



# Additional Restriction Grant Policy Document – July 2021

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## Document Control

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### Revision History

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### Document Approval

Version	Approved By	Date
	Human Resources	
	Corporate Leadership Team	
	Trade Union Consultation	
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	Full Council	

### Document Distribution

This policy is to be distributed to all staff and elected members of Copeland Borough Council and placed on the Council’s Intranet Site. A copy must also be provided to contractors and 3<sup>rd</sup> parties undertaking work on Copeland Borough Council premises.

### Contributors

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## **1. Purpose**

- 1.1 This document is a revision to the first Additional Restrictions Grant (ARG) scheme, and details the revised eligibility criteria that will apply to the third tranche of ARG funding, which relates specifically to the reopening of businesses in line with the roadmap, effective from 1 April 2021 onwards.

## **2. Policy Benefits**

- 2.1 ARG funding aims to support businesses severely impacted by COVID-19 restrictions. This may primarily take the form of discretionary grants to businesses, but Local Authorities can also use the funding for wider business support measures.

## **3. Introduction**

- 3.1 In response to the restrictions imposed on 5 November 2020, the government announced that there would be support for businesses that were unable to access other grant funding.
- 3.2 Copeland was awarded £1,363,660 under tranche 1, which coincided with the second national lockdown between 5 November 2020 and 2 December 2020. This was topped up during the third national lockdown in January 2021 by £605,673. The third tranche of funding will be paid in July 2021 and Copeland is due to receive £444,277.
- 3.3 Councils are unable to access the third tranche of funding until the first two allocations have been distributed to businesses. Councils have been given until 30 July 2021 to use the first two allocations.
- 3.4 Copeland has distributed £1,969,333 and has submitted a request to Government for the final payment of £444,277.
- 3.5 A small amount of the third tranche will be used to ensure bespoke advice is available for Copeland's businesses. The remainder will be used to pay direct discretionary grants to those that meet the conditions set out in this policy.
- 3.6 To date, the ARG scheme has supported approximately 350 local businesses with a regular monthly payment since the second national lockdown. In total 1,776 grants have been awarded under this scheme.

3.7 The final payment of £444,277 must be used before 31 March 2022.

## 4. Policy Details Including Procedures

### 4.1 Eligible Businesses

4.2 Businesses must be trading in order to access grant funding. Previously eligible trading dates were provided for each of the grant schemes. This is no longer the case. For the purpose 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 in order to generate turnover. Other trading indicators are:

- i. The business has staff on furlough;
- ii. The business trades on-line or via click and collect;
- iii. The business is engaged in business activity such as managing accounts and preparing for re-opening by planning and implementing COVID safe measures.

4.3 The following businesses will be supported under this scheme:

- i. Businesses with fixed property costs that are specifically excluded from the business rates system, or are not the direct ratepayer and are therefore not eligible for the Restart Grant, including B&Bs registered for council tax or small businesses in shared spaces with fixed costs who provide in-person services, including hair and beauty businesses;
- ii. Freelance and mobile businesses, including caterers, event organisers, personal care and wedding related businesses;
- iii. Transport and travel businesses, including travel agents, coach and group travel operators, couriers and taxi drivers;
- iv. Wholesalers or supply chain companies supplying the non-essential retail, leisure and hospitality sectors, including breweries;
- v. Sector specific businesses that are impacted following the decision to delay stage 4 of the government roadmap, including those businesses that have received a Restart Grant, such as theatres and nightclubs;
- vi. Any other business not covered above with fixed costs, which is able to demonstrate that they have been severely impacted by the phased lifting of restrictions and/or postponement of reopening linked to the government roadmap only. Or, where they have been

mandated to isolate by a test and trace service, due to testing positive or coming into contact with someone who has tested positive, and they must close the business completely. Businesses will be asked for further evidence if applying under this section.

## 5.0 Ineligible Businesses

5.1 The following businesses are ineligible for funding under this scheme:

- i. Businesses that are not based in Copeland, or where the majority of trade operates outside of Copeland;
- ii. Businesses that are insolvent or where a striking off notice has been made;
- iii. Businesses that have already received grants that equal the maximum permitted levels of subsidy;
- iv. Businesses that are attempting to use ARG funding as a wage support mechanism, rather than direct support for the business;
- v. Residential landlords, as it is appropriate for tenants in arrears to access the relevant government support such as Universal Credit and Housing Benefit to help with housing costs.

