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**HERTSMERE BOROUGH COUNCIL**

**Discretionary Business Grants Policy – December 2020**

1. **Grant Funding Covered under this Policy**
   1. This discretionary business grants policy includes funding awarded to Hertsmere under the following Grant Funds:

* Additional Restrictions Grant (ARG)
* Local Restrictions Support Grant (Open) (LRSG (Open))
  1. Please see Appendix A for details on eligibility and level of grants to be paid under the ARG and LRSG (Open)
  2. Please see Appendix B for a summary of available grants and the periods that they are available

1. **Background** 
   1. On 31st October 2020 the Government announced that the country was to go into a second period of national lockdown initially from 5th November to 2nd December. During this time certain businesses, mainly those in the retail, hospitality and leisure sectors were mandated to close.
   2. For certain parts of the country this built on restrictions already in place under the tier system (tiers 2 and 3) however as Hertsmere was previously under tier 1, these restrictions were new for local businesses.
   3. The government built on the financial support it was already providing to businesses in tier 2 and 3 areas and launched two new grant mechanisms so all Local Billing Authorities could assist businesses impacted by the National Lockdown.
   4. After the national lockdown was lifted on 2nd December further local tier restrictions were applied. Initially Hertsmere were in tier 2 rising quickly to tier 3 and then by 20th December, tier 4. From 5th January the whole of England was then back into a national lockdown until at least 15th February.
   5. The rapid changes in tier restrictions and a third national lockdown meant that local grant schemes also changed rapidly and further government funding was also made available. Hertsmere’s current funding is set out below and for further information the various tier restrictions that were applied to Hertsmere are set out in appendix B.

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| **Name of Grant Fund** | **Who Can Claim?** | **Hertsmere’s**  **Allocation** | | |
| **1st allocation** | **2nd Allocation** | **Total** |
| Local Restrictions Support Grant (LRSG) (Closed) Addendum | Rated businesses required to close during the periods of national lockdown | £1,389,294 | £2,083,941 | £3,473,235 |
| Additional Restrictions Grant (ARG) | Discretionary funding for non-rated businesses required to close, businesses not required to close but affected by lockdown restrictions and larger businesses.  Local Authorities are required to agree their own discretionary scheme (attached as appendix A) | £2,098,380 | £932,001 | £3,030,381 |
| Local Restrictions Grant (LRSG) Open | Discretionary funding for businesses not required to close, but affected by lockdown restrictions.  Local Authorities are required to agree their own discretionary scheme (attached as appendix A) | £212,023 | Nil | £212,023 |
| Local Restrictions Support Grant (LRSG) (Closed) | Rated businesses required to close during tier 2/3 restrictions | £11,010 | £883,728 | £894,738 |

1. **Local Restrictions Support Grant (LRSG) (Closed) Grant Funds**
   1. The LRSG (Closed) and LRSG (Closed) Addendum are grant funds for businesses with a business rates liability mandated to close during the second national lockdown, subsequent tier restrictions and the third national lockdown. Entitled businesses will be paid dependent on their Rateable Value (RV).
   2. There is no discretionary element to the LRSG (Closed) schemes and it is not therefore covered under this discretionary policy. For further information or to submit an application for the LRSG (Closed) schemes please follow the link below:

<https://www.hertsmere.gov.uk/Business/Business-Rates/Financial-support-for-businesses-during-second-lockdown.aspx>

1. **Additional Restriction Grant (ARG)**
   1. The ARG is a discretionary grant fund initially introduced to provide support for businesses not eligible to claim the LRSG (Closed) Addendum but severely impacted by the second national lockdown restrictions.
   2. The ARG is not however restricted to the period of the second national lockdown and can also be used to make discretionary grant payments, for example to businesses that have been severely impacted by the Covid-19 pandemic that may not have received funding under previous grant funds.

***ARG Funding***

* 1. Local Authorities have received funding that can be used up to the end of March 2022 and it is expected that most of the funding will be used for grant payments to local businesses however Local Authorities can also use it for “wider business support activities”.
  2. All councils were allocated their initial ARG funding based on a rate of £20 per head of population, which for Hertsmere equated to £2,098,380. Subsequently additional ARG funding was announced due to the third lockdown and Hertsmere received a further £932,001 giving a total allocation of £3,030,381. The council intends to make payments up to but not go beyond this level when deciding on the allocation of these funds.

