



**Reading**  
Borough Council  
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## DECISION BOOK

**Issue: 648      Date: 26 JANUARY 2022**

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.

This issue of the decision book will be in public circulation up until **Saturday 6 February 2022**. During that period three Councillors may request in writing to the Assistant Director of Legal and Democratic Services that a decision should be referred either to a committee, or to the Council (as appropriate) for formal resolution.

The decision book is open to public inspection at the Civic Offices between 9.00 am and 5.00 pm, Mondays to Fridays and 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 648 - 26 JANUARY 2022

### 1. AUTHORISATION TO PURCHASE LAND AT NEW LANE HILL

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
1. AUTHORISATION TO PURCHASE LAND AT NEW LANE HILL	COUNCILLOR PAGE	SOUTHCOTE	1

This report sets out the decision to purchase 4m<sup>2</sup> of land for £500 (plus Legal Costs) at New Lane Hill to deliver remaining works on the National Cycle Network Route 422 (Phase 1), in accordance with national guidance.

**It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, that purchase of land for £500 (plus Legal Costs) at New Lane Hill be authorised, to deliver remaining works on the National Cycle Network Route 422 (Phase 1).**

## 2. ADDITIONAL RESTRICTIONS GRANT FUND

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

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 the Hospitality and Leisure sectors is introduced to support businesses adversely affected by the Omicron variant but ineligible for the Omicron Leisure and Hospitality Grant. Businesses must be located within the Reading Borough Council boundary, trading on 30 December 2021 and declare they were adversely impacted by the COVID-19 Plan B advice and rise in COVID-19 cases.

Grant values will be based on the size of the company and will align with the Omicron Leisure and Hospitality Grant (subject to the number of eligible applications)

No. of Employees	Grant Value
More than 50	£6,000
10 - 49	£4,000
0 - 9	£2,667

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

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

<b>LEAD COUNCILLOR:</b>	<b>TONY PAGE - LEAD COUNCILLOR FOR STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT</b>		
<b>DATE:</b>	<b>26 JANUARY 2022</b>		
<b>TITLE:</b>	<b>AUTHORISATION TO PURCHASE LAND AT NEW LANE HILL</b>		
<b>SERVICE:</b>	<b>DEGNS</b>	<b>WARDS:</b>	<b>SOUTHCOTE</b>
<b>AUTHOR:</b>	<b>LILIAN GREEN</b>	<b>TEL:</b>	<b>0118 937 3720</b>
<b>JOB TITLE:</b>	<b>TRANSPORT PLANNER</b>	<b>E-MAIL:</b>	<b>lilian.green@reading.gov.uk</b>

**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the decision to purchase 4m<sup>2</sup> of land for £500 (plus Legal Costs) at New Lane Hill to deliver remaining works on the National Cycle Network Route 422 (Phase 1), in accordance with national guidance.
- 1.2 The NCN 422 was granted full funding approval from the Berkshire Local Transport Body in November 2015 to the value of £4.2 million. The cross-Berkshire cycle route between Newbury and Ascot provides an enhanced £1.3 million east-west cycle facility through Reading, linking to existing cycle routes to the north and south of the borough and directly serving schools and other local facilities/services.
- 1.3 Phase 1 of the scheme was granted scheme and spend approval by Policy Committee in January 2017.
- 1.4 The land is required in order to finalise minor works (installation of tactile paving and a dropped kerb) at the western edge of the New Lane Hill/Bath Road junction. On completion of these works, the full NCN 422 scheme will be completed.
- 1.5 Appendix A - Plan of land required.  
Appendix B - Plan of works.

**2. DECISION**

- 2.1 It is the decision of the Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, that purchase of land for £500 (plus Legal Costs) at New Lane Hill be authorised, to deliver remaining works on the National Cycle Network Route 422 (Phase 1).

### **3. POLICY CONTEXT**

3.1 The Local Transport Plan (LTP) is a statutory document setting out the Council's transport strategy and policy. Reading Borough Council's third Local Transport Plan (LTP3), covers the period 2010-26.

3.2 Reading's joint Local Cycling and Walking Infrastructure Plan (2020-2030), developed with West Berkshire Council and Wokingham Borough Council, is a sub-strategy to the Local Transport Plan. This Plan sets out the Council's aspirations for cycling and walking across the wider Reading urban area over the next 10 years.

3.2.1 The NCN 422 scheme is included within the Council's Corporate Plan 2021-22 and Thames Valley Berkshire LEP's Strategic Economic Plan 2016-21.

### **4. THE DECISION**

#### **4.1 Current Position:**

All other works on the NCN 422 scheme are complete, except works stated in 1.4. If land is not purchased here, works will not be carried out in accordance with guidance due to highway constraints. Works will be undertaken by the Council's Direct Labour Organisation, who have suitable liability insurance up to £10 million.

#### **4.2 Options Proposed**

It is proposed to authorise the purchase land in order to complete the full NCN 422 scheme, as agreed, in order for the scheme to be completed in accordance with national guidance.

### **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 NCN 422 supports the aims and objectives of the Reading Transport Strategy and Local Cycling and Walking Plan. The NCN 422 also supports Council Priorities 1, 2, and 4; 'Safeguarding and protecting those that are most vulnerable', 'Providing the best start in life through education, early help and healthy living' and 'Keeping the town clean, safe, green and active' as well as the following strategic aims:

- To Develop Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley
- To promote equality, social inclusion and a safe and healthy environment for all

The NCN 422 scheme also contributes towards 'Sustainability', 'Community Safety' and 'Health'.

