



Reading
Borough Council
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DECISION BOOK

Issue: 633 Date: 7 JUNE 2021

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - <https://democracy.reading.gov.uk/mgListOfficerDecisions.aspx?bcr=1&BAM=0>

The officer reports accompanying the decisions are attached.

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DECISION BOOK - ISSUE 633 - 7 JUNE 2021

1. ADDITIONAL RESTRICTIONS GRANT FUND

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
1. ADDITIONAL RESTRICTIONS GRANT FUND	COUNCILLOR BROCK	BOROUGHWIDE	1

This report sets out the decision to amend the Additional Restrictions Grant Fund Scheme.

It is the decision of the Chief Executive, in consultation with the Leader of the Council that an Additional Restrictions Grant Fund Scheme in respect of 3 priority business types and a hardship fund for businesses located in the Reading Borough meeting the following criteria is introduced:

- up to £6,000 per premises for non-essential retail businesses not in the rating system (as defined - Annex A)
- up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses not in the rating system (as defined - Annex A)
- £5,000 to support individuals licenced in the Hackney Carriage and Driving Instructor professions that have not received support under any grant scheme administered by the Council
- A hardship' fund for rate-paying and non rate-paying businesses who have not received support under any grant schemes administered by the Council and require support due to demonstrable financial vulnerability. Businesses will where appropriate need to demonstrate fixed building related costs outside of their residential property costs and provide significant evidence of financial vulnerability. In determining these applications, we will consider the impact that the failure of these businesses would have on the economic development of the borough and on the business rates revenue of the Council.

That a tiered payment approach is introduced as follows in respect of the 3 priority business types:

Non-essential retail businesses not in the rating list which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant Scheme for those properties in the rating system:

- £2,667 with annual rental/mortgage value of £15,000 or under
- £4,000 with annual rental/mortgage value of over £15,000 and less than £51,000
- £6,000 with annual rental/mortgage value of exactly £51,000 or above

Non-essential retail businesses not in the rating list which can demonstrate other fixed costs (outside of normal residential property costs and staffing costs):

- £1,778 with fixed annual costs of £15,000 or under
- £2,666 with fixed annual costs of over £15,000 and less than £51,000
- £4,000 with fixed annual costs of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant for those properties in the rating system:

- £8,000 with annual rental/mortgage value of £15,000 or under
- £12,000 with annual rental/mortgage value over £15,000 and less than £51,000
- £18,000 with annual rental/mortgage value of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate other fixed costs (outside of normal residential property costs and staffing costs):

- £5,333 with fixed annual costs of £15,000 or under
- £8,000 with fixed annual costs of over £15,000 and less than £51,000
- £12,000 with fixed annual costs of exactly £51,000 or above

Individuals licenced in the Taxi and Driving Instructor professions that have not received support under any grant scheme administered by the Council:

£5,000 Self-employed driving instructors resident in the Borough that can demonstrate fixed costs

£5,000 Self-employed licenced (by Reading) Hackney Carriage owners that are actively working the rank as at 1st April 2021 that can demonstrate fixed costs

That the level of individual award from the hardship fund will be determined on a case-by-case basis upon closure of a 1-week application window, to enable demand to be established and support to be awarded to the maximum number of eligible applicants. The application window may be extended should funding remain available.

That a 1-week application window will run from 31 May 2021 to 6 June 2021 inclusive.

That the Deputy Chief Executive, in consultation with the Leader of the Council and the Lead Councillor for Corporate and Consumer Services, review the policy in June 2021. The Council reserves the right to modify eligibility criteria, and funding thresholds, as a result.

2. LOCAL RESTRICTIONS GRANT SCHEME (OPEN) FUND

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
2. LOCAL RESTRICTIONS GRANT SCHEME (OPEN) FUND	COUNCILLOR	BOROUGHWIDE /WARD	39

This report sets out the decision to implement the Local Restrictions Grant Scheme (Open) Fund.

It is the decision of the Chief Executive, in consultation with the Leader of the Council that a Local Restrictions Grant Scheme (Open) Fund in respect of Businesses in hospitality, leisure, accommodation and retail sectors that have been suffering from reduced demand will receive backdated grants for the time spent in Tier 2.

Business types meeting the following criteria will be eligible to apply:

- Be operating in the hospitality, leisure, accommodation and retail sector, according to valuation Office records at the beginning of the lockdown period (see Appendix 1)
- Be registered for Business Rates
- Provide in-person services from the premises registered for Business Rates
- Have been actively trading from the premises prior to the Tier 2 restrictions coming into force (or if preceded by other restrictions, trading at the point of restrictions being imposed)
- Have not been required to close and be able to demonstrate that they have been severely impacted by the Tier 2 restrictions in place between 2nd December and 18th December 2020
- Not be in administration, insolvent or had a striking off notice

A three-tier payment approach will be introduced as follows:

£567.00 for the 17-day qualifying restriction period with a rateable value of £15,000 or under

£850.00 for the 17-day qualifying restriction period with a rateable value of over £15,000 and less than £51,000

£1,275.00 for the 17-day qualifying restriction period with a rateable value of exactly £51,000 or above

That an application window will run from 8 March 2021 to 31 March 2021 inclusive.

3. TEST AND TRACE DISCRETIONARY ISOLATION SUPPORT PAYMENT SCHEME

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
3. TEST AND TRACE DISCRETIONARY ISOLATION SUPPORT PAYMENT SCHEME	COUNCILLOR	BOROUGHWIDE /WARD	70

This report sets out the decision to amend the Test and Trace Discretionary Isolation Support Payment Scheme.

It is the decision of the Chief Executive, in consultation with the Leader of the Council that a Test and Trace Discretionary Isolation Support Payment Scheme is introduced in respect of residents meeting the following criteria:

- they have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive; or
- they are the parent or guardian of a child or young person in the same household and need to take time off work to care for them while they self-isolate. This is limited to one parent or guardian per household for the child or young person's self-isolation period; and
- they are employed or self-employed; and
- are unable to work from home and will lose income as a result; or
- cannot work from home while undertaking caring responsibilities and will lose income as a result, where the child or young person:
 - is aged 15 or under (or 25 or under with an Education, Health and Care Plan (EHC)) and normally attends an education or childcare setting; or
 - has been told to self-isolate by NHS Test and Trace or by their education or childcare setting because they have been identified as a close contact of someone who has tested positive for COVID-19; and
- they are on a low income (as defined below) and will face financial hardship as a result of not being able to work while they are in self-isolation; and
- are not currently in receipt of Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and
- are liable, or are the partner in the same household as someone who is liable, for rent or mortgage payments;

Low income is defined as less than £23,000 per annum and less than £5,000 in savings.

Applications must be received no later than 42-days (6-weeks) from the start date of the isolation period

Individuals in the same household can each make an application to receive a Test and Trace Discretionary Isolation Support Payment, if they each meet all the eligibility criteria in full.

An individual may make an application more than once but only:

- if the individual is told to self-isolate multiple times; and**
- they meet the eligibility criteria for each individual application; and**
- the periods of self-isolation do not overlap**

Test and Trace Self Isolation Support Payments cannot be made to applicants whose income is lower than normal because they are furloughed. The payment is for individuals facing a reduction in income because they cannot work from home while self-isolating.

READING BOROUGH COUNCIL
REPORT BY DEPUTY CHIEF EXECUTIVE

LEAD COUNCILLOR:	COUNCILLOR BROCK - LEADER OF THE COUNCIL		
DATE:	7 JUNE 2020		
TITLE:	ADDITIONAL RESTRICTIONS GRANT FUND		
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
AUTHOR:	SAMANTHA WILLS	TEL:	0118 937 2711
JOB TITLE:	REVENUES & BENEFITS MANAGER	E-MAIL:	<u>samantha.wills@reading.gov.uk</u>

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision to amend the Additional Restrictions Grant Fund Scheme.
- 1.2 On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level (LCAL) 3 restrictions. The Government announced that Local Authorities would receive a one-off lump sum payment of £20 per head when LCAL 3 or widespread national restrictions are imposed. The funding is to support closed businesses that do not directly pay business rates as well as businesses that whilst not closed are impacted by the closures. Whilst it is envisaged the support will primarily take the form of discretionary grants, authorities can also use the funding for wider business support activities.
- 1.3 The scheme is called the Additional Restrictions Grant and is administered by business rate billing authorities in England, Reading's share of the funding was £3.2m to cover the period up to the 31/3/2022. At the time, authorities were told they would not receive additional funding under the scheme regardless of the number of times national or LCAL 3 restrictions were imposed prior to 31st March 2022.
- 1.4 However, following the introduction of further restrictions in January 2021, top up funding was made available, Reading's allocation was £1.4m, bringing the total funding to £4.6m. Authorities were advised no further funding would be made available and that funding was still required to cover the period up to 31st March 2022. We therefore continued to be mindful of not allocating all funding up front.
- 1.5 A third and we believe final tranche of funding is being made available to Local Authorities. However, conditions only allow the funding to be accessed if 100% of the original £4.6m is spent by 30 June 2021. Reading's share, providing conditions are met is £1.3m.

- 1.6 The Government have stated that Authorities have discretion to determine how much funding to provide to businesses from the Additional Restrictions Grant and which businesses to target. They encourage Local Authorities to develop discretionary grant schemes 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. This could include for example, businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. Businesses outside the business rates system, which are effectively forced to close for example, market traders could be eligible and provision of additional support (on top of the funding provided via the LRS (Closed) scheme) to larger local businesses important to the local economy could also be included within the scheme, provided there is no breach of State Aid rules.
- 1.7 This report sets out the proposed offer to Reading businesses, taking into consideration demand, economic need and consistency with our neighbouring authorities.
- 1.8 An Equality Impact Assessment for these proposals has been carried out and is set out in Appendix One.

2. DECISION

2.1 It is the decision of the Chief Executive, in consultation with the Leader of the Council that an Additional Restrictions Grant Fund Scheme in respect of 3 priority business types and a hardship fund for businesses located in the Reading Borough meeting the following criteria is introduced:

- up to £6,000 per premises for non-essential retail businesses not in the rating system (as defined - Annex A)
- up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses not in the rating system (as defined - Annex A)
- £5,000 to support individuals licenced in the Hackney Carriage and Driving Instructor professions that have not received support under any grant scheme administered by the Council
- A hardship' fund for rate-paying and non rate-paying businesses who have not received support under any grant schemes administered by the Council and require support due to demonstrable financial vulnerability. Businesses will where appropriate need to demonstrate fixed building related costs outside of their residential property costs and provide significant evidence of financial vulnerability. In determining these applications, we will consider the impact that the failure of these businesses would have on the economic development of the borough and on the business rates revenue of the Council.

That a tiered payment approach is introduced as follows in respect of the 3 priority business types:

Non-essential retail businesses not in the rating list which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant Scheme for those properties in the rating system:

- £2,667 with annual rental/mortgage value of £15,000 or under
- £4,000 with annual rental/mortgage value of over £15,000 and less than £51,000
- £6,000 with annual rental/mortgage value of exactly £51,000 or above

Non-essential retail businesses not in the rating list which can demonstrate other fixed costs (outside of normal residential property costs and staffing costs):

- £1,778 with fixed annual costs of £15,000 or under
- £2,666 with fixed annual costs of over £15,000 and less than £51,000
- £4,000 with fixed annual costs of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant for those properties in the rating system:

- £8,000 with annual rental/mortgage value of £15,000 or under
- £12,000 with annual rental/mortgage value over £15,000 and less than £51,000
- £18,000 with annual rental/mortgage value of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate other fixed costs (outside of normal residential property costs and staffing costs):

- £5,333 with fixed annual costs of £15,000 or under
- £8,000 with fixed annual costs of over £15,000 and less than £51,000
- £12,000 with fixed annual costs of exactly £51,000 or above

Individuals licenced in the Taxi and Driving Instructor professions that have not received support under any grant scheme administered by the Council:

£5,000 Self-employed driving instructors resident in the Borough that can demonstrate fixed costs

£5,000 Self-employed licenced (by Reading) Hackney Carriage owners that are actively working the rank as at 1st April 2021 that can demonstrate fixed costs

That the level of individual award from the hardship fund will be determined on a case-by-case basis upon closure of a 1-week application window, to enable demand to be established and support to be awarded to the maximum number of eligible applicants. The application window may be extended should funding remain available.