***Who Can Benefit From the ARG Grant Funding?***

* 1. The discretionary grant scheme is intended to assist:
* businesses or organisations though not legally forced to close, are impacted by Covid restrictions.
* businesses or organisations that may not be in the business rates system but have been forced to close (e.g. market traders)
* larger businesses important to the local economy.
* Businesses in a certain location – to stop certain areas going into deprivation
  1. Local authorities are also advised that they may wish to concentrate on:
* certain geographical areas to aid their regeneration
* Certain sectors of the local economy such as suppliers to the hospitality industry or businesses involved in events organisation
* Business not covered above that have had a loss due to the Covid restrictions

***How will the ARG funding be applied in Hertsmere?***

* 1. Hertsmere has decided to use the discretionary ARG funding for the following purposes:
* To set aside an initial 10% top slice off the ARG funding allocation to set up a Covid recovery fund and to enable regeneration work, potentially with local partnerships, to assist the local economy;
* To assist some companies who have been severely impacted by the Covid-19 pandemic but were not eligible for grants over the summer;
* To assist businesses impacted by the second national lockdown and potential subsequent tier restrictions thereafter including:
  + businesses without a business rate account who have been mandated to close; and
  + businesses with or without a business rate account that have not been mandated to close but are severely impacted by the national lockdown and tier restrictions

***Funding Priorities***

* 1. ARG funding is limited and Hertsmere have received a total allocation of £3,030,381 which can be spent up until 31 March 2022. As stated in paragraph 4.4., Hertsmere intends to allocate up to but not go beyond this level of funding.
  2. It is expected that the majority of ARG funds will be given as grants to local businesses and Hertsmere intends to allocate the majority of its allocation in this way. A 10% top slice of the initial allocation has been set aside for “wider business support activities” in accordance with the ARG guidance (£210,000).
  3. The ARG was announced as a discretionary grant fund alongside the LRSG (Closed) Addendum grant fund which provides grant funding to rated businesses required to close during the second national lockdown. To align with the LRSG (Closed) Addendum and LRSG (Closed) when considering grant applications under the ARG Hertsmere will prioritise grant payments for the period of the second national lockdown, the subsequent tier restriction and the period of the third national lockdown first before considering further hardship grants.
  4. As funding is limited to Hertsmere’s total allocation of £3,030,381, grants will be awarded on a first come, first served basis.
  5. The ARG will be prioritised as follows:
* 10% top-slice to set up a Covid recovery fund and enable regeneration (£210,000).
* Grants covering the period of the second national lockdown, the subsequent tier restrictions and the third national lockdown.
* One off hardship grants for businesses that were not entitled to receive grant funding under the previous Small Business or Retail, Hospitality & Leisure Grant Funds and businesses that may have received some funding under the discretionary business grant fund.
  1. Further details on eligibility and level of grants to be paid under the ARG are set out in appendix A.

1. **Tier Restrictions following the National Lockdown**
   1. On 23rd November, the Government’s Covid Winter Plan was published which announced an end to the National Lockdown with the country returning to a tiered system of restrictions from the 2nd December 2020.
   2. Hertsmere was originally declared a Tier 2 area and were subsequently moved into Tier 3 on December 16th, which means it is an area with legally binding restrictions.
   3. For Hertsmere, the period of tiered lockdown ended on 19th December 2020 as from 20th December, the borough was under tier 4 lockdown. Tier 4 lockdown has the same restrictions as National Lockdown.
   4. For the period of tier 2 and 3 restrictions grants will continue for businesses mandated to close under the LRSG (Closed) grant scheme and discretionary grants can also be made to businesses not mandated to close but severely impacted by the tier restrictions under the ARG and LRSG (Open) grant schemes.
2. **Local Restrictions Support Grant (LRSG) (Open) – Tier 2 and 3**
   1. This is a discretionary grant to support businesses though not legally required to close, have been severely impacted by the tier restrictions. This grant is included in this discretionary policy and further details on eligibility and level of grant are set out below and in appendix A.
   2. Grants will cover the period December 2nd to December 19th during the period of the tier restrictions.
   3. These grants will be used to assist businesses involved in hospitality, hotel, bed and breakfast and leisure businesses. The business does not have to specifically be a business in this sector, but it should be linked in some way (for example, supplying these sectors).
   4. Funding will be provided on the following basis:

* Businesses with a rateable value of exactly £15,000 or under or businesses with no rateable value will receive £467 per two week period.

