

Appendix 1

Additional Restrictions Grant policy

1. Introduction

1.1. In response to the COVID-19 pandemic, in October 2020, the Government announced a further package of financial assistance to support businesses in their local area under Local Covid Alert Level Very High (LCAL3) or national restrictions.

1.2. On 31 October 2020 the Government announced the introduction of the Additional Restrictions Grant (ARG). This is a discretionary scheme which in part, has been introduced to support businesses that are not eligible for the Local Restrictions Support Grant (LRSg) (Closed) The LRSg is only eligible to retail, hospitality and leisure businesses that were mandated to close and are within the business rates system. Both schemes are administered at a local authority level.

1.3. On 5 November 2020 England entered into a 28-day period of national restrictions.

1.4. Between June and September 2020 a Local Authority Discretionary Grant Fund (LADGF) was implemented to support businesses ineligible to apply for existing grant schemes launched in April 2020, which were linked to business rates, namely, the Retail, Hospitality and Leisure Grant (RHLGF) and the Small Business Grant Fund (SBGF).

1.5. This new ARG discretionary scheme allows Local Authorities increased discretion, with minimal national qualifying criteria being stipulated by the Government.

1.6. The Government has provided written guidance to Local Authorities on the requirements of the Discretionary Grants Scheme. Links to that guidance are included later in this policy.

2. Aim of this Policy

2.1. This policy sets out the approach that will be taken by Rugby Borough Council in relation to the Additional Restriction Grant (ARG) Scheme. It aims to support qualifying local businesses that have been severely affected by the national restrictions which were imposed on 5 November 2020.

2.2. The Policy seeks to provide clear guidance to potential applicants about the nature of the fund, the eligibility criteria, the types of businesses that this scheme is designed to assist and the level of grant funding that will be available.

2.3. This policy should be read in conjunction with the Government Guidance which has been issued to all Local Authorities in order to enable them to develop their local level scheme.

2.4. The Government Guidance document can be found at [local restrictions support grants LRSg and additional restrictions grant ARG guidance for local authorities](#).

3. Administration of the Additional Restrictions Grant Scheme

3.1. Rugby Borough Council is responsible for administering the Additional Restrictions Grant Scheme to eligible businesses within its geographical boundary.

3.2. Under the Additional Restrictions Grant, the Government will allocate a one-off lump sum based on £20.00 per head of the population (ONS 2019 Mid-Year population estimates) in each eligible Local Authority when LCAL Very High or national restrictions are imposed. All Local Authorities in England are eligible under the scheme due to the national restrictions that came into force on 5 November 2020.

3.3. The above-mentioned sum is a one-off lump sum funding allocation. As such, if a Local Authority exits LCAL Very High or National Restrictions and then re-enters at a later date, it will not receive an additional payment.

3.4. Local Authorities have the discretion to use funds for wider business support initiatives. As such, other initiatives or schemes may be implemented alongside this grant scheme at Rugby Borough Council's discretion.

3.5. For Rugby Borough Council the total Additional Restrictions Grant fund amounts to £2,178,700.

3.6. Rugby Borough Council will limit the total amount of awards granted under the discretionary Additional Restrictions Grant Scheme to the limit of funding that has been provided by Central Government.

3.7. Once the above limit has been reached through grant payments or other business support initiatives, there can be no further payments made to businesses under this Additional Restricted Grant Scheme, whether or not they meet the eligibility criteria set out in this policy document.

3.8. The funding for this scheme can be used across financial years 20/21 and 21/22. Rugby Borough Council has until 31 March 2022 in which to spend this sum.

