

Additional Restrictions Grant (ARG) Policy including Eligibility Criteria Round 3: June/July 2021 – Reopening Safely

Purpose of this document

1. This document is a revision to the first and second SLDC Additional Restrictions Grant (ARG) scheme, and details the revised eligibility criteria and procedures that will apply to the third ARG round, specifically relating to businesses reopening safely in line with the Government roadmap, effective from the 1 April 2021 onwards.

Background

2. The Government has announced a second top up amount to the discretionary Additional Restrictions Grant scheme, administered by local authorities. The first ARG (Round 1) coincided with the second national lockdown between 5 November and 2 December 2020, with the first top up ARG (Round 2) coinciding with the third national lockdown from 5th January onwards. The newest (second) top up amount (Round 3) will coincide with the easing of restrictions and will support businesses to reopen safely.
3. This support will continue to take the form of a grant funding scheme and can be used across Financial Years 20/21 and 21/22. The scheme will be administered by business rate billing authorities in England.
4. Local authorities can use this funding for business support grants. Local authorities have the discretion to use this funding for wider business support activities also. The vast majority of ARG funding will primarily take the form of discretionary grants directly to the South Lakes business community. SLDC will include a small proportion of ARG to go towards the SLDC business support programme through 2020/21 and 2021/22.
5. South Lakeland received £2,101,760 for the initial ARG scheme, with an additional £933,502 received through the first top-up ARG scheme. Government have now confirmed that a second top up allocation of £1,126,421 is available to SLDC through ARG, subject to certain terms and conditions being met.
6. To date, the ARG scheme has paid 1,494 business grants totalling £2,753,320 through two open grant application windows and one automated payment round to previous discretionary grant recipients. Any remaining funding from previous rounds as well as the new top up allocation will now go towards Round 3.
7. While this funding needs to see South Lakeland businesses through to the end of the 21/22 financial year, Government have made it clear that a significant portion of this funding should be administered and granted as quickly as possible.

8. The Council has no guarantee that it will receive future funding of this kind. Therefore, the Council reserves the right not to spend the full allocation during this revised grants scheme in order to ensure future finance is available to support businesses over a longer time period for which the ARG funding has been issued.
9. The Government has set some national criteria which the Council must follow in terms of which businesses it can support, but has given discretion to local authorities to determine which businesses to support within this national criteria. In determining this revised scheme, the Council has sought to balance the amount of overall money it has received to distribute, 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.

National Criteria

9. The Government has set out that where the Additional Restrictions Grant is used for the provision of grants, it must meet the following conditions:
 - Businesses that are in administration, insolvent or where a striking-off notice has been made are not eligible for funding under this scheme;
 - Any grant income received by a business is subject to taxation;
 - Any grant income is subject to Subsidy Allowance regulations, that is, businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding;
 - ARG funding should not be used as a wage support mechanism, but rather be directed to businesses to support their business related fixed property/overhead costs.
10. The Government has encouraged Local Authorities to develop schemes to help businesses severely impacted by the restrictions put in place to control the spread of COVID-19.
11. The guidance also suggests Local Authorities should take into account businesses outside of the business rates system, businesses that have not received any other grant support, the level of fixed costs of the business, the number of employees the business has, whether it is unable to trade online and the consequent scale of coronavirus losses.
12. Finally, the guidance proposes that Local Authorities can 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 main grant schemes, subject to Subsidy Allowance thresholds. This will only be considered once it is confirmed that enough funding remains to do so.

13. For further information, please see Government guidance for the [Additional Restrictions Grant: Guidance for Local Authorities](#).

Eligibility Criteria

14. Businesses who are not eligible for a Restart Grant and meet the following eligibility criteria are welcome to apply for an Additional Restrictions Grant:

Category A

Sector specific 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:

- i. B&Bs registered for council tax rather than business rates;
- ii. Small businesses in shared commercial space with fixed property costs, who provide in-person services and who do not have their own business rates assessment or are not the direct business ratepayer, including (but not exclusively) personal care services such as hairdressers, beauty therapists, physiotherapists etc;
- iii. Regular market traders selling non-essential retail goods.

Category B

Sector specific businesses with fixed property costs within the business rates system that are identified as priority businesses and that are specifically excluded from the Restart Grant scheme:

- i. Local manufacturers creating products locally (as opposed to providing a service from their premises) i.e. food and beverage producers, printers, apparel producers etc;
- ii. Wholesalers or supply chain companies supplying the non-essential retail, leisure and hospitality sectors (businesses where supply to essential retailers accounts for 50% or more of their business are not eligible);
- iii. Outside catering and event industry supplier companies, including wedding suppliers;
- iv. Tour and Group Travel Operators;
- v. Nursery and childcare businesses;
- vi. Local charities, cultural and heritage organisations and outdoor education organisations specifically excluded from Restart Grants;
- vii. Kennels and catteries that provide animal boarding facilities for leisure purposes as opposed to welfare facilities for rescue animals;
- viii. Town and Parish Councils that provide leisure facilities otherwise excluded from the Restart scheme.

