or LCAL Very High restrictions?

Yes, the Additional Restrictions Grant offers Local Authorities discretion when it comes to the allocation of funds. However, Local Authorities should be mindful that this is a one-off lump sum and they will therefore need to draw on it during any future period they may spend under LCAL Very High or national restrictions.

42. Must a business have been trading on the first full day of restrictions or before restrictions to be eligible? (Update)

A business must have been trading before restrictions came into force to be eligible. Any reference to 'on the day of' in previous ARG documents should be disregarded.

43. If Local Authorities use the Additional Restrictions Grant (ARG) to undertake business support activities in their local economies, e.g. town centre improvements, will this require a procurement process to access external services?

Local Authorities must abide by their own existing policies and procedures on procurement.

44. What verification do you expect for sole traders who are not registered with Companies House?

Provided that sole traders are eligible ratepayers with an eligible rating assessment they will qualify for grant funding.

Local Authorities can ask the ratepayer to supply their VAT number where they have one, which is verified on the EU website.

See link: https://ec.europa.eu/taxation_customs/vies/

Alternatively, NFI Experian products can be used to check sole traders. The Bank Account Validation has been shown to be able to match and check the majority of sole traders.

45. Can Local Authorities use grant funding to cover staff/management costs within the Local Authority itself?

The full funding allocation must be used to support businesses, either through grant schemes or through business support activities. This does not include covering Local Authority staff/management costs, as Local Authorities will be provided with New

Burdens funding to account for the costs of administering the Local Restrictions Support Grant and Additional Restrictions Grant schemes.

Annex A: Valuation Office Agency (VOA) SCAT codes for LRSG (Open) allocation NOT eligibility

The following SCATs are included in each category:

Category 1: Hospitality

091 : Drive-In Restaurants
092 : Drive-Thru Restaurants
104 : Food Courts
199 : Night Clubs & Discotheques
226 : Public Houses/Pub Restaurants (National Scheme)
227 : Public Houses/Pub Restaurants (Inc. Lodge) (National Scheme)
234 : Restaurants
238 : Roadside Restaurants (National Scheme)
303 : Wine Bars
409 : Cafes
442 : Takeaway Food Outlet (Predominantly Off Premises)
500 : Cafes/Restaurants Within/Part of Specialist Property

Category 2: Hotels/B&Bs

047 : Caravan Parks (Leisure) (National Scheme)
048 : Caravan Sites and Pitches (National Scheme)
054 : Chalet Parks (National Scheme)
062 : Coaching Inns
077 : Country House Hotels
122 : Guest & Boarding Houses
136 : Hostels

Category 3: Leisure

137 : Hotels (3 Star And Under)
138 : Hotels (4 Star & Above) & Chain Op.
3 Star (National Scheme)
160 : Lodges (National Scheme)
025 : Bingo Halls (National Scheme)
028 : Bowling Alleys
049 : Casinos and Gambling Clubs
056 : Cinemas (National Scheme)
060 : Clubhouses
061 : Clubs & Institutions
140 : Ice Rinks
195 : Museums and Art Galleries
(Contractors)
196 : Museums and Art Galleries (Non-
Contractors)
239 : Roller Skating Rings
265 : Stately Homes & Historic Houses
(National Scheme)
279 : Theatres (National Scheme)
304 : Zoos & Safari Parks
012: Amusement parks
014: Arenas
070: Concert Halls (National Scheme)
116: Go kart rinks
188: Model villages
284: Tourist attractions
403: Aquaria
421: Miniature railways
280: Theme parks
293: Village Halls Scout Huts Cadet Huts
etc
011: Amusement arcades
240: Royal Palaces
213: Pleasure Piers

208: Pavilions

074: Conference and Exhibition Centres

075: Conference Centres in Country
Houses

128: Heritage Railways

225: Public Halls

993: Leisure Miscellaneous