



NORWICH
City Council

Norwich City Council Local Authority Additional Restrictions Grants Scheme

Version 3.0 08/03/21

Norwich City Council Scheme for the Additional Restrictions Fund

Introduction

The Additional Restrictions Grant (ARG) scheme has been revised and this new addendum will apply to business affected by the restrictions from 26 December 2020, covering 2 payment cycles. The first payment cycle covers a 73-day period between 26 December 2020 - 8 March 2021. The second payment cycle will be for a 23-day period up to the end of the financial year and will follow on directly from the first payment cycle to cover 9 – 31 March 2021.

The previous scheme is still available for applications for businesses affected from 5 November 2020 to 1 December 2020.

This funding is to provide support to businesses that do not qualify for Local Restrictions Support Grants (LRSG). The ARG fund is operated at Norwich City Council's discretion and the council will use the fund to support businesses essential to the local economy.

All grant awards will be subject to sufficient funding being available.

Norwich City Council will accept applications from any local business that:

- Can demonstrate a fall in income of 25% or more due to Covid-19 restrictions
- Can demonstrate ongoing fixed operating costs
- Deliver face to face services but are adversely affected because it is not possible or practical to follow current safety guidance

A qualifying business with more than one property can submit an application for every actively trading property.

Eligibility

Businesses that have applied for the Coronavirus Job Retention Scheme and the Self Employment Income Support Scheme are eligible to apply.

Businesses must have been trading on 4 November 2020, and would have been trading the day before each payment cycle if Covid-19 restrictions were not in place to be eligible for this grant.

Businesses operating from domestic properties that can demonstrate that they cannot operate or have been significantly affected due to the restrictions in place can apply.

Grants will not be paid to the following and the council's decision is final.

- Businesses that can still trade and operate their services remotely
- Businesses that have chosen to close but not been required to do so by the national restrictions; unless they can demonstrate significant impact on their business due to other businesses being required to close
- Businesses that mainly trade on-line
- Companies in administration or are insolvent including where there has been a striking off notice will not be eligible to apply.

There is no right of appeal on this scheme.

Local businesses

Applicants must be a local business that is wholly or predominantly based in and around the Norwich area.

Bed and Breakfast businesses who pay council tax

A grant is available to businesses where the property is the business owner/s main residence. Bed and breakfast businesses must hold a current food safety licence with Norwich City Council be able to prove that breakfast is regularly served to guests. The property must have been trading on 4 November 2020, and would have been trading the day before each payment cycle if Covid-19 restrictions were not in place.

Taxi Drivers

A grant is available for taxi drivers holding a current licence and were working as a self-employed taxi driver on 4 November 2020, and would have been trading the day before each payment cycle if Covid-19 restrictions were not in place.

Payments

The payments available under this scheme cover the period 26 December 2020 to 31 March 2021 and are based on the Local Restrictions Support Grant (open) scheme. The table below details the payments available.

The ARG fund is operated at Norwich City Council's discretion and the council will use the fund to support businesses essential to the local economy.

	Payment cycle 1: 26 Dec 2020 – 8 Mar 2021	Payment cycle 2: 9 – 31 Mar 2021
Taxi drivers	£1,000	£225
Business with no fixed property costs	£1,000	£225
Business with fixed property costs not rated		
Annual rent <£6k	£2,000	£450
Annual rent £6k - £15k	£4,600	£1,015

Annual rent £15,001k - £50,999	£7,150	£1,650
Annual rent £51k +	£10,725	£2,475
Rated businesses not forced to close		
RV £15k and under	£4,600	£1,015
RV £15,001 - £50,999	£7,150	£1,650
RV £51k and over	£10,725	£2,475
Bed and Breakfast businesses	£2,500	£550
Market stalls not rated	£1,000	£225

Subsidy (formerly State Aid)

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. This does not impact the limited circumstances in which State Aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

On Thursday 4 March 2021 new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

Small Amounts of Financial Assistance 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.

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.

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 the following conditions are met:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
- b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
- c. Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
- d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
- e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
- f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

- (1) the undertaking's book debt to equity ratio has been greater than 7.5 and
- (2) the undertaking's EBITDA interest coverage ratio has been below 1.0.