- 2.2 That a 1-week application window will run from 31 May 2021 to 6 June 2021 inclusive.
- 2.3 That the Deputy Chief Executive, in consultation with the Leader of the Council and the Lead Councillor for Corporate and Consumer Services, review the policy in June 2021. The Council reserves the right to modify eligibility criteria, and funding thresholds, as a result.

Appendix 1 - Equality Impact Assessment

Appendix 2 - Additional Restrictions Grant Guidance

3. POLICY CONTEXT

NATIONAL GUIDANCE

- 3.1 The Government recognises that the mandatory grant schemes omit a number of businesses. This being due to the requirement to have liability for Business Rates. As a result, additional funding is available to Local Authorities to administer a discretionary grant scheme.
- 3.2 On 3 November, Guidance was issued to Local Authorities, providing complete discretion to devise a local scheme. The Guidance confirms Local Authorities can determine how much funding to provide to businesses from the Additional Restrictions Grant funding provided, and exactly which businesses to target.
- 3.3 However, it encourages Authorities to develop discretionary grant schemes 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. This could include for example, businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. Local Authorities may also choose to help businesses outside the business rates system who are effectively forced to close, e.g. market traders or, to provide additional support to larger local businesses important to the local economy (on top of the funding provided to those businesses via the LRSG (Closed) scheme and with due reference to Subsidy limits). In determining the level of grant award, the Guidance suggests Authorities take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.
- 3.4 In addition to the above, funding may be used to provide wider business support designed to assist the business community as a whole. This may include advice and guidance for businesses and/or skills training to support their ability to trade in changed circumstance etc.
- 3.5 The Government recognises that economic need will vary across the country, and so the precise design of the discretionary fund will be up to each local authority. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.

4. NATIONAL CRITERIA

- 4.1 The Government has set the following eligibility criteria for receipt of this funding:
 - A business must have been trading before restrictions came into force to be eligible
 - Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
 - Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
 - Funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients

5. NATIONAL GRANT AWARDS

- 5.1 Local authorities have the discretion to determine the amount of funding offered to individual businesses and the frequency of payment

6. NATIONAL GUIDANCE PROCESS

- 6.1 The Government recognises that there will likely be a need to run some form of application process as the potential beneficiaries are unlikely to be known directly by local authorities.
- 6.2 The application process will enable proportionate pre-payment checks to be undertaken to confirm eligibility for the scheme. Prepayment checks must include confirmation that by accepting payments recipients are in compliance with Subsidy allowances.
- 6.3 Local authorities must use their discretion in identifying the right person to receive the funding, based on the application process.
- 6.4 Authorities are required to call or write to individual businesses advising them that by accepting the grant, they are confirming they are eligible for the grant scheme and that any payments accepted will be in compliance with Subsidy requirements.

7. LEVEL OF DISCRETIONARY GRANTS PROPOSED BY READING

- 7.1 The Council will make grant awards to three priority business types and create a hardship fund to support businesses located in the Reading Borough, outlined as follows.

To support businesses that offer in-person services, in the relevant sectors and trading on 1 April 2021:

- Non-essential retail businesses not in the rating system
- Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system

(Annex A provides a list of businesses that fall into scope for each sector. This list is indicative of the types of businesses, but is not exhaustive)

- Individual licenced (by Reading Borough Council) Hackney Carriage owners that were actively working the rank as at 1st April 2021 that can demonstrate fixed costs and that have not received support under any grant scheme administered by the Council
- Individuals resident in the Borough that as at 1st April were operating as self employed professional Driving Instructors that have not received support under any grant scheme administered by the Council
- Hardship Fund

A 'hardship' fund for rate-paying and non rate-paying businesses who have not received support under any previous grant schemes administered by the Council and require support due to demonstrable financial vulnerability. Businesses will

where appropriate need to demonstrate fixed building related costs outside of their residential property costs and provide significant evidence of financial vulnerability. In determining these applications, we will consider the impact that the failure of these businesses would have on the economic development of the borough and on the business rates revenue of the Council.

- 7.2 The level of award for the three priority business types will be determined by taking account of the fixed property costs or other fixed costs.
- 7.3 The level of individual award for the hardship funds will be determined on a case-by-case basis upon closure of a 1-week application window, to enable demand to be established and support to be awarded to the maximum number of eligible applicants. The application window may be extended should funding remain available.
- 7.4 We recognise that other authorities have designed more complex approaches taking into account additional criteria, which include but are not limited to social value and contribution to climate change. To apply this level of criteria to this grant tranche would be inequitable as it was not applied to previous schemes. There is also a need to balance complexity of administration of the scheme with the ability to get funds out to those businesses most in need. We will however take into consideration how payment of the grant will support their future sustainability and the number of staff employed that are residents of the Borough.
- 7.5 The Council will offer a tiered grant scheme for the three priority business types, aligning those with fixed property costs with the mandatory Restart Grant Scheme for those in the rating system:

Non-essential retail businesses not in the rating list which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant Scheme for those properties in the rating system:

- £2,667 with annual rental/mortgage value of £15,000 or under
- £4,000 with annual rental/mortgage value of over £15,000 and less than £51,000
- £6,000 with annual rental/mortgage value of exactly £51,000 or above

Non-essential retail businesses not in the rating list which can demonstrate other fixed costs (outside of property costs and staffing costs):

- £1,778 with fixed annual costs of £15,000 or under
- £2,666 with fixed annual costs of over £15,000 and less than £51,000
- £4,000 with fixed annual costs of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate fixed property costs (outside of normal residential property costs and staffing costs), aligning with the Restart Grant for those properties in the rating system:

- £8,000 with annual rental/mortgage value of £15,000 or under
- £12,000 with annual rental/mortgage value over £15,000 and less than £51,000
- £18,000 with annual rental/mortgage value of exactly £51,000 or above

Hospitality, accommodation, leisure, personal care and gym businesses not in the rating system which can demonstrate other fixed costs (outside of property costs and staffing costs):

- £5,333 with fixed annual costs of £15,000 or under
- £8,000 with fixed annual costs of over £15,000 and less than £51,000
- £12,000 with fixed annual costs of exactly £51,000 or above

Individuals licenced in the Hackney Carriage and Driving Instructor professions that have not received support under any grant scheme administered by the Council:

- £5,000 Self-employed driving instructor's resident within the Borough that can demonstrate fixed costs
- £5,000 self-employed licenced (by Reading) Hackney Carriage owners that are actively working the rank as at 1st April 2021 that can demonstrate fixed costs

READING'S PROPOSED PROCESS

- 7.6** Due to the limited funds available and the anticipated level of demand for the scheme, applications will be considered in a round. This means that there will be an applications window with a fixed closing date and applications will be reviewed for eligibility thereafter.
- 7.7** There will be an online application form published on the Council's website on 31 May 2021.
- 7.8** The window for applications will be open for 7 days with a cut-off date of 6 June 2021.
- 7.9** Businesses applying should ensure that they fully complete the on-line application form. Any incomplete applications will be deemed ineligible. Any applications received outside of this period will not be considered.
- 7.10** In the event that there are any funds remaining, after the first round of applications have been reviewed and awarded, a second round may be scheduled and implemented.
- 7.11** Applications will be considered by a dedicated review team within the Revenues department, overseen by the Revenues & Benefits Manager.
- 7.12** It is anticipated payments to successful businesses will commence week beginning 31 May 2021 by BACS.
- 7.13** No grants will be awarded without an application being made.
- 7.14** Applicants under the 20/21 Additional Restrictions Grant Scheme will be automatically considered against new eligibility criteria and awards made as appropriate for the 21/22 Grant Scheme.
- 7.15** Any unsuccessful applicants will be advised, by e-mail, as soon as is reasonably practicable after 6 June 2021.

8. POLICY REVIEW

- 8.1 To ensure that the Additional Restrictions Grant reaches those businesses most in need, this policy will be reviewed in June 2021 by the Revenues & Benefits Manager together with the Deputy Chief Executive. The Council reserves the right to modify eligibility criteria, and funding thresholds, as a result.

9. APPEALS

- 9.1 Discretionary grants are not subject to any formal statutory appeals process and therefore there are no appeal rights.

10. FRAUD

- 10.1 The Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as will any grants paid in error.
- 10.2 Post payment, the Government's Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.

11. CONTRIBUTION TO STRATEGIC AIMS

- 11.1 This proposal will contribute to the following key priority set out in the Council's Corporate Plan 2018-21:

Securing the economic success of Reading - The proposed policy enables financial support to businesses that would otherwise have little or no support during this current crisis.

12. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 12.1 None to note.

13. COMMUNITY ENGAGEMENT AND INFORMATION

- 13.1 In addition to details being published on the Council's website, the scheme will be advertised via social media and through Reading UK media channels.
- 13.2 The proposal has been discussed with our Economic Development colleagues at Reading UK and take due regard of their suggestions.

14. EQUALITY IMPACT ASSESSMENT

- 14.1 A Full Equality Impact Assessment is set out at Appendix 1.

15. LEGAL IMPLICATIONS

- 15.1 Section 1 of the Localism Act 2011 provides the mechanism by which local authorities are able to make these payments.

16. FINANCIAL IMPLICATIONS

- 16.1** The cost of these grant payments will be met through additional government funding.
- 16.2** The £4.6m allocation is required to be spent in full by 30 June 2021 to access an additional £1.3m funding.
- 16.3** Assuming the Authority meets the conditions to be awarded the additional £1.3m funding, a further policy will be determined to ensure that funds are available should new restrictions be imposed later in the financial year.
- 16.4** Local authorities will be required to report on their progress in developing and delivering the Additional Restrictions Grant Fund weekly to the Department for Business, Energy and Industrial Strategy alongside the existing reporting on the Restart Grant Scheme.
- 16.5** Reports will cover:
- Numbers of businesses allocated grants
 - Total funding paid out in grants
 - Total funding paid out to wider business support
 - Expected date of completion of all grant payments to businesses
 - Issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities.

17. BACKGROUND PAPERS

- 17.1** There are none

Exclusions to the Additional Restriction Grant Funding under the category Non-Essential Retail, Hospitality, Accommodation, Leisure, Personal Care and Gym Businesses

For these purposes, the definition of a non-essential retail business should exclude: food retailers, including food markets, supermarkets, convenience stores, corners shops, off licences, breweries, pharmacies, chemists, newsagents, animal rescue centres and boarding facilities, building merchants, petrol stations, vehicle repair and MOT services, bicycle shops, taxi and vehicle hire businesses, education providers including tutoring services, banks, building societies and other financial providers, post offices, funeral directors, laundrettes and dry cleaners, medical practices, veterinary surgeries and pet shops, agricultural supply shops, garden centres, storage and distribution facilities, wholesalers, employment agencies and businesses, office buildings, automatic car washes and mobility support shops.

For these purposes, the definition of a hospitality retail business should exclude: food kiosks and businesses whose main service is a takeaway (not applicable to those that have adapted to offer takeaways during periods of restrictions, in alignment with previous COVID-19 business grant schemes).

For these purposes, the definition of an accommodation business should exclude: private dwellings, education accommodation, residential homes, care homes, residential family centres, beach huts.

For these purposes, the definition of a personal care business should exclude: businesses that only provide personal care goods, rather than services; businesses used solely as training centres for staff, apprentices and others; businesses providing dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services which incorporate personal care services, treatments required by those with disabilities and services relating to mental health.

Threshold definitions for the purposes of this scheme

Non-essential retail definition: a business that is open to the public and is used mainly or wholly for the purposes of retail sale or hire of goods or services, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.