### **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).

### **7. COMMUNITY ENGAGEMENT AND INFORMATION**

7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

7.2 Consultation and engagement has taken place with the affected residents, and ward councillors, including the Lead Councillor for Strategic Environment, Planning and Transport have been consulted with. Phase 1 of the scheme was granted scheme and spend approval by Policy Committee in January 2017.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment will not be relevant to this decision to authorise the purchase of land.

## **9. LEGAL IMPLICATIONS**

9.1 Under the Highway Act 1980 (HA), the Council is the local highway authority for the purposes of the HA.

9.2 Section 24 of the HA gives the Council the power to construct new roads. Once they are open to the public, the roads become public highway.

9.3 Under section 111(1) of the Local Government Act 1972 (LGA), the Council has the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, even if there is no specific statutory power for that action. This proposition has long represented the law, but the section has been included specifically in the LGA for the avoidance of any doubt which might hamper local initiatives.

9.4 Section 120(1)(2) of the LGA and section 2(1)(2)(4)(a)(4)(c) and (5) of the Local Government Act 2000 afford the Council with the power to acquire land. In particular, under section 120(1)(2), the Council may by agreement acquire any land, whether situated inside or outside its area, for any purpose for which it is authorised by the LGA or any other enactment to acquire land. This power is exercisable even if the land is not immediately required for that purpose. Until it is needed for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the Council's functions.

9.5 In agreeing terms of the purchase with the landowner, we are informed that an independent assessment of the land value has been carried out by a valuation expert and there are no concerns regarding the purchase price.

9.6 The land to be acquired by the Council is private and not pre-existing highway land. Once the Council purchases the land, it will become highway land.

9.7 A delegation of authority is required to purchase the land. This delegation will be exercised by the Head of Transportation and Streetcare under the provisions of Minute 13 agreed at Strategic Environment, Planning and Transport Committee on 15 July 2015. Delegation (11) is exercisable in conjunction with the Lead Councillor for Strategic Environment, Planning and Transport.

9.7 Section 8(1) of the HA gives the Council power to enter into agreements with such companies for the construction, reconstruction, alteration, improvement or maintenance of a highway for which any party to the agreement are the highway authority. Any such agreements can contain such conditions (if any) as may be necessary. Section 8(5) provides that the agreement can contain the manner in which expenses incurred in carrying out the road works and entering into the agreement, be borne by the parties in such proportions as may be agreed between the parties.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The scheme is funded by the Thames Valley Berkshire Local Enterprise Partnership and local contributions, totalling £1.3m. Funding has been allocated for these works to be undertaken.
- 10.2 Purchase of this small parcel of land has a high cost/benefit ratio, as it will ensure that works are able to be completed to recommended guidance.

## **11. BACKGROUND PAPERS**

- 11.1 Policy Committee Report, 16<sup>th</sup> January 2017 - <https://democracy.reading.gov.uk/CeListDocuments.aspx?Committeed=138&MeetingId=2831&DF=16%2f01%2f2017&Ver=2>



Title: Bath Road/New Lane Hill - NCN 422



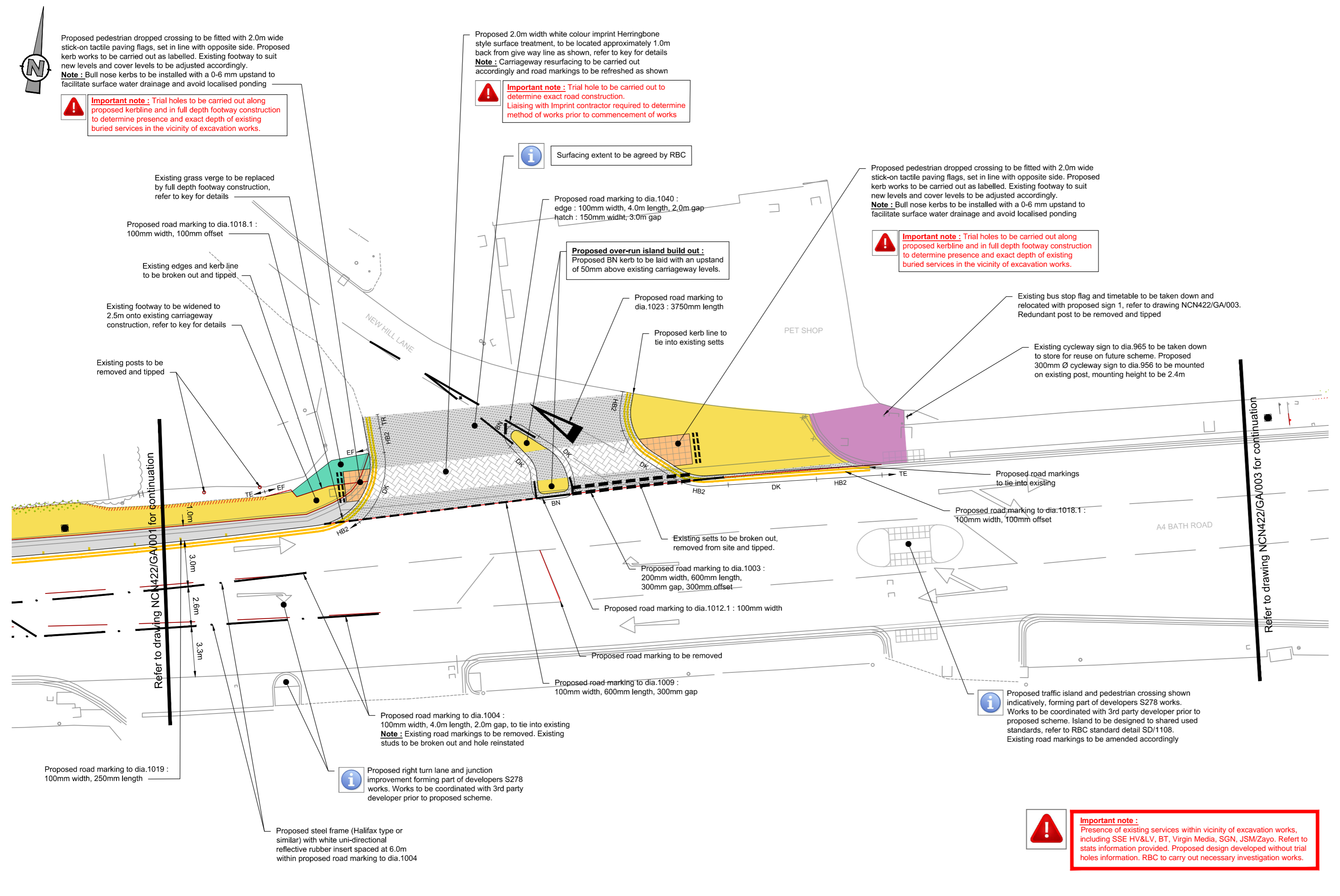
File: Date: 14/10/2020 Scale at A4: 1:1250  
 Produced by Valuation Section Ref: 54008\S:\Jean\Mapinfo\21870a1.wor  
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DO NOT SCALE