Category C

Any other business not covered in the above priority categories with fixed property costs which is able to demonstrate that they have been severely impacted by the phased lifting of restrictions and the knock on effect of business-related restrictions linked to COVID-19 and the Government Roadmap only.



As these Category C businesses are undefined by sector or type, further evidence may be requested where it is not easily evident to the assessor that they meet this criteria.

Category C will only be considered if there are adequate remaining funds once Categories A and B businesses have been assessed.

15. Applications from businesses are strictly one application per business (and not one per business property). This applies to ARG schemes across multiple and neighbouring local authorities also. Businesses outside the business ratings list without a rateable value should only submit one application per business.
16. This scheme is aimed at locally based South Lakeland businesses, therefore in order to be eligible for the scheme, the business must be predominantly based in South Lakeland (majority of trade being in and/or headquarters based within South Lakeland). Evidence of this may be requested where it is not immediately evident to the assessor.
17. The Council reserves the right to update this policy, refuse applications or withdraw this grant scheme entirely based on the amount of funding remaining. Should the demand for ARG Round 3 outstrip the funding allocation, then priority businesses and funding amounts may be revised without prior notification to applicants.

How much is available?

23. Local Authorities will use their discretion to decide the amount of funding awarded to individual businesses. In previous discretionary schemes, we have aimed to keep parity between the main and discretionary grant schemes, however, we recognise that all our discretionary schemes have been in very high demand, and that it is likely that we will not be able to support all businesses through ARG Round 3, neither will we be able to offer parity in most instances due to the level of ARG funding expected.
24. Grant award amounts will be determined once the Council can ascertain how much demand there is for ARG Round 3. Factors will include business reopening dates, rateable value, number of employees, fixed property costs, annual turnover, or business type and sector to help determine the final grant award amount.
25. So as to offer an estimated indication to businesses, we expect the majority of businesses to receive in the region of £1,000-£2,000 through the ARG3 grant scheme. 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

26. 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 the discretionary grants will be greater than the amount of money we have received from Government and, 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.

27. 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.
28. 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 South Lakeland and have not been eligible for support under the main grant schemes such as Restart Grants.
29. Taking in to account point 28, 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 awarded 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.
30. It is important to note that this grant scheme is per business not per hereditament (business rated property). Businesses with more than one property will only be eligible to apply for one grant. If a business is eligible for a Restart Grant, they **will not** be eligible to apply for an ARG, even for additional properties that aren't eligible under the Restart Grant, unless otherwise determined by the Council in extenuating circumstances.

Exclusions

31. The following businesses are excluded from applying through this ARG scheme:
 - Business that do not meet the National Criteria (see point 9);
 - Businesses that are eligible through the Restart Grant scheme;
 - Businesses based outside South Lakeland where their majority of trade is outside South Lakeland;
 - Financial and legal professional services;
 - Self-catering holiday accommodation not in the business rates list (see point 44);
 - Properties which are mainly domestic and renting a spare room or rooms through 'Airbnb' or similar platforms;
 - Businesses who have received ARG funding from any other local authority and therefore deemed to be based outside South Lakeland.

Application process

32. To manage funding more effectively and ensure grant funding can support as many eligible businesses as possible, similar to previous ARG rounds, we will utilise a time

limited application window for all applications to be submitted online. The Council reserves the right to end early or extend this window, should it be deemed necessary. Applicants should not rush their application and should take their time to ensure all questions are answered clearly and correctly with the appropriate supporting information and documentation provided. Applications will not be accepted after the publicised deadline (see [SLDC Business Grants Page](#) for confirmation of this deadline).

