

# ADDITIONAL RESTRICTIONS GRANT FUND FOR BUSINESS (ARG)



## What is the purpose of the Additional Restrictions Grants?

Government has announced further funding to support businesses that are forced to close or are severely detrimentally impacted by Covid 19 and nationally imposed restrictions put in place to manage coronavirus and save lives.

The Additional Restrictions Grant (ARG) is a discretionary grant which will be administered, by Plymouth City Council within the Unitary Authority area. The criteria and payments set out in this document have been aligned with Devon.

The grant will offer a lifeline to businesses which are struggling to survive nationally imposed restrictions and resulting in loss of trade and income due to the Covid 19 crisis.

The funding allocated to Plymouth is £5.242 million, it can be spent at the discretion of the Local Authority from November 2020 through to March 2022. This will be insufficient to help all businesses detrimentally impacted and therefore it is necessary to prioritise.

It has specifically allocated to respond to businesses suffering during the pandemic. It is the only discretionary funding to support business which are:

- legally required to close under national lockdown, but are not eligible for the LRS (closed) as they do not pay Business Rates, or
- not legally required to close but have suffered a loss in turnover as a result of the national restrictions. We would anticipate supporting businesses whose losses are 30% or more.

This may take the form of direct grants to businesses or it may support economic recovery or actions which support businesses which have been impacted

## Funding

Funding can flow to business in two ways. It maybe:

- Direct grants to businesses, which would reflect how much funding they would have received if they are in the LRS scheme. This will depend on whether they can evidence fixed costs such as vehicle lease agreements or property agreements.
- Funding of wider economic support, at the discretion of the Council and the section 151 officer, which specifically helps businesses who have been impacted by Covid.

## Phasing of funding

The £5.242 million is the total funding available to Plymouth. In order to ensure fairness, the grants will be split into 3 tranches. By delivering in tranches, it ensures there will be some support if there is a subsequent lockdown. The proposed initial allocation is split between these tranches:

- Up to 33% of LA allocation is available immediately from 30<sup>th</sup> November
- Up to 33% of LA allocation available Jan-Mar 2021
- Up to 33% of LA allocation available Fin. Year 2021/22

These allocations will be reviewed regularly in line with demand and future government guidance. Any decision to change will be delegated to the S 151 Officer in consultation with the leader of the Council and the Service Director for Economic Development.

## **Funding Allocations**

It is proposed that 66% (£3.459 million) will be allocated directly to businesses, in line with the LSRG grant Scheme. The remaining 34% will be allocated to supporting wider economic development activity providing business support during the pandemic and one-off discretionary grants for exceptional circumstances where the impact to the Plymouth economy extends beyond the individual business. Awards direct to businesses will be done by an online application similar to the LSRG process awards to the remaining 34% of the fund will be at the discretion of a panel comprising of the Section 151 officer and Service Director for Economic Development.

### **A responsive fund.**

The discretionary fund needs to be able to respond quickly to changing circumstances and business need and as with the previous discretionary fund this will be done by a regular review process using the authority of the councils s151 Officer. Any changes will also take into account the views of the chamber of commerce.

This split between tranches and businesses/wider economic development, will therefore be reviewed on a monthly basis by the leader of the Council, Section 151 Officer and Service Director for Economic Development. The monthly review meetings will provide us with more information on the demand for the scheme, any revisions needed will be updated and incorporated into the guidance held on our website. We will also communicate any changes in our business newsletter.

## **Eligibility**

The grants are for businesses based in Plymouth and are predominantly with fixed costs and a significant downturn in business due to covid. If businesses can secure funding from other grant schemes, we will redirect them towards those pots. This fund is designed to try and plug the gaps and the payment is on a par with other comparable schemes.

