

Carlisle City Council COVID 19 Discretionary Business Grants Additional Restriction Grant (ARG) Policy November 2020



Introduction

- 1.1** In order to support Business through the enhanced national England-wide restrictions enacted in November 2020 to help reduce the spread of Coronavirus, the government has announced a new Additional Restrictions Grant (ARG) for Local Authorities to distribute to local businesses. The ARG grant is a discretionary grant, which will be administered to local businesses, alongside the Local Restrictions Support Grant (closed) grant for businesses which are required to close.
- 1.2** The ARG fund is aimed at businesses that may not have been required to close due to the coronavirus restriction, but will nonetheless be significantly impacted by this disruption, alongside businesses that have been effectively forced to close that fall outside the Business Rates system.
- 1.3** Carlisle City Council has been allocated £2.2 Million to support businesses. However, this allocation must last until March 2022 in the circumstances that England or UK wide restrictions are entered into once again, or Carlisle enters LCAL tier 3 restrictions. The Council has therefore sought to use this allocation to balance supporting as many businesses as it can with this fund, with providing individual grants that amount to meaningful support for businesses as well as ensuring that there is a substantial amount left in the grant fund to support businesses through any future restrictions.

Eligibility

2.1 The government guidance gives Local Authorities the discretion to build a local policy which fits with the local economic needs and priorities of their district. However, the grant is aimed at 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. The following businesses are eligible for this scheme:

- Businesses that will not be able to operate during this period of national restrictions, however, are not within the business rates system and are therefore ineligible for the Local Restrictions Support Grant (Closed) this includes:
 - B&Bs subject to Council Tax not Business Rates,
 - Market Traders where their regular market(s) have been cancelled by organisers
 - Care services eg. hairdressers, beauty therapists, physiotherapists, 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
- Businesses that supply the hospitality and leisure sector
- Businesses based in the events sector, which will be severely impacted by current restrictions
- Any other business not covered by the 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.

2.2 Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

2.3 Businesses must have been trading before the first full day of national or LCAL 3 restrictions to be eligible to receive a grant support (Wednesday 4th November 2020).

2.4 Full government guidance and criteria can be found 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](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1_Additional_Restrictions_Grant_-_FINAL_LA_guidance_03112020.pdf)

2.5 The restrictions put in place in November are less restrictive for many businesses than those enacted in March, many sectors continue to operate, therefore we anticipate that many sectors will not require support as previously. The following businesses are excluded from the ARG:

- Food shops, supermarkets, and off-licences
- Petrol Stations, car repair and MOT services
- Banks, building societies, post offices, loan providers and money transfer businesses
- Medical services such as dentists, opticians and pharmacies
- Vets
- Professional services- such as solicitors, accountants and business consultancy services
- Property related businesses, which include:
 - property developers and construction
 - buy to let businesses
 - property refurbishment projects
 - residential/commercial landlord businesses

2.6 The list above is not intended to be exhaustive, and businesses may be asked to provide clarity on why their trade has been significantly disrupted, if we believe they should still be able to operate despite restrictions. This may include the business providing further information to support their application.

2.7 This scheme is aimed at local businesses, therefore, to be eligible, businesses must be predominantly based in Carlisle, with the majority of their business or headquarters in Carlisle.

2.8 grants will be awarded per business, and the Council may take into consideration grants paid to linked businesses (businesses which share premises costs, rates liability, or have linked directors/persons with significant control) when awarding grants. Businesses with multiple hereditaments however may apply per hereditament.

2.9 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>

Determining the value of grants awarded to businesses

- 3.1** 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 national restrictions are less restrictive than in the period the previous grant scheme was launched, 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.
- 3.2** Businesses that do not meet the eligibility criteria above will not receive a grant from this fund.
- 3.3** Grants will be awarded in fixed bands. For businesses who are ratepayers of hereditaments on the rating list, grant amounts will be equal to the Local Restrictions Support Grant (LRSG) scheme (Open), i.e.:
- 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 up to £1,334
 - 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 up to £2,000
 - Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on 5 November, will receive up to £3,000
- 3.4** For businesses outside the business rates system, number of employees will be used to calculate the level of grant awarded as below:

Number of employees	1-10	11-25	26+
Grant amount	Up to £1,334	Up to £2,000	Up to £3,000

- 3.5** Carlisle City Council has the discretion to use this funding pot to provide top up funding to businesses which have received a grant through either the Local Restriction Support Grant (Closed) or through this initial Additional Restrictions Grant scheme. This will be determined on a case by case basis, and will likely apply in the following scenarios:
- Larger local businesses which are considered to be important to the local economy
 - 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 in due course.

- 3.6** The Council will review this scheme on 1 December 2020 in light of Government proposals for 2nd December 2020 onwards.

Application process

- 4.1** As we anticipate that less businesses will require support, and as the grant levels awarded are anticipated to be lower than with the previous discretionary scheme, the Council 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.
- 4.2** An online application for the grant fund will be made available on Carlisle City Council's website. A printable version will be made available online, which businesses can complete and return with **all the relevant documents** to: Discretionary Grants Fund, Carlisle City Council, Civic Centre, Carlisle, Cumbria CA3 8QG For businesses who do not have access to the internet, businesses can call 01228 817200 to request an application is sent out to them. Please ensure your application is returned answered fully with all the relevant documents attached.
- 4.3** 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.
- 4.4** Businesses which applied and were successful for the Discretionary Business Grant in summer 2020 will be able to complete a 'fast track' application, where they will be asked to confirm whether their circumstances have changed. This will aim to speed up the awards process for such businesses.
- 4.5** Once we receive an application, we aim to process the grant payment within 21 days, however, this will be dependent on receiving **all the evidence required**. We may need to contact you to clarify some details of your application or request more evidence, we ask that you be co-operative with such requests as this will help ensure all applications can be processed in a timely manner.
- 4.6** You must answer all 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.

Evidence

- 5.1** 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. Please see appendix 1 for a list of documents needed to support your application.

Tax

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

State Aid

- 7.1** 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. 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. The de minimis level is usually €200,000 to any one business over any three-year period but for the purposes of this grant, the limit has been increased to €1 million.
- 7.2** 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.

Data protection

- 8.1** We will use your information to assess your application for financial support. We will confirm information about you and your account from credit referencing agencies to confirm account validity and your identity. If you provide false or inaccurate information, we will record this.
- 8.2** All personal information will be processed in accordance with the terms of the General Data Protection Regulation.
- 8.3** For full information on how any personal information we gather will be processed, please visit our privacy statement at <https://www.carlisle.gov.uk/Privacy-Statement/Economic-Development-Functions-Privacy-Statement>.

Definitions

- 9.1** “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.
- 9.2** “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.
- 9.3** “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.

Right to update our policy

10.1 The council reserves the right to update or 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.

Appendix 1- evidence needed to support an application

Information	Evidence Required	Comment
Payment Details	Copy of Copy of bank statement clearly showing name, address, sort code and account number	This must match the details provided on your application form and the name of individual or business on your business rates bill, if you occupy a commercial premise
Evidence of trading on or before 5 November 2020	Where you have a business rates account this will be sufficient as the date liable will be used. For businesses that are not rated you will need to provide evidence	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