

**RIBBLE VALLEY BOROUGH COUNCIL**  
**REPORT TO POLICY AND FINANCE COMMITTEE**

DECISION

meeting date: 9 NOVEMBER 2021  
title: ADDITIONAL RESTRICTIONS GRANT SCHEME  
submitted by: DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING  
principal author: NICOLA HOPKINS – DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING

## **1 PURPOSE**

1.1 To consider the allocation of the second top-up of Additional Restrictions Grant (ARG) funding.

## **2 BACKGROUND**

2.1 As Members are aware we were originally awarded £1.217m of ARG funding which was followed by £541,000 via a second tranche giving a total allocation of £1.759m.

2.2 As we successfully allocated all our original funding prior to the deadline we have received our second top-up of £567,047. £17,478 of this second top up will need to be used to part fund the original agreed grants which leaves approximately £550,000 to be allocated. This funding needs to be spent by 31<sup>st</sup> March 2022.

2.3 At the last Policy and Finance Committee (14th September) Members agreed to set up a Task and Finish group comprising Councillors S Atkinson, S Hirst (replaced by D Peat), S Bibby, S Fletcher and R Thompson to consider how the second top-up of ARG funding should be allocated.

2.4 The Task and Finish Group met on 19<sup>th</sup> October to discuss potential options. The options the Group are recommending to Policy and Finance Committee are set out within section 4 of this report.

## **3 GUIDANCE**

3.1 The Secretary of State for Business, Energy and Industrial Strategy has issued guidance to Local Authorities about the operation and delivery of the ARG scheme ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/994386/additional-restrictions-grant-la-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994386/additional-restrictions-grant-la-guidance.pdf) )

3.2 Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions but are not eligible for the Restart Grant scheme, including those outside of the business rates system. Following the decision to delay stage 4 of the roadmap, Local Authorities are also encouraged to focus their support on those sectors that remain closed or are severely impacted by the extended restrictions, even if those businesses have already been in receipt of Restart Grants.

3.3 This may include but is not limited to the travel and tourism sector, including group travel, travel agents and tour operators. It is worth noting Travel Agents were considered non-essential retail businesses rather than leisure hence only received the lower strand Restart Grant. E.g., Travel agents with an RV of less than £15,000 received £2,667 as opposed to £8,000. However, this Council did agree to use some ARG funding to award them a further £1,500.

3.4 The guidance confirms that Local Authorities should continue to issue grants at their discretion, based on local economic needs.

3.5 Given that we are required to collect and return certain information to BEIS and HMRC we would need to run an application process. As a minimum, Local Authorities must hold the following information on all applicants:

- Name of business
- Business Trading Address including postcode
- Unique identifier (preferably Company Reference Number (CRN)) if applicable. If not applicable, VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
- High level SIC Code
- Nature of Business
- Date business established
- Number of employees
- Business rate account number (if applicable)
- Cumulative total of previous funding received under all COVID-19 grants schemes

#### **4 OPTIONS**

4.1 The following options have been considered by the Task and Finish Group. Utilising the additional ARG funding on the following schemes is recommended by the Group as it is considered the schemes would assist our businesses with their recovery from the impacts of the pandemic.

4.2 Three schemes are proposed as follows:

##### ***Scheme 1 -Travel Agents***

4.3 It is acknowledged that the travel industry has been significantly impacted by the pandemic with firms continuing to staff shops/ be available via phone/ e-mail to deal with cancellations and refunds, all without any opportunity to receipt new payments due to travel restrictions. There is still a lot of uncertainty surrounding travel and restrictions have been subject to several changes often quickly. There is a lack of confidence and people are unsure about going away given the need to isolate or quarantine changes regularly.

4.4 Given the impact the pandemic has had on travel agents it is suggested that a one-off grant is awarded to this sector. It is proposed to award £1,000 to travel agents based at home and £5,000 to travel agents who have a business premises/ shop and are registered for business rates.

