

Eden District Council Additional Restrictions Grant 2022 (ARG 2022) Policy (Updated January 2022)

Background

1. In December 2021 the Government announced a top-up to the Additional Restrictions Grant (ARG) fund to be provided to Local Authorities. This third top up amount is in response to the Omicron variant which is having an ongoing impact on some businesses. This additional funding will be based on a per-business calculation and will be available from January 2022.
2. Eden District Council has been awarded £154,315 funding in this third top up to support businesses impacted by the ongoing pandemic. It is expected that this money will be spent on direct business grants. This policy sets out the criteria and process for the provision of ARGs to businesses. Eden District Council recognises the importance of issuing grants quickly to businesses who are impacted by restrictions but not eligible for the Omicron Hospitality and Leisure Grant, which provides grants to eligible businesses in hereditaments on the rating list which are in the eligible sectors listed on [our website](#).
3. The Government has set some national criteria which the Council must follow in terms of which businesses it can support. However, the Government has given discretion to local authorities to determine which businesses to support within the national criteria. In determining this revised scheme, the Council has sought to balance the amount of money available with the number of businesses it can support. For the avoidance of doubt, the Council does not have the discretion to assist businesses that fall outside the Government set national criteria.

The Government guidance to Local Authorities for ARG can be seen here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044351/additional-restrictions-grant-la-guidance.pdf

National Criteria

4. The Government has set out that where the ARG is used for provision of grants it must meet the following conditions:
 - Businesses that are 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 and should be declared to HMRC
 - ARG funding should not be used as a wage support mechanism

- Businesses that have already received grant payments that equal the maximum permitted levels of subsidy are not eligible for funding under this scheme. (see points 40 – 44 below)
5. The Government encourages Local Authorities to develop schemes to help businesses from all sectors that may have been severely impacted by coronavirus restrictions and the rise of the Omicron variant, including those outside of the business rates system.
 6. The guidance was updated on 30 December 2021, flagging sectors that are eligible for this round of ARG support:
“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.”
 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/1044351/additional-restrictions-grant-la-guidance.pdf

Eligibility

8. The Council plans to align its ARG Scheme with the Government proposal outlined above for eligibility. The Council’s scheme will be predominantly focussed on those businesses who demonstrate their eligibility as being severely negatively impacted by the ongoing pandemic and the spread of the Omicron variant.
9. Eligible businesses are as follows:
 - a) Mobile working / home based businesses severely negatively impacted by the pandemic since the Government announcement to move to Plan B on 10th December 2021.
 - b) Occupiers of commercial spaces that are not on the rating list (e.g. shared spaces / rent a chair businesses which rent space within a physical location, B&Bs who pay council tax, physiotherapists renting a room) and who have been severely negatively impacted by the pandemic since the Government announcement to move to Plan B on 10th December 2021
 - c) Businesses who are ratepayers of hereditaments on the rating list but not eligible for the Omicron Hospitality and Leisure Grant, who can demonstrate they have been severely negatively impacted by the

pandemic since the Government announcement to move to Plan B on 10th December 2021

Businesses must also meet the following criteria:

- i. The business meets the National Criteria above (see points 4 - 7);
- ii. The business has clearly demonstrable fixed costs;
- iii. The business is currently experiencing severe hardship and loss of trade as a result of the spread of the Omicron variant and the move to Plan B on 10th December 2021;
- iv. The business is Eden based; AND,
- v. The business is not eligible for an Omicron Hospitality and Leisure Grant.

10. Businesses who are not eligible for the ARG are:

- 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. Self-catering cottages which remain on Council Tax are not eligible to apply for this grant scheme
- Businesses that do not meet the National Criteria (see point 4 – 7)
- Businesses that can continue to trade and do not need to provide an in-person service from a business premises - for example accountants or solicitors or bookkeepers
- Businesses eligible for the Omicron Hospitality and Leisure Grant
- Businesses that have already received grant payments that equal the maximum permitted levels of subsidy (See section 41 to 45 below)
- Properties which are mainly used for domestic purposes and renting a spare room or rooms through 'Airbnb' or similar platforms
- Businesses who have received discretionary grant funding (either the Discretionary Grant Fund or Additional Restrictions Grant) from any other local authority and are therefore deemed to be wholly or mainly based within another local authority boundary
- Businesses that are in administration, insolvent or where a striking-off notice has been made
- 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

11. This scheme is aimed at locally based Eden businesses, therefore in order to be eligible for the scheme, the business must be predominantly based in Eden District (majority of trade being in and/or headquarters based within Eden District). Evidence of this may be requested where it is not immediately evident as part of the assessment.