- Key**
- Items to be removed / broken out and tipped from site
  - Siding on existing footway/cycleway to be carried out
  - Proposed full height kerb, refer to RBC standard detail SD/1101
  - Proposed bull nose kerb, refer to RBC standard detail SD/1101  
Kerb to be laid with 50mm upstand
  - Proposed transition kerb using a HB2 kerb to tie in to existing/proposed kerb line, refer to RBC standard detail SD/1102, kerb type K4
  - Proposed dropped kerb with transitions using a HB2 transition and BN kerb with 0-6 upstand, refer to RBC standard detail SD/1101
  - Proposed precast concrete edging kerb
  - Tie into existing kerb line
  - Proposed 5mm thick 400mm x 400mm flags buff colour stick-on tactile paving from JA Tactile System or similar
  - Existing surface to be overlaid to a varying depth. Proposed footway construction shall be:  
- varying depth of 60mm size dense asphalt concrete  
Refer to RBC standard detail SD/1105
  - Existing footway construction to broken out to a depth of 20mm (up to 80mm if required) and shall be prepared for an in-lay including an application of a weed killer. Proposed footway construction shall be:  
- 20mm of 60mm size dense asphalt concrete  
- 60mm of 20mm size asphalt concrete dense binder course (20 nominal size)  
Refer to RBC standard detail SD/1105
  - Existing surface to be dug out to a depth of 230mm. Proposed footway construction shall be:  
- 20mm of 60mm size dense asphalt concrete  
- 60mm of 20mm size asphalt concrete dense binder course (20 nominal size)  
- 150mm of Type 1 sub-base material.  
Refer to RBC standard detail SD/1105  
**Note:** standard geotextile to be laid underneath footway construction, Terram T1000 or similar where new construction was previously verge
  - Existing carriageway surfacing to be overlaid with footway construction. Proposed footway construction shall be:  
- 20mm of 60mm size dense asphalt concrete  
- 105mm of 20mm size asphalt concrete dense binder course (20 nominal size)  
Refer to RBC standard detail SD/1105
  - Cold mill by planing to 40mm depth and inlay with:  
- 40mm thick thin surface course system to clause 942, site category Q/R, stress level 3, texture depth of 1.5mm maximum AAV 12 and minimum PSV 65.  
**Note:** Reading Borough Council to confirm surface treatment.
  - Road marking to TSRGD specification (white screed)
  - Road marking to TSRGD specification (yellow screed)

- Notes**
1. All dimensions are in metres unless otherwise stated.
  2. This drawing should be read in conjunction with all other relevant engineering details, drawings & specifications.
  3. Any discrepancies should be reported to the design engineer immediately, so that clarification can be sought prior to the commencement of works.
  4. All works are to be in accordance with Reading Borough Council specifications and standard details.
  5. Contractor to establish all utility and drainage locations and coordinate safe working procedures before any excavation works take place.
  6. Where applicable, existing manhole covers and utility covers are to be adjusted to new surfacing levels before the final surfacing takes place.
  7. The works shall be programmed to ensure a clear footway is available for pedestrians throughout the works on or another side of the carriageway.
  8. All traffic management arrangements to be carried out in accordance with Traffic Signs Manual Chapter 8.
  9. All setting out on site to be agreed with Engineer.
  10. Diagram numbers refer to "Traffic Signs Regulations and General Directions 2016".
  11. Mounting heights of all signs to be  
- footway 2.1m  
- cycleways 2.4m  
- verges and non-pedestrian areas as directed by the Engineer (normally) 1.8m.  
If above mounting heights are not achievable due to practical reasons on site, contact the Engineer for further clarification.
  12. All signs and street furniture to have a minimal lateral clearance of 450mm from all kerb faces.
  13. All non-illuminated signs and supplementary plates to be retroreflective class RA2 material.



