

Ipswich Borough Council Policy for the Covid-19 'Additional Restrictions Grant'

Phase 2 (Part 1)

20th January 2021

Background

1. The Additional Restrictions Grant (ARG) was established by Government on 31st October 2020. It was set up to enable Local Authorities to support businesses in their areas.
2. For Ipswich Borough Council (IBC), the funding for ARG initially amounted to £2,738,260. This money can be used in the financial years 2020/21 and 2021/22.
3. IBC introduced Phase 1 of its ARG policy on 25th November 2020. That policy covered the four-week national lockdown period from 5th November to 1st December 2020.
4. This document sets out the details of part of the second phase (i.e. 'Phase 2') of the Council's ARG Policy.
5. The principles of IBC's Phase 2 policy were agreed at a meeting of the Council's Executive that took place on 12th January 2021. This policy sets out the Council's approach to parts of the Phase 2 policy, namely:
 - a) To continue to support businesses that were eligible under Phase 1 (with a streamlined process for those that successfully applied at that phase – but an opportunity to apply now for those that didn't apply as part of Phase 1); and,
 - b) An enhanced scheme for public houses in Ipswich Borough.
6. Other parts of the Phase 2 policy will be confirmed in the coming weeks to address:
 - a) other elements of the hospitality and leisure sector (with a £300,000 fund made available to provide additional support to this sector); and
 - b) the independent town centre retail sector (with a £300,000 fund made available to provide additional support to this sector)
7. Businesses within the sectors specified in paragraph 6 can (and should) still apply for ARG within this part of the policy if they meet the requirements set out within this document. Any support provided via either of the £300,000 funds referred to in paragraph 6 would be additional to support gained from applying in accordance with the provisions set out below.
8. Following the 12th January 2021 Executive meeting, the Government announced (on 14th January) a further allocation of ARG funding to Ipswich, of £1,216,205. The timeframe for use of this additional funding remains the same – i.e. by the end of 2021/22.
9. Government guidance in respect of the scheme can be seen at:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1. Additional Restrictions Grant - FINAL LA guidance 03112020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1_Additional_Restrictions_Grant_-_FINAL_LA_guidance_03112020.pdf)

10. The ARG is intended to operate alongside the separate Local Restrictions Support Grant (Closed) and the Local Restrictions Support Grant (Closed)(Addendum) schemes. Businesses that are eligible for those schemes are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses. Further details on those two schemes – which can result in grants of up to £3,000 per site (for each 28 days the business is required to close are set out at: <https://www.ipswich.gov.uk/businessratesgrant>.
11. It is anticipated that a Phase 3 Policy for the use of the Council's ARG funding will be considered at the meeting of the Councils Executive scheduled for 9th March 2021.

Ipswich Borough Council ARG scheme

12. Businesses that already applied for, and were granted, funds from the first phase of the ARG programme do not need to re-apply. These businesses will though be asked to confirm; (i) their continued eligibility; (ii) to inform the Council of any changed circumstances (e.g. changed rent level or change of locations ; and, (iii) to demonstrate evidence during February 2021 of income losses in January 2021 (in comparison with January 2020). If (i) and (ii) are achieved then the business will receive a grant to cover the period to 28th February 2021, if (iii) is achieved then the Council will grant them funding – via an additional payment - to cover March 2021. The Council will contact all such businesses by the end of January to confirm the information that needs to be submitted and the grant levels (and dates) that is anticipates paying.

Eligibility (All businesses except public houses)

13. To be eligible to apply for a grant under this scheme, a business must:
 - Have been trading on or before 1st December 2020
 - Have been legally required to close, or
 - Have been significantly financially impacted by the National Coronavirus restriction measures – businesses must be able to demonstrate a loss of income of 30% or more in November 2020 (as compared to November 2019). Note that further information will be sought from eligible business for them to get a further grant award in March 2021 (see paragraph 21 below);
 - Have a business address in Ipswich.
14. For the avoidance of doubt:
 - (i) Businesses who have accessed previous Coronavirus grant support schemes are eligible to apply for this scheme.
 - (ii) Self-employed businesses are eligible for an ARG.
 - (iii) A business will only be eligible for one ARG grant from Ipswich Borough Council within this phase (irrespective of the number of sites they operate from).
 - (iv) The business address can be a home address providing it is the main physical address that the business is run from.
 - (v) Businesses can have received other grants (including ARG from other councils and still be eligible for an Ipswich Borough Council ARG grant).