- Businesses that were likely to have been required to cease their retail operation in the January 2021 lockdown.
- Businesses that had retail services restricted during January lockdown.
- Businesses that sell directly to consumers

Hospitality definition: a business whose main function is to provide a venue for the consumption and sale of food and drink

- Businesses offering in-person food and drink services to the general public.
- Businesses that provide food and/or drink to be consumed on the premises, including outdoors

Leisure definition: a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events, days and nights out, betting and gaming

- Businesses that may provide in-person intangible experiences in addition to goods.
- Businesses that may rely on seasonal labour.
- Businesses that may assume particular public safety responsibilities.
- Businesses that may operate with irregular hours through day, night and weekends

Accommodation definition: a business whose main lodging provision is used for holiday, travel and other purposes.

- Businesses that provide accommodation for ‘away from home’ stays for work or leisure purposes.
- Businesses that provide accommodation for short-term leisure and holiday purposes.

Gym & Sport definition: a commercial establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally.

- Businesses that offer in-person exercise and sport activities to the general public.
- Businesses that open to members of the public paying an entry or membership fee.
- Businesses that require extensive cleaning protocols, which significantly slow down trade.
- Businesses that offer exercise classes or activities, which may mandate space and no masks etc.

Personal care definition: a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.

- Businesses that deliver in-person holistic, beauty and hair treatments.
- Businesses that provide services such as tattoos and piercings.
- Businesses that offer close-contact services, which are required to deliver the treatment.
- Businesses that offer services, treatments or activities that require social distancing and cleaning protocols, which have led to a reduction in their capacity to deliver personal care services.

This table sets out types of businesses that are eligible under the sector thresholds for this scheme. This list is not exhaustive, but indicative of the types of businesses that can be supported under this scheme

Support type	Types of businesses
Non-essential retail (up to £6k)	Betting offices Departmental stores Markets (other than livestock) Sales kiosks Showrooms, e.g. kitchen, bathroom, tile, glazing Tobacco and vape stores Antiques stores Sales offices Travel agents

	<p>Electronic goods and mobile phone shops Clothes shops Book shops Auction rooms Car auction Car showrooms Car supermarkets Car washes (standalone) Car/caravan Sales/display/hiring Sites Charity shops Carpet stores Furniture shops Sofa shops Homeware shops Florists Plant nurseries Jewellers Stationery shops Gift shops Make-up shops Animal groomers Sweet shops Photography studios</p>
Hospitality (up to £18k)	<p>Food courts Public houses/pub restaurants Restaurants Roadside restaurants Wine bars Cafes</p>
Leisure (up to £18k)	<p>Bingo halls Bowling alleys Casinos and gambling clubs Cinemas Ice rinks Museums and art galleries Roller skating rings Stately homes & historic houses Theatres Zoos & safari parks Amusement parks Pleasure piers Pavilions Conference centres Exhibition centres including for use as banquet halls and other events Wedding venues Events venues Heritage railways Public halls Night clubs & discotheques Hostess bars Sexual entertainment venues Shisha bars, waterpipe consumption venues Arenas Concert halls</p>

	<p>Go kart rinks Model villages Tourist attractions Aquaria Miniature railways Theme parks Amusement arcades including adult gaming centres Animal attractions at farms Wildlife centres Botanical gardens Circus Visitor attractions at film studios Soft play centres or areas Indoor riding centres Clubs & institutions Village halls & scout huts, cadet huts etc.</p>
Accommodation (up to £18k)	<p>Caravan parks Caravan sites and pitches Chalet parks Coaching inns Country house hotels Guest & boarding houses Hostels Hotels Lodges Holiday apartments, cottages or bungalows Campsites Boarding houses Canal boats or other vessels B&Bs Catered holiday homes Holiday homes</p>
Personal care Spas, sauna and steam rooms Hairdressing salons (up to £18k)	<p>Tanning salons Nail salons Massage centres, massage treatments Tattoo and piercing studios Holistic therapy (reflexology, massage, acupuncture) Barbers, groomers Beauty salons Beauticians, aesthetics Other non-surgical treatments</p>
Gyms & sport (up to £18k)	<p>Dance schools and centres Dance studios Gymnasia/fitness suites Cricket centres Ski centres Sports and leisure centres Outdoor sports centres Outdoor adventure centres Squash courts Tennis centres Sports courts Swimming pools Shooting and archery venues Driving ranges Water sport centres Golf courses</p>



Provide basic details

Name of proposal/activity/policy to be assessed

1. Additional Restrictions Grant Fund

Directorate: Corporate Resources

Service: Finance

Name and job title of person doing the assessment:

Samantha Wills

Job Title: Revenues & Benefits Manager

Date of initial assessment: 24 May 2020

Scope your proposal

What is the aim of your policy or new service?

The grant scheme widens access to support to businesses who are struggling to survive due to the Corona virus shutdown but are unable to access other grant funding

Who will benefit from this proposal and how?

Businesses and self-employed individuals that are not eligible for the current grant schemes.

What outcomes will the change achieve and for whom?

Assist businesses during the current pandemic to ensure their future sustainability and secure Reading's economic success.

Who are the main stakeholders and what do they want?

Reading Businesses

Describe how this proposal could impact on Age

Specific data is not available on those protected characteristics

Is there a negative impact? No

Consultation

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted
Berkshire Authorities Revenues Group	Series of regular meetings	Fornightly since Covid lockdown

Collect and Assess your Data

Describe how this proposal could impact on Racial groups

Data regarding ethnicity is not available

Is there a negative impact? No

Describe how this proposal could impact on Gender/transgender (cover pregnancy and maternity, marriage)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Disability

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Sexual orientation (cover civil partnership)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Religious belief?

Specific data is not available on those protected characteristics

Is there a negative impact? No

Make a Decision

If the impact is negative then you must consider whether you can legally justify it. If not you must set out how you will reduce or eliminate the impact. If you are not sure what the impact will be you **MUST** assume that there could be a negative impact. You may have to do further consultation or test out your proposal and monitor the impact before full implementation.

Tick which applies

1. **No negative impact identified** Go to sign off
2. **Negative impact identified but there is a justifiable reason**

How will you monitor for adverse impact in the future?

Listen to business feedback, comments, appeals and complaints.

Signed (completing officer) Samantha Wills
(reviewed)

Date 24 May 2021

Signed (Lead Officer) Jackie Yates

Date



Department for
Business, Energy
& Industrial Strategy

Additional Restrictions Grant

Guidance for Local Authorities (updated 4
May 2021)



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The guidance

1. This guidance is intended to support Local Authorities in administering the Additional Restrictions Grant (ARG) to provide direct business grants and wider business support.
2. Enhanced business support settlements were first provided to areas entering Tier 3 restrictions for the first time from 14 October 2020. With the 31 October 2020 announcement that national restrictions would be reintroduced, the scheme was extended and formalised into the Additional Restrictions Grant to support all Local Authorities or Combined Authorities. This Additional Restrictions Grant guidance applies from 14 October 2020.
3. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities in England.
4. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.gov.uk/>

Introduction

5. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Tier 3 restrictions. See announcement: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>
6. On 5 January 2021, the Government announced that a further £500 million would be made available for Local Authorities through a top-up to the Additional Restrictions Grant: <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>
7. On 3 March 2021, the Government announced that a further £425 million would be made available for Local Authorities, through a conditional top-up to the Additional Restrictions Grant from 1 April 2021: <https://www.gov.uk/government/news/budget-2021-sets-path-for-recovery>
8. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England.
9. The ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions when most needed. Funding was first made available in Financial Year 2020-2021 and can be used across Financial Years 20/21 and 21/22. However, Local Authorities are encouraged to distribute funding to businesses who require support as soon as possible.

10. This document provides guidance to Local Authorities about the operation and delivery of the ARG scheme.
11. For the purposes of this guidance, ARG funding will refer to Local Authorities as recipients, acknowledging that funding may be paid to Combined Authorities on behalf of Local Authorities in some limited cases. Combined Authorities will be subject to the same conditions and obligations under this guidance as Local Authorities.
12. Funding was originally made available to eligible Local Authorities at the point the Local Authority first entered Tier 3 restrictions in October 2020. Local Authorities may have accessed additional enhanced business support settlements at this time. These settlements became part of the Additional Restrictions Grant.
13. Areas that agreed this support include: Liverpool City Region, Lancashire, Greater Manchester, South Yorkshire, West Yorkshire, Warrington and Nottinghamshire.
14. Funding was formalised into the Additional Restrictions Grant when national restrictions were announced on 31 October 2020. Under the Additional Restrictions Grant, Local Authorities received an initial one-off lump sum payment amounting to £20 per head in each eligible Local Authority when Tier 3 or widespread national restrictions were imposed, except where agreed otherwise in areas set out in paragraph 13.
15. Local Authorities received an allocation of the £500 million top-up to the ARG scheme in January 2021, as a result of further national restrictions being imposed. This allocation was based on a per-head calculation.
16. Local Authorities will receive an allocation of the £425 million top-up announced in the 2021 Budget, subject to Local Authorities spending their existing allocations of ARG by 30 June 2021. For further details on spending existing allocations, please see paragraphs 42 to 47.
17. The second top-up of £425 million of ARG funding will be allocated to Local Authorities from 1 April 2021, when conditions of the funding are met. This funding will be allocated based on a per-business calculation.
18. All Local Authorities in England are eligible for the Additional Restrictions Grant, subject to conditions being met to receive an allocation of the second funding top-up of £425 million.
19. Further top-up funding may be allocated at the discretion of Government.
20. Local Authorities can use ARG funding for business support activities. This may primarily take the form of discretionary grants, but Local Authorities could also use this funding for wider business support activities.

How will the grant be provided?

21. Government will issue Local Authorities funding, in line with the following guidance and the grant offer letter sent to Local Authorities, for the cost of the Additional Restrictions Grant (using a grant under section 31 of the Local Government Act 2003). Local Authorities will be responsible for delivering the funding.
22. Local Authorities are business rate billing authorities in England. They are responsible for making payments to businesses and will receive funding from Government.
23. Funds that have not been distributed by Local Authorities by 31 March 2022 will be subject to recovery. For the avoidance of doubt, Local Authorities need to manage their application and payment process to achieve all spend by 31 March 2022 as payments after this date will not be allowed in any circumstances.
24. As part of their application process for the scheme, all businesses will be required to self-certify that they meet all eligibility criteria.
25. We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens Assessment will be completed, and funding then provided to Local Authorities.
26. Local Authorities should allocate funding through business support grants or through wider business support measures. All funding provided under this scheme should provide direct support to businesses.
27. Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions, but are not eligible for the Restart Grant scheme. This may include, but is not limited to, group travel and tour operators, other tourism businesses (including B&Bs and event industry suppliers), wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), wraparound care providers, and other businesses that may have not received other grant funding. This list is not directive nor exhaustive, and Local Authorities should continue to issue grants at their discretion, based on local economic needs.
28. In taking decisions on the appropriate level of grant, Local Authorities may want to take into account businesses outside of the business rates system, businesses that have not received any other grant support, the level of fixed costs of the business, the number of employees the business has, whether it is unable to trade online and the consequent scale of coronavirus losses.

29. The grant amounts given to individual businesses will be subject to subsidy allowances.

Exclusions to Additional Restrictions Grant funding

30. Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
31. 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.
32. ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients.

Who will receive this funding?

33. Previous guidance for the Additional Restrictions Grant indicated that businesses must have been trading before relevant restrictions were introduced in order to be eligible. This is no longer the case. All businesses that are trading and meet other eligibility criteria may apply to receive funding under this scheme. There is no starting date from which businesses must have been trading in order to qualify for grant funding.
34. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.

To help further, some trading indicators are included below that can help assess what can be defined as trading for the purposes of the grant schemes. Indicators that a business is trading are:

- The business has staff on furlough
- The business continues to trade online, via click and collect services etc.
- The business is not in liquidation, dissolved, struck off or subject to a striking-off notice or under notice
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures

This list of indicators is not exhaustive and Local Authorities must use their discretion to determine if a business is trading.

