**Additional Restrictions Grant 2020-2022 (ARG)**

All companies in Eastleigh Borough that have suffered hardship as a result of the Coronavirus pandemic have been invited to apply for this grant since it was first introduced. Though Eastleigh Borough Council (EBC)’s grants under the ARG have been aimed primarily at businesses that were ineligible for compensation under the Local Restrictions Support Grant scheme, recipients of other Treasury grants have been permitted to apply and, in certain cases, have been successful.

The ARG has been topped up by Central Government twice and the total allocated to Eastleigh Borough Council has been £5,026,170

Priority has consistently been given to six groups:

1. employers that have not furloughed staff since March 2020
2. suppliers to or dependent on customers that have been unable to resume normal trading
3. those directly or indirectly linked to the events, marine, cruise, travel and leisure industries
4. those linked to other sectors that support the health and environmental objectives of the borough
5. those experiencing cashflow problems linked to investment in stock
6. small businesses with fewer than 50 employees and/or less than £10m in annual turnover

With the remainder of its allocation, EBC proposes to prioritise a further three groups in order to provide business support where it is most needed during the winter of 2021/2022:

1. manufacturers that are experiencing a steep increase in their energy costs, especially favouring those that are introducing costly energy-efficiency measures
2. exporters in need of assistance with increased paperwork to the EU, translations etc
3. small businesses with staffing or technology needs that receive assistance from business support officers specifically funded under the ARG for this purpose

In order to be awarded a grant, all applicants must:

* be trading at the start of national or local lockdown on 4 November 2020 if established prior to that date
* not be in administration, insolvent or under notice of being struck off the Companies House register
* not exceeded State Aid limits (see State Aid limit below)

It is unlikely that any single award will exceed £10,000

Application process:

**Businesses that have already received an ARG do not need to complete an application form**. It would be preferable if they would send an email to economic.development@eastleigh.gov.uk outlining the trading circumstances that continue to cause them hardship.

First-time applications must be made by electronic form at the following link:

<https://www.eastleigh.gov.uk/business/coronavirus-business-support/financial-support>

The form has been kept simple deliberately and only asks for the information required by our auditors. If you would like to give us details of your particular circumstances and the impact that the pandemic has had on your business, please do so under “Nature of Business”.

Assessment criteria:

Grants are calculated based on our assessment of the impact of Covid-19 on the applicant’s income and operating costs. The award is likely to rise if the applicant belongs to more than one priority group.

All applicants will be contacted with a decision as soon as practicable following assessment.

Timescales

First applications from businesses that have not previously been awarded an ARG should be received by 31 January 2022.

All grant payments will be made by 31 March 2022 when the Additional Restrictions Grants scheme will close nationally.

Other considerations

**GDPR**

Details of applicants and their businesses will be shared with the Department of Business, Energy and Industrial Strategy (BEIS)

**Tax**

Grant income received by a business is taxable therefore funding paid under the ARG will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

**Subsidy Allowances** European Union laws restrict the amount of state funding businesses can receive. This includes government grants, loans or tax reductions. Local Restrictions Support Grants count towards your state aid allocation. The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. The EU state aid rules that applied: 200,000 Euros received over a three-year period which covers the current financial year, running from April 2020 to March 2021, and the two preceding financial years, plus 800,000Euros received over the period March 2020 to December 2020.

On Thursday 4 March 2021 new subsidy allowances (previously state aid) were established for the COVID-19 business grants schemes. The updated scheme rules do not apply retrospectively. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. Guidance explaining the subsidies chapter of the TCA, World Trade Organisation rules on subsidies, and other international commitments [can be found on the GOV.UK website](https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities) or [TCA document can be found on the European Commission website](https://ec.europa.eu/info/relations-united-kingdom/eu-uk-trade-and-cooperation-agreement_en).

There are three subsidy allowances set out below:

* **Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.** Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021 ([The Special Drawing Right calculator can be used to calculate the exchange rate on the day the subsidy is awarded](https://coinmill.com/SDR_calculator.html)) . An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.
* **COVID-19 Business Grant Allowance**. Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission’s Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000.
* **COVID-19 Business Grant Special Allowance**. Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided certain conditions are met.

**Fraud**

The Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain additional grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error

All applicants’ information will be shared with the Government Grants Management team to enable any fraud to be identified. All businesses will confirm this by ticking the box on the application.

**Appeals**

There are no further appeals rights for the grant, the Council’s decision is final.