*Market traders will be paid this rate on a pro rata basis meaning a trader working two days a week in the borough will receive:*

* + *4 days divided by 14 days multiplied by £467 = £133.43*
* Businesses with a rateable value of over £15,000 and less than £51,000 will receive £700 for every two week period.
* Businesses with a rateable value of exactly £51,000 or over will receive £1,050 per two week period.
  1. The period December 2nd to December 19th is 18 days so payments are calculated by dividing the number by 14 days and multiplying by 18 days.

1. **Discretionary Grant Payments, Eligibility Criteria and Level of Grant**
   1. Further detail in relation to discretionary grant payments, eligibility criteria and level of grants to be paid are set out in appendix A to this policy which includes grant payments under the Additional Restrictions Grant (ARG) and the Local Restrictions Support Grant (LRSG) (Open).
2. **Businesses that will not be entitled**
   1. In all cases, these grants are subject to state aid, so 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 cannot receive a grant. For more information on State Aid please see:

<https://www.gov.uk/guidance/state-aid>

* 1. Businesses that are in administration, insolvent or where a striking-off notice has been made, as at the time of application, are not eligible for funding under this scheme.

1. **How to apply**
   1. Claims must be made using the online form available on Hertsmere’s website. The council will need to verify the information provided. Businesses will have to show how the Covid restrictions have impacted on their income by uploading documentary evidence.
   2. The council will also make pre-payment checks to ensure that claims are genuine and that businesses are trading.
   3. There is one form for all grant schemes and businesses **only have to apply once** even if they wish to receive more than one grant.
   4. **However businesses applying for the first time and also applying for a one-off Hardship Grant** (ARG) must indicate this in their application form when applying for the lockdown/tier restriction grants.
   5. Businesses who have already claimed their tier restriction/lockdown grants need to e-mail [ARGHardship@hertsmere.gov.uk](mailto:ARGHardship@hertsmere.gov.uk) and detail the reasons for their application.
   6. The link to the grant application form is [here](https://www7.hertsmere.gov.uk/scripts/OPENPortal-Live.wsc/ndr/ndrlrsgrant.p)
2. **Review Period**
   1. The policy period ends on March 31st 2022. Throughout this period it is likely that there will be changes to lockdown restrictions that it is not possible to currently predict. For this reason, the policy is subject to review and may have to be changed to cater for unexpected changes to national strategy.
3. **Decisions**
   1. The main principles of this policy were approved by Hertsmere’s Executive on 9th December 2020 (EX/20/79) and will be implemented by officers under the delegated authority of this policy.
   2. This policy was last reviewed on 10th February 2021
   3. The decisions will be final and there is no further appeal mechanism.

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**Hertsmere Borough Council’s**

