



Borough of Pendle Council Additional Restrictions Grants (ARG) Hardship Fund

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘Local lockdown’; means the same as **‘Local restrictions’**;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Rateable value’; means the rateable value for the hereditament shown in the Council’s local rating list at the date of the local restrictions;

‘Ratepayer’; means the person who will receive the grant will be the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions;

‘Restart Grant or LGRS’; means the mandatory grant under the Government’s Restart scheme effective from 1st April 2021;

‘Subsidies’; means the replacement for state aid subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU

‘State Aid Framework’; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

‘Temporary Framework for State aid’; means the same as the **‘State Aid Framework’**.

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's third round of its Additional Restrictions Grant Scheme (ARG) Hardship Fund.
- 1.2 The Council will provide assistance to qualifying businesses to support their recovery from the Covid-19 Pandemic by provide a Discretionary Hardship Fund
- 1.3 This scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy whereby an additional restriction grant payment may be made by the Council to a business which had to close or is severely affected due the restrictions that were put in place to manage coronavirus.
- 1.4 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down certain criteria which **must** be met by each business making an application.

2.0 Funding

- 2.1 The Council has been allocated fixed amount of funding. Given that there is a finite amount available to the Council to award under this Scheme, the Council will keep this policy under review. Grant funding will only be available for the financial year 2021/22 and once the funding available from Government has been used, the scheme will close.

3.0 Eligibility criteria and awards – Discretionary Hardship Fund

- 3.1 The Council is able to use this funding for business support activities and Government envisage that this will primarily take the form of discretionary grants although it can be used for wider business support activities.
- 3.2 The Discretionary Hardship Fund is open to businesses in key sectors that either provide an important service to the Borough or provide a significant economic/employment benefit and are facing significant and potentially longer-term financial difficulties due to the COVID 19 pandemic.
- 3.2 To be eligible to apply for funding, businesses must:
 - (a) Employ five or more staff (pre COVID-19);
 - (b) Be actively safeguarding jobs and employment;
 - (c) Be in one of the following key business sectors;
 - advanced manufacturing;
 - aerospace;
 - finance & professional;
 - creative & digital;
 - energy & environment and health
 - (d) Provide evidence that the business has significant fixed on-going overheads (e.g., business rates liability, mortgage, lease/rental costs); and

(e) Provide evidence that the business has either invested or has proven plans to invest finance into the business

3.3 Businesses may be eligible to apply for a one-off grant where they have significant ongoing overheads and where an Additional Restrictions Grant intervention would safeguard jobs.

3.4 The scheme is aimed at businesses that have not been in receipt of a Local Restrictions Support Grant (LGRS). In **exceptional circumstances** businesses that have been in receipt of LRSRG will be considered, subject to grant availability and where they can demonstrate that additional assistance through the Discretionary Hardship fund would support recovery and safeguard jobs.

Award Levels

3.5 Grants of up to £50,000 may be awarded in exceptional circumstances. Applications will be assessed in line with the criteria below and approved based on;

- (a) the business case and evidence provided in the application. It should be noted that the business must provide a detailed explanation as to the reason for the financial difficulties and, as importantly, how the business plans to overcome those difficulties; and
- (b) the number of jobs that will be safeguarded because of the grant support.

3.6 The award will be determined as £5,000 per job created and £5,000 per job safeguarded or a maximum 20% of investment costs, whichever is less. All applications will be assessed and verified by the Council's Finance Team.

Excluded businesses

3.7 A business will not qualify for a grant if:

- it is eligible for a mandatory grant (although exceptional circumstances may apply as highlighted in the previous sections);
- it is not based in Pendle;
- it is part of a national chain;
- it has reached the Subsidy Control Limit as defined by Central Government; and
- it is in administration; is insolvent or a striking-off notice has been made;

Who can receive the grant?

3.8 Where the business is subject to non-domestic rating, the person who will receive the grant will be the person who, according to the Council's records, is the ratepayer in respect of the hereditament.

3.9 Where there is no entry in the rating list for the business, the Council will decide who should receive the grant.

- 3.10 Where the Council has reason to believe that the information it holds about the business is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct business.
- 3.11 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

4.0 How will grants be provided to Businesses?

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with other grants will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Applicants must apply using the application form on the Council's website:
[https://www.pendle.gov.uk/info/20002/business/539/covid-19 support for businesses](https://www.pendle.gov.uk/info/20002/business/539/covid-19%20support%20for%20businesses)
- 4.3 The amount of grant can be substantial in some cases and as the Council is spending public money it may request supporting evidence from applicants to help validate and determine their grant application. Failure to provide the information requested will lead to the grant application being refused.
- 4.4 The application form must be completed by the business owner. If a third-party agent or advisor to applies on the business's behalf, the application will be rejected. The only exception to this is if there are accessibility requirements.
- 4.5 Applications will need to be supported with the following information:
- a detailed business case clearly showing how the pandemic has impacted on the business;
 - a recovery plan showing how and what measures the business will be putting in place for coming out of the pandemic and how the business will safeguard jobs;
 - the last 2 years audited accounts; and
 - a cash flow forecast for the current year together with a comparison to pre-COVID projections.
- 4.5 There is no closing deadline for the submission of applications. This may change dependent on take up and if so details will be published here and via other Council communications. The Council reserves the right to close this scheme on a date of its choosing and scheme will close in any event once all of the funding allocated to the Council has been allocated.

5.0 Subsidies and EU State Aid

- 5.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 5.2 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 5.3 This scheme is covered by 3 subsidy allowances:
- Small Amounts of Financial Assistance Allowance – the business is allowed up to £335,000 (subject to exchange rates) over any period of 3 years;
 - COVID-19 Business Grant Allowance – the business is you're allowed up to £1,600,000;
 - COVID-19 Business Grant Special Allowance - if you have reached your limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, you may be able to access a further allowance of funding under these scheme rules of up to £9,000,000, provided certain conditions are met.
- 5.4 Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

6.0 Scheme of Delegation

- 6.1 This scheme has been approved under the Council's Urgency Powers by the Chief Executive in consultation with Group Leaders
- 6.2 Officers of the Council will administer the scheme and the Chief Executive is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Central Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Council's Finance Team supported by the Revenues and Benefits Service.
- 7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

8.0 Reviews of Decisions

- 8.1 There is no appeal procedure and the Council's decision is final.

9.0 Complaints

- 9.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this scheme.

10.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

- 10.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 10.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

- 11.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.
- 11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant will be passed to Government.

12.0 Recovery of amounts incorrectly paid

- 12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13.0 Data Protection and use of data

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.