

## ARG - Policy



Growing a place of opportunity and ambition

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## **Additional Restrictions Grant (ARG)**

### **1. Introduction**

- 1.1 The following policy outlines the Council's approach to the recent government grants to help businesses
- 1.2 The government has introduced a number of schemes to provide funding to support businesses
- 1.3 The Local Restrictions Support Grant (Closed) for national lockdown and Tier 2, 3 & 4, Local Restriction Support Grant (Sector), Christmas Support payments for wet-led and the additional grants for January lockdown are mandatory schemes, the criteria is set by central government and shown on our website.
- 1.4 The Local Restrictions Grant (Open) and Additional Restrictions Grant (ARG) must be considered in line with government guidelines but give local authorities discretion to distribute these grants to businesses in their area.
- 1.5 This policy sets out how the Additional Restrictions Grant (ARG) will be distributed in Slough.

### **2. Background**

- 2.1 On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Local Covid Alert Level (LCAL) 3 restrictions. The Government announced that Local Authorities would receive a one-off lump sum payment of £20 per head when LCAL 3 or widespread national restrictions are imposed. The funding is to support closed business that do not directly pay business rates as well as businesses that whilst not closed are impacted by the closures. Whilst it is envisaged the support will primarily take the form of discretionary grants, authorities can also use the funding for wider business support activities.
- 2.2 The scheme is called the Additional Restrictions Grant and is administered by business rate billing authorities in England; Slough's share of the funding is £2,990,780 to cover the period up to the 31 March 2022. The government had stated that local authorities would not receive additional funding under this grant scheme regardless of the number of times they re-enter national or LCAL 3 restrictions during the period up to 31st March 2022. We should be mindful therefore not to allocate all funding up front.
- 2.3 Contrary to the above the government on 5 January 2021 because of national lockdown (January / February 2021) has increased the funding further.

- 2.4 The Government have stated that authorities have discretion to determine how much funding to provide to businesses from the Additional Restrictions Grant and which businesses to target. They encourage Local Authorities 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. Businesses outside the business rates system, which are effectively forced to close for example market traders could be eligible and provision of additional support (on top of the funding provided via the LRSG (Closed) scheme) to larger local businesses important to the local economy could also be included within the scheme, provided there is no breach of State Aid rules.
- 2.5 This report sets out the proposed offer to Slough Businesses, taking into consideration demand, economic need and consistency with our neighbouring authorities.

### **3. National Guidance**

- 3.1 The Government recognises that the mandatory grant schemes omit a number of businesses, in the main as they do not have a liability to pay business rates. As a result, additional funding is available to Local Authorities to administer a discretionary grant scheme.
- 3.2 On 03 November guidance was issued to Local Authorities, with complete discretion being given to devise a local scheme, further guidance in the form of frequently asked questions was then issued during November 2020.
- 3.3 The guidance confirms Local Authorities can determine how much funding to provide to businesses from the Additional Restrictions Grant funding provided, and exactly which businesses to target, but it encourages authorities 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.
- 3.4 Local Authorities may also choose to help businesses outside the business rates system who are effectively forced to close, e.g. market traders or, to provide additional support to larger local businesses important to the local economy (on top of the funding provided to those businesses via the LRSG (Closed) scheme and with due reference to State Aid).
- 3.5 In determining the level of grant award, the Guidance suggests authorities 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.

- 3.6 In addition to the above, funding may be used to provide wider business support designed to assist the business community as a whole. This may include advice and guidance for businesses and/or skills training to support their ability to trade in changed circumstance etc.

#### **4. National Criteria**

- 4.1 The Government has set the following eligibility criteria for receipt of this funding:
- A business must have been trading before restrictions came into force to be eligible
  - Businesses that 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 are ineligible.
  - Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- 4.2 Local Authorities have the discretion to determine the amount of funding offered to individual businesses and the frequency of payment

#### **5. Key Dates in Slough**

- 5.1 Slough was placed in in Local COVID Alert Level 2 (LCAL2) (Tier 2 - High) on 24 October 2020. This lasted for 12 days before the borough became subject to national restrictions between 5 November and 2 December 2020. On 26 November 2020, It was announced that Slough would be in Tier 3 (LCAL3) (Tier 3 very High). On 20 December 2020 Slough entered Tier 4 (LCAL4) and on 6 January 2021 Slough along with all local authorities entered a further lockdown.
- 5.2 This policy reflects the grant funding position for the period 24 October 2020 onwards.
- 5.3 This policy will remain in force while Slough is formally in a government specified Tier or in national lockdown, but will be subject to regular review.

## **6. Grant Funding Allocation**

- 6.1 The funding for Slough £2,990,780 to cover both the current financial year 2020/2021 and the following financial year 2021/2022.
- 6.2 As this is a set amount of funding and there will be no adjustments made to it, no matter which Tier the Council is in or how long for, we need to consider it is therefore appropriate to apportion the funding to ensure sufficient funds remain for the financial year 2021-2022.
- 6.3 Slough has therefore decided to split the funding 50:50, with 50% of the funding ring-fenced to the current financial year and 50% to 2021-2022.
- 6.4 Within the 50% allocated for each financial year, the funding will be allocated to the priority business types as defined below.
- 6.5 At this stage no funding will be allocated to any wider business support projects though this is open to further review.
- 6.6 The government on 5 January 2021 did add to this fund because of the January/ February lockdown.
- 6.7 Priority Business Types:

Business must demonstrate that they have been severely impacted by the restrictions put in place to control the spread of Covid-19, this could be by providing evidence of closure during the period, provision of accounts or bank statements for the current period and the same for a previous period for example the same time last year.

