



# Additional Restrictions Grant



## Introduction

On Saturday 31 October 2020, the Government announced new lockdown measures and has provided funding to support businesses that are required to close due to the restrictions being put in place to manage coronavirus and save lives.

Part of the financial measures announced are grants for businesses (within the business rates system) that have been forced to close under the latest lockdown measures. Businesses required to close in England due to local or national restrictions will be eligible for the following Local Restriction Support Grant (Closed) (LRSGC).

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935128/local-restrictions-support-grant-CLOSED-la-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935128/local-restrictions-support-grant-CLOSED-la-guidance.pdf)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935131/local-restrictions-support-grant-CLOSED-ADDENDUM-la-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935131/local-restrictions-support-grant-CLOSED-ADDENDUM-la-guidance.pdf)

- For properties with a rateable value of £15k or under, £1,334 grant funding is to be paid per 28-day qualifying restriction period
- For properties with a rateable value of between £15k-£51k, £2,000 grant funding is to be paid per 28-day qualifying restriction period
- For properties with a rateable value of £51k or over, £3,000 grant funding is to be paid per 28-day qualifying restriction period

The Government has recognised that some businesses that are required to close may not have commercial premises (and therefore won't have a rateable value), and others won't have been forced to close, but they will be significantly financially impacted and do not qualify under the above mentioned scheme.

As such, Boston Borough Council has been allocated £1,403,460 Additional Restrictions Grant (ARG) funding to be used over the financial years 2020/21 and 2021/22.

This funding will be allocated to meet the following expectations set out by Central Government:-

- Local Authorities can determine how much funding to provide to businesses from the ARG funding provided, and exactly which businesses to target.
- Local Authorities are encouraged to develop discretionary grant schemes to help those 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. This could include – for example – businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector.



- Local Authorities may also choose to help businesses outside the business rates system, which are effectively forced to close – for example market traders\*\*.
- Local Authorities could 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 LRSG (Closed) scheme, with due reference to State Aid.
- In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.
- The grant amounts given to individual businesses will be subject to state aid limits.
- Local Authorities may also use this funding for wider business support activities.

This grant scheme is fully funded by Central Government and the funds will be administered by Boston Borough Council in accordance with the guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS).

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935130/additional-restrictions-grant.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935130/additional-restrictions-grant.pdf)

## Deadline / Timeline

Due to the very compressed timescales in order to meet the expectations of Government and businesses, the council has not widely consulted in respect of this policy in accordance with our usual decision making processes. However, consultation has taken place with the Leader of the Council and the Portfolio holders for Finance and Commercial and Economic Development and Planning. This policy has then been approved by the Chief Executive using his emergency delegations.

Grants will be initially administered for the 28 day period of the National Lockdown from Thursday 5<sup>th</sup> November 2020.

Applications for the Additional Restrictions Grant must be submitted using the online form which is published on the Council's website [www.myboston.uk](http://www.myboston.uk). All details including the window for applications will be published on the Council's website.

Applications will be invited in a staged approach for each element of the ARG funding scheme. Applicants will be notified of the outcome as soon as possible, with an aim to make payments within 10 working days of a successful application.





This policy will also cover periods between now and 31<sup>st</sup> March 2022 when either national or local lockdowns apply. Full information will be published on our website and through social media as a minimum as the situation progresses.

## Eligibility Criteria

1. ARG (Closed) Business Grant funding is available for business that have been forced to close, where companies are not covered under the LRSGC Scheme, were operating on 4<sup>th</sup> November.

Whilst applications are welcome from all businesses, the council will prioritise the following types of businesses for grants: -

- small businesses in shared spaces that don't have a separate business rates account
  - regular market traders with fixed property costs
  - self-employed who rent a space in a property that is registered for business rates (for example: a hairdresser renting a chair) or
  - overnight accommodation providers.
2. The ARG (Impacted Business Grant) is available for any business that does not qualify for a LRSGC grant that can prove they have been significantly affected as a consequence of the National Lockdown. This will include businesses for example that have not been required to close that provide products and services to the retail, hospitality, and leisure sectors.
  3. ARG (Major Employers Business Grant)<sup>\*\*\*</sup> is available to any major employer that has not been required to close due to the National Lockdown and can prove a significant impact to their business, i.e. November 2019 income versus November 2020 income taking into account fixed costs payable by the business. In addition, major employers that have been required to close; that have claimed the £3,000 LRSG (Closed) and have been significantly impacted may also apply for the ARG (Open) Impacted Major Employers Grant.
  4. There will be a Recovery Dividend of £500 paid during March 2021 to all businesses still operating that have received any of the following grant payments: -
    - ARG (Closed)
    - ARG (Open) Impacted Business Grant
    - LRSG (Closed, Open or Sector)



