

**ENFIELD COUNCIL DISCRETIONARY GRANTS SCHEME
(ADDITIONAL RESTRICTIONS GRANT)
ELIGIBILITY POLICY**

Phase 1

March 2021

Enfield Council

Discretionary Business Grants (ARG)- Phase 1 Policy

Updated 7 April 2021

Purpose of the Scheme and background

The Additional Restrictions Grant (ARG) is a one-off lump sum of £9.6million (this includes the £2,965,109million top up received in January 2021), that can be used across Financial Years 20/21 and 21/22 for business grants and business support activities.

This grant will be primarily used for the delivery of discretionary grants direct to local businesses, but some of the grant will be used for wider business support activities. This support would not be restricted to the national restriction (lockdown) period/s but would be developed to support businesses recovery.

Discretionary Grants

Under the ARG funding the Council is encouraged to develop discretionary grant schemes 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. Government guidance provides the example of businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector. The Council can also choose to help businesses outside the business rates system, which are required to close and have been severely impacted by restrictions. Scope also allows top up funding provided to those businesses benefitting from the mandatory grants (Local Restrictions Support Grant) scheme, with due reference to State Aid.

Whilst the awarding of grants will largely be at Enfield Council's discretion, the Department for Business, Energy & Industry Strategy (BEIS) has set down criteria which must be met by each business making an application.

To begin the delivery of the ARG a budget for Phase 1 will be made available for discretionary grants from March 2021 to April 2021 with the remainder of the ARG budget retained for future grant phases and business support.

ARG Phase 1

Objectives

1. The ARG Phase 1 is aimed to support businesses who are not eligible for Local Restrictions Support Grant, that have been severely impacted by the second lockdown when they were legally required to close (from 5 November to 2 December 2020) but do not pay business rates, and for businesses who were not legally required to close during the lockdown but have been severely impacted by the closure of the businesses that they supply to.
2. In Phase 1, Enfield Council does not intend to award ARG funding to a business that has already received LRSG funding.
3. Enfield Council will operate the first Phase of the ARG from 8 March 2021 to 9 April 2021

4. £0.5million has been allocated to deliver ARG Phase 1.
5. This document sets out the parameters for the Enfield ARG Fund Phase 1 for businesses, the criteria under which businesses will qualify to make an application for the ARG Phase 1, and the information and evidence they are required to provide to support their application.

Guidance for applications for the Enfield Additional Restrictions Grant can be found on Enfield Council website – [Additional Restrictions Grant](#)

Eligibility

These businesses must be in one of the following groups:

- Group 1 - Supplier to the non-essential retail, hospitality, events, and leisure sectors, that pay business rates.
- Group 2 - Supplier to the non-essential retail, hospitality, events, and leisure sectors, that do not pay business rates, but pay commercial property rent.
- Group 3 - Businesses that has been forced to close between 5 November 2020 and 2 December 2020, do not have a business rates liability because they are not separately rated (for example shared accommodation where the landlord pays the business rates), but pay the landlord commercial rent and have been severely impacted by COVID restrictions

Who can apply:

- a) Businesses which are required to close under the national COVID-19 restrictions, do not have a live business rates account, but pay commercial property or shared space rent.
- b) Businesses that have not been required to close but have been severely impacted by the lockdown restrictions in November 2020 on businesses in the non-essential retail, hospitality, events, and leisure sectors that they supply to.
- c) Sole traders, businesses, charities, social enterprises and community interest companies
- d) Businesses that, on 4 November 2020, were not in administration, insolvent or subject to a striking off notice, or have been an undertaking in difficulty (with the definition of Article 2(18) of the General Block Exemption Regulation) and must have been actively trading (buying and selling goods or services).
- e) Businesses that comply with the relevant state aid threshold either under De Minimis (threshold €200,000) or the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). Applicants will be required to complete a declaration to Enfield Council about any State Aid grants received in the last 3 years.

Who cannot apply:

- a) Businesses that were able to continue to trade and can operate their services effectively remotely during the national lockdown.
- b) 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.
- c) Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- d) Take-away businesses
- e) Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers)
- f) Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers)
- g) Property developers and construction
- h) Buy to let businesses
- i) Property refurbishment projects
- j) Residential/commercial landlord businesses.

