

Havant Borough Council

Additional Restrictions Grant (ARG) Fund (Discretionary Grants)

In response to the recent National Lockdown, the government announced there would be support for businesses forced to close delivered through the Local Restrictions Support Grant (Closed) Addendum Fund. This additional fund is aimed at businesses who were not eligible for the Local Restrictions Support Grant (Closed) Addendum Fund or wish to apply for additional support.

This additional fund is aimed at businesses with ongoing fixed property-related costs. Havant Borough has ringfenced £500,000 of funding to support businesses from Central Government for the 28 day period 5th November to 2nd December 20.

Deadline / Timeline

Grants will be initially administered for the 28-day period of the National Lockdown from Thursday 5th November 2020. Applications for the Additional Restrictions Grant will need to be submitted using the online form within 14 days of a national or local lockdown ceasing to be in place.

Applications will be considered, and applicants notified of the outcome as soon as possible, with payments being made within a week of the decision notification.

This ARG funding will be available for the period announced under the new restrictions starting on 5 November until 2 December. Beyond this time, this policy will be reviewed if a national or localised lockdown is implemented or extended.

Eligibility Criteria

1. This funding is available for business that have been forced to close and are not covered under the Local Restrictions Support Grant (Closed) Scheme but have significant fixed costs which are not related to employment*.
2. Businesses significantly affected by business closures caused by national restrictions announced on 31 October 2020 and that come into force on the 5th November 2020. This grant will not be administered for periods of impact before these dates. These businesses will include those that provide products and services to the retail, hospitality, and leisure sectors, or businesses in the events sector, that have been forced to close during the second national lockdown.
3. Only businesses located within the Havant Borough Council area will be eligible for this scheme.
4. The business must have been actively trading on and before the 4 November 2020.
5. Discretionary Grants will be paid subject to State Aid regulations, meaning the business needs to check that they comply with State Aid rules and inform the Local Authority 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.

* Fixed Costs – any costs relating to the operation of the business that cannot be cancelled during this period. These could include property costs such as rent for non-rateable commercial premises, utilities, etc. Fixed costs do not include employee costs.

Exclusions to the Additional Restrictions Grant (Discretionary)

- Businesses that can continue to trade and can operate their services effectively remotely.
- Businesses that have chosen to close but not been required to will not be eligible for this grant.
- 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.
- For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- Precepting Authorities

Grant Levels

Business can receive up to a maximum of £3,000 for any given property**

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

Indicative amounts for priority groups – The ARG scheme will follow the Local Restrictions Support Grant Scheme for the amounts paid.

- For properties with a rateable value of £15k or under, grants to be £1,334 per 28-day qualifying restriction period
- For properties with a rateable value of over £15k and below £51k, grants to be £2,000 per 28-day qualifying restriction period
- For properties with a rateable value of £51k or over grants to be £3,000 per 28-day qualifying restriction period

Where a property is part of a larger rateable value, these will be set up to a maximum of the lower level of £1,334 per 28-day qualifying restriction

For Businesses that work from a residential property and B&B accommodation, these will be set up to a maximum of £500 per 28-day qualifying restriction period.

** Property – a business that has more than one property will be eligible to submit an application for each actively trading property.

*** For businesses that work from a residential property, fixed monthly overheads for the purpose of this grant only includes business expenses and not any residential

costs. A maximum of one grant per residential property. A copy of the Council Tax bill will need to be provided showing that they are registered for Council Tax in the Borough. Evidence of registration with HMRC for tax purposes will also be required.

Evidence

Closed businesses applying for ARG (Discretionary) funding will be required to give details of income received in September and October, plus an estimated income figure for November. The council places responsibility on the applicant to provide information that 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 give details of income received in September and October, plus an estimated income figure for November. The council places responsibility on the applicant to provide information that is correct to the best of their knowledge.

In addition, businesses that are not required to close will need to provide evidence to demonstrate they supply businesses that are required to close. We also require a copy of a bank statement (showing the business name or applicant's name, registered address with income within the last 3 months).

Tax

Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grants Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

State Aid

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. Havant Borough Council must be satisfied that all State aid requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved COVID-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission. Havant Borough Council have a discretion to make payments to eligible recipients under either the De Minimis rules or the COVID-19 Temporary Framework for UK Authorities (provided all the relevant conditions are met).

Payments of up to and including £10,000 can be provided under the De Minimis rules, meaning applicants can receive up to €200,000 of aid within a three-year period.

Fraud

The council 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

All applicants' information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

Appeals

There are no further appeals rights for the grant, the Council's decision is final.

Queries

If you require support or advice in relation to the Additional Restrictions Grant (Discretionary) Fund please email: Economic_Development@havant.gov.uk