Proposed pedestrian dropped crossing to be fitted with 2.0m wide stick-on tactile paving flags, set in line with opposite side. Proposed kerb works to be carried out as labelled. Existing footway to suit new levels and cover levels to be adjusted accordingly.  
**Note:** Bull nose kerbs to be installed with a 0-6 mm upstand to facilitate surface water drainage and avoid localised ponding

**Important note:** Trial holes to be carried out along proposed kerblines and in full depth footway construction to determine presence and exact depth of existing buried services in the vicinity of excavation works.

Proposed 2.0m width white colour imprint Herringbone style surface treatment, to be located approximately 1.0m back from give way line as shown, refer to key for details  
**Note:** Carriageway resurfacing to be carried out accordingly and road markings to be refreshed as shown

**Important note:** Trial hole to be carried out to determine exact road construction. Liaising with Imprint contractor required to determine method of works prior to commencement of works

Surfacing extent to be agreed by RBC

Proposed road marking to dia.1040 : edge : 100mm width, 4.0m length, 2.0m gap hatch : 150mm width, 3.0m gap

**Proposed over-run island build out:** Proposed BN kerb to be laid with an upstand of 50mm above existing carriageway levels.

Proposed pedestrian dropped crossing to be fitted with 2.0m wide stick-on tactile paving flags, set in line with opposite side. Proposed kerb works to be carried out as labelled. Existing footway to suit new levels and cover levels to be adjusted accordingly.  
**Note:** Bull nose kerbs to be installed with a 0-6 mm upstand to facilitate surface water drainage and avoid localised ponding

**Important note:** Trial holes to be carried out along proposed kerblines and in full depth footway construction to determine presence and exact depth of existing buried services in the vicinity of excavation works.

Existing bus stop flag and timetable to be taken down and relocated with proposed sign 1, refer to drawing NCN422/GA/003. Redundant post to be removed and tipped

Existing cycleway sign to dia.965 to be taken down to store for reuse on future scheme. Proposed 300mm Ø cycleway sign to dia.956 to be mounted on existing post, mounting height to be 2.4m

Proposed road markings to tie into existing

Proposed road marking to dia.1018.1 : 100mm width, 100mm offset

Existing setts to be broken out, removed from site and tipped.

Proposed road marking to dia.1003 : 200mm width, 600mm length, 300mm gap, 300mm offset

Proposed road marking to dia.1012.1 : 100mm width

Proposed road marking to be removed

Proposed road marking to dia.1009 : 100mm width, 600mm length, 300mm gap

Proposed road marking to dia.1004 : 100mm width, 4.0m length, 2.0m gap, to tie into existing  
**Note:** Existing road markings to be removed. Existing studs to be broken out and hole reinstated

Proposed right turn lane and junction improvement forming part of developers S278 works. Works to be coordinated with 3rd party developer prior to proposed scheme.

Proposed steel frame (Halifax type or similar) with white uni-directional reflective rubber insert spaced at 6.0m within proposed road marking to dia.1004

Proposed road marking to dia.1019 : 100mm width, 250mm length

Refer to drawing NCN422/GA/001 for continuation

Refer to drawing NCN422/GA/003 for continuation

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WDC-FP2-DATA-ENG-WORKINGHAM HIGHWAY ALLIANCE TRAFFIC MANAGEMENT 201617 PROGRAMME MAJOR SCHEMES\NCN422\DRAWINGS\AUTOCAD\GA\_GENERAL ARRANGEMENT\NCN422\_GA\_002.DWG 23/01/2017 13:24:06 Olivier Boron

REV	DATE	BY	DESCRIPTION	CHK	APD
B	06.12.2016	OB	AMENDMENT TO CROSSING POINT INCLUDING ADDITION OF OVER-RUN BUILD UP ISLAND AND JUNCTION REALIGNMENT	TRA	EH
A	07.10.2016	OB	ISSUED	TRA	NW

DRAWING STATUS: FOR TECHNICAL APPROVAL

CLIENT:	READING BOROUGH COUNCIL
ARCHITECT:	

PROJECT:	A4 BATH ROAD CYCLE ROUTE IMPROVEMENT READING
TITLE:	PHASE 1 GENERAL ARRANGEMENT SHEET 2 OF 8

SCALE @ A2:	1:200	CHECKED:	TRA	APPROVED:	EH
CAD FILE:	NCN422_GA_002	DESIGN-DRAWN:	OB	DATE:	September 2016
PROJECT No:	NCN422	DRAWING No:	NCN422/GA/002	REV:	B

**READING BOROUGH COUNCIL**  
**REPORT BY DEPUTY CHIEF EXECUTIVE**

<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR BROCK - LEADER OF THE COUNCIL</b>		
<b>DATE:</b>	<b>26 JANUARY 2022</b>		
<b>TITLE:</b>	<b>ADDITIONAL RESTRICTIONS GRANT FUND</b>		
<b>SERVICE:</b>	<b>FINANCE</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>AUTHOR:</b>	<b>SAMANTHA WILLS</b>	<b>TEL:</b>	<b>0118 937 2711</b>
<b>JOB TITLE:</b>	<b>REVENUES &amp; BENEFITS MANAGER</b>	<b>E-MAIL:</b>	<b>SAMANTHA.WILLS@READING.GO V.UK</b>

**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 was 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 31<sup>st</sup> 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 31<sup>st</sup> March 2022.
- 1.5 A third and we believed final tranche of funding was made available to Local Authorities. However, conditions only allowed the funding to be accessed if 100% of the original £4.6m was spent by 30 June 2021. Reading's share was £1.3m and awarded in July as conditions were met.

