



Department for Business, Energy & Industrial Strategy

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Finance Director
Herefordshire Council

6 November 2020

By email

Dear Finance Director

Additional Restrictions Grants

1. I am writing to confirm the arrangements of the Additional Restrictions Support Grants payment of £3,856,020 (the "Grant"). This amount has been calculated using the Office National Statistics midyear populations estimates published March 2020¹. Payment will be made on or around 13 November 2020 by the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of Department for Business, Energy and Industrial Strategy ('BEIS') to Herefordshire Council ('the Council').
2. The Grant is offered to you as part of the wider set of measures to support the nation's economy and its businesses in response to Coronavirus (Covid-19), and specifically following the announcement of widespread national restrictions coming into force on 5 November.
3. Support should be provided in line with the Additional Restrictions Grants: guidance for Local Authorities².

Conditions / Funding Requirements

4. The Council must:
 - a. Ensure recipients meet the criteria set out in the Additional Restrictions Grants: guidance for Local Authorities.
 - b. Record and retain records of individual payments of Grant. This information should be stored in accordance with the data protection requirements and shared with Government upon request. You agree to comply with your obligations under applicable data protection legislation in respect of this information and to the extent that for the purposes of the Grant any personal data is shared each party accepts that they will each comply with their respective obligations in respect of the processing of such data.
 - c. Provide timely monitoring information in line with the guidance provided by the Department.
 - d. Provide summaries of any issues encountered in implementing the scheme to allow BEIS to support development of solutions with local authorities.
 - e. Allocate all monies by 31 March 2022.

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

² <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

Eligible Expenditure

5. Additional Restrictions Grant: guidance for Local Authorities, provides full detail of beneficiaries of these schemes³. This grant is ringfenced for business support only, but Local Authorities can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target. We 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.

Financial

6. The Grant payments to the Council are made under section 31 of the Local Government Act 2003. The Council will be responsible for delivering the funding to eligible recipients and for ensuring that recipients agree to comply with the conditions and requirements contained in this letter applying to the payment of Grant including the circumstances when Grant can be claw backed and must be repaid.
7. 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 consider supplementing existing controls with digital tools to support efficient, appropriate and accurate grants awards.
8. Where all or a portion of the Grant remains unspent at the end of the grant programme following reconciliation by BEIS, unspent grant monies must be repaid to the department within thirty (30) working days from the date on which the request for payment is sent and must not be carried forward for use in the following financial year.

EU state aid

9. The United Kingdom left the EU on 31 January 2020, nonetheless under the Withdrawal Agreement the State aid rules continue to apply during a transition period, subject to regulation by the EU Commission.
10. The Local Authority must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
11. Payments made can be provided under the existing De Minimis rules, to any one organisation over a three fiscal year period, provided doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached should be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000).
12. The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called *de minimis* aid (to bring the aid per company to up to €1 million) and with other specific types of aid. Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.

General

³ <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

13. The Government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to the Council, and will offer support in using the tool and interpreting the results.
14. The Council must bring to the attention of BEIS any breach of the conditions of the Grant and any circumstances which require repayment of the Grant.
15. The Government Grants Management Function and Counter Fraud Function teams may also support the Council to carry out post-event assurance work to identify high risk payments.
16. A copy of the section 31 grant determination is attached with this letter.
17. No amendment to the terms of this Grant Offer Letter will be effective unless and until agreed in writing by BEIS.

Yours sincerely



Steven Greenwood

Deputy Director, Cities and Local Growth Unit,
Department for Business, Energy and Industrial Strategy & Ministry of Housing, Communities and Local Government