4. Businesses that will be supported under Additional Restrictions Grant Scheme

4.1. Any small & medium sized (SME) business based in Rugby Borough can apply regardless of whether they have claimed a COVID grant previously. We will prioritise awards to businesses which have been severely affected by the pandemic who fall in to one or more of these categories:

- a business premises forced to close which are not liable to pay business rates and are not covered by the Local Restrictions Support Grant (Closed) scheme
- a business that supplies retail, leisure, events, personal care, accommodation, or entertainment venues which could not operate or has been severely affected in its ability to operate during the restrictions period including for example:
 - businesses supplying restaurants, pubs or offices
 - businesses supplying those retail stores forced to close
 - a marquee or gazebo hire business
 - a printing business supplying event promotional material
- operate in the cultural and creative sector
- home-based businesses, self-employed and freelancers
- market traders resident in Rugby Borough who operate a stall regularly in Rugby Market

4.2 Severely affected are those businesses that have suffered a substantial reduction in their total income received.

5. Eligibility criteria for the discretionary Additional Restrictions Grant Scheme

5.1 Ineligible businesses:

- Businesses that are subject to strike off notice, insolvency or administration
- A business with a trading address which is not within the local authority area of Rugby Borough. Not to be confused with a registered address, a trading address is the address detailed on a company's invoice and the address to which customers, banks or suppliers correspond.
- Those businesses which do not qualify as a small or medium sized (SME) business. An SME business is one with fewer than 250 employees and which has an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million

5.2. Eligible businesses:

- Businesses are eligible, where one or more of the below statements apply:
 - Non-rated businesses that have been mandated to close but are ineligible to apply for a grant under the Local Restrictions Support Grant (Closed) scheme.
 - Businesses which have previously been awarded grants under the Small Business Grant Fund (SBGF) or Local Authority Discretionary Grant Fund (LADGF).
 - Businesses that are NOT mandated to close but are severely affected by national restrictions and/or other factors associated with COVID-19.
- Businesses that have applied for the Coronavirus Job Retention Scheme (the so-called furlough scheme) are eligible to apply for a grant under this scheme.
- Businesses that are eligible for the Self-Employed Income Support Scheme (SEISS) are eligible to apply for a grant under this scheme as well.
- Businesses must have been trading on 4 November 2020 to be eligible to apply for a grant under the Additional Restrictions Grant Scheme.

5.3. The Council will need to see proof that any business making an application was trading on the 4 November 2020 and as such was NOT in administration, insolvent or where a striking off notice has been made.

5.4. Applicants to this scheme will be required to make a legal declaration that they meet the above eligibility criteria.

6. Amount of individual grants that businesses will receive

6.1. Rugby Borough Council have been awarded a total of £2,178,700 to support businesses during the period of national restrictions which commenced on 5 November 2020. This sum is one-off total fund allocation and, at this time, no further monies are expected from the Government to support businesses in circumstances where similar national restrictions are applied.

6.2. Rugby Borough Council has currently allocated 50% of the total ARG fund allocation towards this current grant payment scheme (ARG). It is reserving the balance that remains to assist the Borough's local businesses with future support initiatives and projects in 2021/22. The Council reserves the right to vary the amount allocated to the current scheme.

6.3. The grant will be assessed for those businesses with a substantial drop in income based on:

- the business premises rateable value,
or
- where the business is not liable for business rates, i.e., a business in shared space, the total monthly non-staff fixed costs of the business (for example operational costs that cannot be avoided in the period including business rent, business mortgage payment, service charges, utilities, licences etc).
- the number of those employed in the business.

6.4 The amount of grant awarded will be as follows:

Rateable value or fixed costs	Number of employees	Grant Payment
No commercial premises Or Business fixed costs of £500 per month or less	0-1	£500
Rateable value of £15k or less Or Business fixed costs above £500 per month but less than £1,000 per month	2-5	£1,334
Rateable value above £15k and below £51k Or Business fixed costs above £1,000 per month but less than £2,000 per month	6-9	£2,000
Rateable value of £51k or above Or Business fixed costs of £2,000 per month or above	10-249	£3,000

6.5 If the employee number is different to the corresponding rateable value or total business fixed costs, the level of grant paid will be at the higher value e.g., rateable value £7,000, employee number 12, the grant awarded will be £3,000, or employee number 3, business fixed costs £1,500 per month, the grant awarded will be £2,000.

6.6. For Market Traders and Bed & Breakfast accommodation, these grant payments will be a maximum of £500.

6.7. The Council reserves the right to vary the level of grants awarded to individual businesses and eligibility requirements to ensure the fair distribution of grants

6.8. The grant process will be as described in Section 7 below.

7. Application Process

7.1. Applications for a grant under this Discretionary Grant Scheme will be accepted via an online form that can be accessed here: www.rugby.gov.uk/additionalgrant (Update 9 April 2021: Scheme is now closed)

7.2. Following the launch of the scheme, Rugby Borough Council will review applications submitted and decide when to close the application process. This will be announced with 10 working days' notice on the Council website and social media.