Eligibility (public houses)

15. Public houses in Ipswich Borough (of which there are approximately 61) will each receive £25,000 (at £5,000 per month) for the period from November 2020 to 31st March 2021 – subject to state aid rules being met in each case and income reductions being greater than the grant received in each case. This will be via a mix of ARG funding and other business grants as set out below in paragraphs 16 and 17.
16. ARG funding will be used to top up any grants to these premises that are sourced via any of the following schemes:
 - The LRSG (Closed) (Addendum) Scheme
 - The LRSG Closed Scheme
 - The LRSG Sector Scheme
 - The LRSG Open Scheme
 - The Christmas Support Payment Scheme
17. Public houses are required to submit the evidence required at paragraph 20 and scheme closing dates and payment dates will be as set out in paragraph 22. The Council will make a single grant payment to cover the period up to the end of February 2021 and then an additional payment for March 2021 (subject to January 2021 financial data being supplied and showing significant losses (see paragraph 21) – the Council will calculate what funding comes from which of the 6 schemes (i.e. the 5 above at paragraph 16 plus ARG).
18. For the avoidance of doubt, any grant due under the Closed Business Lockdown payment scheme (announced on 5th January 2021) will be additional to the £25,000 referred to in paragraph 15.

Exclusions

19. The following businesses will not be eligible to apply for Additional Restrictions Grant (ARG):
 - Businesses (other than public houses) will not be eligible for both the Local Restrictions Support Grant (Closed) or Local Restrictions Support Grant (Closed) (Addendum) schemes and Additional Restrictions Grant (ARG) (for the same time period)
 - 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
 - Companies that are in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme
 - Businesses that were not trading on the 1st December 2020.

Evidence required

20. For the application to be considered, we require businesses to provide the clear evidence demonstrating that they meet the eligibility criteria in paragraph 13. **If you are unable to provide satisfactory evidence your application will not be considered.** Evidence will include:
- A description of your business
 - A statement of the impact of the Coronavirus restrictions on the business
 - Evidence of all business income for the months November 2019 and November 2020, including bank statements for the account(s) into which all business income is paid (for businesses established since November 2019 – the 30% loss criteria will be measured against October 2020 data)
 - Copy of your lease / tenancy agreement / mortgage / mooring costs (or equivalent) evidencing monthly payments / commitments (if applicable).
 - Confirmation of State Aid compliance
21. Successful applicant's will be asked to supply business income information for January 2020 and January 2021. March payments will not take place until this information has been received and, then, March payments will only be made if loss levels exceed the 30% figure set out in paragraph 13.

Application process and decision-making

22. Applications for the Additional Restrictions Grant will need to be submitted using the online form within one of two tranches:
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| Tranche 1 | Closes 12 noon on 5 th February 2021 – when the Council hopes to reach a decision and pay relevant grants by 26 th February 2021; |
| Tranche 2 | Closes 12 noon on 26 th February 2021 – when the Council hopes to reach a decision and pay relevant grants by 19 th March 2021. |
23. In the event that an applicant does not have access to the online form, a Microsoft Word or PDF version can be emailed as long as a request for the form is submitted up to 48 hours prior to the tranche deadline. Requests need to be submitted by email to opportunities@ipswich.gov.uk.
24. Evidence to support the application will need to be uploaded as part of the application process. The evidence will be in accordance with paragraph 20.
25. No grant will be paid without an application being made (though successful Phase 1 businesses do not need to re-apply, as noted in paragraph 12).
26. Grant decisions will be made by the Chief Executive of the Council.
27. There is no appeal process.
28. Enquiries about the scheme can be emailed to opportunities@ipswich.gov.uk.

Payments

29. The grant bands and levels are set out in paragraphs 30 to 32 below. However, each grant level will be adjusted so that no grant exceeds (per day) November 2020's income losses (when compared to November 2019).
30. For businesses not occupying rated property, grants will be awarded based on rent payable on the property occupied, in the following amounts (subject to the provisions of paragraph 29):

Business type	Grant amount per 28-day period
Businesses with monthly rent (November 2020) of up to £1,334.	£1,334
Business with monthly rent (November 2020) of between £1,334 and £2,000.	£2,000
Business with monthly rent (November 2020) of over £2,000.	£3,000

31. For businesses occupying rated property, grants will be awarded based on the rateable value of the property occupied. The bands used in the table below – and the grant amounts match the bands and amounts in the Governments LRSG (Closed) scheme. These are (subject to the provisions of paragraph 29):

Business type	Grant amount per 28-day period
Business with a rateable value of £15,000 or under	£1,334
Business with a rateable value between £15,000 and £51,000	£2,000
Business with a rateable value in excess of £51,000	£3,000

32. For those businesses that are not rated and do not pay rent:
- Monthly mortgage payments, mooring costs (or equivalent) will be used as an alternative to rent;
 - Those that can demonstrate they are eligible (paragraph 13) but don't pay any form of rent / mortgage will qualify for a grant of £1,334 (subject to the provisions of paragraph 29).
33. Applications for the grant must be made online and payments will be made directly to approved recipients' bank accounts by electronic transfer.

Resources and availability of funding

34. This is a limited fund which will be closed when fully subscribed – so it is possible there will not be a third phase in 2021.
35. If the fund is oversubscribed within Phase 2 then 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, should it arise.

Other information

36. There is a requirement for all grants made under this scheme to be state aid compliant, please see the further guidance on this at this link – [State Aid Guidance](#).
37. Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
38. The Government and the Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
39. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.
40. The Council will make publicly available details of grants issued under this scheme – in a similar manner to the information made public under the 'discretionary grants' scheme the Council ran in mid 2020 (i.e. business name and grant amount).