

Eden District Council Additional Restrictions Grant Policy

Background

1. The government has announced an Additional Restrictions Grant (ARG) one-off fund to be provided to Local Authorities, based on a £20 per head of population, as a result of the National Restrictions during November 2020.
2. Eden District Council has been awarded £1,065,060 to spend during 2020/2021 and 2021/2022 to support businesses impacted by additional restrictions. It is expected that this money will be spent on direct business grants or provision of business support for businesses. This policy sets out the criteria and process for the provision of additional restrictions grants to businesses. Eden District Council does not commit to spending the full award amount in this way but recognises the importance of issuing grants quickly to businesses who are impacted by restrictions but not eligible for the Local Restrictions Support Grant (Closed), which provides grants to businesses in hereditaments on the rating list and are legally required to close.
3. The Council wishes to use the money provided to help businesses continue to trade once the restrictions are removed and businesses are able to trade with some greater degree of normality. The Council envisages that the grant will be used to maintain the business and help towards retaining employees within the business.

National Criteria

3. The Government has set out that where the Additional Restrictions Grant is used for provision of grants it must meet the same conditions of grant as the Local Restrictions Support Grant (Closed). These conditions are
 - The business must have been trading the day before the additional restrictions were introduced i.e. the 4 November 2020. Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
 - Grant income received by a business is taxable
 - Grant income is subject to State Aid regulations.
4. The Government has encouraged Local Authorities to develop schemes to help 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.
5. The guidance also suggested Local Authorities may choose to help businesses outside the business rates system, which are effectively forced to close - for example market traders.
6. Finally the guidance proposes that Local Authorities could use ARG funding to provide additional support to larger local businesses which are important to the local

economy, on top of the funding provided to those businesses via the LRSG (Closed) scheme, with due reference to State Aid.

7. The government guidance and criteria can be seen in full here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1_Additional_Restrictions_Grant_-_FINAL_LA_guidance_03112020.pdf

Eligibility

8. The Council plans to align its ARG Scheme from Government proposal outlined above for eligibility. The Council's scheme will be predominantly focussed on those businesses who demonstrate their eligibility as being severely impacted by the introduction of the latest round of restrictions.
9. For reference the guidance for national restrictions which apply from 5 November 2020 can be found at <https://www.gov.uk/guidance/new-national-restrictions-from-5-november>.
10. The latest restrictions are less restrictive than the previous national lockdown e.g. Traders can continue to visit homes, people may continue to go to their workplace where their work cannot be done from home and their businesses is not legally required to close, and many businesses are already established in new patterns of working from home. Eligibility for this fund compared to the previous discretionary grant fund reflects these changes.
11. Eligible businesses are as follows;
- a) businesses which supply the retail, hospitality, and leisure sectors. This should not include businesses where supply to supermarkets accounts for 50% or more of their business.
 - b) businesses in the events sector who have had at least one event planned and cancelled in November 2020
 - c) businesses required to close but are not in the rates system or are not the ratepayer and are therefore not eligible for the LRSG for example:
 - i. B&Bs and Self Catering Holiday Cottages which pay Council Tax rather than business rates (please see definitions and exclusions at point 30 and 31)
 - ii. Personal Care/Leisure services e.g. hairdressers, beauty therapists, physiotherapists, fitness instructors who either operate mobile, at home, or in a shared space which is legally required to close, where these businesses are not the direct business ratepayer
 - iii. Market traders who do not sell essential goods as outlined in government legislation. Those who sell essential goods may also be eligible where their regular market has been cancelled by organisers and they are unable to attend.
 - d) Any other business not covered above which is able to demonstrate that they have been severely impacted by the latest round of restrictions **only**. As these businesses are undefined, further evidence may be requested where it is not easily evident to the assessor that they meet this criteria.

12. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
13. This scheme is aimed at local businesses, therefore in order to be eligible for the fund, the business will have to be predominantly based in Eden with the majority of their business or headquarters in Eden.

How much is available?

14. The Council has received £1,065,060 as a one off payment to support businesses. This can be spent during the next two financial years and the Council has no guarantee that it will receive further funding of this kind. Government has set out that Local Authorities should be mindful that this is a one-off lump sum and they will therefore need to draw on it during any future period they may spend under LCAL Very High or national restrictions. Therefore the Council reserves the right not to spend the full allocation during this initial grants programme in order to allow for the possibility of having funding remaining to support businesses over a longer time period for which the grant has been issued.
15. The guidance states that: ‘Local authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment’ when compared to the Local Restrictions Support Grant (Closed). However, to ensure parity between businesses in both schemes, the Council will initially use the same grant amounts.
16. For businesses eligible for this funding but not eligible for LRSG (Closed), who are ratepayers of hereditaments on the rating list, grant amounts will be equal to the LRSG (Closed) scheme and paid on a ‘per hereditament’ basis, ie:
 - a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 5 November will receive a payment of £1,334
 - b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 5 November will receive a payment of £2,000
 - c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on 5 November, will receive £3,000
17. For businesses eligible for this funding, who are not the ratepayers or are outside the business rates system, the grants will be awarded ‘per business’ on size, based on number of employees as follows:

Number of employees	1-10 (including sole traders)	11-25	26+
Grant amount	£1,334	£2,000	£3,000

18. Eden District Council has the discretion to use this funding pot to provide top up funding to businesses who have received a grant through either the Local Restriction Support Grant (Closed) or through this initial Additional Restrictions Grant scheme.