##### ***Scheme 2 - Business Recovery***

4.5 The grant will be made available for businesses seeking to invest in their premises or facilities, as a direct result of the pandemic. This will include adaptations which will/ did enable them to reopen and bring staff and customers safely back to work. This grant will be for those businesses who were not eligible for a Restart Grant.

4.6 The grant will support the adaptation of office/ business space (e.g., furniture, fittings, services, equipment, access arrangements/ waiting areas) to enable staff to return to the office safely/ adopt new working practices/ enable social distancing/ enable business diversification.

### **Scheme 3 - Business Growth**

4.7 The purpose of this grant would be to support our businesses in recovering from the impact of the pandemic and seek to support businesses in expanding and adapting their businesses to support their long-term sustainability. Such a scheme would also support the Council's Climate Change Strategy.

4.8 The following eligibility criteria is suggested:

- **Sustainability-**
- installation of green energy solution within the building(s) (e.g. improved building ventilation/ air exchange/ low carbon heating etc.)
- Installation of vehicle charging points for business uses
- **Digitalisation** (e.g. digital hardware and software) to enable the adoption of new digital business practices such as online payments or to enable flexible/ remote working etc
- **Innovation** (linked to exploring new/ emerging business opportunities because of economic changes during the pandemic) purchase of equipment or machinery etc

## **5 GRANTS**

5.1 Both the Business Recovery grant and the Business Growth grant are aimed at encouraging our businesses to invest in their business and premises. In this regard it is proposed to offer a grant to cover upto 50% of the costs of eligible expenditure over £5,000 with a cap on the maximum grant award of £25,000 (see examples below)

<b>Eligible Expenditure</b>	<b>Grant Award</b>
£5,000 (minimum)	£2,500
£10,000	£5,000
£15,000	£7,500
£20,000	£10,000
£30,000	£15,000
£50,000	£25,000
£50,000+	£25,000

5.2 It is suggested that these two grants should be paid retrospectively and available for all eligible expenditure from 1st July 2021. Only one application per business premises will be accepted.

5.3 The grant would be available to businesses based within the Ribble Valley who were trading on 1st April 2021 and registered for business rates. The business would need to apply and evidence eligible expenditure and the amount of grant they are requesting toward the total cost, up to a maximum of £25,000.

5.4 The attached Grants Policy sets out the criteria for these two grants.

## **6 ADMINISTRATION**

6.1 Members need to be aware that administering the numerous grants which have been announced since the pandemic started, including the ARG scheme, is very time and resource intensive and should bear this in mind when determining how to allocate this further funding.

## **7 RECOMMENDATION**

7.1 Members confirm whether they agree to providing an additional one-off fixed grant to Travel Agents in accordance with paragraph 4.4

7.2 Members confirm whether the remainder of the Additional Restrictions Grant is used to fund the Business Recovery grant and the Business Growth grant in accordance with the details set out above and the attached Grant Policy

7.3 Members delegate authority to the Director of Economic Development and Planning and the Director of Resources, in consultation with the ARG Task and Finish Group, for minor amendments to the scheme that arise during the administration of the scheme.

A handwritten signature in blue ink, appearing to read 'N. Hopkins', with a horizontal line extending to the right.

NICOLA HOPKINS  
DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING



Ribble Valley  
Borough Council

[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

**Grants Policy for**

**Phase 3 of the**

**Additional Restrictions Grant**

**October 2021**

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## **1 Purpose and Objectives**

- 1.1 This Policy sets out what the grant scheme funding is for, who can apply, the criteria that must be met, how people must apply, any documents that must be sent in with the application form and when they are likely to hear the outcome of their application.
- 1.2 This policy covers the period from 10th November 2021 – 31 March 2022. The Council reserves the right to amend this policy at any time.
- 1.3 This Policy document supersedes all previous policies referring to the Additional Restrictions Grant.

