



EAST SUFFOLK COUNCIL COVID-19 ADDITIONAL RESTRICTIONS GRANT SCHEME

– REVISED 23RD FEBRUARY 2021

Background and Scheme Principles

1. The Additional Restrictions Grant (ARG) was announced by central government on 31st October 2020 to enable Local Authorities to support businesses in their areas under Local Covid Alert Level Very High (LCAL 3) or national restrictions and to provide support to businesses alongside the Local Restrictions Support Grant.
2. Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each eligible Local Authority. For East Suffolk Council, this funding amounts to £4,989,220, which can be used in the financial years 2020/21 and 2021/22. Government envisages that this funding will initially take the form of discretionary grants, however it can also be used for wider, long-term business support activities. Guidance in respect of the scheme is linked to below:
[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)
3. The ARG is intended to operate alongside the Local Restrictions Support Grant (Closed) scheme. Businesses that are eligible for the LRSG (Closed) scheme are those that have been mandated to close by Government and include non-essential retail, leisure, personal care, sports facilities and hospitality businesses. Guidance in respect of the LRSG (Closed) scheme is linked to below:
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932622/V.1. Local Restrictions Support Grant CLOSED - FINAL LA guidance 03112020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932622/V.1_Local_Restrictions_Support_Grant_CLOSED_-_FINAL_LA_guidance_03112020.pdf)
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932617/V.1 Addendum Local Restrictions Support Grant CLOSED FINAL LA Guidance 03112020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932617/V.1_Addendum_Local_Restrictions_Support_Grant_CLOSED_FINAL_LA_Guidance_03112020.pdf)
4. The LRSG (Closed) scheme applies for the national lockdown from 5th November to 2nd December 2020, the Tier 4 restrictions and the national lock down from 26th December 2020 to 31st March.
5. The following grant thresholds and payments apply to the LRSG (Closed) scheme for the 28-day payment cycle made for the period beginning 5th November 2020:
 - a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £1,334 per 28-day qualifying restriction period.

- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £2,001 per 28-day qualifying restriction period.
 - c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £3,000 per 28-day qualifying restriction period.
6. For the 28-day payment made for the period beginning 5th November 2020, the application closure date is 31st March 2021.
7. The following grant thresholds and payments apply to the LRS (Closed) scheme for the 42-day payment cycle made for the period beginning 5th January 2021:
- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £2,001 per 42-day qualifying restriction period.
 - b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £3,000 per 42-day qualifying restriction period.
 - c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £4,500 per 42-day qualifying restriction period.
8. . For the 42-day payment made for the period beginning 5th January 2021, the application closure date is 31st March 2021 and final payments must be made by 30th April 2021.
9. The following grant thresholds and payments apply to the LRS (Closed) scheme for the 44-day payment cycle made for the period beginning 16th February 2021:
- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £2,096 per 44-day qualifying restriction period.
 - b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £3,143 per 44-day qualifying restriction period.
 - c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £4,714 per 44-day qualifying restriction period.
10. For the 44-day payment made for the period beginning 16th February 2021, the application closure date is 31st May 2021 and final payments must be made by 30th June 2021.
11. The Government is also encouraging Local Authorities to develop a discretionary grant scheme to help those businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. the Government has stated that this scheme should be focused on following business groups, however since this is a discretionary scheme it will not be wholly restricted to these groups and any SME business that can demonstrate that it has been severely affected will potentially be eligible.
- businesses which supply the retail, hospitality, and leisure sectors
 - businesses in the events sector

- businesses outside the business rates system, which are effectively forced to close – for example market traders
- additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the LRSG (closed) scheme

12. The Government has also advised that Local Authorities may want to take into account:

- the level of fixed costs faced by the business in question
- the number of employees
- whether they are unable to trade online, and
- the consequent scale of coronavirus losses.