5. There will be Business Grant Funding to support organisations such as Chamber of Trade, Federation of Small Business, Growth Hub, Business Advice Services and for ICT providers to create online/digital sales platforms. Any award made must be related to business recovery or sustaining businesses through transformation.
6. The business must be trading within the borough of Boston.
7. The business must have been actively trading on and before the 4th November 2020.
8. All ARGs will be paid subject to State Aid regulations, meaning the business needs to check that they comply with State Aid rules and inform the council accordingly prior to payment being made. If State Aid rules are breached the responsibility lies with the applicant and, in line with the legislations, the council can take action to recover the funding.

### **Exclusions to the Additional Restrictions Grant**

- Businesses that are able to continue to trade and can operate their services effectively remotely.
- Businesses that have not been mandated to close, or cannot demonstrate a significant loss of income as a consequence of a supplier relationship with businesses who have been mandated to close will not be eligible for this scheme.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

### **Grant Levels**

Boston Borough Council has been allocated £1,403,460 Additional Restrictions Grant (ARG) funding to be used over the financial years 2020/21 and 2021/22. This will be distributed as follows: -



### ARG (Closed) and the ARG (Impacted Business Grant)

The allocated budget is £533,460. This will allow up to 400 businesses that meet the eligibility criteria to receive a payment of £1,334.

### ARG (Open) Impacted Major Employers Business Grant

The allocated budget is £400,000. This will allow up to 40 businesses that meet the eligibility criteria to receive a payment of £10,000.

### Business Support Grant 2021 and 2021/22

The allocated budget is £69,860. This will allow 23 businesses that meet the eligibility criteria to receive a payment of up to £3,000.

### Recovery Dividend

The allocated budget is £400,000. This will allow a provision for 800 awards of £500 to be paid to all businesses that are still operating that have received LRSG, ARG (Closed) and ARG (Open).

Grants will be awarded on a first come first served basis within the funding allocation limits of the scheme agreed by the Council.

Where necessary, the funding allocated to each part of the ARG scheme may be amended in order to maximise the number of businesses able to receive support.

### **Payments of Grant and Tax**

All payments of grant will be made by a BACS transfer to the company or business nominated bank account.

Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant will be subject to tax.

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

### **Evidence**

Closed businesses applying for ARG funding will be required to make a statement that confirms their eligibility. The council places responsibility on the applicant to agree that their statement is correct to the best of their knowledge. In addition, businesses that are required to close will need to provide evidence of their trading status. This will be in the form of a bank statement showing business/applicant's name, registered address with income within the last 3 months.

Open businesses that are applying for ARG (Discretionary) funding will be required to make a statement that confirms their eligibility. The council places responsibility on the applicant to agree that their statement is correct to the best of their knowledge. In addition, businesses that are not required to close will need to provide evidence that they were negatively affected by the lockdown. This will be in the form



of banks statements and other supporting evidence to show year on year losses e.g. November 2020 lockdown verses November 2019, fixed costs, rental payments.

## **Decision Making**

This is no formal right of appeal. However, in keeping with best practice, any applicant who wishes to appeal against a decision must email [businessrates@boston.gov.uk](mailto:businessrates@boston.gov.uk) within one week of receiving a decision notification, stating clearly why they think the decision is wrong. The council may ask for further information or evidence to support the appeal. The decision will be look at again by an officer not involved in the original decision making process.

## **Fraud**

The Government will not accept deliberate manipulation and fraud – and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

## **Policy Amendments**

Future updates to this policy will be approved by Chief Executive in consultation with the Leader of the Council and the Portfolio Holders for Finance and Commercial and Economic Development and Planning.

## **Queries**

All enquiries about this grant funding and this policy should contact the business rates section at [businessrates@boston.gov.uk](mailto:businessrates@boston.gov.uk).

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\* Significant Impact – Evidence will be required from the business to demonstrate an impact on their income of at least 30%.

\*\* Market Traders – Market Traders will be paid by the Boston Borough Council where they are a “regular trader” on Boston market and have not been granted ARG funding from the local authority where they reside (if outside of the area).

\*\*\*Major Employers is defined as having premises with a Rateable Value of £100,000 or over and employs 100 or more staff.