## **2 Background**

- 2.1 An announcement in the 2021 Budget confirmed that Local Authorities will receive an allocation of a £425 million top-up to the Additional Restrictions Grant Scheme (ARG), subject to Local Authorities spending their existing allocations of ARG by 30 June 2021, this deadline was subsequently extended to 31st July 2021.
- 2.2 The second top-up of £425 million of ARG funding will be allocated to Local Authorities from 1 April 2021, when conditions of the funding are met. This funding will be allocated based on a per-business calculation.
- 2.3 In line with Government guidance, Ribble Valley Borough Council submitted its evidence to Government, prior to the deadline of 31st July, to demonstrate that the existing allocations of £1.759m has been fully spent.
- 2.4 In July the Council received confirmation of the amount of 'ARG top up' funding that would be allocated to the Local Authority and the conditions relating to the grant scheme. The amount of ARG allocated to Ribble Valley was a total of £567,047.

## **3 Overview of Additional Restrictions Grant (ARG)**

- 3.1 The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England.
- 3.2 The ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions when most needed. Phase 3 ARG Funding covers Financial Year 21/22. Funding must be spent by 31 March 2022.
- 3.3 Funds that have not been distributed by Local Authorities by 31 March 2022 will be subject to recovery. For the avoidance of doubt, Local Authorities need to manage their application and payment process to achieve all spend by 31 March 2022 as payments after this date will not be allowed in any circumstances.
- 3.4 Local Authorities can use ARG funding for business support activities. This may primarily take the form of discretionary grants, but Local Authorities could also use this funding for wider business support activities.
- 3.5 Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions but are not eligible for the Restart Grant scheme, including those outside of the business rates system. Following the decision to delay stage 4 of the roadmap, Local Authorities are also encouraged to focus their support on those sectors that remain closed or are severely impacted by the extended restrictions, even if those businesses have already been in receipt of Restart Grants.
- 3.6 Ribble Valley Council's policy for Phase 3 of the ARG Scheme is set out below.

#### **4 Policy for Phase 3 of the Additional Restrictions Grant Scheme**

4.1 Ribble Valley Council's approach to this Phase of the Additional Restrictions Grant Scheme takes into account that, following the Government's decision to delay stage 4 of the roadmap, there were some sectors that remained closed or were severely impacted by the extended restrictions, that may require grant support.

4.2 This approach also recognises that to support local economic recovery post pandemic, some businesses may need support to enable them to re-open quickly, bring staff and customers safely back to work or to capitalise on new opportunities.

4.3 The ARG funds will therefore be directed into the following schemes:

- Travel Agents
- Business Recovery
- Business Growth

#### **Eligibility - General conditions applying to all Additional Restrictions Grants under this Grants Policy**

4.4 Only businesses/ organisations trading from a property registered for business rates and based in the Ribble Valley can apply for a grant.

4.5 Businesses must apply to the Council via an online form in order to be considered for a grant payment.

4.6 Only businesses meeting the criteria listed under each scheme will be eligible.

4.7 Businesses that are in Administration, insolvent or where a striking off notice has been made will not be eligible.

4.8 Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.

#### **Policy for Business Recovery Grant Programme of the Additional Restrictions Grant Scheme**

4.9 The grant will be made available for businesses seeking to invest in their premises and facilities that will enable them to re-open quickly and bring staff and customers safely back to work. The adaptations eligible for this grant must be a direct result of the pandemic.

4.10 Businesses which were awarded a Restart Grant are not eligible to apply for this grant.

4.11 Grants will be made available for eligible expenditure in excess of £5,000

4.12 Grants will be made available from £2,500 up to a maximum of £25,000 per business towards 50% of eligible expenditure.

