

Additional Restrictions Grant Scheme

Introduction

1. On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and/or Local Covid Alert Level (**LCAL**) 3 restrictions:

<https://www.gov.uk/government/news/furlough-schemeextended-and-further-economic-support-announced>

2. The Department for Business, Energy and Industrial Strategy published guidance for Local Authorities in administering an Additional Restrictions Grant (**ARG**) to support businesses in their areas.
3. This support will take the form of a funding scheme in Financial Year 2020-2021 and can be used across Financial Years 20/21 and 21/22. The ARG Scheme shall be administered by all business rate billing authorities in England.
4. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 restrictions.

Which types of business will receive this funding?

5. The Council's records must confirm that the applicant was a ratepayer in respect of the hereditament on the date when LCAL 3 or national restrictions first came into force. Where the Council has reason to believe that the information that they hold about the ratepayer on the first full day of national or LCAL 3 restrictions is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. The Council will make it clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day. Some businesses outside the business rate system may also be eligible for grants.
6. A detailed list of businesses subject to restrictions or closure and those able to remain open are available on pages 29 to 32 of the Government's list at https://www.legislation.gov.uk/uksi/2020/1200/pdfs/uksi_20201200_en.pdf
7. Whilst the Government has guided Local Authorities as to the types of business that the Government considers should be a priority for the scheme, Local Authorities have the discretion to determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for payments under the ARG Scheme.
8. Local Authorities may choose to make payments to other businesses based on local economic need, including if it can be demonstrated that the grant will make a significant contribution to protecting local jobs, if the business is in a prominent location, or if the business makes a significant contribution to the local economy.

9. These additional restrictions grant are primarily and predominantly aimed at:
- Businesses with relatively high ongoing fixed property-related costs;
 - Businesses which can demonstrate that they have suffered a significant fall in income due to the Covid-19 crisis;
 - Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments; and
 - Businesses that were trading on or before 4 November 2020.
10. Companies that are in administration, are insolvent or where a striking off notice has been made are not eligible for funding under this Scheme.

Evidence required for the ARG Scheme application

11. For an application to be considered, the Council requires businesses to demonstrate that they meet the eligibility criteria stated above. In order to do so, applicants may be asked to provide the following:
- Evidence of property costs such as rent, rates or mortgage payments above the *de minimis* level (see table below). This should take the form of leases/agreements showing an obligation to pay and bank statements evidencing that payments have been made;
 - Evidence to demonstrate a substantial loss in income as a result of the Covid-19 crisis. This is likely to be in the form of filed accounts for previous years and management accounts/bank statements for the current period; and
 - Confirmation of State Aid compliance.
12. Annual property costs will include rent, mortgage payments, insurance, rates, flexible licence fees.
13. If a business is in a sector that has not been allowed to open/trade, or if a business provides services that are not permitted due to social distancing rules and have not been able to move to online services, the level of income lost will be more significant compared to a business still able to operate but at a reduced level. This will be considered in confirming whether a grant is awarded and the grant amount to be offered. Businesses that have not been forced to close, but have suffered a significantly reduced income, may still be considered for a grant.

State Aid

14. All payments made under the ARG Scheme must be State Aid compliant. Please see further Government guidance on this via this link (Section 47-50):
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf

How Grants will be provided

15. The Council will be responsible for administering and delivering the ARG Scheme to eligible businesses in Tandridge.

How much funding will be provided to successful businesses?

16. The Council will have access to funds from central Government for the ARG scheme and all grants allocations will be up to a maximum of £3,000. The cap at £3,000.00 is to enable the Council to support more local businesses.

17. In order for the ARG fund to benefit the maximum number of eligible businesses, it is proposed to have four levels of grant payments, directly proportionate to the relative level of property costs for the business and taking into account the relative impact on income due to the Covid-19 crisis.

18. The grant levels and eligibility criteria are presented in the table below:

Category	Maximum Grant Amount	Criteria
Micro businesses trading from domestic premises with less than 10 staff If running more than one business from the same domestic property, grant monies will be split accordingly	£500.00	Council Tax payer
Serviced Offices or other flexible working spaces. i.e., units in industrial parks with ongoing property costs up to £15K per annum	£1,334.00	The grant applicant is not the ratepayer but rents a small office within a Business Rates premises.
RV or property costs between £15,001 and £51,000 per annum	£2,000.00	RV or where no RV but has rent / mortgage costs / service charges.
Exceptional Circumstances and RV over £51,000	£3,000.00	i) Business closed completely 100% income lost from 5 November 2020 to 2 December 2020 ii) RV over £51,000 iii) Relatively high ongoing fix property related costs

19. Businesses are limited to only one grant per premises in the district.
20. In determining the appropriate level of grant, the Council may take into account the number of employees and the scale and risk of potential job losses, whether businesses have had to close completely and are unable to trade online, and the consequent scale of impact of Covid-19 losses.

The Application Process

21. The application form will be available on the Council's website only. This electronic form, including the declaration, must be fully completed with all the required evidence to be considered for a grant.
22. This application process will allow the Council to undertake pre-payment checks to confirm eligibility and to allow the Council to determine how to use its discretion in relation to the appropriate level of grant.
23. The Council will use its discretion in identifying the right business to receive this funding, based on the application process.
24. If successful, the Council will email the applicant, stating that by accepting the ARG payment, they confirm they are eligible under the ARG Scheme, and that any payments accepted will be in compliance with State Aid requirements.
25. As a condition of receiving funding, the Council will require the business applicant to sign a declaration stating that they are not committing fraud and that they are fully complying with any State Aid limits, as well as giving the Council permission to share data to ensure compliance and confirm that Government guidelines have been complied with.

Decision-Making Process

26. Applications will be determined by authorised Council officers and may consult an Advisory Panel made up of Council Officers and Members.
27. All decisions will be communicated by email to business and the communication will explain the reason for the decision. Decisions will be made as soon as possible.
28. There is no statutory right of appeal against a decision regarding an ARG payment.

Payments of Grant and Tax

29. All payments of grant will be made by a BACS transfer to the applicant's ordinary business bank account. Bank accounts will be verified by the Council's counter-fraud team.
30. The ARG payments are classified as "grants" and not "loans", and therefore will not require repayment unless paid in error or where fraudulent activity is detected.

31. Grant income received by a business is taxable therefore funding paid under the ARG Scheme will be subject to tax.

Managing the risk of fraud

32. The Council will not accept fraudulent applications. Any business that dishonestly provides false or misleading information in communication with the Council, including verbal communication, will be committing a criminal offence contrary to the Fraud Act 2006 and will be subject to a criminal investigation and criminal proceedings may be taken against them.

33. All information is subject to internal and external audit checks.

Sharing Information

34. By applying for an ARG, all applicants give authority to the Council to share data for efficient system administration and to protect the public purse, subject to Data Protection legislation. This may include sharing data with Surrey County Council and other Local Authorities.

35. The Council will be required to share data with government departments for monitoring and other reasons. By applying for an ARG, all applicants give authority for this.