

National Restrictions and Local Restrictions Tier 4 Grants

LRSGA (CLOSED) Mandatory grant

On 9 September, 9 October and 31 October, the Government announced there would be further funding to support businesses that are legally required to close due to restrictions being put in place to manage coronavirus and save lives.

National and tier 4 restrictions refer to legally binding restrictions imposed on all Local Authority areas in England in response to the threat posed by coronavirus. When national or tier 4 restrictions are imposed by Government and a significant number of businesses are mandated to close to manage the spread of coronavirus, then Local Restrictions Support Grant (Open) and (Sector) will cease to apply, and (Closed) will be superseded by this national lockdown policy.

Businesses will not be eligible for multiple versions of the Local Restrictions Support Grant under widespread national restrictions.

The Local Restrictions Support Grant (Closed Addendum) will be a payment cycle of 14-days. Businesses that are eligible are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses.

The thresholds that apply to LRSGA (Closed):

Businesses occupying hereditaments appearing on the local rating list on the commencement date of the **national restrictions and local tier 4** restrictions:

Rateable Value	Payment per month (14 Days)
£15,000 or under	£667
£15,001 to £50,999	£1,000
£51,000 or above	£1,500

Businesses must complete an application form to supply information needed to enable the council to pay the grant, available on the council's website.

All payments will be made via BACS (as soon as practicable) and the business must provide bank details for payment, including a bank statement. An application must be completed, with information required to access the grant fund. Please note further checks may be needed to verify the business, therefore contact details must be provided.

Business must adhere to the following criteria to be applicable for the grant:

- Have been trading before the national or tier 4 restrictions began
- Have a business premises with a rateable value in the valuation list on the first date of restrictions.
- Not in administration, insolvent or a striking-off notice has been made.
- The business must be trading in Basingstoke and Deane

- Not go over state aid limits (see state aid limit below)
- Have been mandated to close due the national lockdown (period 5 November 2020 to 2 December 2020) or local lockdown tier 4 these include the following:
 - Non-essential retail, such as clothing and homeware stores, vehicle showrooms (other than for rental), betting shops, tailors, tobacco and vape shops, electronic goods and mobile phone shops, and market stalls selling non-essential goods. These venues can continue to be able to operate click-and-collect (where goods are pre-ordered and collected off the premises) and delivery services
 - Hospitality venues such as cafes, restaurants, pubs, bars and social clubs. (with the exception of providing food and drink for takeaway before 10pm and click-and-collect, drive-through or delivery)
 - Accommodation such as hotels, hostels, guest houses and campsites (The accommodation may be partially open for specific circumstances, such as where these act as someone's main residence, where they cannot return home, for homeless people, or where it is essential to stay there for work purposes)
 - 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, and shooting ranges
 - Entertainment venues such as theatres, concert halls, cinemas, museums and galleries, casinos, amusement arcades, bingo halls, bowling alleys, skating rinks, go-karting venues, soft play centres and areas, circuses, funfairs, zoos and other animal attractions, water parks, theme parks. Indoor attractions at botanical gardens, heritage homes and landmarks must also close.
 - Personal care facilities such as hair, beauty, tanning and nail salons. Tattoo parlours, spas, massage parlours, body and skin piercing services must also close. It is also prohibited to provide these services in other peoples' homes
 - Community centres and halls
 - Places of worship, apart from for the purposes of independent prayer, and service broadcasting and funerals

Tax

Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary 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

European Union laws restrict the amount of state funding businesses can receive. This includes government grants, loans or tax reductions. Local Restrictions Support Grants count towards your state aid allocation. The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. The EU state aid rules that applied: 200,000Euros received over a 3 year period which covers the current financial year, running from April 2020 to March 2021, and the two preceding financial years, plus 800,000Euros received over the period March 2020 to December 2020. Further information about what constitutes state aid can be found at <https://www.gov.uk/guidance/state-aid>

On Thursday 4 March new subsidy allowances (previously state aid) were established for the COVID-19 business grants schemes. The updated scheme rules do not apply retrospectively. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. Guidance explaining the subsidies chapter of the TCA, World Trade Organisation rules on subsidies, and other international commitments can be found here:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities> or TCA document can be found here: https://ec.europa.eu/info/relations-united-kingdom/eu-uk-trade-and-cooperation-agreement_en

There are three subsidy allowances for this scheme set out below:

- Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021 (The Special Drawing Right calculator here can be used to calculate the exchange rate on the day the subsidy is awarded: https://coinmill.com/SDR_calculator.html) . An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.
- COVID-19 Business Grant Allowance. Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commissions Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000.
- COVID-19 Business Grant Special Allowance. Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19

Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided certain conditions are met.

Fraud

The council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error

All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

Appeals

There are no further appeals rights for the grant, the Council's decision is final.