4.13 Grants will be awarded as follows:

- Amount of Eligible Expenditure Intervention Rate: 50% up to a maximum grant of £25,000

4.14 Examples of eligible items include, but are not limited to:

- Furniture, fittings and equipment to create outside business spaces or to adapt internal workspaces;
- Access improvements / amendments (i.e. motion sensor doors, queueing adaptations, one-way set-ups, improvised waiting areas etc)

- Internal adaptations (i.e. relocation of existing fixtures / fittings / services etc. potentially to support revised utilisation of space to ensure social distancing or diversified uses of premises)

4.15 The grant cannot be used for the following:

- Salaries or wage subsidies.
- Acquisition of land / buildings either directly or indirectly
- Consultancy, design and statutory application fees
- Professional fees (e.g. solicitor / surveyor / architect)
- Personal Protective Equipment, consumable items such as masks/gloves/sanitiser refill etc.
- Servicing existing business debt
- Marketing campaigns

4.16 Grants will be awarded to eligible businesses on a first come first served basis until the total amount of funding allocated to the Business Recovery Grant has been spent.

4.17 Only one application per business is allowed.

### **Policy for Business Growth Grant Programmes of the Additional Restrictions Grant Scheme**

4.18 This Business Growth Grant Programme is to support economic recovery and assist businesses that are seeking to grow, adapt, diversify, and expand their current operation to support long-term sustainability.

4.19 Grants will be made available for eligible expenditure in excess of £5,000

4.20 Grants will be made available from £2,500 up to a maximum of £25,000 per business towards 50% of eligible expenditure.

4.21 Grants will be awarded as follows:

- Amount of Eligible Expenditure Intervention Rate: 50% up to a maximum grant of £25,000

4.22 Examples of eligible items include, but are not limited to:

- Improved building ventilation/ air exchange or low carbon heating and green energy solutions.
- Installation of charging points for business use.
- Digital hardware and software to enable the adoption of new digital business practices including setting up a new e-commerce or e-POS systems, payment systems or to enable flexible/ remote working etc.
- Purchase of equipment or machinery to capitalise on new and emerging business opportunities.

4.23 The grant cannot be used for the following:

- Salaries or wage subsidies.
- Acquisition of land / buildings either directly or indirectly
- Consultancy, design and statutory application fees
- Professional fees (e.g. solicitor / surveyor / architect)
- Personal Protective Equipment, consumable items such as masks/gloves/sanitiser refill etc.
- Servicing existing business debt
- Marketing campaigns



- 4.24 Grants will be awarded to eligible businesses on a first come first served basis. Applications will close when the ARG funding has been fully allocated or the 15 March 2022, whichever is the earliest.
- 4.25 Only one application per business is allowed.

### **Eligibility**

- 4.26 Businesses must meet the general eligibility criteria list in Section 5. In addition:
- Businesses must have submitted an online application form outlining the amount of grant they are requesting toward the total cost, up to a maximum of £25,000.
  - Only expenditure on items listed in 4.12 and 4.19 will be eligible for grant.
  - Businesses must have been trading on 1 April 2021
  - Only expenditure which occurred after 1st July 2021 will be eligible

### **Applications**

- 4.27 The on-line application form for the Business Recovery Grant shall be supported by the submission of the following information:
- Details of the measures subject to the grant application including their requirement as a direct result of the pandemic.
  - Photographic evidence of the adaptations which have occurred within the business premises subject to the grant application.
  - Bank statements/ receipts for the adaptations undertaken.
- 4.28 The on-line application form for the Business Growth Grant shall be supported by the submission of the following information:
- Photographic evidence (where applicable) of the measures implemented (charging points/ new equipment etc) at business premises subject to the grant application.
  - Details of the new business practices implemented and why these measures are required for the business sustainability/ growth
  - What emerging business opportunities are being explored.
  - Bank statements/ receipts for the adaptations/ changes undertaken.