13. In designing its ARG scheme, the Council has taken two key factors into account:

- Unlike the LRSG (Closed) scheme, the ARG funding allocation is one-off. There will not be further allocations in respect of possible future lockdowns on a rolling 28-day cycle.
- Even though they are severely impacted, it would be inequitable for businesses that are not legally forced to close to receive funding at levels above those that are forced to close.

14. In response to the first of these factors, the Council has adopted a tranche approach to awarding grants, to ensure that sufficient funding is retained to provide support in respect of further potential lockdowns in both 2020/21 and 2021/22. The first tranche will be in respect of the first national restriction period from 5th November to 2nd December 2020. The second tranche will be in respect of the Tier 4 restrictions and the national lock down from 26th December 2020 to 15th February 2021. The third tranche will be in respect of the national lock down from 16th February 2021 to 31st March 2021.

15. In response to the second factor, where businesses meet the criteria of the scheme and occupy hereditaments appearing on the local rating list with a rateable value, they will receive the same levels of grant as those in the LRSG (Closed) scheme referred to in paragraph 5.

16. Where businesses meet the criteria of the scheme and do not occupy hereditaments appearing on the local rating list with a rateable value, the Council has referred back to its previous Covid-19 Discretionary Grants scheme and the previous Small Business Grants and Retail, Hospitality, and Leisure schemes to determine levels of grant that are proportionate to the LRSG (Closed) scheme.

East Suffolk Council ARG scheme

17. Businesses eligible for the ARG scheme will be as defined in Groups A to E as shown below. All businesses must meet the following criteria to be eligible for a grant:

- Businesses must have been trading on the day before first full day of national restrictions (4th November 2020 for the first period, 25th December 2020 for the second and third periods. Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods.
- Businesses must be able to demonstrate that they will experience a fall in income of greater than 30% of their usual expected income at this time of year due to Covid-19 restriction measures. The Council will ask the business to give a signed written statement of the impact on its financial position of the restrictions. The business should include a description of what goods or services it offers and therefore what the impact of Covid-19 has been.

18. Exclusions to the ARG scheme:

- 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.
- Businesses that 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.
- Businesses that are dormant, in administration, insolvent or where a striking-off notice has been made.
- Businesses not operating or trading in East Suffolk
- Business types that are excluded from the Additional Restrictions Grant include
 - Businesses that can access the Local Restrictions Support Grant due to being required to close by Government under national lockdown restrictions.
 - Businesses that can continue to trade and have suffered a drop in income of less than 30%
 - Take-away businesses
 - financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers)
 - medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - professional services (e.g. solicitors, accountants, insurance agents/ financial advisers)
 - Air B & Bs
 - post office sorting offices
 - property related businesses that include
 - property developers and construction
 - buy to let businesses
 - property refurbishment projects
 - residential/commercial landlord businesses

A. Businesses in shared spaces

19. These businesses occupy space within larger business units, shops, office parks, or incubation units which could be considered as a separate hereditament (such as a room within a building or a large shop) for business rate purposes. These properties must have been on the local rating list on 5th November 2020, 25th December 2020, or 5th January 2021 and fall into one of the following statements:
 - Businesses that have been required to close under the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020. Businesses that have not been required to close but whose primary customers are other businesses in the retail, hospitality, leisure and events sectors.
20. Arrangements to rent a chair, rent a bed, or hot desk in an open plan setting do not qualify for this group. Grants may be available under group E.
21. Based on the factors referred to in paragraph 7 including fixed costs, the size of the company (employees/ revenue) and anticipated losses (i.e. based on average expected trading) these businesses will be eligible for a grant of **£500, £1,334, £2,000, or £3,000** Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods as shown below.
 - Level of grant will be determined by the annual cost of rent paid by the business for their share of the premises:

Annual rent	Grant amount		
	First Period	Second Period	Third Period
£1 to £4,999	£500	£750	£785
£5000 to £17,499	£1,334	£2,000	£2,096
£17,500 to £26,000	£2,000	£3,000	£3,143
Over £26,000	£3,000	£4,500	£4714

22. Evidence must be submitted alongside the application to demonstrate the business' occupation of the premises on 5th November 2020, for example, a service agreement or other documentation from the landlord, including confirmation of annual rent amount.
23. Grants will be paid to the leaseholder (where there is one) as at 5th November 2020. Where no leaseholder exists, the grants will be paid to the business owner who has proof that they were trading from the address in question on 4th November 2020.