12. For the avoidance of doubt, applications from businesses under ARG are strictly one application per business (not per business property/heredity). This applies to ARG schemes across multiple and neighbouring local authorities. Businesses both within and outside the business ratings list with multiple properties should only submit one application per business. Multiple applications received from the same business entity will be declined.

13. We would expect applications from the following types of businesses that have been eligible for support through the grants schemes previously (though this does not exclude your business if you haven't applied previously). This is not an exhaustive list, but we would expect applications from:
- Leisure and Hospitality businesses who are not on the business rating system
 - Leisure and Hospitality supply chain businesses who are not on the business rating system
 - Local cultural and heritage organisations who are not on the business rating system
 - Outside catering and event industry supplier companies, including wedding suppliers;
 - Local manufacturers creating products locally (as opposed to providing a service from their premises) i.e. food and beverage producers, breweries, printers, apparel producers etc;
 - Or any other business not covered above which is able to demonstrate that they have been severely negatively impacted by COVID-19 since the Government announcement to move to Plan B on 10th December 2021. As these businesses are undefined, further evidence may be requested where it is not easily evident as part of the assessment that they meet this criteria.
14. We will look to support as many businesses as possible through this ARG round, though businesses are reminded that the Council expects demand to be high and there is limited ARG funding available.
15. The Council reserves the right to update this policy, refuse applications or withdraw this grant scheme entirely based on the amount of funding available. Should the demand for ARG outstrip the funding allocation, then priority businesses and funding amounts may be revised without prior notification to applicants.

How much is available?

16. The Council has £154,315 available under this scheme to support businesses. This funding must be spent by 31 March 2022.
17. Local Authorities are able to determine the level of grant payment available under this scheme and therefore the amounts available may vary across England.
18. The Council will use its discretion to determine the final grant award amounts to individual businesses. In previous discretionary schemes, we have aimed to keep parity between the main and discretionary grant schemes, however, we recognise that every round of discretionary funding has experienced very high demand, and that is it likely that we will not be able to support all businesses for this round of ARG 2022 funding, neither will we be able to offer parity to previous schemes due to the lower level of ARG funding expected.

19. Grant award amounts will be determined once the Council has assessed the demand there is for ARG 2022 against the allocation received. Factors will include severity of hardship, rateable value (or lack thereof), number of employees, fixed property costs, annual turnover (and subsequent losses), and business type and sector, in order to help determine the final grant award amount.
20. So as to offer an estimated indication to businesses, we expect to be granting successful applicants in the region of £250 to £2,500 (subject to allocation of funding from Government to Eden District Council and number of applications received) through the ARG 2022 grant scheme subject to a demonstration of severe impact as a result of the Omicron variant over the Christmas period and January 2022. As such, final grant award amounts will be confirmed to businesses once the scheme is closed and the business is formally notified of their grant approval. These grant awards will be final, with no right to appeal against the amounts awarded.

Guiding Principals

21. It is recognised that each local authority area will have its own specific economic make up and that need will be different in each area. The Council anticipates that the demand for discretionary grants will be greater than the amount of money we receive from Government. As such, it is important that we clearly set out the principals that will guide the Council in determining which businesses it is able to help and which it will not.
22. The Council will aim to support as many eligible businesses as possible with the money received from Government, while keeping the individual grant amounts high enough that they will provide meaningful support to those businesses.
23. In addition to the criteria set out by Government, the Council recognises through its experience in administering the COVID-19 grant schemes and through its knowledge of the local economy the need to support certain business types that are particularly prevalent in Eden District and have not been eligible for support under the main grant schemes such as Restart Grants and Omicron Hospitality and Leisure Grants.
24. Taking in to account the above points, the Council retains and reserves the right to pay grant awards and/or top up amounts to businesses based on past or future ARG applications to a sum that is deemed appropriate for that business, dependent on levels of funding from Government, and based on eligibility through other grant schemes, business size, sector, number of employees, property costs, and any other factors deemed relevant by the Council.
25. Eligibility under previous grant schemes will not preclude businesses from applying under ARG 2022, as long as the business is clearly demonstrating hardship, but amounts of grants received by a business in the past may be taken in to account when funding amounts are determined.