7.3. It is the intention of Rugby Borough Council to avoid undue burden and complexity on businesses in respect of the application process.

7.4. Whilst avoiding undue complexity, and burden on applicants, appropriate evidence will be necessary in support of an application to demonstrate the eligibility criteria outlined in this policy is met and to assist the Council in making an informed decision on the award of a grant.

7.5. The on-line application form will identify the evidence requirements in line with those set out above in section 5 and 6.

8. State Aid

8.1. 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. Therefore, the Council must be satisfied that State aid requirements are met before grants can be paid out to individual applicants.

8.2. Under De Minimis rules an organisation is permitted to receive up to the equivalent of €200,000 of aid within a three-year period.

8.3. Where the threshold of €200,000 has been reached payments can still be made in line with the Covid-19 Temporary Framework for UK Authorities, which has been introduced to support businesses during the current COVID-19 outbreak. This temporary framework permits an organisation to receive up to the equivalent of €800,000.

8.4. Where an applicant is below but close to that threshold, the grant award will be set at such an amount as to ensure that the applicant does not exceed this threshold.

8.5 As part of the application process, all applicants will be asked to make a legal declaration to confirm that the award of this grant will comply with EU law on State Aid, which requires that they have not

received any other state aid that exceeds in total €800,000, under the De Minimis Regulations EC 1407/2013.

9. Tax

9.1. As prescribed for in the guidance provided to Rugby Borough Council by the Government, grant income received by a business is taxable; therefore, any grant paid under the Local Authority Discretionary Grant Fund will be subject to tax.

9.2. Only businesses which make an overall profit once grant income is included will be subject to tax.

10. Managing the risk of fraud

10.1. Rugby Borough Council will not tolerate any acts of fraud in relation to its Additional Restrictions Grant Scheme. Any persons found to be submitting a fraudulent claim by, for example, falsifying records will be reported to the police for criminal investigation and could face prosecution. Robust action will be taken to recover any monies paid in respect of the fraudulent claim.

10.2. The Council will undertake comprehensive checks to ensure that grants are paid only in respect of genuine applications.

10.3. The Council reserves the right to reclaim any grant that has been paid in error or as a result of a fraudulent claim.

Addendum 1 to Covid-19 Additional Restrictions Grant Policy January 2021 – ARG Part B

This addendum to Rugby Borough Council's Additional Restrictions Grant (ARG) policy sets out a further element of financial support for businesses:

1. On 31 December 2020, due to COVID-19, Rugby went into Tier 4 following which on 5 January national lockdown restrictions were imposed across the UK.
2. ARG Part B is a grant payment for eligible businesses that were severely affected in the four-week November lockdown and were successful in their application for an ARG grant. The ARG Part B scheme extends the support for a further 47 days covering Tier 4 and national lockdown period commencing 31 December 2020 and ending 15 February 2021.
3. In addition, ARG Part B will also apply to eligible businesses that are severely impacted for the first-time following imposition of Tier 4 arrangements and the follow-on national lockdown commencing 31 December 2020 and ending 15 February 2021. Businesses will need to show that income received from this date has been severely impacted, pro-rata at the date of application, compared to a previous equivalent period in 2020.
4. ARG Part B eligibility criteria are the same as the main ARG policy excepting that:
 - a. A business has not reached limits of aid under State Aid rules
 - b. A business will not qualify if it is in administration, insolvent or where a striking-off notice has been made.
5. Eligible businesses who have not yet applied for the ARG grant for the November 2020 lockdown may continue to apply online for the ARG grant for the November lockdown if severely impacted in November 2020 and will be awarded the original grant plus the ARG Part B grant, covering both lockdown periods in one single combined payment. If a business has been severely impacted for the first time in the period commencing 31 December 2020 then an application needs to be submitted online.
6. The Council will continue to award eligible businesses that successfully apply for the original or ARG Part B grant pro-rata basis, based on a continuation of restrictions, subject to further UK Government announcements on any future lockdown or other restrictions, and subject to note 4 above.
7. A further ARG grant may be awarded for any further national lockdown period announced by the Government that extend beyond 15 February 2021 and will be based on the same grant rate per period, subject to the availability of funds remaining.