- 1.6 On 18 December 2021 the Secretary of State for Business, Energy and Industrial Strategy contacted Local Authorities that held more than 5% of Additional Restrictions Grant funding as at 28 November 2021. The letter urged Local Authorities to pay out any remaining funds as quickly as possible and to prioritise those businesses that have been severely impacted by the spread of the Omicron variant.
- 1.7 On 21 December 2021, the Government announced that a further £102 million would be made available for Local Authorities, through a top-up to the Additional Restrictions Grant. Reading's allocation of this funding is £292k. The ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions and the rise of the Omicron variant, when most needed.
- 1.8 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/have been severely impacted by the spread of Covid-19. This could include for example, businesses which supply the hospitality and leisure sectors, or businesses in the events sector provided there is no breach of Subsidy rules.
- 1.9 This report sets out the proposed offer to Reading businesses, taking into consideration demand and economic need.
- 1.10 An Equality Impact Assessment for these proposals has been carried out and is set out in Appendix One.

<b>2. DECISION</b>								
<p><b>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 the Hospitality and Leisure sectors is introduced to support businesses adversely affected by the Omicron variant but ineligible for the Omicron Leisure and Hospitality Grant. Businesses must be located within the Reading Borough Council boundary, trading on 30 December 2021 and declare they were adversely impacted by the COVID-19 Plan B advice and rise in COVID-19 cases.</b></p> <p>Grant values will be based on the size of the company and will align with the Omicron Leisure and Hospitality Grant (subject to the number of eligible applications)</p> <table border="0"> <thead> <tr> <th style="text-align: left;">No. of employees</th> <th style="text-align: left;">Grant Value</th> </tr> </thead> <tbody> <tr> <td>More than 50</td> <td>£6,000</td> </tr> <tr> <td>10 - 49</td> <td>£4,000</td> </tr> <tr> <td>0 - 9</td> <td>£2,667</td> </tr> </tbody> </table> <p>Discretionary grants are not subject to any formal statutory appeals process and therefore there are no appeal rights.</p>	No. of employees	Grant Value	More than 50	£6,000	10 - 49	£4,000	0 - 9	£2,667
No. of employees	Grant Value							
More than 50	£6,000							
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0 - 9	£2,667							

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 2020, 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. 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 able to trade online and the consequent scale of coronavirus losses.
- 3.4 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.

#### **ELIGIBILITY CRITERIA**

- 3.5 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

#### **GRANT AWARDS**

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

#### **PROCESS**

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

- 3.8 The application process enables 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.
- 3.9 Local authorities must use their discretion in identifying the right person to receive the funding, based on the application process.
- 3.10 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.

#### 4. LEVEL OF DISCRETIONARY GRANTS PROPOSED BY READING

- 4.1 The Council will make grant awards to businesses in the Hospitality and Leisure sectors that have been adversely affected by the Omicron variant and are ineligible for the Omicron Leisure and Hospitality Grant. Businesses must be located within the Reading Borough Council boundary, have been trading on 30 December 2021 and declare they were adversely impacted by the COVID-19 Plan B advice and rise in COVID-19 cases.

The scheme will support businesses that:

- Were trading on 30 December 2021; and
- Are a business in the leisure and hospitality sector and can demonstrate fixed costs; or
- Are a business that are ancillary to leisure and hospitality and can demonstrate fixed costs; and
- Open to the public and provide in person services; and are
- Adversely impacted by current COVID-19 Plan B and rising case numbers

- 4.2 Businesses that are eligible for the Omicron Leisure and Hospitality Grant are not eligible for this round of funding.
- 4.3 Leisure and Hospitality for the purpose of this scheme is as defined by the Omicron Leisure and Hospitality Grant Guidance.
- 4.4 Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme. The 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.
- 4.5 The level of award for will be determined by the number of employees and is subject to change dependant on the number of eligible applications. Indicative awards are based on the equivalent grant value under the Omicron Leisure and Hospitality scheme:

No. of employees	Grant Value
More than 50	£6,000
10 - 49	£4,000
0 - 9	£2,667

- 4.6 An application form will need to be submitted for an award of funding to be considered under the scheme.

- 4.7 We recognise that other authorities may have designed more complex approaches taking into account additional criteria, which include but are not limited to social value and contribution to climate change. However, 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.

#### **READING'S PROPOSED PROCESS**

- 4.8 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.
- 4.9 There will be an online application form published on the Council's website on 27 January 2022.
- 4.10 The window for applications will be open for 14 days with a cut-off date of 10 February 2022.
- 4.11 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.
- 4.12 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.
- 4.13 Applications will be considered by a dedicated review team within the Revenues department, overseen by the Revenues & Benefits Manager.
- 4.14 It is anticipated payments to successful businesses will commence week beginning 14 February 2022 by BACS.
- 4.15 No grants will be awarded without an application being made.
- 4.16 Any unsuccessful applicants will be advised, by e-mail, as soon as is reasonably practicable after 10 February 2022.

#### **5. POLICY REVIEW**

- 5.1 To ensure that the Additional Restrictions Grant reaches those businesses most in need, this policy will be reviewed in February 2022 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.

#### **6. APPEALS**

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

#### **7. FRAUD**

- 7.1 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.

- 7.2 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.