35. In previous schemes, Local Authorities have been encouraged to utilise an application process. For the avoidance of doubt, applications are now required under this scheme for new applicants.
36. Local Authorities will need to run a new application process for first-time applicants and must be satisfied that businesses that have previously received related grants under this scheme continue to meet the eligibility criteria for the ARG if further grants are awarded. As a minimum, Local Authorities must hold the following information on all applicants:
- a. Name of business
 - b. Business Trading Address including postcode
 - c. Unique identifier (preferably Company Reference Number (CRN)) if applicable. If not applicable, VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
 - d. High level SIC Code
 - e. Nature of Business
 - f. Date business established
 - g. Number of employees
 - h. Business rate account number (if applicable)
 - i. Cumulative total of previous funding received under all COVID-19 grants schemes
37. In addition, the application process should also enable Local Authorities to carry out the required pre-grant fraud checks (including unique identifier), as well as the minimum data reporting requirements set out in Annex A.
38. For the initial allocation of ARG, Local Authorities were provided an allocation of £20 per head, unless otherwise negotiated (see paragraph 13).
39. For the first top-up of ARG, Local Authorities were provided with a per-head allocation from the £500 million funding available.
40. For the second top-up of ARG, Local Authorities must meet certain conditions to be eligible for an allocation from the £425 million funding available.
41. Local Authorities have until 30 June 2021 to meet all necessary conditions and prove that they have spent or made a validated attempt to spend 100% of their first two ARG allocations combined.
42. For the avoidance of doubt, spend will be defined as all funding defrayed or where there has been a validated attempt to defray the funding. For example, a validated attempt may be where bounce-backs of payments have occurred because businesses have provided the wrong account details.
43. The Local Authority, Combined Authority, Growth Hub, or other third party or intermediary responsible for distributing the grant funding to businesses should have evidence there has been a validated attempt to defray the funding before 30 June 2021. For example, if Local Authorities intend to use

the funding for business support activity and have therefore transferred the funding to the relevant Growth Hub or Combined Authority, that organisation must have made a validated attempt to defray the funding to businesses. Transferring funding to an intermediary or third party is not considered spend or a validated attempt.

44. For spend to be considered as a validated attempt, the payment must be in the financial system, meaning the processing of the payment is underway.

45. Below are some examples that would be considered within scope of a 'validated attempt':

- Where a payment has been made to an incorrect bank account and has been rejected; the grant can be classed as a validated attempt as long as a further attempt to pay will be made immediately upon discovering the error
- Where an application has been approved and the payment has been made, but due to a technical error the payment did not process, this can be classed as a validated attempt as long as payment was made on discovery of the error
- Where a payment has been processed, but is on hold by the bank, due to verification checks being undertaken, this can be classed as a validated attempt to make payment
- Where a contract has already been signed to provide a service (prior to the date of this guidance being updated on 15 April 2021), such as for business support activity, even if that funding is not yet spent

46. Below are some examples that would not be considered in scope of a 'validated attempt':

- If the grant funding application has been received but has not been approved and passed to pay
- If the grant funding application has been received and approved, but not passed to pay
- The grant application being sent to the finance team to process without further action being taken, as per paragraph 45
- Funding allocated but where there is no contract to provide business support after 30 June 2021
- Transferring funds to a different cost code or a third-party account, where no contract has already been signed to provide a service (prior to the date of this guidance being updated on 15 April 2021), such as for business support activity

47. Local Authorities will be asked to provide evidence of their spending and validated attempts to spend their ARG allocations. This should include both:

- a. A screenshot from the Local Authorities' finance system showing 100% of the current cumulative ARG allocation having been spent
 - b. A letter signed by the Finance Director confirming conditions have been met to release the ARG top-up payment
48. Funding is to be provided from 1 April 2021 on a per-business basis to ensure that Local Authorities can target funding fairly and directly at business support.
49. Where a Combined Authority has received ARG allocations on behalf of Local Authorities, the Combined Authority will be required to evidence that they and the constituent Local Authorities meet the conditions outlined in paragraphs 42 to 47 in order to access the £425 million top-up.
50. The Local Authority must call or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
51. 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 or have maximised subsidy allowances).

Will grants be subject to tax?

52. 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.
53. Only businesses which make an overall profit once grant income is included will be subject to tax.
54. Payments made to businesses before 5 April 2021 will fall into the 2020/21 tax year. Payments after 6 April 2021 will fall into the 2021/22 tax year. Unincorporated businesses will be taxed when they receive the grant income.

Managing the risk of fraud and payments in error

55. The Government will not accept deliberate manipulation and fraud. 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.
56. Local Authorities must continue to ensure the safe administration of grants and that appropriate measures are put in place to mitigate against the increased risks of both fraud and payment error. In this respect, grant

administrators should supplement existing controls with digital tools to support efficient, appropriate and accurate grants awards.

57. For the avoidance of doubt, Local Authorities are required to undertake pre-payment checks for all Additional Restrictions Grant payments. This is a stricter position than that taken for previous COVID-19 business support grant schemes. These checks are required to be undertaken before any payments are issued to businesses, and can be commenced in advance of 1 April 2021. This requirement is not limited to new applicants and should look at both the company and the company's bank account.

Company check

58. The Government Grants Management Function have waived the annual fee and made their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of COVID-19 emergency grants until 30 June 2021. Use of Spotlight (or an equivalent tool) or enhanced checks to support pre-award due diligence is required.
59. Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions, through fundamental (basic) due diligence checks. In particular, Spotlight can quickly and easily flag where organisations have recently become inactive to support authorities review the ongoing viability of recipients prior to making awards.
60. Spotlight can also provide enhanced due diligence, through a paid-for service, and grant administrators are encouraged to consider the benefits of enhanced due diligence. Local Authorities should discuss their digital tool requirements with the Government Grants Management Function at: spotlight-localauthority@cabinetoffice.gov.uk

Bank account check

61. The Government Counter Fraud Function has worked in partnership with Experian to introduce two new complementary products to assist public bodies in addressing residual fraud risks when dispersing funds for the COVID-19 financial support schemes by addressing their residual fraud risks. These tools will allow Local Authorities to:
- a. verify the bank accounts of companies in receipt of these business grants; and
 - b. provide insight into whether the company was trading at the relevant date for these grants.
62. These tools are available via the National Fraud Initiative (NFI) and can be used for both pre- and post-payment checks. They apply to both registered companies (at Companies House) and unregistered companies such as sole traders. For further information and to access the tools, please email helpdesk@nfi.gov.uk

63. Local Authorities can utilise the following tools (or equivalent) to undertake the required company and bank account pre-payment checks: Companies House, Experian (either directly or NFI tool), NAFN, Mint, Cifas, TransUnion “call” validate tool, Equifax Equip “report” tool, Spotlight, rent/mortgage statement or lease agreement, utility bills, building and content insurance premiums.
64. The Bank Account Verification Tool is widely available to Local Authorities, and we would recommend use of the tool to mitigate the risk of business impersonation fraud.

Pre- and post-event assurance

65. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and subsidy allowance conditions for these schemes.
66. The general principle applies that Local Authorities 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. Any funding not spent will need to be returned to BEIS within 30 days of the completion of the reconciliation exercise.
67. Local Authorities must be satisfied that all subsidy allowance conditions have been fully complied with when making grant payments.
68. To deliver this assurance requirement, Local Authorities must have pre- and post-payment assurance plans in place for this grant scheme. Local Authorities must ensure these plans are in place as soon as possible and can be provided to BEIS when requested. The plans must set out the actions and checks Local Authorities will undertake to ascertain regularity of payments. The plans need to cover the minimum two pre-payment checks (company and bank account) for grants to be paid, but also the post-payment assurance checking regime that the Local Authority will introduce to identify irregular payments. The Spotlight tool now includes the functionality to add schemes pre- or post-award.
69. In addition, Fraud Risk Assessments should also be undertaken for the grant scheme and comprise part of the assurance plan. To support Local Authorities in developing their risk assessments the Department will provide risk assessment templates tailored to the relevant funds.
70. The Government Grants Management Function and Counter Fraud Function will support Local Authorities 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 will be made available to Local Authorities to support the development of Post Event Assurance Action Plans.

71. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will need to be undertaken by the Local Authority.

Monitoring and reporting requirements

72. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises. This reporting enables accurate monitoring, evaluation, and assurance of business support grant payments.
73. Further details on Post Payment Monitoring requirements are outlined in Annex A.
74. Local Authorities will be required to provide data in order to allow reporting by Parliamentary constituency. BEIS will work with Local Authorities to facilitate such reporting.
75. Local Authorities will be required to provide a monthly report to the Department comprising an update on their Fraud Risk Assessments and pre- and post-payment assurance activities as they are delivered over the lifetime of each of these grants separately. The Department will provide a reporting template in due course.
76. If Local Authorities detect *any* fraud that is attempted or actual, whether it is local, or organised, large scale, systematic or crosses Local Authority boundaries then they must report it in real time to the dedicated inbox at NAFN National Anti-Fraud Network (intel@nafn.gov.uk). This is so Government can build up a full picture of what is going on and get vital information and alerts back to Local Authorities in real time, this also feeds into the wider intelligence network on counter fraud within Grants.
77. If a case is categorised as organised, large scale, systematic or crosses Local Authority boundaries by NAFN, they will pass the case to NATIS who investigate serious and organised fraud on behalf of BEIS.
78. Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.
79. NATIS may determine that the case is not something they could pursue and will return it to the Local Authority making the original referral. In these cases, the LA should try and secure repayment from the debtor through all reasonable and practicable steps.

80. Where a Local Authority is taking the lead in investigating fraudulent activity where the attempted or suspected fraud is local (rather than organised, large scale, systematic or crosses Local Authority boundaries), they are expected to instigate the recovery of the grant themselves. If a referral is made to NAFN for consideration of investigation, where the Local Authority does not have the resources to investigate, then any attempts that have been made to recover funds, should be included in the referral to NAFN. Local Authorities may wish to pursue referral of the case to local police, however this is at their discretion.
81. A referral should still be made to NAFN where a Local Authority is investigating a suspected or actual fraud to enable NAFN / NATIS to interrogate their systems to identify any links to other cases and to identify possible links to organised crime groups.

Update to COVID-19 business grant subsidy allowance

82. 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. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. BEIS Guidance for public authorities 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>
83. On Thursday 4 March new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.
84. From Thursday 4 March Local Authorities must apply the updated scheme rules set out in this guidance document.
85. The updated scheme rules set out in this guidance document do not apply retrospectively. Therefore, where a Local Authority has previously rejected an applicant's application before Thursday 4 March 2021 on the grounds that the applicant had reached previous scheme limits, the Local Authority must not revisit this decision. However, Local Authorities may accept applications submitted from 4 March 2021 from eligible applicants that are now within scheme limits as a result of the increased subsidy allowances.

Updated COVID-19 business grants subsidy allowances provided on the basis of the TCA

86. The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).
87. The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.
88. 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.

Small Amounts of Financial Assistance Allowance

89. 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 2021¹. 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

90. 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 Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

COVID-19 Business Grant Special Allowance

91. 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

¹ 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

to £9,000,000 per single economic actor, provided the following conditions are met:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and the date of application, including such costs incurred in any part of that period ('eligible period');
- b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
- c. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
- d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
- e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
- f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

92. An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.

93. Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex B below) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

94. Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>.

95. If a grant is awarded under the Small Amounts of Financial Assistance Allowance, Local Authorities must ask the recipient whether, when cumulated with any De Minimis State Aid or Small Amounts of Financial Assistance that the business has received in the last three years, the grant will mean that the recipient has received more than 325,000 Special Drawing Rights (approximately £335,000 at the time of writing). If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.
96. If the grant is awarded under the COVID-19 Business Grant Allowance or the COVID-19 Business Grant Special Allowance, Local Authorities must ask the recipient whether, when cumulated with any other grant under the allowances, the recipient has received more than £500,000. If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.
97. For access to and any further questions on the database, please contact the BEIS subsidy control team at subsidycontrol@beis.gov.uk.
98. Local Authorities still need to comply with reporting requirements to the European Commission in respect of grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.

