

Hambleton District Council Additional Restrictions Grants (ARG) Scheme

Contents

Definitions	3
1.0 Purpose of the Scheme and background.....	4
2.0 Funding.....	4
3.0 Eligibility criteria and awards.....	5
Purpose of the scheme	5
Eligibility Criteria	5
Businesses Excluded from scheme	6
Award Levels.....	7
Excluded businesses – both local and national restrictions.....	7
The Effective Date.....	7
Who can receive the grant?.....	8
4.0 How will grants be provided to Businesses?	8
5.0 EU State Aid requirements	9
6.0 Scheme of Delegation.....	9
7.0 Notification of Decisions.....	9
8.0 Complaints.....	10
9.0 Taxation and the provision of information to Her Majesty’s Revenues and Customs (HMRC)	10
10.0 Managing the risk of fraud	10
11.0 Recovery of amounts incorrectly paid.....	10
12.0 Data Protection and use of data.....	10

Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 14th October 2020;

‘Hereditament(s)’; means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have three Tiers. Tier 1 (Medium): Tier 2 (High) and Tier 3 (Very High). For the purposes of these schemes the definitions used are LCAL1, LCAL2 and LCAL3.

‘Local lockdown’; means the same as **‘Local restrictions’**;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Local Restrictions Support Grant Scheme (Closed)’; means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020 and amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

‘Local Restrictions Support Grant Scheme (Closed) Addendum’; means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

‘Ratepayer’; means the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

‘State Aid Framework’; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

‘Temporary Framework for State aid’; means the same as the **‘State Aid Framework’**.

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's Additional Restrictions Grant Scheme (ARG). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 31st October 2020 which sets out the basic circumstances whereby an additional restrictions grant payment may be made by the Council to a business which has to close or is severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 The scheme applies where local restrictions (LCAL3) are put in place **or** where a widespread national lockdown is announced.
- 1.5 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 1.6 National restrictions are legally binding widespread restrictions imposed by Parliament under legislation. The current national restrictions are made under the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020.
- 1.7 Grant funding under this scheme will be available for the 2020/21 and 2021/22 financial years only.
- 1.8 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 14th October 2020.
- 1.9 Where any area enters either a localised restriction (LCAL3) or where national restrictions applies, additional assistance may be given to businesses under the Council's Local Restrictions Support Grants (Closed) Scheme (as amended).

2.0 Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each area when local restrictions (LCAL3) or widespread national restrictions are imposed.

2.2 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, no additional funding will be received from Government even if either the local restrictions or widespread national restrictions are re-instated.

3.0 Eligibility criteria and awards

3.1 The Council is able to use this funding for business support activities and Government envisage that this will primarily take the form of discretionary grants although it can be used for wider business support activities.

3.2 If Local Authorities use the Additional Restrictions Grant for direct business support grants, Government has stated that the same conditions of grant **must** apply as for the Local Restrictions Support Grant (Closed) scheme. However, the Council will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.

3.3 Government has stated that the Council *may* also consider making grant payments to 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 has also stated that the Council may also wish to assist business which are outside of the rating system and which are effectively forced to close.

Purpose of the scheme

3.4 The Council has decided that the funding provided will be used in tranches to support the following:

- National restrictions during the period 5th November 2020 until 2nd December 2020;
- The wider economic recovery of the area; and
- Future local restrictions imposed by government (LCAL3).

3.5 An online application is required. New applications will be required for each round.

Eligibility Criteria

3.6 The Additional Restrictions Grant scheme is aimed to support businesses that have been severely impacted by the restrictions and the Council wants to focus on non-ratepayers with businesses in the hospitality, accommodation and leisure and event sector.

3.7 Support all eligible businesses with priority being given to those Hambleton businesses that:

- (a) Occupy business premises, have been required to close due to nationally imposed restrictions or LCAL3 (Very High) restrictions, but do not have a business rates account (and are therefore ineligible for the Local Restrictions Support Grant (Closed) scheme); and
- (b) Have rateable premises, and the business is severely negatively impacted by COVID-19 but are not required to close physical premises. The Council will prioritise

businesses which support/supply businesses in the retail, leisure and hospitality sectors, or events sector which have been required to close.

