

Policy Document
Additional Restrictions Grant
(ARG Tranche 3)

Business Growth Grant
November 2021

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Introduction

In response to the COVID-19 pandemic, the Government has announced several financial assistance schemes to support businesses in their local area under Local Covid Alert Level Very High (LCAL3) or national restrictions.

The Government is not changing the legislation relating to the provision of grant funding to businesses. Instead the Government will, in line with the eligibility criteria set out in the Government Guidance for Local Authorities documents, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief.

It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.

The document Additional Restrictions Grant – Guidance for Local Authorities (updated 16 June 2021 and further amendments) together with subsequent Frequently Asked Questions documents (issued by the Department for Business, Energy & Industry Strategy – BEIS), provides a framework to assist Local Authorities in designing their own local, discretionary ARG scheme.

The principles set out in this document have been adopted from the latest guidance.

On 31 October 2020, the Government announced the introduction of additional support for Local Authorities under national and Tier 3 restrictions. See announcement:

<https://www.gov.uk/government/news/furlough-schemeextended-and-further-economic-support-announced>

On 5 January 2021, the Government announced that a further £500 million would be made available for Local Authorities through a top-up to the Additional Restrictions Grant (ARG):

<https://www.gov.uk/government/news/46-billionin-new-lockdown-grants-to-support-businesses-and-protect-jobs>

Policy decisions were made by Huntingdonshire District Council in November 2020 and December 2020, in line with [ARG Guidance](#) to help support those businesses who were not eligible for the Government's statutory schemes at that time.

As a result of these policy decisions, throughout the period from November 2020 to June 2021 Huntingdonshire District Council made over 1,500 payments totalling in excess of £5.1 Million of ARG funding to support local businesses in Huntingdonshire. 679 Micro, Small and Medium sized businesses have been supported from these tranches of ARG funding.

On 3 March 2021, the Government announced that a further £425 million would be made available for Local Authorities, through a conditional top-up to the Additional Restrictions Grant from 1 April 2021:

<https://www.gov.uk/government/news/budget-2021-sets-path-for-recovery>

The conditional top up set out by Government stated that "Local Authorities have until 30 June 2021 to meet all necessary conditions and prove that they have spent or made a validated attempt to spend 100% of their first two ARG allocations combined"

Huntingdonshire District Council satisfied this criteria in July 2021 and received a further allocation of £1.4million of Additional Restrictions Grant Funding, able to be spent up until March 2022.

The Additional Restrictions Grant (ARG) scheme is administered by business rate billing authorities in England.

Aim of this policy

This policy sets out the approach taken by Huntingdonshire District Council in relation to its Additional Restrictions Grant (ARG Tranche 3), Business Growth Grant commencing 29/11/2021.

This document should be read in conjunction with the document “Additional Restrictions Grant – Guidance for Local Authorities”, last updated in June 2021. In addition to the Frequently Asked Questions document published by BEIS. This policy aims to follow the guiding principles set out in these documents.

The above documents are available through the www.gov.uk website. They are produced by BEIS – The Department for Business, Energy & Industrial Strategy [Finance and support for your business - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Growth Fund Details

Huntingdonshire District Council will allocate an initial £1million of Additional Restrictions Grant funding to help support the growth of Huntingdonshire businesses.

The scheme is open to micro, small and medium (SME) businesses from any industry sector.

The Council is keen to support all businesses that may have had their growth plans delayed as a result of the pandemic restrictions, particularly those who were not eligible for the Restart Grant scheme, including but not limited to:

- Theatres & Nightclubs
- Wedding industry
- Live Events
- Hospitality
- Retail and Leisure
- Wholesalers associated supply chains of sectors in distress
- Freelance and mobile businesses
- All other businesses who may not have received grant funding

An applicant must be a business operating in and from the district who have plans to scale and grow by any of the following methods:

- Turnover
- Job Creation
- Higher skilled job creation
- New market entry
- New sector opportunities
- New product launches
- Productivity improvements
- Growth via innovation
- Initiatives to meet net zero objectives

The grant amount will be based upon turnover projections up to the financial year 2024 as outlined by the grant award values table. The grants will be awarded if the business meets eligibility checks and is accompanied by a portfolio of evidence of sufficient quality as outlined in this policy.