This will be considered on a case by case basis and will likely apply in the following scenarios:

- a) Larger local businesses which are considered to be important to the local economy, this could either be on an Eden wide basis, or particularly important to a town or village
- b) Businesses considered to have unusually high costs, relevant to their size, as a result of national restrictions

Further information on this opportunity will be provided on this in due course.

Application process

19. It is not possible for the Council to quantify how many businesses are in our area which will potentially meet the criteria set out in the policy. However, it is expected that the number of businesses eligible for this scheme will be fewer than those eligible through the previous discretionary grant scheme. The reason for this is that businesses with a rateable value of over £51,000 are not excluded from the LRSG and the restrictions are less restrictive than the previous grant scheme allowing a larger number of businesses to continue trading. Furthermore, grants given out through this scheme are smaller in general than those provided through the previous discretionary scheme.
20. The Council therefore has confidence in opening up the scheme to businesses to apply, without utilising a two week application window approach as was previously taken. Applicants should however not rush their application and take time to ensure all questions have been answered clearly and correctly with the appropriate evidence provided. If not, then this is likely to slow down the process of getting grant funding out to businesses or could lead to the grant application being refused for failure to provide the correct information in the requested format.
21. The Council will review this scheme on 1 December 2020 in light of Government proposals for 3rd December 2020 onwards.
22. An online application for the grant fund will be made available on Eden District Council's website. A printable version is available which businesses can complete and return with **all the relevant documents** to: Additional Restrictions Grant Fund, Eden District Council, Town Hall, Penrith, Cumbria, CA11 7QF. Please request this form by email from discretionarygrantfund@eden.gov.uk. For businesses who do not have access to the internet, businesses can call 01768 817 817 to request an application form is sent out to them. Please ensure your application is returned answered fully with **all the relevant documents attached**.
23. It will be important that you provide all the information accurately and truthfully, and provide all the supporting documents that are requested. Failure to do so could lead to your application being declined or significantly delayed.
24. Once your application has been received, the Council will seek to reach a decision within 10 working days, and for successful applicants to receive the money within 15 working days of their application being submitted.
25. You must answer all of the questions honestly when completing your application, if the Council suspects any business is trying to fraudulently claim the grant, it will

investigate accordingly. Where evidence of fraud is present, we will prosecute the offending business.

Appeals Process

26. There is no right to appeal and the decision of the Council is final.
27. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

What evidence will I need to provide?

28. The Council is relying on businesses to be honest and open with the Council and present to us their evidence of need and eligibility for the Discretionary Business Grant Fund.
29. As part of your application you will need to provide the following information.

Information	Evidence Required	Comment
Payment details	Copy of bank statement clearly showing name, address, sort code and account number	This must match the name of the business or individual listed on the business rates bill or lease/mortgage agreement
Evidence of trading on or before 4 November 2020	This will be done on self-declaration and verified using other evidence provided as part of your application.	Where you have a business rates account this will be sufficient as the date liable will be used. For businesses that are not rated we reserve the right to ask for additional evidence if required. This could be in the form of stock orders, lease agreements etc.
Evidence of eligibility under state aid rules	This will be done by way of self-declaration on the online application form	If you are unsure whether state aid applies to your business you need to seek independent legal advice

Definitions

30. "Bed and Breakfast" - The property should be wholly or mainly used as guest premises and will in most cases be registered as a food businesses with the Council. Properties which are mainly domestic and renting a spare room through 'Airbnb' or similar are not eligible.
31. "Self-catering holiday cottage" - Self-catering holiday cottages which are available to let for short periods that total 140 days or more per year should be rated as a self-catering property and valued for business rates. Those which are registered for business rates will be eligible through the Local Restrictions Support Grant (Closed) scheme, those which meet the criteria to be registered for business rates but have

not yet transferred over will be eligible through this scheme. Those who do not meet the 140 days criteria will not be eligible for either scheme.

32. “Market Traders” refers to traders on weekly or monthly markets or street traders. Where market traders operate in more than one Cumbrian Local Authority area, they should apply to only one Local Authority for a grant, this should be the Local Authority area in which they primarily operate.

State Aid

33. 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. 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.
33. The Council will require each business to confirm that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with State aid requirements.

Tax

34. Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

Data Protection

35. We are committed to protecting your personal data and privacy and to complying with the requirements of the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and other privacy laws. The information you supply on this form may be shared with our contractors and partners, who help to deliver our services. We will only retain your personal data for as long as necessary to fulfil the purposes it was collected for, after which time it will be securely deleted. For more information on how we protect your personal data, see our [Corporate Privacy Policy](#).

Right to update the policy

36. The Council reserves the right to update and change this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error or omission.