B. Market traders

24. Market traders who have been required to close and who received a grant under the previous Covid-19 Discretionary Business Grant scheme during 2020 are eligible to a grant of **£350** per 28-day qualifying restriction period. This level of grant has been assessed as being proportionate with the LRSO (Closed) scheme by way of reference to the grants previously payable to market traders under the Covid-19 Discretionary Grants scheme. Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods.
25. These grants are only available to permanent market traders and are not available to street traders, as the latter do not pay rents. Grants may be available to street traders as shown below in respect of group E.

C. Bed and breakfast businesses

26. A number of bed and breakfast businesses are not within the business rates system but instead pay council tax. This is where the accommodation comprises of less than six bed spaces and where the owner lives onsite.
27. Where these meet the following criteria, they are eligible for a grant of **£700** per 28-day qualifying restriction period. This level of grant has been assessed as being proportionate with the LRSO (Closed) scheme by way of reference to the grants previously payable to bed and breakfast businesses traders under the Covid-19 Discretionary Grants scheme. Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods.
28. Eligible bed and breakfast businesses must be registered with East Suffolk Council as a Food Business Operator to demonstrate their role as premises where breakfast is regularly supplied to guests. The Bed and Breakfast business will be the main income/occupation of the business owner. Grants will not be made available to individuals who occasionally rent out a room / their property via platforms such as AirBnB.
29. In order to apply for a grant, the business must submit a range of evidence that they are operating as a Bed and Breakfast and have been affected by Covid-19. This is likely to include websites, advertising materials and evidence of future bookings that have been cancelled as a result of Covid-19. The business will need to demonstrate the level of bookings that they would usually expect in a year. Grants will be paid to the person liable for council tax at the address in question.

D. Businesses that have been severely impacted by Covid-19 restrictions occupying hereditaments on the local rating list

30. As referred to in paragraph 12, businesses that can demonstrate that they will experience a fall in income of 30% or more due to Covid-19 restriction measures that have not been required to close but whose primary customers are other businesses in the retail, hospitality, leisure and events sectors will be eligible for the following grants per 28-day qualifying period. Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods.

- a. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions - **£1,334**.
- b. Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions - **£2,000**.
- c. Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions - **£3,000**.

E. Other businesses that have been severely impacted by Covid-19 restrictions

31. Businesses that do not occupy hereditaments on the local rating list and which can demonstrate that they will experience a fall in income of 30% or more due to Covid-19 restriction measures as referred to in paragraph 12 will be eligible for a grant, based on the factors referred to in paragraph 7 including the size of the company (employees/ revenue) and anticipated losses (i.e. based on average expected trading). The following grant levels will apply. Businesses that have been paid for the first period will automatically receive pro rata payments for the second and third periods.

Type of business	Grant amount
Home based businesses, and business in shared premises not eligible under group A	£500
Mobile businesses	£350
Other businesses which fall into this category	To be determined by panel

32. Applications in this category and the amount of grant to be awarded will be assessed and determined by a panel of officers, including the Chief Finance Officer (s151 Officer), Strategic Director with responsibility for Economic Development, Monitoring Officer, and the Head of Economic Development and Regeneration.

33. All applications rejected by the panel will be reviewed and approved by the Assistant Cabinet Member (Economic Development).