**Discretionary Business Grant Policy – December 2020**

**Eligibility Criteria and Level of Grant**

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| **Second National Lockdown Grants (ARG funding)** | | | |
| **Applicable Grant Period** | **5th November 2020 to 2nd December 2020**  This grant covers the period of the second national lockdown only. | | |
| **Application Period** | **From 18th December to 15th March**  The online grant application will be available during this period only; applications received outside of the application period will not be accepted. | | |
| **Funding** | ARG Funding is limited to Hertsmere’s allocation of £3,030,381 which will be applied as follows:   1. 10% for wider business support (subject to review) 2. 2nd National Lockdown Grant (this grant) 3. Tier restrictions to 15 February 2021 (see below) 4. One-off hardship grants (see below) 5. Subsequent tier restrictions post 15 February (TBA)   Grants will only be paid up to the level of ARG funding available, should funds be insufficient to satisfy all successful applications, then grants will be awarded on a first come first served basis. | | |
| **Non-Rated Businesses mandated to close** | | | |
| **Purpose of Grant** | To provide grant awards to non-rated businesses that have been mandated to close during periods of National Lockdown or Tier 4 restrictions. | | |
| **Eligibility** | This is for small / micro businesses that do not have a business rate liability. Businesses that are based at home are included in this. The business must have been mandated to close because of the lockdown restrictions. | | |
| **Value of award** | £1,334 for 4 weeks whilst in national lockdown  ***N.B.****This is the same value as the grants received by small rated business with an RV of less than £15,000 mandated to close and receiving a grant under LRSG (Closed).* | | |
| **Businesses not mandated to close** | | | |
| **Purpose of Grant** | To provide a one-off grant award to businesses that have not been mandated to close but have suffered severe financial hardship due to the national lockdown or tier 4 restrictions. | | |
| **Eligibility** | This is for businesses with or without a business rate liability (including those with nothing to pay) that have not been mandated to close but are still suffering severe financial hardship due to the national lockdown restrictions. This could be because, for example, the business is supplying the hospitality or leisure industries. | | |
| **Value of award** | **RV of exactly £15,000 or less**  **Incl. non-rated** | **RV of £15,001 to £50,999** | **RV of exactly £51,000 or more** |
| £934 for 4 weeks whilst in national lockdown | £1,400 for 4 weeks whilst in national lockdown | £2,100 for 4 weeks whilst in national lockdown |
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| **Tier 2/3 Restriction’s Grant (LRSG (Open) and ARG funding)** | | | |
| **Applicable Grant Period** | **2nd December 2020 to 19th December**  This grant covers the period following the second national lockdown from 2 December and is on a rolling two weekly basis thereafter for as long as Hertsmere remains under tier 2 or tier 3 restrictions for as long as funding under LRSG (open) remains available. | | |
| **Application Period** | **From 18th December to 15th March**  The online grant application will be available during this period only; applications received outside of the application period will not be accepted. | | |
| **Funding** | Discretionary tier 2/3 grants will be subject to Hertsmere’s allocation of LRSG (Open) (£212,023) and ARG funding (£3,030,381 refer to allocation priority in table above). | | |
| **Non-Rated Businesses mandated to close** | | | |
| **Purpose of Grant** | To provide grant funding on a rolling two weekly basis to non-rated businesses that have been mandated to close under tier 2/3 restrictions from 2 December 2020 to 19th December 2020. | | |
| **Eligibility** | This is for small / micro businesses that do not have a business rate liability. Businesses that are based at home are included in this. The business must have been mandated to close because of the local tier restrictions. | | |
| **Value of award** | £667 for each two week period on a rolling basis  *N.B.This is the same value of grant received by small rated business required to close with an RV of less than £15,000.* | | |
| **Businesses not mandated to close** | | | |
| **Purpose of Grant** | To provide grant funding on a two weekly rolling basis to businesses that have not been mandated to close but have suffered severe financial hardship due to the local tier 2/3 restrictions from 2 December 2020 to 19th December. | | |
| **Eligibility** | This is for businesses with or without a business rate liability (including those with nothing to pay) that have not been mandated to close but are still suffering severe financial hardship due to the local tier restrictions. This could be because, for example, the business is supplying the hospitality or leisure industries. | | |
| **Value of award** | **RV of exactly £15,000 or less**  **Incl. non-rated** | **RV of £15,001 to £50,999** | **RV of exactly £51,000 or more** |
| £467 for each two week on a rolling basis | £700 for each two week on a rolling basis | £1,050 for each two week on a rolling basis |
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| **Tier 4 / Third National Lockdown Grants (ARG funding)** | | | |
| **Applicable Grant Period** | **20th December 2020 to 15th February 2020**  This grant covers the period of tier 4 restrictions and the third national lockdown only. | | |
| **Application Period** | **From 18th December to 15th March**  The online grant application will be available during this period only; applications received outside of the application period will not be accepted. | | |
| **Funding** | ARG Funding is limited to Hertsmere’s allocation of £3,030,381 which will be applied as follows:   1. 10% for wider business support (subject to review) 2. Second National Lockdown Grants (see above) 3. Third National Lockdown to 15th February (this grant) 4. One-off hardship grants (see below) 5. Subsequent tier restrictions post 15 February (TBA)   Grants will only be paid out to the level of ARG funding available, should funds be insufficient to satisfy all successful applications, then grants will be awarded on a first come first served basis. | | |
