

# Additional Restrictions Grant Fund

PETERBOROUGH



## Guidance for applications to Peterborough City Council Local Authority Discretionary Grants Fund

1. This guidance is intended to support businesses that are based in Peterborough in applying to Peterborough City Council for a grant payment from the Local Authority Additional Restrictions Grants fund, which was announced by Central Government on 31 October 2020.
2. This document sets out the criteria under which businesses will qualify to make an application to the Additional Restrictions Grants Fund and the evidence required to support any application. This is in accordance with intentions set out by Central Government in their guidance issued on 31 October 2020. <https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>
3. Local Authorities can determine how much funding to provide to businesses and exactly which businesses to target. Local Authorities are encouraged to develop 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
4. One way of using this funding is via Business Support Grants. If this is the case the same conditions of Grant apply as the Local Restrictions Support Grant (Closed)
5. However, Local Authorities can also choose to help businesses outside the business rates system, larger business which are important to the local economy This can be in addition to support being received via the LRSG Closed Scheme.
6. Local authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment. These payments are to support Peterborough business continuing to trade through the COVID-19 period.
7. The scheme applies from the 14<sup>th</sup> October 2020 where a Local Authority was designated under a Local Covid Alert Level 3 restrictions, or otherwise from the date National Restrictions first applied, it is not retrospective. In Peterborough this applies from 5 November 2020 as a result of National Lockdown. . It is a single overall Grant amount of £4.045m that is to be distributed across both the 2020/21 and 2021/22 financial years.
8. In setting the levels of payment, local authorities can take into account levels of fixed costs, number of employees, whether businesses are able to trade online and the consequent scale of coronavirus losses.
9. The Council anticipates that the demand for these discretionary grants will be greater than the amount of money we have received from Central Government. Whilst

recognising that many businesses in the local area will have suffered significant impact as a result of COVID-19, the purpose of this guidance is to set out the principles that will guide the Council in which businesses it will support and identify those which it must exclude due to financial limitations.

## **Eligibility criteria**

10. The Council consulted locally and with its MP's on businesses to support for this new scheme in early November. Feedback received included support for the following types of business:

- a. Businesses with a RV above £51,000;
- b. Indoor soft-play centres and similar leisure businesses;
- c. Businesses without non domestic property costs, if they can demonstrate a significant COVID Impact;
- d. The leisure and hospitality supply chain: e.g. Wedding Venues and their suppliers;
- e. Any business who can demonstrate a significant fall in turnover;
- f. Support for Day Nurseries;
- g. Support for the beauty, performing arts and crafts sector;
- h. Rent support for single owned businesses for a single month;
- i. Support for independents, freelancers and businesses in the "live events" sector.

11. Exclusions to the Additional Restrictions Grant include:

- a. Businesses that have already received grant payments that equal the maximum levels of State aid permitted;
- b. Businesses that are in administration, insolvent or where a striking-off notice has been made;
- c. Payments to offset existing or future business rates liabilities;
- d. Local authorities cannot use ARG to replace lost revenue on Car Parking (i.e. Fund itself);
- e. The business must have been trading the day before the restrictions came into force – here the 4<sup>nd</sup> November 2020.

12. Appeals Process – There is no appeals process, it is up to the Local Authority to apply the guidance as it sees fit.

## **The Peterborough ARG Scheme**

13. Given the input via consultation in November, the wide range of businesses that this scheme can apply to, and the fact that it is highly possible that the scheme will be significantly over subscribed the Council will allocate funding in the following ways:

- a. £3.5m will be made available for the period 5<sup>th</sup> November 2020 to the 31<sup>st</sup> March 2021;
- b. The £0.55m balance will be made available from the 1<sup>st</sup> April 2021;
- c. There will be a different application process for each of these time periods (you cannot apply for both in a single applications);

- d. Additional Restrictions Grant funding will not apply if the value of payment exceeds the loss of income suffered by the business. Other grant payments expected under Local Restrictions funding may also be taken into account when considering eligibility;
- e. **As there is no appeals process, applications will be dealt with on a first come first paid basis. When the funding envelope has been used no further payments will be made, even if applications have been received.**

14. These grants will be aimed at ensuring we support the businesses of Peterborough in the best way possible. Free car parking after 3pm or Weekends during December and January was also suggested as an option to utilise some of this funding but was discounted as significant parking in the Town Centre is Council operated. The council is barred reclaiming lost income if they instigate free parking.

15. Businesses must:

- Provide evidence they were not excluded as per paragraph 11;
- Demonstrate that they have suffered a significant loss in income due to the COVID-19 crisis.

16. Grants are available to businesses that were trading on 3 November 2020

17. Businesses who have applied for the Coronavirus Job Retention Scheme (furloughing) or who are eligible for the Self-Employed Income Support Scheme (SEISS) **are** eligible to apply for this scheme, however Additional Restrictions Grant funding cannot be used as a wage supplement.