Article 10 of the Northern Ireland Protocol

99. Grants in scope of Article 10 of the Northern Ireland Protocol remain subject to EU State aid rules², following the end of the Transition Period which ended on 31 December 2020. Article 10 provides that EU State aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between Northern Ireland and the European Union.
100. In assessing whether Article 10 may apply, Local Authorities are directed to Section 7 of the technical BEIS Guidance which covers the practical application of Article 10. Local Authorities applying Article 10 must follow Section 7 of the technical BEIS Guidance.

General

101. BEIS may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time.
102. For the avoidance of doubt, grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000 (taking into account all grants previously received under the COVID-19 business grants schemes and

² This means grants in scope of Article 10 of the Northern Ireland Protocol must comply with the provisions set out in the 4th amendment of the State aid Temporary Framework dated 13 October 2020.

subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

Annex A – Post-payment reporting

Background

0. As part of the Post Payment reporting process, Local Authorities will be mandated to adhere to the following data reporting requirements:
 - a. Weekly grant spend return
 - b. Monthly data collection for evaluation

Weekly grant spend return

1. Local Authorities will be required to report to the department on the grant fund.
2. Weekly reports will cover:
 - a. Total number of grants paid
 - b. Total value of grants paid
 - c. Additional comments to capture the issues encountered in implementing the scheme to allow BEIS to support development of solutions with Local Authorities
3. These returns should be completed using the DELTA Reporting system.
4. In addition to weekly performance monitoring reports, we are likely to ask Local Authorities to provide data in order to allow reporting by Parliamentary constituency and Local Authorities should be prepared to provide this data when requested.

Process

5. Local Authorities will report on progress in making payments to eligible rate paying businesses.
6. Each report will only cover grants provided by Local Authorities to eligible businesses. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Total number of applications received	Number of applications received in the restriction period
Total number of grants provided	Number of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Total value of payment made	Value of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Comments	Highlight in this box issues that Local Authorities are encountering while implementing the scheme.

Monthly data collections for evaluation

7. Local Authorities are also required to collect information from businesses receiving these grant payments, and will be required to account for how the funding has been spent. Grant recipients should also be advised that they may be contacted for research purposes, and that their data will be shared with BEIS for research and evaluation purposes.
8. It is vitally important that we have this information centrally to allow us to understand and evaluate how the provision is working. We do this for a number of different reasons, including;
 - a. Accountability – to provide a clear and transparent basis for why this policy has been implemented, and its progress over time
 - b. Efficiency – ensuring that we are maximising the value delivered from this public spending and ensuring opportunities for analysis and learning for the future
 - c. Effectiveness – ensuring that policy makes a positive impact and understanding the context of when that happens

9. We are continuing to develop the mechanism by which Local Authorities can frequently generate and share this information with BEIS, including working with system providers, which is the most cost-effective way of collecting a wide data set. Local Authorities will need to ensure they have appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.
10. Local Authorities will be required to follow a 'Monthly Data Collection for Evaluation' process as part of Post Payment Reporting. The list below sets out the minimum information required from Local Authorities to collect for Local Restrictions Support Grants, Additional Restrictions Grant, Christmas Support Payment for wet-led pubs, Restart Grant and the Closed Businesses Lockdown Payment:
 - a. Business Rate Payer name
 - b. Hereditament address
 - c. Ratepayer email address
 - d. Size of business the grant relates to
 - e. Sector
 - f. Unique identifier (preferably Company Reference Number) if applicable. If not applicable, VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
 - g. Grant awarded
 - h. Amount of grant paid
 - i. Date grant paid
 - j. Grant name
11. Further details including supporting material, guidance on the data submission timings and process, example spreadsheet and definition of terms will be provided to Local Authorities with each collection request. Local Authorities can contact lagrants.data@beis.gov.uk for any queries.
12. The data requested provides important information that will support evaluation and further our understanding of the impact of the grants.

Annex B – Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

(1) the undertaking's book debt to equity ratio has been greater than 7.5 and

(2) the undertaking's EBITDA interest coverage ratio has been below 1.0.

READING BOROUGH COUNCIL
REPORT BY DEPUTY CHIEF EXECUTIVE

LEAD COUNCILLOR:	COUNCILLOR BROCK		
DATE:	7 JUNE 2021		
TITLE:	LOCAL RESTRICTIONS GRANT SCHEME (OPEN) FUND		
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
AUTHOR:	SAMANTHA WILLS	TEL:	0118 937 2711
JOB TITLE:	REVENUES & BENEFITS MANAGER	E-MAIL:	samantha.wills@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision to implement the Local Restrictions Grant Scheme (Open) Fund.
- 1.2 In October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level (LCAL) 2 restrictions.
- 1.3 When Reading moved into Local Covid Alert Level (LCAL) 2 restrictions in December 2020, the Government announced that Reading would receive a one-off lump sum payment of £408,287 for the 17-day period restrictions were imposed.
- 1.4 This is support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.
- 1.5 Local Authorities have the freedom to determine the precise eligibility criteria for this grant. However, Government would expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses. 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.
- 1.6 This report sets out the proposed offer to Reading businesses, taking into consideration demand, economic need and consistency with our neighbouring authorities.
- 1.7 An Equality Impact Assessment for these proposals has been carried out and is set out in Appendix two.

2. DECISION

2.1 It is the decision of the Chief Executive, in consultation with the Leader of the Council that a Local Restrictions Grant Scheme (Open) Fund in respect of Businesses in hospitality, leisure, accommodation and retail sectors that have been suffering from reduced demand will receive backdated grants for the time spent in Tier 2.

Business types meeting the following criteria will be eligible to apply:

- **Be operating in the hospitality, leisure, accommodation and retail sector, according to valuation Office records at the beginning of the lockdown period (see Appendix 1)**
- **Be registered for Business Rates**
- **Provide in-person services from the premises registered for Business Rates**
- **Have been actively trading from the premises prior to the Tier 2 restrictions coming into force (or if preceded by other restrictions, trading at the point of restrictions being imposed)**
- **Have not been required to close and be able to demonstrate that they have been severely impacted by the Tier 2 restrictions in place between 2nd December and 18th December 2020**
- **Not be in administration, insolvent or had a striking off notice**

A three-tier payment approach will be introduced as follows:

£567.00 for the 17-day qualifying restriction period with a rateable value of £15,000 or under

£850.00 for the 17-day qualifying restriction period with a rateable value of over £15,000 and less than £51,000

£1,275.00 for the 17-day qualifying restriction period with a rateable value of exactly £51,000 or above

2.2 That an application window will run from 8 March 2021 to 31 March 2021 inclusive.

Appendix 1 - List of Business deemed to be within the hospitality, leisure, accommodation and retail sector

Appendix 2 - Equality Impact Assessment

Appendix 3 - Local Restrictions Grant Scheme (Open) Guidance
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946373/local-restrictions-support-grant-OPEN-2-dec-onwards-la-guidance.pdf

3. POLICY CONTEXT

NATIONAL GUIDANCE

- 3.1 On Thursday 22 October, the Government announced additional funding to support businesses under restrictions in Tier 2 or Tier 3. This is support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.
- 3.2 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care uses 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.
- 3.3 This support will take the form of a grant funding scheme in Financial Year 2020-2021.
- 3.4 This grant scheme will be available to Local Authorities subject to Tier 2 or Tier 3 restrictions.
- 3.5 In the event of renewed widespread national 'lockdown' restrictions being imposed, the Local Restrictions Support Grant (Open) will cease to apply, as relevant businesses will receive funding through the LRSO (Closed), subject to addendums.
- 3.6 The Local Restrictions Support Grant (Open) is aimed at hospitality, hotel, bed & breakfast and leisure businesses. Local Authorities will have discretion as to how to award grant funding to individual businesses. The grant funding can only be spent on business grants.

4. NATIONAL CRITERIA

- 4.1 The Government has set the following eligibility criteria for receipt of this funding:
 - Businesses must have been trading the day before local restrictions came into force to be eligible to receive funding under this scheme. Where local restrictions are preceded by national 'lockdown' measures, requiring the closure of businesses that are otherwise eligible, it is accepted that those businesses are still trading.
 - Businesses that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme. 36. Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis, the COVID-19 Temporary State Aid Framework and all other UK schemes under the terms of the European Commission's Temporary Framework will not be eligible to receive funding.
 - Eligible businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible to receive a grant if they are still trading and operating, but only under de minimis, if the agreement means the business is ineligible for a grant under the COVID-19 Temporary Framework for UK Authorities.
 - Local Authorities must use their discretion in identifying the right business to receive this funding, based on their application process.

- We are asking Local Authorities to prioritise hospitality, hotel, bed & breakfast and leisure businesses for grants funding in this scheme. The list is not exhaustive but is intended as a guide to Local Authorities on the types of business that the Government considers should be a priority for the scheme.

5. NATIONAL GRANT AWARDS

5.1 The Government has announced the following funding tiers as a guide for Local Authorities. It is anticipated that Local Authorities provide grant funding under the following tiers, unless there is a local economic need to deviate:

- Grants of up to £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.

- Grants of up to £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.

- Grants of up to £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.

6. NATIONAL GUIDANCE PROCESS

6.1 The Government recognises that there will likely be a need to run some form of application process as the potential beneficiaries are unlikely to be known directly by local authorities.

6.2 The application process will enable proportionate pre-payment checks to be undertaken to confirm eligibility for the scheme. Prepayment checks must include confirmation that by accepting payments recipients are in compliance with State Aid rules.

6.3 Local authorities must use their discretion in identifying the right person to receive the funding, based on the application process.

6.4 Authorities are required to call or write to individual businesses advising them that by accepting the grant, they are confirming they are eligible for the grant scheme and that any payments accepted will be in compliance with State aid requirements.

7. LEVEL OF DISCRETIONARY GRANTS PROPOSED BY READING

7.1 The funding for Reading is £408,287 for the 17-day period restrictions were imposed

7.2 The Council will make grant awards to the business types identified at Appendix One. In summary businesses must:

- Be operating in the hospitality, leisure, accommodation and retail sector, according to Valuation Office records at the beginning of the lockdown period (see Appendix 1)

- Be registered for Business Rates
- Provide in-person services from the premises registered for Business Rates
- Have been actively trading from the premises prior to the Tier 2 restrictions coming into force (or if preceded by other restrictions, trading at the point of restrictions being imposed)
- Have not been required to close and be able to demonstrate that they have been severely impacted by the Tier 2 restrictions in place between 2nd December and 18th December 2020.
- Not be in administration, insolvent or had a striking off notice

The grant is not available to suppliers to the hospitality or leisure sectors. The grant is also not available for loss of income to support wage or employment costs.

- 7.3 The level of award will be a pro-rate payment for the 17 days of restrictions in line with the guidance set out in section 5 above:

£567.00 for the 17-day qualifying restriction period with a rateable value of £15,000 or under

£850.00 for the 17-day qualifying restriction period with a rateable value of over £15,000 and less than £51,000

£1,275.00 for the 17-day qualifying restriction period with a rateable value of exactly £51,000 or above

- 7.4 Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closure regulations came into force, including changes which have been backdated to this date, will be ignored for the purposes of eligibility.
- 7.5 The Council will not adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began.
- 7.6 In cases where it was factually clear to the Local Authority on the local restriction date that the rating list was inaccurate on that date, the Council may withhold the grant and/or award the grant based on its view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.
- 7.7 Businesses which are not eligible for this fund will be considered under the Additional Restrictions Grant where appropriate, subject to sufficient funding within the Additional Restrictions Grant to meet demand.

8. READING'S PROPOSED PROCESS

- 8.1 There will be an online application form published on the Council's website on 8 March 2021.

- 8.2 The window for applications will be available until 31 March 2021.
- 8.3 Businesses applying should ensure that they fully complete the on-line application form. Any incomplete applications will be deemed ineligible. Any applications received outside of this period will not be considered.
- 8.4 All applicants will be required to demonstrate loss of income related to COVID-19 as part of the application process. The applicant must make a declaration regarding this.
- 8.5 The Council may write to ask for additional supporting documentation where necessary.