The growth fund will be open for applications from 29/11/2021.

When funding is a significant barrier to growth

Applications will also be welcomed from businesses with less financial resilience including businesses who can prove that grant funding is the only barrier to preventing growth. Financial projections will need to be submitted, aligned to the application and evidence submission process.

This grant scheme is not and should not be used to delay insolvency and as such, evidence and assurance to demonstrate liquidity will be required.

Eligibility Criteria

The eligibility criteria is as follows:

- The business / applicant must be based in and operating their core business within Huntingdonshire.
- The business must be solvent and trading as of 1st November 2021.
- Eligible businesses are sole traders; partnerships; small and medium sized enterprises located in Huntingdonshire.

Grant recipients must be able to demonstrate:

- Evidence of how the funding will contribute to the business's ability to grow and should include details of how this funding may support increase in Turnover; Job Creation; Higher skilled job creation; New markets entry; New sector opportunities; New product launches; Productivity improvements; Growth via innovation; Initiatives to support net zero.
- Evidence should be provided to clearly support the business plan statement and / or statements of intent to demonstrate the impact the growth grant will have on your business. These include:
 - Why your business requires a grant;
 - What this grant will enable your business to achieve;
 - How will you utilise the grant to achieve your objectives;
- To support these statements of intent, where possible, applicants should show how this funding will increase headcount through jobs, apprenticeships or traineeships including Kickstart. Headcount forecasts and projections will be requested.
- As part of the application businesses must supply two years financial information. If you do not have two years of financial accounting, please contact economic.development@huntingdonshire.gov.uk before submitting your application.
- Businesses forecasting a turnover of £100,001 or above in 2024 must supply a business plan in full or summary as part of the application.
- The economic benefit must be demonstrable within Huntingdonshire.

This scheme provides a one-off payment to ratepaying and non-rate paying businesses who can satisfy the eligibility criteria as set out in this section.

Businesses may apply for one payment per separate legal entity (e.g. per sole trader, partnership, or limited company) and the level of payment will be based upon eligibility and submission of evidence per application.

The business rate hereditaments must be occupied, not empty, and must be in use by the business shown as the current ratepayer on the business rates database as at 1st November 2021. Where a property is rented it is the business owner operating from within the premises who is eligible to apply.

Businesses must possess a UK based bank account to receive grant funds and the name of business account must match that name on the application.

Grant Award Values

Turnover Projection	Indicative award values
<£50,000	Up to £2,500
£50,001-£100,000	Up to £5,000
£100,001-£200,000	Up to £10,000
£200,001-£300,000	Up to £15,000
£300,001-£400,000	Up to £20,000
£400,001-£500,000	Up to £25,000
£500,001-£600,000	Up to £30,000
£601,001-£700,000	Up to £35,000
£700,001-£800,000	Up to £40,000
800,001-£900,000	Up to £45,000
£900,000 +	Up to £50,000

These values are indicative. Huntingdonshire District Council reserves the right to adjust the values within each business band depending on the merit of the evidence supplied within each application and/or to ensure that the funds reach as many businesses as possible. The minimum payment to successful applicants will be £1,000 and the maximum will be £50,000. Applications are on a first come, first serve basis, once the funds are exhausted the scheme will close.

The Council also reserves the right to pay further rounds of funding to successful applicants or to adjust or withdraw the scheme without notice should guidance from Central Government change at any point between the scheme launch and 31st March 2022 or should the funds become exhausted.

Exclusions

Exclusions to this fund include:

- Businesses that have received the maximum level of subsidy.
- Businesses in administration, insolvent or where a striking off notice has been made.
- Business intermediaries acting on behalf of other businesses.
- Businesses with a registered address in Huntingdonshire but no trading activities within the United Kingdom
- Partnerships that only exist to operate investment funding and other types of finance
- Businesses proposing to use this fund as a wage support mechanism.
- This scheme is not available to charities, not-for-profits or community amateur sports clubs.
- This scheme is not available to other public and community bodies such as political parties or politically affiliated organisations, town and parish councils or committees that run village halls, community halls, social clubs or similar venues.