Application process

26. An application form will be required from all applicants to this scheme. Previous eligibility will not determine eligibility for this scheme.
27. It is not possible for the Council to quantify the number of businesses in our area which will potentially meet the criteria set out in the policy. Once the funding is exhausted this scheme will close to applicants so applicants are encouraged to apply sooner rather than later.
28. 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.
29. An online application for the grant fund will be made available on Eden District Council's website. For businesses who do not have access to the internet to be able to complete the form, please call 01768 817 817 to request an application form is sent out to you. This should be completed and returned with **all the relevant documents** to: Additional Restrictions Grant Fund, Eden District Council, Town Hall, Penrith, Cumbria, CA11 7QF. Any queries can be directed to discretionarygrantfund@eden.gov.uk.
30. 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.
31. Once your application has been received, the Council will seek to reach a decision within 10 working days. Due to the high demand that we are expecting through ARG 2022 combined with the limited nature of the funding, we have made the decision not to make any payments until the application window closes. You will be notified of your application decision only after this time. We ask for your patience at this time while we deal with many applications.
32. 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 the offending business will be prosecuted.

Appeals Process

33. There is no right to appeal and the decision of the Council is final.
34. 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?

35. 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 Grant Fund.
36. 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 30 December 2021	This will be done on self-declaration and verified using other evidence provided as part of your application.	For the purpose of this grant scheme, a business is considered to be trading if it is engaged in business activity. Examples of business activity include buying and selling goods or services in order to generate turnover, managing accounts,.
Evidence of eligibility under subsidy control rules	This will be done by way of self-declaration on the online application form	If you are unsure whether subsidy control applies to your business you need to seek independent legal advice. The Council cannot provide advice regarding subsidy control.

Definitions

37. “Self-catering holiday lets” refer to commercial holiday lets which are available to let for short periods that total 140 days or more per year, rated as a self-catering property and therefore valued for business rates. Those properties that are not able to have their own rateable value (where they are part of a wider business rates number), and are available for booking over 140 days per year will not be eligible through this scheme either. Those who do not meet the 140 days criteria will not be eligible for any grant scheme. Properties which are mainly domestic and renting a spare room or rooms through ‘AirBnB’ or similar platforms are not eligible.
38. “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 ‘Air BnB’ or similar are not eligible.
39. “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.

Subsidy Allowance (replacing State Aid)

40. The new domestic subsidy allowance for the COVID-19 business support grants took effect on 4 March 2021.
41. There are three subsidy allowances for this scheme set out below:
- Small Amounts of Financial Assistance Allowance – you're allowed up to £335,000 (subject to exchange rates) over any period of 3 fiscal years. 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;
 - 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).;
 - 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 certain conditions are met. Please see Government Additional Restrictions Grant guidance here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044351/additional-restrictions-grant-la-guidance.pdf (specifically points 89-93) for these conditions, which will need to be fully satisfied to receive a grant.

Grants under these 3 allowances can be combined for a potential total allowance of up to £12,235,000 (subject to exchange rates).

42. The Council must be satisfied that all subsidy allowance requirements have been fully met and complied with when making grant payments.
43. 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 subsidy allowance requirements.

44. For further information on Subsidy Allowances, please refer to points 83-93 within the Government Additional Restrictions Grant guidance:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044351/additional-restrictions-grant-la-guidance.pdf

Tax

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

Data Protection

46. 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 the application 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 [Privacy Policy](#).

Right to update the policy

47. 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.