## 6. Grant Amount

6.1 Awards under the Additional Restrictions Grant fund are cash limited and therefore expenditure will not exceed the amount determined under 3.7 of this policy.

6.2 If the fund is oversubscribed, the Council reserve the right to amend grant levels based on applications received and approved.

6.3 Any changes to grant amounts will be approved by the Director of Financial Resources (s151 Officer) for the authority.

6.4 The following will be taken into account when determining the appropriate grant amount:

- Level of annual fixed ongoing business costs or the rateable value, if applicable.

## 6.5 Estimated grant amount:

Fixed ongoing annual business costs	Amount of Grant to be received
Fixed ongoing business costs or rateable value up to £5,000	Up to £500
Fixed ongoing business costs or rateable value between £5,001- £20,000	Up to £2,000
Fixed ongoing business costs or rateable value between £20,001 - £30,000	Up to £3,000
Fixed ongoing business costs or rateable value between £30,001 - £40,000	Up to £4,000
Fixed ongoing business costs or rateable value between £40,001- £50,000	Up to £5,000
Fixed ongoing business costs or rateable value greater than £50,000	Up to £6,000

6.6 Applications will be considered using the above criteria and using the following hierarchy:

- i. Rateable value
- ii. Fixed ongoing business related costs

6.7 A two week application window will open from 12 July 2021 to 25 July 2021. Following this period, The Director of Financial Resources may alter the grant amounts detailed above, based on applications received and processed. This will ensure the maximum number of businesses receive support and will reduce the risk regarding any overspend for the authority. Businesses will be informed of their grant amount accordingly.

## 7. Information Required to Support Applications

7.1 Each application must be accompanied with the following evidence:-

- A business bank statement dated in the last 2 months;
- A utility bill for the business dated in the last 2-3 months;
- Confirmation of annual fixed property related costs for the business;
- Confirmation of employee numbers;
- Confirmation of turnover for 2019-20 and 2020-21 either by providing copies of accounts, or a covering letter from the business Accountant, if required.

7.2 The council reserves the right to request additional evidence from the business, if required.

## 8. Application

8.1 On line – <https://www.copeland.gov.uk/additional-restrictions-grant>

## 9. Payment

9.1 If Copeland Borough Council is provided with a completed application, along with all requested evidence specified under 7.1 of this policy, payment will be made to the bank account provided within 14 days of the application closure date.

## 10. Subsidy Allowance

10.1 On 4 March 21 new subsidy allowances were established for the COVID-19 business grant schemes.

10.2 This scheme is covered by three subsidy allowances:

- Small Amounts of Financial Assistance Allowance – businesses are allowed up to £335,000 subject to exchange rates over any period of 3 years. Businesses may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances.
- COVID-19 Business Grant Allowance – businesses are allowed up to £1,600,000. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received. This allowance can be combined with the Small Allowance to equal a threshold of £1,935,000.
- COVID-19 Business Grant Special Allowance – if a business has reached the limits under the Small Amounts of Financial Assistance Allowance and the COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 providing certain 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 £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; 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.
- 10.3 Applicants must be able to provide the necessary documentation to demonstrate eligibility for funding under the COVID-19 Business Grant Special Allowance.

## **11. Refusals and the Right to Appeal**

- 11.1 There is no statutory right of appeal under this scheme.
- 11.2 Where the conditions of this policy are not satisfied, Copeland Borough Council will write to the business setting out the reasons for refusal.

- 11.3 If the business remains aggrieved, they must write to the Council outlining the reasons for their appeal.
- 11.4 Where an appeal is received, an officer other than the original decision maker will reconsider the decision and notify the business accordingly. The Director of Financial Resources will be consulted, if appropriate.

## **12. Fraud**

- 12.1 Copeland Borough Council will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain a grant will face prosecution. Any funding will be subject to claw back, as will any grants paid in error.
- 12.2 The governments Grant Management and Counter Fraud Function has been made available to assist local authorities in identifying fraud swiftly.

## **13. Monitoring & Review**

- 13.1 This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose.

## **14. Data Protection and Sharing Information**

- 14.1 The information provided by the Business, or applicant on their behalf, will be treated as confidential in accordance with the law. The Council has a duty to protect the public funds it administers, and may use information held about the business where the law permits, including but not limited to the prevention and detection of fraud. This may include sharing information with other council services and other organisations who administer public funds.

## **15. Government Guidance**

- 15.1 The full government guidance can be viewed here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/984335/additional-restrictions-grant-la-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/984335/additional-restrictions-grant-la-guidance.pdf)