Application Process

All grants will require an online application form to be completed.

As part of the application process, grant applicants will be asked to provide the following:

- All applications must include a recent bank statement (within three months) to include the bank account name, sort code and account number. Banking activity must be evident within the statement provided.
- Businesses who are forecasting a turnover of £100,001 or more in the year 2024 must be able to submit their last 2 full years of financial accounts or certified bookkeepers' statements.
- All applicants must complete the statements of intent explaining why the grant is required; what the grant will enable their business to achieve and how they will use the funding for their business growth (making reference to the bullet points itemised under the 'eligibility criteria' section above).
- Applicants forecasting over £100,001 turnover will be asked to provide their business plan.

The application process will allow the Council to undertake proportionate pre-payment checks to confirm eligibility relative to the Growth Fund scheme and to allow the appropriate level of grant to be identified.

Applicants will be informed within approximately 8 weeks of their application being submitted as to whether they have been successful (or not) and the value of award granted.

Complaints and Appeals

If there are any complaints regarding the processing of your grant application, these should be submitted to hdc@growthworks.uk. If a resolution cannot be achieved, the issue will be escalated to Huntingdonshire District Council.

The decision of grant award for each application will be decided by Huntingdonshire District Council's Economic Development Team. If the applicant is dissatisfied with the outcome, they can request a review of the decision. The request should be submitted in writing to hdc@growthworks.uk within 5 working days of notification of the initial decision and should detail the reasons why a review is considered necessary, providing any additional supporting information required. The review will be undertaken by the Senior Responsible Officer at GrowthWorks who are administering the scheme and the Senior Responsible Officer at Huntingdonshire District Council. Acknowledgement of your appeal request will be made within 5 working days and a response sent within 20 working days of receipt of any appeal requisition.

Having exhausted the Complaints Procedure initially through GrowthWorks and then by Huntingdonshire District Council, the Section 151 Officer at Huntingdonshire District Council decision will be final, and no further communication will be entered into.

The business may ask the Local Government and Social Care Ombudsman to decide whether the GrowthWorks or the District Council were at fault during the process used to determine the decision, but the actual decision - to accept or decline an application for a Grant rests solely with the District Council.

Other Key Information

Grant income received by a business is subject to tax in accordance with HMRC guidelines. Huntingdonshire District Council, Additional Restrictions Grant (ARG Tranche 3), a Growth Grant award will need to be included as income within a business tax return. However, only businesses which make an overall profit once grant income is included will be subject to tax.

Please speak to your trusted financial advisor or accountant / bookkeeper to understand the implications for your business.

Applications will be considered in the order in which they are received. Once the fixed fund limit is exhausted, it will be closed immediately and no further applications will be considered at that point, regardless of submission status.

Businesses must have been trading (in line with the BEIS definition) on 1st November 2021, to be eligible to receive funding under this scheme.

The Council retains the right to recover grant funding in the event it is evident that the recipient was not the business ratepayer on 1st November 2021 or ineligible for the scheme or if they have not spent the funds in line with the stipulations stated in this policy paper.

The Huntingdonshire District Council (HDC), Additional Restrictions Grant (ARG Tranche 3), Business Growth Grant is a Huntingdonshire District Council led business grant initiative being administered by GrowthWorks as part of the Cambridgeshire & Peterborough Combined Authority's contract to support businesses.

By applying for this scheme, you agree to being contacted by Huntingdonshire District Council's Economic Development team who are required to gather information relating to funding outcomes as part of the administration of this scheme. Your data will also be used by the District Council for marketing purposes related to business support and may include future grant schemes, business programmes, events and news. You can opt-out of future marketing activity by writing to economic.development@huntingdonshire.gov.uk

Anti-Fraud Measures

Each application is subject to pre-payment checks therefore credit checks will be carried out which will include overdue creditors, bankruptcy, county court judgements and director disqualification. The Government will not accept deliberate manipulation and fraud. 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. Data will be shared with the Department of Business, Energy and Industrial Strategy (BEIS) and HMRC. Central government will support local authorities to carry out post-event assurance work.