Grant Details

- a) The award is a one-off payment in Phase 1 and business will have to reapply in Phase 2 for further help
- b) Businesses may only receive one ARG Phase 1 award, irrespective of how many properties they have that are operational within the borough.
- c) The application window for ARG Phase 1 will be from 8 March 2021 until 5pm on 9 April 2021.

Grants will be paid based on the table below. Organisations are required to indicate their rateable value (if they are a rateable business), or annual commercial rent

Group 1

Business rate suppliers	Grant payment
Business rates less than £15,000	Up to £1,700
Business Rates between £15,001 to £50,999	Up to £2,600
Business Rates £51,000 or over	Up to £3,900

Group 2

Non business rate payer suppliers	Grant payment
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Commercial rent less than £15,000 per annum	Up to £900
Commercial rent between £15,001 and £50,999 per annum	Up to £1,300
Commercial rent more than £51,000 per annum	Up to £2,000

Group 3

Business that has been forced to close, don't have a business rates liability because you are not separately rated but pay the landlord rent and have been severely impacted by COVID restrictions	Grant payment
Commercial rent less than £15,000 per annum	Up to £1,900
Commercial rent between £15,001 and £50,999 per annum	Up to £2,900
Commercial rent more than £51,000 per annum	Up to £4,200

Application Process

- Businesses will be required to complete an on-line form, answering questions to assess their eligibility
- Businesses will provide evidence to support their application
 - HMRC Statement or business certification of incorporation Tax
 - Copy of Lease or similar
 - 3 months of bank statements
 - Annual accounts including at least a profit and loss account or income and expenditure statement
- Applications and evidence will be reviewed by the Economic Development Team.
- Applications will be processed as they are sent in, and successful applicants will be paid as soon as possible.
- Grant awarded in accordance to relevant group.
- The one-off payment will be sent within 28 days.
- Applicants will be advised of the application outcome via email.

Decision making

- a) Individual grant decisions will be made on a delegated basis by a group of designated officers based on the approved guidelines.
- b) All decisions will be communicated by email to businesses, with grant payments as quickly as possible.
- c) **There is no appeal process and Enfield Councils decision is final.**

Payments of grant and tax implications

- a) All payments of grant will be made by a BACS transfer to the organisations nominated business bank account. Bank details will be scrutinised to ensure details match and not fraudulent.
- b) Grant income received by an organisation is taxable therefore funding paid under the Additional Restrictions Grant will be subject to tax
- c) Only organisations which make an overall profit once grant income is included will be subject to tax.

Managing the risk of fraud

- Grant applications may be subject to additional verification by the Counter Fraud Team which may occur before or after the grant is awarded. Any grant that is found to have been wrongfully awarded will need to be repaid
- The local authority and Government will review any payment made and will not accept any deliberate misrepresentation, manipulation of records and fraud. Anyone who has fraudulently applied for funding will face criminal prosecution and repaying the money

Grant Conditions

- a) Because of the discretionary nature of the Fund, and the likelihood of many more applicants than the grant can support, Enfield Council will use a matrix to determine that funding is distributed fairly.
- b) The timeline for the scheme is
 - **Applications open – 8 March 2021**
 - **Application window closes – 5pm on 9 April 2021**
- c) 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.
- d) There is no right to appeal on any of the grants that are awarded, and Enfield Councils decision is final.
- e) State Aid - There is a requirement for all grants made under this Discretionary Grant fund to be state aid compliant. This grant counts towards state aid. The rules are fully explained in the government state aid guidance [here](#) . As part of the declaration process the applicant will be required to confirm that the organisation being applied for is not in breach of these rules. The applicant will be required to confirm that the award of the grant does not exceed the 800,000 Euros allowed within the last three years, as outlined in the State Aid Regulations. If the applicant's premises are part of a large chain, where the cumulative total of the grants could exceed 800,000 Euros, they should check the State Aid Law carefully before applying for this grant.

ARG Grants Phase Two

The detail and eligibility criteria for the Phase 2 grants is currently being developed and further information will be shared soon.

Other ARG Phases

The detail and eligibility for further phases will be developed and delivered up to the end of March 2022.

Enquiries about the scheme can be emailed to: ARG@enfield.gov.uk