## **8. CONTRIBUTION TO STRATEGIC AIMS**

- 8.1 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.

## **9. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 9.1 None to note.

## **10. COMMUNITY ENGAGEMENT AND INFORMATION**

- 10.1 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.

## **11. EQUALITY IMPACT ASSESSMENT**

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

## **12. LEGAL IMPLICATIONS**

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

## **13. FINANCIAL IMPLICATIONS**

- 13.1 The cost of these grant payments will be met through the remaining additional government funding.

- 13.2 Local authorities are 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 reporting on the Omicron Leisure and Hospitality Grant.

- 13.3 Reports cover:

- Numbers of businesses allocated grants
- Total funding paid out in grants
- 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.

## **14. BACKGROUND PAPERS**

- 14.1 There are none



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:** 20 Jan 2022

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 and 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	Monthly since Jan 2022

**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 20 Jan 2022

Signed (Lead Officer) Jackie Yates

Date



Department for  
Business, Energy  
& Industrial Strategy

# Additional Restrictions Grant

Guidance for Local Authorities (updated 12  
January 2022)



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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.
3. This Additional Restrictions Grant guidance was updated on 30 December 2021 and applies until 31 March 2022.
4. This guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities in England.
5. Local Authority enquiries on this measure should be addressed to [businessgrantfunds@beis.gov.uk](mailto: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-schemeextended-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. On 21 December 2021, the Government announced that a further £102 million would be made available for Local Authorities, through a top-up to the Additional Restrictions Grant: <https://www.gov.uk/government/news/1-billion-in-support-for-businesses-most-impacted-by-omicron-across-the-uk>
9. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England.
10. The ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions and the rise of the Omicron variant, 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 which require support as soon as possible.

11. This document provides guidance to Local Authorities about the operation and delivery of the ARG scheme.
12. 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.
13. 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.
14. Areas that agreed this support include: Liverpool City Region, Lancashire, Greater Manchester, South Yorkshire, West Yorkshire, Warrington and Nottinghamshire.
15. 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 14).
16. 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.
17. Local Authorities received an allocation of the £425 million top-up announced in the 2021 Budget, which was allocated subject to Local Authorities spending their existing allocations of ARG. For further details on spending existing allocations, please see paragraphs 46 to 54.
18. The second top-up of £425 million of ARG funding was allocated to Local Authorities from 1 April 2021, when conditions of the funding were met. This funding was allocated based on a per-business calculation.
19. The third top-up of £102 million of ARG funding will be allocated to Local Authorities in England from 30 December 2021. This funding will be allocated based on a per-business calculation.
20. Further top-up funding may be allocated at the discretion of Government. Reported data may be used to prioritise those Local Authorities most in need of further payments.
21. With the exception of the third top-up payment, 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.

22. On 14 June 2021, the Prime Minister announced that step 4 of the Roadmap out of lockdown was being delayed by a period of up to 4 weeks. This guidance has been updated to take account of that announcement. The deadline for spending the first top-up allocation was extended to 30 July 2021.
23. On 21 December 2021, the Chancellor announced, in response to the rise of the Omicron variant, a £102 million top-up for the Additional Restrictions Grant. This guidance has been updated to take account of that announcement.

## How will the grant be provided?

22. Government will issue Local Authorities with 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.
23. Local Authorities are business rate billing authorities in England. They are responsible for making payments to businesses and will receive funding from Government.
24. Funds that have not been fully defrayed from the Local Authority's bank account 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.
25. As part of their application process for the scheme, all businesses will be required to self-certify that they meet all eligibility criteria. In respect of the third top-up, Local Authorities must verify the evidence provided as part of pre-payment checks. Evidence of completed checks must be retained by Local Authorities.
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 then provided to Local Authorities subject to HM Treasury approval.
27. Local Authorities should allocate funding through business support grants or through wider business support measures. The third top-up payment should only be allocated to business support grants and should not fund wider business support measures. All funding provided under this scheme should provide direct support to businesses.
28. Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions, or by the Omicron variant, including those outside of the business rates system. These may include, but are not limited to: hospitality, accommodation, leisure, personal care, the travel and tourism sector, including group travel, travel agents and tour operators, coach operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), gyms, and other businesses that may have not received



other grant funding. There is no restriction on the number of grants a business may receive, subject to subsidy limits.

29. Local Authorities are encouraged to focus their support on:

- In allocating first top-up payment: businesses from all sectors that may have been severely impacted by restrictions but were not eligible for the LRSG and CBLP Grant schemes.
- In allocating the second two top-up payments: businesses from all sectors that may have been severely impacted by restrictions but were not eligible for the Restart Grant scheme, and those sectors that remained closed or were severely impacted by extended restrictions, even if those businesses had already been in receipt of Restart Grants.
- In allocating the third top-up payment: businesses severely impacted by the rise of the Omicron variant, see para 28.

These lists are not directive nor exhaustive, and Local Authorities should continue to issue grants at their discretion, based on local economic needs.

30. In taking decisions on the appropriate level of grant, Local Authorities may want to take into account 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.

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

## Exclusions to Additional Restrictions Grant funding

31. Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.

32. 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.

33. 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?

34. 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.

35. 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 continues to trade, including 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.

36. In previous schemes, Local Authorities have been encouraged to utilise an application process. For the avoidance of doubt, applications are now required for all applicants.