- Businesses which are ancillary to the hospitality, retail and leisure industries and who have not received any funding from LRSG (Closed), LRSG,(Open) or LRSG ( Sector) to date. (These are businesses who have not specifically been required to close but have lost their main source of revenue as a result of national restrictions upon the industries to which they provide goods or services)
- Businesses mandated to close in shared work spaces which do not have their own business rates assessment and can demonstrate fixed building-related costs outside of their residential property costs. The assumed RV will be based on annual rent or mortgage payments due in the financial year.
- Business that are mandated to close and can demonstrate that they have been severely impacted by the restrictions, though mandatory grants will be taken into consideration.
- Businesses who are not mandated to close but can demonstrate that they have been severely impacted by the restrictions.

- Bed & Breakfasts mandated to close which pay Council Tax instead of business rates will be considered. The assumed RV will be based on annual rental or mortgage payments due in the financial year.

Businesses may be

- local ratepayers whose award will be determined by their rateable value
- businesses who can demonstrate fixed building-related costs outside of their residential property costs, whose award will be determined by their building related costs
- The rateable value will be that defined in the rating list, or an assumed RV based on an annual rent or mortgage payment due in the financial year.
- Businesses with none of the above but can demonstrate that they are severely financially impacted by the pandemic comparing current income to the same period in the preceding year (dates determined by the LA) whose award will be capped at the lower rateable value award.

## 6.8 Exclusions from the Scheme

The following businesses are ineligible to apply

- Businesses where direct in-person services are not an essential part of their business, such as solicitors and accountants for example
- Businesses in areas outside the scope of the localised restrictions, as defined by Government.
- Businesses subject to national closures (e.g. nightclubs)
- Businesses which have already received payments that equal the maximum levels of State Aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that do not trade or employ staff in Slough
- Businesses that were in administration are insolvent or where a striking-off notice has been made at the date of the local lockdown or prior to payment.
- Betting shops, Vape shops, Casinos, Adult Gaming Centres and Arcades

- 6.9 The Council will make payments in line with the Tier and lockdown timelines criteria, this will be clarified on the website.
- 6.10 Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closure regulations came into force, including changes which have been backdated to this date, will be ignored for the purposes of eligibility.
- 6.11 The Council will not adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the date that local restrictions began.
- 6.12 In cases where it was factually clear to the Local Authority on the local restriction date that the rating list was inaccurate on that date, the Council may withhold the grant and/or award the grant based on its view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors.

## **7. How to apply**

- 7.1 Businesses can make an application for each property that fulfils the above criteria that they operate from within Slough Borough Council. Each property requires a separate application.
- 7.2 Some businesses may, therefore, receive more than one grant payment. A successful application for one business does not guarantee a successful application for any additional businesses if they do not meet the eligibility criteria.
- 7.3 This grant funding scheme must be applied for by way of an online application form, available on Slough Borough Council website.
- 7.4 The online form guides businesses through the application process and prompts applicants for the information required, as well any supporting documents needed (see 'Evidence to support applications' below).
- 7.5 All applicants will be required to demonstrate loss of income related to COVID-19 as part of the application process. The applicant must make a declaration regarding this, and provide supporting information.
- 7.6 Businesses applying should ensure that they fully complete the online application form. Any incomplete applications will be deemed ineligible.

- 7.7 The Council may write to ask for additional supporting documentation where necessary, failure to provide supporting information within 14 days of the request made will invalidate the application.

## **8. Evidence to support applications**

- 8.1 Businesses are required to submit evidence to support their application:
- The address and rateable value of the property from which they operate.
  - A bank statement to confirm the details of the business bank account the grant is requested to be paid into.
  - A declaration that the business has been severely impacted by local restrictions and complies with state aid requirements.
  - Supporting evidence to substantiate the declaration

## **9. Payments**

- 9.1 Payments of the relevant grants will be made into the specified business bank account after making appropriate checks.
- 9.2 Businesses not eligible for support through the Additional Restrictions Grant will be informed of this within 10 clear working days of their application wherever possible.

## **10. Appeals**

- 10.1 There is no appeals procedure.

## **11. Manipulation and Fraud**

- 11.1 Neither the Government or Slough Borough Council will 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. All applications will be subject to checks and verification.

## **12. State Aid**

- 12.1 The Local Restrictions Support Grant counts towards State Aid. Payments count towards the total de minimis State Aid a business is



allowed to get over a 3-year period - €200,000. If your business has reached that threshold, it may still be eligible for funding under the COVID-19 Temporary Framework. The limit for the framework is €800,000.

- 12.2 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.
- 12.2 If you proceed to make an application we will ask you to complete a declaration confirming your business will not exceed the relevant state aid threshold.

### **13. Tax implications**

- 13.1 Grant income received by a business is taxable. Additional Restrictions Grant will need to be included as income in the tax return of the business.

### **14. Review of Policy**

- 14.1 The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.