

The additional Restrictions Grant is a discretionary payment to help businesses that have been severely impacted by government restrictions, but don't qualify for Local Restriction's Support Grant (LRSG)

Purpose

Support for businesses affected by reduced trading conditions experienced during national lockdown. Focusing on the hospitality, accommodation, beauty and leisure sectors, non-essential retail and their supply chains.

Principles

- Providing the greatest assistance to those eligible micro and small businesses,
- Providing support to as many businesses as possible within the available financial resources,
- Delivering a grant application which is simple, straightforward and makes decisions as quickly as possible, and,
- To ensure there is proper due diligence and fraud and error is avoided.

Scope

The Government guidance issued on 3 November 2020 gives the Council discretion over the grant scheme, and its decision regarding the scheme will be final.

Under the guidance issued to the Government, it has been determined that the businesses to be prioritised for access to the funding are:

- Hospitality - such as cafes, restaurants, pubs, bars, and social clubs. With the exception of providing food and drink for takeaway by click-and-collect, drive-through or delivery (before 10pm). This also includes businesses such as hotels, hostels, guest houses and campsites. Except for specific circumstances, such as where these act as someone's main residence, where they cannot return home, for homeless people, or where it is essential to stay there for work purposes.
- Personal care - such as hair, beauty, tanning and nail salons. Tattoo parlours, spas, massage parlours, body and skin piercing services must also close. It is also prohibited to provide these services in other people's homes.
- Sports - such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, and shooting ranges.
- Leisure - such as theatres, concert halls, cinemas, museums and galleries, casinos, amusement arcades, bingo halls, bowling alleys, skating rinks, go-karting venues, soft play centres and areas, circuses, funfairs, zoos and other animal attractions, water parks, theme parks. Indoor attractions at botanical

gardens, heritage homes and landmarks must also close, though outdoor grounds of these premises can stay open.

- Non-essential retail - such as clothing and homeware stores, vehicle showrooms (other than for rental), betting shops, tailors, tobacco and vape shops, electronic goods and mobile phone shops, and market stalls selling non-essential goods. These venues can continue to be able to operate click-and-collect (where goods are pre-ordered and collected off the premises) and delivery services.
- Businesses required to close that do not pay business rates, for example units in industrial parks, science parks and incubators which do not have their own business rates assessment.
- Businesses not required to close, but are severely affected, for example as a result of customer businesses being closed or restricted for use.
- Community Centres and halls must close except for a limited number of exempt activities set out in law.
- Parish Councils which meet the scheme criteria (the precepting authority exclusion does not apply to this fund).
- A full list of the business closures set out in law is published at <https://www.gov.uk/guidance/new-national-restrictions-from-5-november>

Who can claim a discretionary ARG grant from Erewash Borough Council

- The business was open and trading as usual on 4 November 2020
- Businesses that **operate in** the hospitality, non-essential retail, personal care, leisure and sport sectors, **or** supplies goods and services to these sectors, **including** self-employed businesses and homeworking businesses that where the occupier of a property with a trading address in Erewash Borough Council and has been forced to close.
- Businesses that were not forced to close but are nonetheless severely impacted by the restrictions put in place to control the spread of COVID-19. This includes businesses which supply the retail, hospitality and leisure sectors, or businesses in the events sector. Such as taxi drivers licensed in Erewash and essential goods Market Stalls
- Businesses that have been unable to provide their usual in-person customer services from their premises, but are providing an alternative service instead (i.e. businesses that operate primarily as an in person venue, but which have been forced to close those services and provide a takeaway only service instead) are eligible.
- Is a small or micro business with fewer than 50 employees
- Has ongoing business premises costs or fixed non avoidable business costs excluding salaries*
- **Is not registered for Business Rates**
- Has experienced a drop in turnover of 20% or more because of national restrictions

- Businesses that are eligible for the scheme will be entitled to receive a one off grant payment for the 28 days of the national restrictions.

*If you do not have ongoing business premises costs you may be entitled to a fixed grant of **up to £1000** for businesses that have been **forced to temporarily close** due to COVID restrictions, and **up to £500** if you are **still operating** your business but have suffered reduced trade as an outcome of the restrictions. (Fixed costs – any costs relating to the operation of the business that cannot be cancelled during this period).

In exceptional circumstances the local authority may consider categories outside of this scheme subject to evidence of significant community need and benefit.

The person that claims must be the business owner, or must hold a position of responsibility within the company, and be authorised to make the claim on behalf of the business.