### **Grant Payments**

- 4.29 Only purchases made after 1st July 2021 may be claimed.
- 4.30 Grants are paid retrospectively once full payment of items can be evidenced through bank statements/ receipts. Payments cannot be made using cash. If you intend to use a credit card you need to speak with the Additional Restrictions Grant Team before making your purchase
- 4.31 The grant covers the net cost of items for businesses that are VAT registered. However, the grant covers the gross cost of items for businesses that are not VAT registered at the time of expenditure and that do not expect to register for VAT within that current financial year.
- 4.32 Grants will be awarded to eligible businesses on a first come first served basis until the total amount of funding has been spent.
- 4.33 Grant amounts may be amended depending on the amount of ARG allocation remaining.

## **5 Payment Process and Pre-Payment Checks**

- 5.1 Applicants considered for the ARG Scheme will receive a Decision Notice by email confirming if the application is successful or not.

5.2 Details of successful applicants will be added to an approved list which will be subjected to upfront pre-payment checks. This will include use of the Government Grants Management Function digital due-diligence tool, Spotlight, to enhance the due diligence checks carried out as part of the grant assessment process.

5.3 In cases where potential fraud is detected, the Council will make use of tools available from the National Fraud Initiative (NFI) to:

5.3.1 verify the bank accounts of companies in receipt of these business grants; and

5.3.2 provide insight into whether the company was trading at the relevant date for these grants.

5.4 Payments will be made by BACS Transfer. The Council is unable to issue cheques or cash payments.

5.5 Any business caught falsifying their records or making any material misrepresentations to gain grant money will face prosecution and any funding issued will be subject to claw back, as will any grants paid in error.

## **6 Monitoring and Record Keeping**

6.1 Local authorities are required to report to BEIS full details regarding funding awarded under the ARG schemes.

6.2 Post payment, the Government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments.

## **7 UK Subsidy**

7.1 The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).

7.2 The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

7.3 There are three subsidy allowances for this scheme set out below:

- Small Amounts of Financial Assistance Allowance,
- the COVID-19 Business Grant Allowance and
- the COVID-19 Business Grant Special Allowance.

7.4 Small Amounts of Financial Assistance Allowance

7.4.1 Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.

7.5 COVID-19 Business Grant Allowance

7.5.1 Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this

allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

## 7.6 COVID-19 Business Grant Special Allowance

7.6.1 Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met:

7.6.1.1 The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and the date of application, including such costs incurred in any part of that period ('eligible period');

7.6.1.2 Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;

7.6.1.3 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;

7.6.1.4 The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;

7.6.1.5 Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;

7.6.1.6 Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

7.6.2 An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.

7.6.3 Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an undertaking in difficulty' (as defined in Annex B below) on 31 December 2019.

7.6.4 In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

7.6.5 Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>.

7.6.6 If a grant is awarded under the Small Amounts of Financial Assistance Allowance, Local Authorities must ask the recipient whether, when cumulated with any De Minimis State Aid or Small Amounts of Financial Assistance that the business has received in the last three years, the grant will mean that the recipient has received

more than 325,000 Special Drawing Rights (approximately £335,000 at the time of writing). If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.

7.6.7 If the grant is awarded under the COVID-19 Business Grant Allowance or the COVID-19 Business Grant Special Allowance, Local Authorities must ask the recipient whether, when cumulated with any other grant under the allowances, the recipient has received more than £500,000. If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.

7.6.8 For access to and any further questions on the database, please contact the BEIS subsidy control team at [subsidycontrol@beis.gov.uk](mailto:subsidycontrol@beis.gov.uk).

## **8 Tax implications**

Grant income received by a business is taxable. This grant will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax.

## **9 Appeals**

There is no right to appeal and the decision of the Council is final. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.

## **10 Right to update this policy**

The Council reserves the right to update, change or withdraw 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, omission, or unallocated funds.

We also reserve the right to change the qualifying criteria at short notice if it feels it is appropriate to do so, reflecting changing circumstances and demand on funds.

## **11 Canvassing**

Any canvassing of officers or members would result in an application being refused.