33. The Council has revised the ARG online application form to reflect changes in Government guidance and those within this revised policy. This application process must be completed in all instances, even where applicants have received a discretionary grant previously. This is the only mechanism through which the Council will accept applications for ARG Round 3. If you have received a discretionary grant previously through the Discretionary Business Grant Fund or a previous ARG round, you should provide us with your most recent application number also.
34. The Council will continually review this scheme in light of any changes to national restrictions (and easing thereof), as well as remaining ARG funding.
35. For businesses who do not have access to the internet or who may struggle to apply, the Council may be able to assist you in completing the form by taking your information over the phone and complete the form on your behalf. You will need to provide documentary evidence to support your application, so please ensure you have collected all relevant documentation prior to seeking support from the Council. Please call 01539 793111 to speak with our business grants team to arrange this.
36. It will be important that you provide all the information accurately and truthfully, and provide all the supporting documents that is requested. Failure to do so could lead to your application being declined or payment being significantly delayed.
37. Most South Lakeland businesses will be familiar with our current turnaround aim for 10 working day for all grant application decisions. Due to the high demand we are expecting through ARG Round 3 as well as the limited nature of the funding, we have made the decision not to make the majority payments until the application window closes. You will be notified of your application decision only after this time. We ask for your continued patience at this time.
38. Therefore, our aim is to process all applications within application window, and successful applications will receive grants only after the application window closes. We will endeavour to make decisions as close to applications being received as we are able to, this way we can follow up for supporting information requests within this time period. This turnaround time will be significantly impacted if your business rates record is not up to date or you do not supply supporting evidence promptly if requested. Applications declined will be notified as soon as this decision is made, with a reason for refusal included in their declined notification email.
39. 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 seek to take action and prosecute the offending business/individual.

What evidence will I need to provide?

40. 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 ARG Round 3.
41. As part of your application you will need to provide us with detailed information and your businesses, to help determine your eligibility. An ARG Checklist is available on our [Business Grants webpage](#), please ensure you have read this and have everything ready to apply before starting your online application.
42. It will be important that you provide all the information accurately and truthfully, and provide all the supporting documents that are requested, whether through the application process or as a follow up to your application. Failure to do so could lead to your application being declined or significantly delayed.

Definitions

43. “Bed and Breakfasts” eligible through this grant scheme refers to B&B’s with fewer than six bed spaces and therefore registered for council tax. We would expect properties to be wholly or mainly used as guest or boarding premises and be registered as a food business with the Council. Relevant proof may be requested to prove eligibility. Accommodation providers under this definition not able to produce relevant licenses or permissions are specifically excluded from this scheme under the B&B eligibility criteria. Properties which are mainly domestic and renting a spare room or rooms through ‘AirBnB’ or similar platforms are not eligible.
44. “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 which are registered for business rates will be eligible through the Restart Grant scheme. Similarly, those which meet the criteria to be registered for business rates and are in the process of transferring to business rates from council tax will be eligible through the Restart Grant scheme (you must have notified us of the commercial usage of the property and be in the process of moving to business rates before the 1 April 2021). 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 be eligible through this scheme. 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.
45. “Market Traders” refers to traders on weekly or monthly markets within South Lakeland, or street traders. Where market traders operate in more than one 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 or where the majority of their income is made.

Appeals Process

46. There is no right to appeal and the decision of the Council is final.

47. 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 document.
48. This scheme is not intended to cover all businesses that have not been included in the main Government grant schemes. This grant is not intended as a wage support mechanism. There are other avenues of support that businesses have available through [other Government schemes](#).

Subsidy Allowance (formerly State Aid)

49. The new domestic subsidy allowance for the COVID-19 business support grants took effect on 4 March 2021. Applications made prior to that date are subject to the previous rules (State Aid).
50. This scheme is now covered by 3 subsidy allowances:
- Small Amounts of Financial Assistance Allowance – you're allowed up to £335,000 (subject to exchange rates) over any period of 3 years;
 - COVID-19 Business Grant Allowance – you're allowed up to £1,600,000 (subject to exchange rates) over any period of 3 years;
 - COVID-19 Business Grant Special Allowance - if you have reached your limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, you may be able to access a further allowance of funding under these scheme rules of up to £9,000,000, provided certain conditions are met.

Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

51. The local authority must be satisfied that all subsidy allowance requirements have been fully met and complied with when making grant payments.
52. 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.

Tax and provision of data to HMRC

53. Grant income received by a business is taxable, this includes the Additional Restrictions Grant. The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish their own tax position. All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

Data Protection

54. The Council treats all its information that it holds on file with the upmost care and confidentiality. For more on our Privacy Policies and to see how we use and share your data, please see here: www.southlakeland.gov.uk/your-council/council-business/data-protection-and-privacy-policy/privacy-policies/

55. Businesses applying through any local authority grant scheme should note that any details provided within the application will be shared with Government and Government departments for purposes of regular monitoring or reporting, anti-fraud activity, subsidy allowance records or research and evaluation purposes. Government may contact businesses directly for these purposes. Data will also be shared with Government for bank account and company checks through the National Fraud Initiative (NFI).

Right to update this policy

56. The Council reserves the right to update and change this policy without notification or prior warning in the event of the following: that Government updates or changes its guidance; that an error or omission is noted; that grant funding is no longer available or fully allocated; or any unforeseen circumstances or necessary changes required.