Businesses that are not eligible

Your business will not be eligible for the scheme if it:

- Was not open and trading on 4 November
- Is registered for Business Rates
- Is not one of the businesses that have been instructed to close, or does not supply goods or services to one of those businesses
- Has chosen to close
- Requests to fund wages, and self-employed wages will not be considered
- Is eligible for or have received cash grants from the LRSG (Closed) scheme
- Has already received a grant or partial grant passed in by a landlord under the LRSG (Closed) scheme.
- Has entered into administration or insolvency or where a striking off notice has been made.
- Has exceeded state aid limits

How much is paid

If you qualify for this grant you will receive a lump sum payment for the four week period of the national lockdown from 5 November to 2 December 2020. This is a discretionary payment scheme and each claim will be judged on its own merits. And will be based on the number of employees as follows;

Business Size	No of Employees	Erewash
Micro	Up to 10	Up to £1000
Small	11 - 49	Up to £1,500

How to Claim

You can apply for an ARG payment online through My Erewash. Registering for an account is quick and easy, and you will be able to track the progress of your claim.

Evidence required to support your claim

In order to claim, you will need to provide evidence of your business expenditure and loss of income over 20% the following items could be provided;

Business Bank Account Details – this is the account we will pay the grant into

- **Bank Statements** – the three most recent statements, or screenshots of online banking for the past three months, showing:
 - The business bank details
 - Business transactions during this period
 - Income over the 12 months
- **Proof of annual business premises costs** – such as copies of a lease, agreements, and three months' worth of utility bills
- If you have no fixed premises costs you could provide copies of bank statements showing at least three months' worth of business payments being made.

You will also be asked about payments you have received from the Coronavirus Job Retention Scheme (furlough) and the Self-Employment Income Support Scheme.

We may ask you to provide further evidence, such as tax returns and proof of a reduction in business turnover, before we process your claim.

You will need to upload electronic copies, scanned images or clear photos of the proof needed to support your claim.

Timeline for the grant scheme

The first round of the scheme will open on the 1 December and will end on the 31 January 2021. With applications being assessed as they are received to enable those most in need to get access to the funds in the shortest amount of time.

Over subscription

If the fund is oversubscribed with the applications received, the Council reserves the right to amend the grant levels to a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation.

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.

Micro Businesses

To be a micro business, under the Companies Act 2006, the business must satisfy two or more of the following requirements in a year;

- Turnover of not more than £632,000
- Balance sheet total not more than £316,000
- Number of employees less than 10 employees

Small Business

To be a small business, under the Companies Act 2006, the business must satisfy two or more of the following requirements in a year;

- Turnover of not more than £10.2million
- Balance sheet total of not more than £5.1 million
- Less than 50 employees

We may request evidence that your business meets the requirements of a small or micro business before we can process your claim.

Business Rates

To qualify for this grant your business must not be registered for Business Rates. This means that the place you run your business from doesn't fall into the business rates system such as a market stall or space within premises where someone else is liable for the business rates.

If your business should be registered for business rates, or if it is registered but you don't have a charge to pay, you are not entitled to claim this grant.

State Aid

There is a requirement for all grants made under this scheme to be State Aid compliant, please see the further guidance on this at [De Minimis Regulations 1407/2013](#) (as published in the Official Journal of the European Union

L352 24.12.2013). In some circumstances the provisions of the [COVID-19 Temporary Framework for UK Authorities](#) may also be enforced.

If you are no longer entitled to the grant.

You must notify the council straight away if your business is no longer eligible for discretionary ARG payment after submitting your applications. This could be because the business;

- No longer meets the eligibility criteria for this grant
- Enters into administration or becomes insolvent
- Reaches the state aid limit of £735,650 for Covid-19 support

If your business is paid a grant that it is not entitled to the funding will be reclaimed, and any business caught falsifying their records to gain grant money will face prosecution.

Other information.

Grant income received by a business is taxable. The Additional Restrictions Grant will need to be included as an 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.

The government and the council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution, and any funding issued will be recovered, as may any grants paid in error.

In administering these grants the council will undertake due diligence checks to mitigate against risks of fraud and payment error.

The council does not accept any liability for any issues that may arise for business because of applying for, receiving, or not receiving grant payments under this scheme.

The government has developed a package of support for businesses including loans, tax relief and cash grants. Also available to self-employed people and sole traders more information can be found at www.gov.uk/coronavirus/business-support

This grant is not intended as a replacement of wages or loss of sales, but as a means of support to help with business costs during this period.