Businesses are required to submit evidence to support their application:

- The address and rateable value of the property from which they operate.
 - A bank statement to confirm the details of the business bank account the grant is requested to be paid into.
 - A declaration that the business has been severely impacted by local restrictions and complies with state aid requirements.
- 8.6 Applications will be considered by a dedicated review team within the Revenues department, overseen by the Revenues & Benefits Manager.
- 8.7 Payments to successful businesses will commence immediately following assessment of the application by BACS.
- 8.8 No grants will be awarded without an application being made.
- 8.9 Any unsuccessful applicants will be advised, by e-mail, as soon as is reasonably practicable.

9. APPEALS

- 9.1 Discretionary grants are not subject to any formal statutory appeals process and therefore there are no appeal rights.

10. FRAUD

- 10.1 The Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as will any grants paid in error.
- 10.2 Post payment, the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.

11. CONTRIBUTION TO STRATEGIC AIMS

- 11.1 This proposal will contribute to the following key priority set out in the Council's Corporate Plan 2018-21:

Securing the economic success of Reading - The proposed policy enables financial support to businesses that would otherwise have little to no support during this current crisis.

12. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

12.1 None to note.

13. COMMUNITY ENGAGEMENT AND INFORMATION

13.1 In addition to details being contained on the Council's website, the scheme will be advertised via social media and through Reading UK media channels.

13.2 The proposal has been discussed with our Economic Development colleagues at Reading UK, taking due regard to their suggestions.

14. EQUALITY IMPACT ASSESSMENT

14.1 A Full Equality Impact Assessment is set out at Appendix 2.

15. LEGAL IMPLICATIONS

15.1 Section 1 of the Localism Act 2011 provides the mechanism by which local authorities are able to make these payments.

16. FINANCIAL IMPLICATIONS

16.1 The cost of these grant payments will be met through additional government funding, a one-off lump sum payment amounting £408,287.

16.2 The allocation is to cover the 17-day period of local restrictions, December 2nd - 18th 2020 inclusive.

16.3 Local authorities will be required to report on their progress in developing and delivering the Local Restrictions Grant Scheme (open) Fund weekly to the Department for Business, Energy and Industrial Strategy alongside the existing reporting on the Local Restrictions Grant Scheme (Closed) Addendum.

16.4 Once the scheme is implemented, reports from 08 March onward will cover:

- Numbers of businesses allocated grants
- Total funding paid out in grants
- Total funding paid out to wider business support
- Expected date of completion of all grant payments to businesses
- Issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities.

17. BACKGROUND PAPERS

17.1 There are none

Businesses that fall under the following categories are included

Hospitality

Restaurants
Takeaways
Public Houses
Wine bars
Cafés

Hotels and Bed & Breakfast

Hotels
Guest and Boarding Houses
Hostels
Inns

Leisure

Ice Rinks
Gyms
Leisure centres
Bingo Halls
Bowling Alleys
Clubhouses
Museums and Art Galleries
Roller Skating Rings
Radio Station's
Amusement parks
Arenas
Go kart rinks
Tourist attractions
Aquaria
Theme parks
Village Halls Scout Huts Cadet Huts etc.
Amusement arcades

Retail

Retail that has been severally impacted as a result reduced footfall, following the directive to work from home where possible.

This list is not exhaustive and may be subject to change



Provide basic details

Name of proposal/activity/policy to be assessed

1. Local Restrictions Support Grant (open) Fund

Directorate: Corporate Resources

Service: Finance

Name and job title of person doing the assessment:

Samantha Wills

Job Title: Revenues & Benefits Manager

Date of initial assessment: 5th March 2021

Scope your proposal

What is the aim of your policy or new service?

The grant scheme widens access to support to businesses who are struggling to survive due to the Corona virus shutdown but are unable to access other grant funding as not mandated to close

Who will benefit from this proposal and how?

Businesses and self-employed individuals that are not eligible for the (closed) grant schemes.

What outcomes will the change achieve and for whom?

Assist businesses during the current pandemic to ensure their future sustainability and secure Reading's economic success.

Who are the main stakeholders and what do they want?

Reading Businesses

Describe how this proposal could impact on Age

Specific data is not available on those protected characteristics

Is there a negative impact? No

Consultation

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted
Berkshire Authorities Revenues Group	Series of regular meetings	Every Friday since Covid lockdown

Collect and Assess your Data

Describe how this proposal could impact on Racial groups

Data regarding ethnicity is not available

Is there a negative impact? No

Describe how this proposal could impact on Gender/transgender (cover pregnancy and maternity, marriage)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Disability

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Sexual orientation (cover civil partnership)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Religious belief?

Specific data is not available on those protected characteristics

Is there a negative impact? No

Make a Decision

If the impact is negative then you must consider whether you can legally justify it. If not you must set out how you will reduce or eliminate the impact. If you are not sure what the impact will be you **MUST** assume that there could be a negative impact. You may have to do further consultation or test out your proposal and monitor the impact before full implementation.

Tick which applies

1. **No negative impact identified** Go to sign off
2. **Negative impact identified but there is a justifiable reason**

How will you monitor for adverse impact in the future?

Listen to business feedback, comments, appeals and complaints.

Signed (completing officer) Samantha Wills
(reviewed)

Date 5th March 2021

Signed (Lead Officer) Jackie Yates

Date



Department for
Business, Energy
& Industrial Strategy

Local Restrictions Support Grant (Open) Version 2

Applicable 2 December onwards

Guidance for Local Authorities (updated 4
March 2021)



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The guidance

1. This Local Restrictions Support Grant (Open) Version 2 guidance is applicable from 00:01 on 2 December 2020 when the revised Tiers are introduced. At that point, this guidance will supersede the Local Restrictions Support Grant (Open) guidance published 3 November 2020. For the period prior to 5 November, the previous version applies. For the period of national restrictions from 5 November to 2 December, the LRSG (Closed) Addendum applied.
2. This guidance is intended to support Local Authorities in administering the Local Restrictions Support Grant (Open) for businesses that are still open but severely impacted by Tier 2 or Tier 3 restrictions.
3. This strand of LRSG support was announced 22 October 2020 to help kickstart recovery for businesses that are not legally required to close but are severely impacted by the restrictions under Tier 2 and 3. This version of the guidance applies to England only from 2 December 2020.
4. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities and sets out the criteria for the Local Restrictions Support Grant (Open).
5. Local Authority enquiries on this measure should be addressed to businessgrantfunds@beis.gov.uk. Businesses seeking information should refer to the Government's business support website: <https://www.businesssupport.gov.uk/>

Introduction

6. On Thursday 22 October, the Government announced additional funding to support businesses under restrictions in Tier 2 or Tier 3. This is support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives. See announcement: <https://www.gov.uk/government/news/plan-for-jobs-chancellor-increases-financial-support-for-businesses-and-workers>
7. On Monday 23 November, the Government's COVID-19 Winter Plan was published, with changes announced to the Tier system. See announcement: <https://www.gov.uk/government/news/prime-minister-publishes-covid-winter-plan>
8. Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care uses 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.

9. This support will take the form of a grant funding scheme in Financial Year 2020-2021.
10. This grant scheme will be available to Local Authorities subject to Tier 2 or Tier 3 restrictions.
11. Local Authorities that have been under Tier 2 or Tier 3 restrictions since 1 August 2020 or which have since entered into restrictions under Tier 2 or Tier 3 will receive grant funding to support businesses in their local economies that have been severely impacted.
12. Local Authorities that accessed the Local Restrictions Support Grant (Open) due to Tier 2 restrictions will continue to be provided with funding to support severely impacted businesses under the scheme if the Local Authority moves into Tier 3.
13. In the event of renewed widespread national 'lockdown' restrictions being imposed, the Local Restrictions Support Grant (Open) will cease to apply, as relevant businesses will receive funding through the LRSG (Closed), subject to addendums.
14. LRSG (Open) allocations are calculated using Valuation Office Agency (VOA) SCAT code data¹ on the number of hospitality, accommodation and leisure businesses in that Local Authority geography that have not been required to close, including a 5% top-up. Where this methodology indicates a value of less than 6% of the estimated LRSG (Closed) scheme, the LRSG (Open) scheme allocations will be increased to 6% of the estimated LRSG (Closed) scheme.
15. Local Authorities are not expected to use SCAT codes to determine business eligibility.
16. The Local Restrictions Support Grant (Open) is aimed at hospitality, hotel, bed & breakfast and leisure businesses. Local Authorities will have discretion as to how to award grant funding to individual businesses. The grant funding can only be spent on business grants.

How will the grants be provided?

17. Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas in response to the threat posed by coronavirus.

¹ Operational code used by the VOA to classify a property's use for administrative purposes.

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18. In line with the eligibility criteria set out in this guidance, Government will provide grant funding to Local Authorities to support eligible businesses that are affected by Tier 2 or 3 restrictions. This funding was previously provided on a rolling 28-day basis, but following the national lockdown between 5 November and 2 December, it will be provided in rolling 14-day eligibility cycles for as long as Tier 2 or 3 restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).
 19. Local Authorities, which are the recognised business rates billing authorities in England, will receive funding from Government and be responsible for making payments to businesses.
 20. Funding will be payable for restrictions beginning 2 December 2020.
 21. Local Authorities entering Tier 2 or Tier 3 restrictions will receive LRSG (Open) payments based on 14-day eligibility cycles.
 22. Local Authorities can determine the payment schedule and timings for these grants to businesses. However, we strongly encourage Local Authorities to do all they can to make payments to eligible businesses as quickly as possible in order to help businesses in need.
 23. In the event that different Wards within a single Local Authority move into different Tiers of restrictions, but one of those Wards moves into Tier 2 or Tier 3, the relevant Local Authority will receive funding to cover the whole Local Authority.
 24. Local Authorities have the freedom to determine the precise eligibility criteria for these grants. However, Government would expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses. 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.
 25. The application closure date for this scheme is 31 March 2021 and final payments must be made by 30 April 2021.
 26. We are committed to meeting the New Burdens costs to Local Authorities for this scheme. A New Burdens Assessment will be completed, and funding will then be provided to Local Authorities.

How much funding will be provided to businesses?

27. The Government has announced the following funding tiers as a guide for Local Authorities. We would anticipate that Local Authorities provide grant funding under the following tiers, unless there is a local economic need to deviate:

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- a. Grants of up to £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.
 - b. Grants of up to £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.
 - c. Grants of up to £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.
28. Local Authorities are best placed to determine local needs for supporting recovery. We want Local Authorities to exercise their local knowledge and discretion and we recognise that economic need will vary across the country. Therefore, while we are setting suggested criteria for the funding, we are allowing Local Authorities to determine exactly which businesses to support.
29. In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.
30. It may be that smaller amounts of funding are more suitable for the smallest businesses in a Local Authority area, enabling a Local Authority to help more businesses that are sustainable in the long term.
31. It is recognised that Local Authorities are likely to need to run some form of application process. This will allow Local Authorities to undertake proportionate pre-payment checks to confirm eligibility relative to their local scheme and to allow each Local Authority to determine how to use its discretion in relation to the appropriate level of grant. Prepayment checks must include confirmation that, by accepting payments, recipients are in compliance with subsidy allowance conditions.
32. Local Authorities may wish to consider collaborating as they design their discretionary schemes to ensure there is consistency where they are working across a functional economic area (e.g. a Mayoral Combined Authority or Local Enterprise Partnership area). They may want to engage with MCAs and LEPs to ensure alignment and reduce duplication with other local discretionary business grants that may have been established.
33. Local Authorities should set out the scope of their discretionary grant scheme on their website, providing clear guidance on which types of business are being prioritised, as well as the rationale for the level of grant to be provided.
34. Where limits to funding available for this scheme require Local Authorities to prioritise which types of businesses will receive funding, it will be up to Local Authorities to determine which types of business are most relevant to their local economy. There will be no penalty for Local Authorities because of their use of discretion to prioritise some business types.