Questions over eligibility and further changes to the scheme

34. The Council has outlined the categories of businesses eligible under this scheme, the amounts of grants to be awarded, and the criteria for eligibility. However, the Council reserves the right to exercise further discretion in considering applications where these, or any other factors, are unclear. In such circumstances, an application will be referred to a panel of officers, including the Chief Finance Officer (s151 Officer), Strategic Director with responsibility for Economic Development, Monitoring Officer, and the Head of Economic Development. If appropriate, the Council will also seek advice from a range of sources (for example, the Department for Business,

Energy and Industrial Strategy, the Local Government Association, the Institute of Revenues, Ratings and Valuation, the Chartered Institute of Public Finance and Accountancy) and then reach a decision. All applications rejected by the panel will be reviewed and approved by the Assistant Cabinet Member (Economic Development).

35. The Government has made clear that there is no right of appeal.
36. The Council will keep the operation and funding availability of the scheme under continuous review and will develop further business support options using the funding allocation should circumstances permit.
37. Delegation has been given to the Chief Finance Officer to implement in full any changes to business rates, council tax or grants in response to Covid-19 as long as they are fully funded by Government.
38. Applications for all Additional Restrictions Grant tranches and categories will close on 31st March 2021 and no ARG payments will be made in respect of any lockdown periods after this date.

Additional Restrictions Grant - Closed Business Lockdown Payment

39. On 5th January 2021, the Government announced further funding to support businesses that are legally required to close due to national restrictions. In addition to the grants provided under the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards, the Government announced the Closed Businesses Lockdown Payment, which provides a one-off top up grant for all businesses mandated to close during national restrictions.

[Business Support Package for January Lockdown: 5 January 2021 onwards - LA guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance/business-support-package-for-january-lockdown-5-january-2021-onwards-la)

40. The following funding thresholds apply to the Closed Businesses Lockdown Payment:
 - a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £4,000.
 - b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £6,000.
 - c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £9,000.
41. The Council's Additional Restrictions Grant scheme mirrors the Local Restrictions Support Grant (Closed) Addendum scheme and payments to businesses under it either match or are pro rata to payments under that scheme. The ARG scheme is now being extended to make one-off payments that are equivalent to those being made to eligible businesses under the Closed Lockdown Payment scheme.
42. Any businesses in groups A to E that have received a second tranche ARG grant in respect of the Tier 4 restrictions and the national lock down from 26th December 2020 to 15th February 2021 will also receive an additional ARG Closed Business Lockdown Payment pro rata to those payments as shown the table below:

ARG Category	ARG Tier 4 / National Lockdown Payment	ARG Closed Business Lockdown Payment
Group A	£500	£1,500
	£1,334	£4,000
	£2,000	£6,000
	£3,000	£9,000
Group B	£350	£1,050
Group C	£700	£2,100
Group D	£1,334	£4,000
	£2,000	£6,000
	£3,000	£9,000
Group E	£500	£1,500
	£350	£1,050

Additional Restrictions Grant – Hospitality Payment

43. In recognition of the specific difficulties and financial impact on the non-seasonal Hospitality sector throughout the Covid-19 pandemic, the Council will make additional one-off payments to businesses in the following categories:
- Cafes
 - Restaurants
 - Coffee Bars
 - Ice Cream Parlours
 - Public Houses
 - Public Houses with Restaurants
 - Public Houses with Bed and Breakfast Accommodation
 - Wedding and Conference Centres
 - Nightclubs
 - Social Clubs
 - Private Members' Clubs
44. These Hospitality Payments will be set at the value of the Closed Business Lockdown Payment as follows:
- a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the widespread national restrictions will receive a payment of £4,000.

b) Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the widespread national restrictions will receive a payment of £6,000.

c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the commencement date of the widespread national restrictions, will receive £9,000.

45. Subject to confirmation of the circumstances of the business, any businesses in this category that received a Local Restrictions Support Grant (Closed) Addendum payment will automatically receive a Hospitality Payment without the need to submit a new application. Businesses that could be eligible, but which have not received previous payments under the Local Restrictions Support Grant (Closed) Addendum can apply using the Council's normal application process.