37. Local Authorities will need to run a new application process for all 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)

38. Local Authorities should make clear to applicants that this data may be shared with BEIS. The BEIS privacy notice, setting out how BEIS will handle personal data across all COVID-19 business grant schemes, can be found here <https://www.gov.uk/government/publications/covid-19-grant-schemes-privacy-notice/covid-19-grant-schemes-privacy-notice>.

39. 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.

40. For the initial allocation of ARG, Local Authorities were provided an allocation of £20 per head, unless otherwise negotiated (see paragraph 13).
41. For the first top-up of ARG, Local Authorities were provided with a per-head allocation from the £500 million funding available.
42. For the second top-up of ARG, Local Authorities who met eligibility criteria (see paragraphs 46- 54) were provided with a per-business allocation from the £425 million funding available.
43. For the third top-up of ARG, Local Authorities are eligible for an allocation from the £102 million funding based on a per-business calculation.
44. The Local Authority must write or email 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.
45. 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).

## Accessing the second-top up

46. Local Authorities had until 30 July 2021 to meet all necessary conditions and prove that they had spent or made a validated attempt to spend 100% of their first two ARG allocations combined.
47. For the avoidance of doubt, spend was 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.
48. 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 July 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.
49. 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.
50. 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.

51. 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 49
- Funding allocated but where there is no contract to provide business support after 30 July 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.

52. Local Authorities were 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.

53. Funding was provided from 1 April 2021 on a per-business basis to ensure that Local Authorities can target funding fairly and directly at business support.

54. Where a Combined Authority received ARG allocations on behalf of Local Authorities, the Combined Authority was required to evidence that they and the constituent Local Authorities met the conditions outlined in paragraphs 46 to 51 in order to access the £425 million top-up.

## Will grants be subject to tax?

53. 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.

54. Only businesses which make an overall profit once grant income is included will be subject to tax.

55. Payments made to businesses before 5 April 2021 will fall into the 2020/21 tax year. Unincorporated businesses will be taxed when they receive the grant income.

## Managing the risk of fraud and payments in error

56. 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.

57. 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.

58. For the avoidance of doubt, Local Authorities are required to undertake pre-payment checks for all payments. These checks are required to be undertaken before any payments are issued to businesses and Local Authorities should retain evidence of such. This requirement is not limited to new applicants and should look at both the company and the company's bank account.

### Company check

59. 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 business grants until 31 March 2022. Use of Spotlight (or an equivalent tool) for enhanced checks to support pre-award due diligence is required. Evidence of Spotlight checks undertaken needs to be retained by Local Authorities for audit purposes.

60. 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.

61. 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](mailto:spotlight-localauthority@cabinetoffice.gov.uk).

### Bank account check

62. Grant payments should only be made to UK bank accounts.

63. 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.

64. 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](mailto:helpdesk@nfi.gov.uk).

65. 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.

66. 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

67. All Local Authorities are required to follow this guidance and conduct activity to provide assurance that all grants have been paid out in line with the eligibility and subsidy allowance conditions for these schemes.

68. 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.

69. Any undispersed funding or funds outside the scope of the scheme criteria will need to be returned to BEIS in full within 30 days of the completion of the reconciliation exercise.

70. Local Authorities must be satisfied that all subsidy allowance conditions have been fully complied with when making grant payments. LAs are recommended to seek their own advice on subsidy control compliance. LAs should assure themselves in respect of awards made and retain appropriate evidence in support.

71. To deliver the assurance requirement, Local Authorities must have pre- and post-payment assurance processes in place for this grant scheme to assure all grants issued and must retain evidence of such. Local Authorities must ensure these processes are in place as soon as possible. The process must 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 includes the functionality to add schemes pre- or post-award.

72. Assurance Guidance is issued by the Secretary of State for Business, Energy and Industrial Strategy to Local Authorities in England and applies to assurance on all COVID-19 Business Support Grant schemes. Local Authorities should operate in line with the published Assurance Guidance V4 [link].

73. 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 who should operate in line with the published Debt Recovery Guidance V4 [link].

## Monitoring and reporting requirements

74. Local Authorities must retain necessary data and BEIS will undertake regular data collection exercises with the input of Local Authorities. This reporting enables accurate monitoring, evaluation, and assurance of business support grant payments. LAs should retain evidence of all grant awards made, payments issued and assurance steps undertaken.
75. Further details on data collection requirements are outlined in Annex B.
76. To assist in fraud prevention and recovery Local Authorities are required to include the name of the grant (ARG) and Local Authority code as part of the payment reference when making a payment to a business.
77. 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](mailto: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.
78. 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.
79. Local Authorities may be contacted for further information to assist with lines of enquiry being pursued.
80. 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.
81. 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.
82. 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.

## COVID-19 business grant subsidy allowance

83. 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. However, in the vast majority of cases this will not apply. 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>.

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

84. 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.
85. There are three subsidy allowances for the COVID-19 Business Grant Schemes set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. For grants in scope of the Northern Ireland Protocol, please see paragraphs 94 to 96 below.
86. We have concluded that the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance are compatible with the principles set out in Article 366 of the TCA and are targeted, proportionate, and effective in order to remedy difficulties caused by the COVID-19 pandemic for the purposes of Article 364(3). These two allowances constitute subsidy schemes for the purposes of Article 373(4) of the TCA and the transparency requirements at Article 369 of the TCA. Local Authorities will still need to consider their own transparency obligations in relation to individual award (see paragraph 92 below).