Who will receive this funding?

35. Businesses that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
36. Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
37. Eligible businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible to receive a grant if they are still trading and operating, subject to subsidy allowance conditions.
38. Local Authorities must use their discretion in identifying the right business to receive this funding, based on their application process.
39. We are asking Local Authorities to prioritise hospitality, hotel, bed & breakfast and leisure businesses for grants funding in this scheme. The list is not exhaustive but is intended as a guide to Local Authorities on the types of business that the Government considers should be a priority for the scheme.
40. Businesses must have been trading the day before local restrictions came into force to be eligible to receive funding under this scheme.
41. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.

To help further, some trading indicators are included below that can help assess what can be defined as trading for the purposes of the grant schemes. Indicators that a business is trading are:

- The business has staff on furlough
- The business continues to trade online, via click and collect services etc.
- The business is not in liquidation, dissolved, struck off or subject to a striking of notice or under notice
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures

This list of indicators is not exhaustive and Local Authorities must use their discretion to determine if a business is trading.

42. Where Local Authorities have previously rejected applications from businesses that were not open, but can be considered to have been trading, Local Authorities are asked to revisit these applications and pay these businesses retrospectively.

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43. The Local Authority must call or write to the business, stating that, by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately, or where the Local Authority is sending a cheque to a business.
 44. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for additional grants at any point in each 14-day grant cycle period.

Will these grant schemes be subject to tax?

45. Grant income received by a business is taxable. The Local Restrictions Support Grant will need to be included as income in the tax return of the business.
46. Only businesses that make an overall profit once grant income is included will be subject to tax.

Managing the risk of fraud and payments in error

47. The Government will not accept deliberate manipulation and fraud. 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.
48. Local Authorities must continue to ensure the safe administration of grants and that appropriate measures are put in place, pre-award, to mitigate against the increased risks of fraud and payment error. In this respect, grant administrators are encouraged to supplement existing controls with digital tools to support efficient, appropriate and accurate grants awards.
49. The Government Grants Management Function have waived the annual fee and made their digital due-diligence tool, Spotlight, available to Local Authorities to support the administration of COVID-19 emergency grants until 31 March 2021. Use of Spotlight to support pre-award due diligence is strongly recommended.
50. Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions, through fundamental due diligence checks. In particular, Spotlight can quickly and easily flag where organisations have recently become inactive, to support Local Authorities to review the ongoing viability of recipients prior to making awards.
51. Spotlight can also provide enhanced due diligence, through a paid-for service, and grant administrators are encouraged to consider the benefits of enhanced

due diligence.

52. Local Authorities should discuss their digital tool requirements with the Government Grants Management Function at:
spotlightlocalauthority@cabinetoffice.gov.uk

Pre- and post-event assurance

53. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and subsidy allowance conditions for these schemes.
54. The general principle applies that Local Authorities 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 of these grants.
55. Local Authorities must be satisfied that all subsidy allowance requirements have been fully complied with when making grant payments. Full details, including sample declaration forms, are contained in in this guidance.
56. To deliver this assurance requirement, Local Authorities should 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 Authorities 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.
57. The volume and depth of checks that a 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.
58. Consequently, Fraud Risk Assessments should also be undertaken for each grant scheme and comprise part of the assurance plan. To support Local Authorities in developing their risk assessments the Department will provide risk assessment templates tailored to the relevant funds.
59. The Government Grants Management Function and Counter Fraud Function will support Local Authorities 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 will be made available to Local Authorities to support the development of Post Event Assurance Action Plans.

60. Where checks discover that payments have been made in error or have been claimed as a result of fraud, any initial recovery action will need to be undertaken by the Local Authority.

Monitoring and reporting requirements

61. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises. The data will include:
- number of applications received for the scheme,
 - number of payments being processed,
 - number of actual payments, and
 - value of payments made.
62. Local Authorities may be required to provide data in order to allow reporting by Parliamentary constituency. BEIS will work with Local Authorities to facilitate such reporting.
63. Annex A contains information on Post Payment Monitoring requirements.
64. Local Authorities will be asked to provide a monthly report to the Department comprising an update on their Fraud Risk Assessments and pre- and post-payment assurance activities as they are delivered over the lifetime of each of these grants separately. The Department will provide a reporting template in due course.
65. If Local Authorities detect fraud (successful rather than attempted), or if they suspect fraud (attempted as well as actual) that is organised, large scale or systematic, or which crosses Local Authority boundaries, they must report it in real time. We recommend Local Authorities 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 Authorities may be contacted for further information to assist with lines of enquiry being pursued.
66. The Government Counter Fraud Function has worked in partnership with Experian to introduce two new complementary products to assist public bodies in addressing residual fraud risks when dispersing funds for the COVID-19 financial support schemes by addressing their residual fraud risks. These tools will allow Local Authorities to:

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- a. verify the bank accounts of companies in receipt of these business grants; and
 - b. provide insight into whether the company was trading at the relevant date for these grants.
67. These tools are available via the National Fraud Initiative (NFI) and can be used for both pre- and post-payment checks. They apply to both registered companies (at Companies House) and unregistered companies such as sole traders. For further information and to access the tools, please email helpdesk@nfi.gov.uk
68. This monitoring and reporting is in addition to any relevant reporting requirements under subsidy control rules.

Update to COVID-19 business grant subsidy allowance

69. 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. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. BEIS Guidance for public authorities 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>
70. On Thursday 4 March new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.
71. From Thursday 4 March Local Authorities must apply the updated scheme rules set out in this guidance document.
72. The updated scheme rules set out in this guidance document do not apply retrospectively. Therefore, where a Local Authority has previously rejected an applicant's application before Thursday 4 March on the grounds that the applicant had reached previous scheme limits, the Local Authority must not revisit this decision. The applicant may however submit a new application if still within a current payment cycle.
73. If an applicant, that has previously reached the subsidy allowance limit, applies for past payment cycles, Local Authorities should not accept applications or make retrospective payments to those businesses where the payment cycle has passed. For example, Local Authorities should not accept applications for the LRSG (Closed) Addendum scheme, where the eligibility

period was 5 November 2020 to 2 December 2020, as the payment cycle has passed for businesses that had reached the subsidy allowance limit during that period.

Updated COVID-19 business grants subsidy allowances provided on the basis of the TCA

74. The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).
75. The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.
76. 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.

Small Amounts of Financial Assistance Allowance

77. 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 2021². 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

78. 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 Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

² 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

COVID-19 Business Grant Special Allowance

79. 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 the following conditions are met:
- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
 - b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
 - c. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
 - d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
 - e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
 - g. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.
80. An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.
81. Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex B below) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.
82. Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the

Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>. All schemes and individual awards over £500,000 must be uploaded within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an individual beneficiary must also be uploaded within six months of being granted. For access to and any further questions on the database, please contact the BEIS subsidy control team at subsidycontrol@beis.gov.uk.

83. Local Authorities still need to comply with reporting requirements to the European Commission in respect of grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.

Article 10 of the Northern Ireland Protocol

84. Grants in scope of Article 10 of the Northern Ireland Protocol remain subject to EU State aid rules³, following the end of the Transition Period which ended on 31 December 2020. Article 10 provides that EU State aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between Northern Ireland and the European Union.
85. In assessing whether Article 10 may apply, Local Authorities are directed to Section 7 of the technical BEIS Guidance which covers the practical application of Article 10. Local Authorities applying Article 10 must follow Section 7 of the technical BEIS Guidance.

General

86. BEIS may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time.
87. For the avoidance of doubt, grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £10,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

³ This means grants in scope of Article 10 of the Northern Ireland Protocol must comply with the provisions set out in the 4th amendment of the State aid Temporary Framework dated 13 October 2020.

Annex A – Post-payment reporting

Background

1. Local Authorities will be required to report to the department on the grant fund.
2. Weekly reports will cover:
 - Numbers of businesses eligible for the scheme
 - Number of actual payments per restriction period
 - Total amount of actual payments
 - Issues encountered in implementing the scheme to allow BEIS to support development of solutions with Local Authorities
3. These returns should be completed using the DELTA Reporting system.
4. In addition to weekly performance monitoring reports, we may ask Local Authorities to provide data in order to allow reporting by Parliamentary constituency.

Process

5. Local Authorities will report on progress in making payments to eligible rate paying businesses, for each period of restrictions.
6. Each report will only cover grants provided by Local Authorities to eligible business during the period as per paragraph 9. The Cities and Local Growth Unit will consolidate the reports to create an accumulative total and monitor progress against the initial allocation of funding per Local Authority.

Definitions

Number of applications received under each element of the scheme (£467, £700, £1,050)	Number of applications received (in that restriction period) under each element of the scheme (£467, £700, £1,050)
Total number of grants provided under each element of the scheme (£467, £700, £1,050)	Number of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities, under each element of the scheme (£467, £700, £1,050)

Total value of payment made under each element of the scheme (£467, £700, £1,050)	Value of grants paid (in that restriction period) to the eligible businesses identified by the Local Authorities.
Comments	Highlight in this box issues that Local Authorities are encountering while implementing the scheme.

Data collections for evaluation

7. Local Authorities are also required to collect information from businesses receiving these grant payments, and will be expected to account for how the funding has been spent. Grant recipients should also be advised that they may be contacted for research purposes, and that their data will be shared with BEIS for research and evaluation purposes.
8. It is vitally important that we have this information centrally to allow us to understand and evaluate how the provision is working. We do this for a number of different reasons, including;
 - a. Accountability – to provide a clear and transparent basis for why this policy has been implemented, and its progress over time
 - b. Efficiency – ensuring that we are maximising the value delivered from this public spending and ensuring opportunities for analysis and learning for the future
 - c. Effectiveness – ensuring that policy makes a positive impact and understanding the context of when that happens
9. We are continuing to develop the mechanism by which Local Authorities can frequently generate and share this information with BEIS, including working with system providers, which is the most cost-effective way of collecting a wide data set. Local Authorities will need to ensure they have appropriate data protection arrangements in line with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. We will fully support Local Authorities through this data collection. Please do contact lagrants.data@beis.gov.uk if you have any queries.
10. The list below sets out the minimum information we require Local Authorities to collect for Local Restrictions Support Grants, Additional Restrictions Grant, Christmas Support Payment for wet-led pubs, and the Closed Businesses Lockdown Payment:
 - a. Business Rate Payer name

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- b. Hereditament address
 - c. Ratepayer email address
 - d. Size of business the grant relates to
 - e. Sector
 - f. Unique identifier (preferably Company Reference Number)
 - g. Grant awarded
 - h. Amount of grant paid
 - i. Date grant paid
 - j. Grant name

11. This provides important information that will support evaluation and further our understanding of the impact of the grants. Further details including the definitions of the terms above and an example spreadsheet will be circulated with each monthly data collection.

Annex B – Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

(1) the undertaking's book debt to equity ratio has been greater than 7.5 and

(2) the undertaking's EBITDA interest coverage ratio has been below 1.0.

READING BOROUGH COUNCIL
REPORT BY DEPUTY CHIEF EXECUTIVE

LEAD COUNCILLOR:	COUNCILLOR BROCK - LEADER OF THE COUNCIL		
DATE:	7 JUNE 2021		
TITLE:	TEST AND TRACE DISCRETIONARY ISOLATION SUPPORT PAYMENT SCHEME		
SERVICE:	FINANCE	WARDS:	BOROUGHWIDE
AUTHOR:	SAMANTHA WILLS	TEL:	0118 937 2711
JOB TITLE:	REVENUES & BENEFITS MANAGER	E-MAIL:	samantha.wills@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision to amend the Test and Trace Discretionary Isolation Support Payment Scheme.
- 1.2 In response to the Coronavirus, COVID-19 pandemic, the Government announced from 28 September 2020 that individuals meeting certain criteria are entitled to a Test and Trace Support Payment or Discretionary Support Payment of £500. Both schemes are designed to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result.
- 1.3 The Test and Trace Support Payment is reliant on the individual being in receipt of a qualifying benefit, whilst the discretionary scheme looks to support those that are not in receipt of benefits.
- 1.4 The payments are designed to help ensure people who have tested positive for COVID-19 and their close contacts self-isolate for the required period to stop the onward spread of the virus and encourage individuals to get tested if they have symptoms.
- 1.5 The scheme commenced on 28 September 2020, it was originally intended to close on 31 January 2021 but has since been extended until 30 June 2021.
- 1.6 The Government announced that it is providing local authorities with additional funding to provide a Discretionary Scheme to support those residents who meet all other eligibility criteria, but do not currently receive Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and will face financial hardship as a result of not being able to work from home whilst self-isolating.