### **Exclusions**

18. The list below sets out the types of property and use which the Council does not consider to be eligible businesses for the purpose of this grant fund:

- Car Parks;
- Properties used for personal use (e.g. personal storage);

### **Amount of Payment**

19. The aim of the policy is to try to support as many businesses as possible whilst keeping the individual grant payments high enough that they will still provide meaningful support to those businesses.

20. In order for the Additional Restrictions Grant Fund to benefit the maximum number of eligible small businesses it is proposed to cap the maximum grant available to £20,000.

21. The maximum grant payments that will be made are shown in the tables below. It is expected that the majority of Grants will be made in line with annual fixed business premises costs as per the following table.

Maximum Grant	Annual Property Costs or Business Related Expenses
£2,000	£3,000 or below
£4,000	£3,001 - £5,000
£8,000	£5,001 - £9,999
£20,000	£10,000 and over

Note – Grant Payments cannot exceed Fixed Business Related Expenses

22. Business premises costs include rent, business rates, lease or mortgage costs, premises insurance, and property (or portion) utilities costs.
23. However, if a business does not have an RV or fixed premises costs the amount of grant will be worked out on the volume of fixed business related expenses taking into account any grant support offered by the Government because of COVID-19 to date.
24. Fixed Business Related Expenses will vary from business sector to business sector, but will need to be proven via the latest signed off trading accounts of the business/sole trader/etc. We would expect these to be for the financial year 2019/20.
25. The value of any anticipated grant support under Local Restrictions Open or Closed funding will be considered as income to the business when considering their overall loss of income. Levels of grant paid will be adjusted where Grant totals exceed fixed business related expenses.
26. As this grant is from 5<sup>th</sup> November to 31<sup>st</sup> March and then 1<sup>st</sup> April 2021 onwards, we will need an estimate of the loss in Fixed Business Related Costs for the applicable period. This will need to be backed up via available trading information for the year to date and other data set out in Appendix 1.
27. Businesses or charities will only be eligible for one grant irrespective of the number of properties (hereditaments) they occupy. The total grant available in these circumstances will be based on the aggregate property costs.
28. Peterborough City Council reserves the right to amend the level of grant payable to increase or reduce the amount available in accordance with uptake of the scheme. Any amount underspent in the 5<sup>th</sup> November 2020 to 31<sup>st</sup> March 2021 will be rolled forward into 1 April 2021.

### **Application Requirements**

29. To be considered for an Additional Restrictions Grant payment, local businesses and charities will be required to make an online application to the Council, and to upload copies of all requested information and evidence in support of their application. Evidence requirements are set out in Appendix 1

30. The Council will carefully consider every application in line with the supporting information provided. There is no statutory appeal or tribunal process in respect of any decision made by the Council in respect of these discretionary payments.

### **Timeline for the grant scheme**

31. There will be two timelines for the scheme (one for this financial year, one for the 2021/22 financial year):

2020/21 financial year

- Applications open – **04/12/2020**
- Application window closed – **31/03/2021 (Unless all payments made to £3.5m level)**

2021/22 financial year

- Applications open – **01/04/2021**
- Application window closed – **31/03/2022 (Unless all payments made to £0.5m level)**

### **Additional Information**

32. There is a requirement for all grants made under this scheme to be state aid compliant. Please see the further guidance on state aid on the link below. You will be required on your application to make the necessary state aid declarations.

<https://www.gov.uk/guidance/state-aid>

33. The Government and the Council will not accept any deliberate manipulation of records or fraudulent attempts to obtain grant funding. Any business falsifying their records will face prosecution and any funding issued will be subject to claw back, as may any grant paid in error. Applicants will be asked to complete a declaration as part of the application process.

34. Grant income received by a business is taxable therefore funding paid under the Local Authority Discretionary Grants Fund will be subject to tax.

### **Privacy Statement**

Peterborough City Council is processing personal information for the purposes of providing the financial support under the Discretionary Grant Fund as announced by the government. This may include personal information which allows the council to assess eligibility and undertake post award assurance and prevent fraud. We may also use information from other council systems only to assist with the eligibility and funding process. We will share some information with the Department of Business, Energy & Industrial Strategy for monitoring and reporting. You can find out more about how the council handles personal data here

<https://www.peterborough.gov.uk/council/council-data/corporate-privacy-notice>.

## Appendix 1 – Evidence Requirements

The following list is not exhaustive but is required evidence to assess your claim. Other evidence will be considered where it is relevant to the application.

Information	Evidence Requirement	Guide
Payment Details	Copy of bank statement showing name, address, sort code and account number	Must match the name of the applicant. This should show evidence of business related costs being paid. This will also be used as the bank account to release payment to
Ongoing rental or mortgage costs	Copy of lease or mortgage agreement	Must show financial contribution required by the business. If a new lease agreement details of any rent holidays agreed at the commencement of the lease term must be disclosed if still in operation.
Fall in fixed business related costs due to COVID-19	Copy of last financial year's signed off trading accounts and balance sheet  Evidence of turnover / orders for April 2020 onwards and estimated Fixed business related costs to compare to the trading accounts. Corresponding Bank Statements	If not trading at October 2020 other trading months information will be expected, including evidence of reopening.