| **Non-Rated Businesses mandated to close** | | | |
| **Purpose of Grant** | To provide grant awards to non-rated businesses that have been mandated to close during period of the third National Lockdown or Tier 4 restrictions. | | |
| **Eligibility** | This is for small / micro businesses that do not have a business rate liability. Businesses that are based at home are included in this. The business must have been mandated to close because of the lockdown restrictions. | | |
| **Value of award** | £2,763.28 for national lockdown period 20th December to 15th February  ***N.B.****This is the same value as the grants received by small rated business with an RV of less than £15,000 mandated to close and receiving a grant under LRSG (Closed).* | | |
| **Businesses not mandated to close** | | | |
| **Purpose of Grant** | To provide a one-off grant award to rated businesses that have not been mandated to close but have suffered severe financial hardship due to the third national lockdown or tier 4 restrictions. | | |
| **Eligibility** | This is for businesses with or without a business rate liability (including those with nothing to pay) that have not been mandated to close but are still suffering severe financial hardship due to the national lockdown restrictions. This could be because, for example, the business is supplying the hospitality or leisure industries. | | |
| **Value of award** | **RV of exactly £15,000 or less**  **Incl. non-rated** | **RV of £15,001 to £50,999** | **RV of exactly £51,000 or more** |
| £1,934.71 for this lockdown period | £2,900 for this lockdown period | £4,350 for this lockdown period |
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| **One-Off Hardship Grants (ARG Funding Phase 2)** | | | |
| **Applicable Grant Period** | **Initial Grant Period from 11 March 2020 to 5 November 2020**  This initial grant period covers the period from the announcement of the first National Lockdown through to commencement of the second National Lockdown.  A further grant period may be opened following the lifting of national/local tier restrictions dependant on any ARG funding remaining.  This will be regularly reviewed. | | |
| **Application Period** | **From 1st February 2021 to 15th March 2021**  The online grant application will be available following the allocation of grants in relation to the second national lockdown and subsequent tier/national restrictions to 15th February 2021. This will enable Hertsmere to assess the level of remaining funding. The application period will therefore open on 1st February to 15th March and will be available during this period only. Applications received outside of the application period will not be accepted. | | |
| **Funding** | ARG Funding is limited to Hertsmere’s allocation of £3,030,381 which will be applied as follows:   1. 10% for wider business support (subject to review) 2. Second National Lockdown Grants (see above) 3. Tier 4/Third National Lockdown (see above) 4. One-off hardship grants (this grant) 5. Subsequent tier restrictions post 15 February (TBA)   Grants will only be paid out to the level of ARG funding available, should funds be insufficient to satisfy all successful applications, then grants will be awarded on a first come first served basis. | | |
| **Rated Businesses** | | | |
| **Purpose of Grant** | To provide a one-off grant award to rated businesses that have experienced severe financial hardship due to the Covid-19 pandemic but were not eligible to receive a grant payment under the Small Business Grant Fund, Retail, Hospitality and Leisure Grant Fund or the Discretionary Grant Fund. | | |
| **Eligibility** | Rated businesses that have not previously received grant funding under the Small Business Grant Fund, Retail, Hospitality and Leisure Grant Funds or the Discretionary Grant Fund. | | |
| **Value of award** | **RV of exactly £15,000 or less** | **RV of £15,001 to £50,999** | **RV of exactly £51,000 or more** |
| Up to £10,000 | Up to £25,000 | TBD |
| **Non-Rated Businesses** | | | |
| **Purpose of Grant** | To provide a one-off grant award to non-rated businesses that have experienced severe financial hardship due to the Covid-19 pandemic. | | |
| **Eligibility** | Non-rated businesses.  *Businesses that have already received a grant under the previous discretionary grant fund can also apply under this discretionary fund, further grant are not guaranteed and will be restricted to a maximum of £10,000 over both discretionary schemes.* | | |
| **Value of award** | **Up to £10,000**  *(£10k maximum grant payment includes previous grant awarded under the discretionary grant fund)* | | |
| **Taxi Drivers** | | | |
| **Purpose of Grant** | This grant is to help taxi drivers cover their on-going business costs during the periods of lockdown / tier restrictions. It is not intended to cover living costs which are covered by other grants / welfare benefits. | | |
| **Entitlement** | The grant will be paid to Taxi Drivers licensed with Hertsmere that have provided:   * Bank Details * Driver Number * Vehicle number plate * Ongoing Vehicle indemnity insurance | | |
| **Value of Grant** | £500 one off payment | | |

**N.B.** This policy will be continued to be reviewed and will be reflective of further government announcements on restriction levels.

Appendix B

Summary of Restriction periods in Hertsmere

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| **Date From** | **Date to** | **Restriction level** | **Grants Available** |
| 5th Nov 2020 | 1st Dec 2020 | National Lockdown | Local Restrictions support Grants (Addendum)  Additional Restrictions Grant |
| 2nd Dec 2020 | 15th Dec 2020 | Tier 2 | Local Restrictions Support Grants (Closed)  Local Restrictions Support Grant (Open) |
| 16th Dec 2020 | 19th Dec 2020 | Tier 3 | Local Restrictions Support Grants (Closed)  Local Restrictions Support Grant (Open) |
| 20th Dec 2020 | 4th Jan 2021 | Tier 4 | Local Restrictions support Grants (Addendum)  Additional Restrictions Grant |
| 5th Jan 2021 | 15th Feb 2021 | National Lockdown | Local Restrictions support Grants (Addendum)  Additional Restrictions Grant |

Please note, the restrictions in place for tier 4 are the same as National Lockdown.