### Small Amounts of Financial Assistance Allowance

87. Grants may be paid in accordance with Article 364(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 up to 325,000 Special Drawing Rights, to a single economic actor over a rolling period of three fiscal years (the “**Relevant Period**”), which is the equivalent of £335,000 as at 2 March 2021<sup>1</sup>. When calculating the amount of subsidy an applicant has received under Article 364(4) of the TCA in a Relevant Period, a local authority should have regard to any subsidy given under Article 364(4) and any subsidy given under Commission Regulation (EU) No 1407/2013 (the **De Minimis Regulation**). 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.

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1. <sup>1</sup> 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](https://coinmill.com/SDR_calculator.html)



## COVID-19 Business Grant Allowance

88. Where the Small Amounts of Financial Assistance Allowance has been reached or an applicant has elected not to receive a grant under this allowance, grants may be paid in compliance with the Principles set out in Article 366 of the TCA and in compliance with Article 364(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 the COVID-19 Business Grant Schemes, this allowance is £1,900,000 per single economic actor. This allowance includes any grants previously received under other COVID-19 Business Grant Schemes using the COVID-19 Business Grant Allowance 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 £2,235,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator, and any other support an applicant has received under the Small Amounts of Financial Assistance Allowance in the Relevant Period).

## COVID-19 Business Grant Special Allowance

89. 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 the COVID-19 Business Grant Schemes of up to £10,000,000 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 £10,000,000 per single economic actor. This allowance includes any subsidies previously received in accordance with Section 3.12 of the European Commission's Temporary Framework or previously received under the COVID-19 Business Grant Schemes using this COVID-19 Business Grant Special Allowance; 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.
90. 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.
91. 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 C 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.
92. 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 369. 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](mailto:subsidycontrol@beis.gov.uk).
93. 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 £12,235,000 (taking into account all grants previously received under the COVID-19 business grants schemes and subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator and the three fiscal year period applicable to the Small Amounts of Financial Assistance Allowance).

## Article 10 of the Northern Ireland Protocol

94. Grants in scope of Article 10 of the Northern Ireland Protocol remain subject to EU State aid rules, 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.
95. 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.
96. Where a Local Authority grant falls within scope of Article 10 of the Northern Ireland Protocol, then a Local Authority cannot rely on the Small Amounts of Financial Assistance Allowance. Instead a Local Authority must see if the grant can be awarded under the De Minimis Regulation which allows for up to 200,000 euros of subsidy to be given to an undertaking in a rolling three year fiscal period. If a grant falls within scope of the Northern Ireland Protocol and the De Minimis Regulation cannot be relied upon, then the Local Authority will need to satisfy itself there is another legal route to award the grant in compliance with EU State aid

Rules. For example, the grants may be given under the European Commission's Temporary Framework<sup>2</sup>.

## General

97. BEIS may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time, and requiring that undispersed funds are returned to BEIS within 30 days.

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<sup>2</sup> The UK Temporary Framework for State aid for COVID-19 responses currently expires on 31 December 2021. A decision on approval of extension of the UK scheme from the Commission is pending at the time of writing.

## Annex A – Data reporting

1. As part of the Post Payment reporting process, Local Authorities will be required to report to the Department on the grant fund and to adhere to data reporting requirements. This will include reporting to BEIS progress in making payments to eligible rate paying businesses, and detailed information of grants awarded.
2. Local Authorities are 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. The list below sets out the minimum information requested from Local Authorities to be reported for the Additional Restrictions Grant:
  - 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)
  - g. Grant awarded
  - h. Amount of grant paid
  - i. Date grant paid
  - j. Grant name
3. 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. Local Authorities should make clear to applicants that this data may be shared with BEIS. The BEIS privacy notice, setting out how BEIS will handle personal data across all COVID-19 grant schemes, can be found here <https://www.gov.uk/government/publications/covid-19-grant-schemes-privacy-notice/covid-19-grant-schemes-privacy-notice>. Data may be shared with other enforcement agencies for the prevention and detection of crime.
4. In requesting detailed information of grants awarded, we will reduce the number of submissions that Local Authorities will be asked to make, for example this data will allow us to report by Parliamentary constituency in addition to Local Authority. Grant data should be submitted using the Data Management System reporting system. Grant data will be requested on a weekly basis.
5. Further details of the data submission process, including login details, supporting material, guidance on the data submission timings and process, guidance on the use of the system, example spreadsheets, definition of terms, and applicable training is available to Local Authorities. Local Authorities can contact [lagraints.data@beis.gov.uk](mailto:lagraints.data@beis.gov.uk) with any queries.
6. BEIS will consolidate the reports received to support monitoring and evaluation information of the grant. This includes providing high-level performance reports including summaries of the number of businesses supported and total amount spent. 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.
- d. Further allocations – we may take into account reported data when determining further top-up payments for Local Authorities.

## 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.

## Annex C – COVID-19 Business Grant Schemes

The COVID-19 business grant schemes are:

- Omicron Hospitality and Leisure Grant
- Additional Restrictions Grant (ARG)
- Restart Grant
- Closed Business Lockdown Payment
- Christmas Support Payment for wet-led pubs (CSP)
- Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
- Local Restrictions Support Grant (Closed) Addendum: Tier 4
- Local Restrictions Support Grant (Closed) Addendum
- Local Restrictions Support Grant (Sector)
- Local Restrictions Support Grant (Closed)
- Local Restrictions Support Grant (Open)
- Local Authority Discretionary Grant Fund
- Retail, Hospitality and Leisure Grant Fund
- Small Business Grant Fund

Scheme specific guidance can be found at

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities> and  
<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>