To be eligible businesses will need to meet the following criteria:

- The business must have been trading on or before 4<sup>th</sup> November 2020.
- Must be a micro or small business with up to 50 employees.
- Businesses should have ongoing fixed monthly business costs in Plymouth, such as mooring fees, rent, rates, wages, insurances, utilities, equipment rental etc.
- Have suffered significant loses. We anticipate a minimum of 30%
- Businesses that have already received grant payments that equal the maximum levels of State Aid permitted under the EU State aid De-Minimis Regulation and the Covid-19 Temporary State Aid Framework, are not eligible for funding under this scheme.
- Businesses that are in administration, insolvent or where a striking off order has been made, are not eligible for funding under this scheme
- Plymouth home-based businesses are eligible but must be registered with HRMC and provide their Company Unique Taxpayer Reference. And a copy of their most recent tax return.

For Plymouth, examples of eligible businesses will include:

- Leisure and hospitality
- Fishing businesses (with restaurants closed the price of fish has dropped)
- Childcare providers (number of children in childcare reduced due to unemployment or furlough)
- Language schools (clients not able to travel)

- Trades people and businesses who supply businesses that are required to close (e.g retail and hospitality)
- Creative and event businesses who work from home and their venues are ordered to shut
- Businesses who are located in packaged rent and rates who are required to shut or who supply businesses that are required to close

We do not envisage that this fund will support the following types of business

- Any premises where the Council consider that a Bed and Breakfast business is “home sharing” and advertised solely online through “home sharing” websites will not be eligible for this fund.
- Storage containers, which are only used for storage are not eligible. Where a storage container is used to run a business (e.g. a café run out of a shipping container), that would be eligible.
- Buy to let properties
- SBRR premises for which are only used for personal use e.g. riding stables
- Those that have already received significant support for the second national lockdown

Only one Discretionary Business Grant will be awarded to any business during the national lockdown (5 November to the 2 December), however if businesses operate from multiple Plymouth premises, they may be eligible for additional payments at the discretion of the I51 Officer.

### How much grant will be payable?

Total payment for businesses not required to close but have suffered a loss, per 28 days of National Lockdown:

<b>Non Rate payer</b>	
<b>Rateable Value</b>	<b>Amount</b>
N/A	£934
<b>Rate payer</b>	
<b>Rateable Value</b>	<b>Amount</b>
£0 – 14,999	£934
£15,000 - £51,000	£1,400
£51,000 +	£2,100

If you are a closed rate payer not eligible for the LSRG (closed) grant because you pay packaged rent and rates the payments would be structured so that you would not be disadvantaged:

<b>Closed rate payer – not eligible for the LRSB (Closed) grant</b>	
<b>Rateable Value</b>	<b>Amount</b>
£0 – 14,999	£1,334
£15,000 - £51,000	£2,000
£51,000 +	£3,000

### How will grants be administered?

The Council has to gather data to administer these funds, information supplied will be kept confidential. Data will be retained so that we can undertake regular reporting to Government. The process to administer this grant include:

- An online application form - we will have a separate ARG application process, we have designed this to be as simple as possible, in line with the governments reporting requirements
- Businesses may have to provide an up to date bank statement (for the account used by the business – this must contain name of account, SC and ACC no for verification purposes) This is to reduce fraud
- Spotlight and NFI checks must be undertaken before payment is released.
- All applications for under £3000 will be verified by PCC officer team. Grants over £3000 will be verified by the Section 151 officer and Service Director for Economic Development, a separate application form must be used to assess value for money, which will include the number of businesses assisted. It is envisaged organisations such as Business Improvement Districts would be beneficiaries for recovery activity.

#### **When will business be paid?**

- Evidence of need required therefore retrospective payments only
- Scheme open 30<sup>th</sup> November, payments end of that week and onwards

#### **Exceptional awards**

Exceptional awards will be invitational, there will be an application process and appraisal process. These applications will then be taken to a panel comprising of s151 Officer and the Service Director for economic development for consideration.

These applications may include additional discretionary support to extend funding provided to businesses under the LRSG (closed) grant scheme. The Council may also look to support businesses through activities such as supporting key organisations which have a wider economic multiplier effect (e.g. support to Business Improvement Districts to fill empty shops)

#### **Review of decisions**

The Council will operate an internal review process only. The grant application process will remain open until all funds are committed. We reserve the right to close the scheme at short/no notice – potential applicants should apply without delay.

Unsuccessful applicants will be advised of the outcome of their application by email. There is no right to appeal a decision