3.8 The following types of business would be eligible under the Additional Restrictions Grant scheme:

- Businesses must have been trading the day before the effective date;
- Businesses which are mandated to close, but which are not registered for business rates. For example those who rent space within another business or who work from a domestic setting;
- Businesses which have been mandated to close, but which also sell online and are therefore ineligible for the mandatory scheme;
- Businesses whose majority of customers are operating within the **Retail, Hospitality & Leisure sector**;
- Non-essential Market Traders forced to cease trading (including those outside the area but trade regularly within Hambleton);
- Bed and Breakfast businesses paying Council Tax not Business Rates; (The Council does not wish to prioritise rooms and premises available through home-sharing websites and similar channels and will not make a grant to these).
- Businesses paying commercial rent / lease;
- Self-employed not eligible for other Government support;
- Businesses operating out of a domestic premise but experiencing an income loss;
- **Personal Care services**, including those in other businesses e.g. nail technician within a hairdressers, mobile and home hairdressers, personal trainers;
- **Event Sector** e.g. Wedding caterers, photographers, flower supplies, audio and marquee companies; and
- Charitable / voluntary groups not in receipt of other types of Covid/Government funding.

Businesses Excluded from scheme

3.9 The following businesses are excluded from the scheme:

- Essential Retailers (those permitted to remain open);
- Take-away businesses;
- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers);
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers)
- Home sharing;
- Post office sorting offices; and
- Property related businesses that include:
 - property developers and construction;
 - buy to let businesses;
 - property refurbishment projects; and
 - residential/commercial landlord businesses.

- 3.10 Each application will be assessed for the reduction in revenue (sales, income and orders) the business has suffered as a result of COVID-19 as well as details of any unavoidable ongoing fixed business costs it occurs. The Council will require information as follows:
- (a) Details of ongoing fixed business costs;
 - (b) Income for periods (for Oct 2019, Nov 2019, Oct 2020 and Nov 2020);
 - (c) Current number of full-time employees;
 - (d) Whether or not they are able to trade online; and
 - (e) Brief details on how COVID-19 has impacted the business (e.g. the reduction in profit)

Award Levels

- 3.11 The Council has decided the following grant award levels will be available under the scheme
- £500;
 - £1,334;
 - £2,000; and
 - £3,000.
- 3.12 There may be specific circumstances where a grant of up to £10,000 may be granted to a business experiencing serious losses and each of these applications will be dealt with individually.

Excluded businesses – both local and national restrictions

- 3.13 The following businesses will **not** be eligible for an award:
- (a) Businesses in areas outside the scope of the localised restrictions, as defined by Government and not subject to a widespread national restriction;
 - (b) Businesses that have chosen to close but not been required to, will not be eligible;
 - (c) 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; and
 - (d) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or widespread national restriction.

The Effective Date

- 3.14 The effective date for eligibility is the date of the widespread national or local restrictions (LCAL3). Businesses **must** have been trading on the day prior to national or LCAL3 restrictions to be eligible to receive grant support.

Who can receive the grant?

- 3.15 Government has stated that the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date. Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.
- 3.16 Where the Council has reason to believe that the information it holds about the ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 3.17 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.18 Where any business misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

4.0 How will grants be provided to Businesses?

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Details of how to obtain grants are available on the Council's website: www.hambleton.gov.uk/localrestrictions
- 4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 4.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 4.5 An application for an Additional Restrictions Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

5.0 EU State Aid requirements

- 5.1 Any Local Restrictions Support Grant is given as aid as long as businesses comply with all relevant conditions of the EU State aid De-Minimis Regulation, the EU Commission Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, the approved Covid-19 Temporary Framework for UK Authorities, and any relevant reporting requirements to the EU Commission.
- 5.2 Payments made can be provided under the existing De Minimis rules, to any one organisation over a three fiscal year period, provided doing so does not exceed the €200,000 threshold. Payments made where the De Minimis threshold has been reached can be paid under the Covid-19 Temporary Framework for UK Authorities (threshold €800,000). The amended Temporary Framework enables EU Member States to give up to the nominal value of € 800,000 per company. This can be combined also with so-called *de minimis* aid (to bring the aid per company to up to €1 million) and with other specific types of aid.
- 5.3 Any business that has reached the limits of payments permissible under the De Minimis and the UK Covid-19 Temporary State Aid Framework will not be able to receive further grant funding.
- 5.4 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis state aid or aid provided under the EU Commission Covid-19 Temporary Framework
- 5.5 All applicants are required to make a declaration to the Council that they can receive the grant award under state aid regulations

6.0 Scheme of Delegation

- 6.1 The Council has approved this scheme.
- 6.2 Officers of the Council will administer the scheme and the Section151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Business and Economy team.
- 7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

8.0 Complaints

8.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme. There is no appeals procedure.

9.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

9.1 The Council has been informed by Government that all payments under the scheme are taxable.

9.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

9.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

10.0 Managing the risk of fraud

10.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.

10.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

11.0 Recovery of amounts incorrectly paid

11.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

12.0 Data Protection and use of data

12.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.