8. The ARG Part B grant awarded will be as follows:

Rateable value or fixed costs	Number of employees	Grant Payment
No commercial premises Or Business fixed costs of £500 per month or less	0-1	£840
Rateable value of £15k or less Or Business fixed costs above £500 per month but less than £1,000 per month	2-5	£2,240
Rateable value above £15k and below £51k Or Business fixed costs £1,000 or above per month but less than £2,000 per month	6-9	£3,360
Rateable value of £51k or above Or Business fixed costs of £2,000 per month or above	10-249	£5,040

Note: If the employee number is different to the corresponding rateable value or total business fixed costs, the level of grant paid will be at the higher value e.g., rateable value £7,000, employee number 12, the grant awarded will be £5,040, or employee number 3, business fixed costs £1,500 per month, the grant awarded will be £3,360.

Addendum 2 to Covid-19 Additional Restrictions Grant Policy May 2021 – ARG Part C

This second addendum to Rugby Borough Council's Additional Restrictions Grant (ARG) policy sets out a further element of financial support for businesses:

1. ARG Part C is a grant payment for businesses that have been affected in the 5 November to 2 December 2020 lockdown or the 31 December 2020 to 15 February 2021 Tier 4 and follow-on lockdowns and have been successful in their application for an ARG original or Part B grant.
2. The ARG Part C scheme will award a single additional payment to these businesses as follows:

Tier	Rateable value or fixed costs	Number of employees	Grant Payment
1	No commercial premises Or Business fixed costs of £500 per month or less	0-1	£2,036
2	Rateable value of £15k or less Or Business fixed costs £500 per month or above but less than £1,000 per month	2-5	£5,432
3	Rateable value above £15k and below £51k Or Business fixed costs £1,000 per month or above but less than £2,000 per month	6-9	£8,144
4	Rateable value of £51k or above Or Business fixed costs of £2,000 per month or above	10-249	£12,216

3. The Part C payment will be awarded on the same information given and declared in the original grant application and is based on the relevant Tier 1-4 grant that the business was awarded for the ARG Original or Part B grant. No further grant application is required.
4. Businesses receiving the grant are under the same obligations as stated in the original policy with regard to notifying the Council immediately of their business ceasing to trade or if State Aids and subsequent post-Brexit WTO subsidy limits are exceeded.

DECISION UNDER DELEGATED POWERS

Subject	Additional Restrictions Grant (ARG) Policy Part C
Officer Requesting Decision	David Moore, Economic Development Manager
Officer Making the Decision	Stephanie Gibrat, Head of Growth & Investment
Authority for Decision	<p>The following was approved on 9 December 2020 via the emergency report:</p> <ol style="list-style-type: none"> 1) The Executive Director under emergency delegated authority approves the adoption of the Rugby Borough Council Discretionary Grant Policy*. 2) Delegated authority is given to the Head of Growth & Investment to implement, amend and administer a scheme in accordance with the principles of the attached policy. 3) Update the policy to reflect future restrictions and to ensure the smooth administration of grants 4) Vary the level of grants awarded to individual businesses and eligibility requirements to ensure the fair distribution of grants <p>*Being the Additional Restrictions Grant Policy</p>
Recommendation	Pay out a further ARG grant to those business successful in earlier ARG funding rounds as per the proposed ARG policy
Alternatives considered and rejected	Not paying out the remainder of the ARG fund. This would not only fail to support businesses recovering after the COVID pandemic but would prevent the Council from accessing further ARG support funding for businesses.
Decision	Approve the Part C policy and pay out the remainder of the ARG fund in accordance with this policy
Reason	Businesses that have succeeded with earlier ARG grants that suffered a severe impact on the businesses need the support that the equivalent Restart Grant has provided to those businesses forced to close
Date	17 May 2021
Background Papers	ARG Grant Part C Policy
Decision record kept until	Six years
Background papers kept until	Six years



Signed.....

Dated.....

17 May 2021