- 1.7 The UK Government originally provided £50 million for Test and Trace Support and Discretionary Payments for the period to 31 January 2021. It includes:
- £25 million for programme costs (costs of payments to applicants), excluding discretionary payments.
 - £10 million for administration costs.
 - £15 million for discretionary payments.
- 1.8 The £15 million for Discretionary Payments was a fixed four-month envelope that would not be topped up or subject to a reconciliation process. Reading's share of the £15 million is £43,467.95.
- 1.9 The Government announced in its lockdown exit roadmap on 22 February that the Scheme would be extended to 30 June 2021 and that funding available to councils to make discretionary payments under the scheme was being increased to £20 million per month, additional funding of £152,032.05 has been made available to Reading.
- 1.10 The Government have set some broad national criteria for the funds but are allowing local authorities to determine their own discretionary award schemes.
- 1.11 This report sets out the national guidance and proposed offer to Reading residents, taking into consideration demand, economic need and consistency with our neighbouring authorities
- 1.12 An Equality Impact Assessment for these proposals has been carried out and is set out in Appendix One.

2. DECISION

- 2.1 It is the decision of the Chief Executive, in consultation with the Leader of the Council that a Test and Trace Discretionary Isolation Support Payment Scheme is introduced in respect of residents meeting the following criteria:**
- they have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive; or
 - they are the parent or guardian of a child or young person in the same household and need to take time off work to care for them while they self-isolate. This is limited to one parent or guardian per household for the child or young person's self-isolation period; and
 - they are employed or self-employed; and
 - are unable to work from home and will lose income as a result; or
 - cannot work from home while undertaking caring responsibilities and will lose income as a result, where the child or young person:
 - is aged 15 or under (or 25 or under with an Education, Health and Care Plan (EHC)) and normally attends an education or childcare setting; or

- has been told to self-isolate by NHS Test and Trace or by their education or childcare setting because they have been identified as a close contact of someone who has tested positive for COVID-19; and
- they are on a low income (as defined below) and will face financial hardship as a result of not being able to work while they are in self-isolation; and
- are not currently in receipt of Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and
- are liable, or are the partner in the same household as someone who is liable, for rent or mortgage payments;

Low income is defined as less than £23,000 per annum and less than £5,000 in savings.

Applications must be received no later than 42-days (6-weeks) from the start date of the isolation period

Individuals in the same household can each make an application to receive a Test and Trace Discretionary Isolation Support Payment, if they each meet all the eligibility criteria in full.

An individual may make an application more than once but only:

- if the individual is told to self-isolate multiple times; and
- they meet the eligibility criteria for each individual application; and
- the periods of self-isolation do not overlap

Test and Trace Self Isolation Support Payments cannot be made to applicants whose income is lower than normal because they are furloughed. The payment is for individuals facing a reduction in income because they cannot work from home while self-isolating.

Appendix 1 - Equality Impact Assessment

3. POLICY CONTEXT

NATIONAL GUIDANCE AND CRITERIA

- 3.1 The Government recognises that the Test & Trace Support Payment may exclude individuals that are on low incomes and will face financial hardship as a result of not being able to work while they are self-isolating, as they are not in receipt of a specified benefit. Funding has therefore been made available to local authorities to administer a Discretionary Scheme.
- 3.2 On 30 September guidance was issued to Local Authorities, and although discretion has been given to produce a local scheme, there are several qualifying criteria that must be met.

3.3 The Guidance indicates Local authorities can make a £500 discretionary payment to residents who:

- have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus, or have recently been in close contact with someone who has tested positive, or they are the parent or guardian of a child or young person in the same household and need to take time off work to care for them while they self-isolate.
- are employed or self-employed;
- and are unable to work from home and will lose income as a result.

3.4 The Guidance goes on to confirm that the discretionary payment is intended for people:

- who are not currently receiving Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and
- who are on low incomes and will face financial hardship as a result of not being able to work while they are self-isolating.

3.5 Further guidance was later issued to ensure that Parents and Guardians of children required to self-isolate were not excluded.

3.6 Local authorities can introduce additional criteria to determine eligibility for discretionary payments in their area, as long as these operate in addition to, rather than instead of, the criteria set out above.

4. NATIONAL PAYMENT AWARDS

4.1 Payments under the Test and Trace Discretionary Isolation Support Payment Scheme should remain at £500 to ensure consistency in approach across all Local Authorities.

5. NATIONAL GUIDANCE PROCESS

5.1 The Government recognise that there will be a need to run an application process.

5.2 The application process will enable proportionate pre-payment checks to be undertaken to confirm eligibility for the scheme and application of discretion in relation to establishing those on a low income but not in receipt of a specified benefit.

5.3 Local authorities must use their discretion in identifying the right person to receive the payment, based on the application process.

5.4 Authorities are required to send each recipient a letter or email to confirm that they have been paid.

6. TEST AND TRACE DISCRETIONARY ISOLATION SUPPORT PAYMENT SCHEME PROPOSED BY READING

6.1 The £15 million for discretionary payments has been allocated according to the COVID-19 Relative Need Formula (RNF) The whole pot has been distributed up front, and it will not be subject to a reconciliation process (meaning that it will not be topped up or reclaimed if local authorities overspend or underspend their allocation from the pot). The original funding allocation for Reading was £43,467.95, with a further top up of £152,032.05.

6.2 The Council will make payments to those who meet the eligibility criteria at 3.3 and in addition to those who:

- are on a low income (as defined below) and will face financial hardship as a result of not being able to work while they are in self-isolation; and
- are not currently in receipt of Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit; and
- are liable, or are the partner in the same household as someone who is liable for rent or mortgage payments

Low income is defined as less than £23,000 per annum and less than £5,000 in savings

6.3 The Council will only accept applications from those who have been told to self-isolate on or after 24 May 2021 and will only accept applications from customers within 42 days (6 weeks) of the date that their self-isolation period (as notified by NHS) ends.

6.4 Individuals in the same household can each make an application to receive a Test and Trace Discretionary Isolation Support Payment, if they each meet all the eligibility criteria in full.

6.5 An individual may make an application more than once but only:

- If the individual is told to self-isolate multiple times; and
- they meet the eligibility criteria for each individual application; and
- the periods of self-isolation do not overlap.

6.6 Where multiple applications are made by an individual, to ensure correct eligibility, a new application will need to be made for each distinct period of self-isolation.

6.7 Test and Trace Self Isolation Support Payments cannot be made to applicants whose income is lower than normal because they are furloughed. The payment is for individuals facing a reduction in income because they cannot work while self-isolating.

7. READING'S PROPOSED PROCESS

7.1 There will be an online application form published on the Council's website with telephone support offered to those that are digitally excluded.

- 7.2 The window for applications will remain open alongside the Test and Trace Self Isolation Support Payment Main Scheme, however should funding be exhausted before this deadline, the scheme will close earlier or as advised by Central Government.
- 7.3 Applications will be considered by officers within the Benefits Team overseen by the Revenues & Benefits Manager.
- 7.4 It is anticipated BACS payments to successful applicants will be made within 3 days of applications being approved.
- 7.5 No payments will be awarded without an application being made.
- 7.6 Any unsuccessful applicants will be advised by e-mail where possible, or via letter, as soon as is reasonably practicable after date of application.
- 7.7 All eligible applicants will be informed by email where possible, or via letter to confirm that they have been paid.

8. APPEALS

- 8.1 Discretionary Support Payments are not subject to any formal statutory appeals process and therefore there are no appeal rights.

9. FRAUD

- 9.1 The Council will not accept deliberate manipulation and fraud - and any resident caught falsifying their records to gain a support payment will face prosecution and any payment issued will be subject to claw back, as will any payments paid in error.
- 9.2 Local authorities will be responsible for fraud-prevention measures. Discussions are currently underway to bolster counter-fraud measures and guidance from central government will be issued in due course. This includes information on post-payment verification checks.
- 9.3 Local authorities will have the right to recover costs from people who claim the payment fraudulently and can keep any money recovered to put towards costs of running the scheme. Local authorities will not be liable for any unrecoverable costs due to fraud.

10. CONTRIBUTION TO STRATEGIC AIMS

- 10.1 Payments are designed to support people whilst self-isolating to stop the onward spread of the virus. This is important to help stop the transmission of COVID-19 and avoid further economic and societal restrictions.

11. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 11.1 None to note.

12. COMMUNITY ENGAGEMENT AND INFORMATION

12.1 In addition to details being contained on the Council's website, the scheme will be advertised via social media and press releases, communications will be issued to the Voluntary Community Sector and there will be national campaigns.

13. EQUALITY IMPACT ASSESSMENT

13.1 A Full Equality Impact Assessment is set out at Appendix 1.

14. LEGAL IMPLICATIONS

14.1 None to note

15. FINANCIAL IMPLICATIONS

15.1 The cost of these payments will be met from Central Government grant. The grant funding will be paid as a lump sum up front. It will not be subject to a reconciliation process and as a result will not be topped up or reclaimed if over or underspent.

15.2 Once funds are exhausted, as there is no top up available, the scheme will end.

15.3 The Government are committed to meeting the delivery costs to local authorities for this scheme and will meet associated New Burdens costs.

16. BACKGROUND PAPERS

16.1 There are none



Provide basic details

Name of proposal/activity/policy to be assessed

1. TEST AND TRACE DISCRETIONARY SUPPORT PAYMENT SCHEME

Directorate: Corporate Resources

Service: Finance

Name and job title of person doing the assessment:

Samantha Wills

Job Title: Revenues & Benefits Manager

Date of initial assessment: 25 May 2021

Scope your proposal

What is the aim of your policy or new service?

The scheme provides support to people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result

Who will benefit from this proposal and how?

These payments are designed to help ensure people who have tested positive for COVID-19 and their close contacts self-isolate for the required period to stop the onward spread of the virus and provide financial support during that time.

What outcomes will the change achieve and for whom?

They are also designed to encourage individuals who are eligible for this payment to get tested if they have symptoms. This is important to help stop the transmission of COVID-19 and avoid further economic and societal restrictions.

Who are the main stakeholders and what do they want?

Reading residents

Describe how this proposal could impact on Age

Specific data is not available on those protected characteristics

Is there a negative impact? No

Consultation

Relevant groups/experts	How were/will the views of these groups be obtained	Date when contacted
Berkshire Authorities Revenues & Benefits Group	Series of regular meetings	Fortnightly

Collect and Assess your Data

Describe how this proposal could impact on Racial groups

Data regarding ethnicity is not available

Is there a negative impact? No

Describe how this proposal could impact on Gender/transgender (cover pregnancy and maternity, marriage)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Disability

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Sexual orientation (cover civil partnership)

Specific data is not available on those protected characteristics

Is there a negative impact? No

Describe how this proposal could impact on Religious belief?

Specific data is not available on those protected characteristics

Is there a negative impact? No

Make a Decision

If the impact is negative then you must consider whether you can legally justify it. If not you must set out how you will reduce or eliminate the impact. If you are not sure what the impact will be you MUST assume that there could be a negative impact. You may have to do further consultation or test out your proposal and monitor the impact before full implementation.

Tick which applies

1. **No negative impact identified** Go to sign off
2. **Negative impact identified but there is a justifiable reason**

How will you monitor for adverse impact in the future?

Listen to resident and voluntary community sector feedback, comments, appeals and complaints.

Signed (completing officer) Samantha Wills
(reviewed)

Date 25 May 2021

Signed (Lead Officer) Jackie Yates

Date