

Additional Restrictions Grants (ARG) Scheme

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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 restriction grant payment may be made by the Council to a business which has to close or are 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 nationally 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 The allocation of funds for this scheme is available for the 2020/21 and 2021/22 financial years only.
- 1.8 No grant shall be paid for any period where the localised restrictions were in place prior to 14th October 2020 or 5th November 2020 in the case of widespread national restrictions.

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 for this scheme (ARG) will be received from Government even if either the local restrictions or widespread national restrictions are re-instated.

3.0 The design of the Council's Additional Restriction Grant (ARG) Scheme

Background to Government Guidance

- 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.
- 3.2 If Local Authorities use the Additional Restriction 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 In accordance with Government guidance, 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.

Allocation of funding with financial years

- 3.4 The Council is keen to ensure that the funding available not only supports local businesses now but is available to businesses through the coming year should the need arise. With this in mind, the Council will make an appropriate split of funds over each financial year.

The Main Scheme and the Exceptions Grant Scheme

- 3.5 The Council has decided that, within each financial year, funds shall be provided through two schemes; the (ARG) Main Scheme and the (ARG) Exceptions Grant Scheme. Each scheme is distinct and will provide assistance to businesses that are experiencing financial difficulties due to the COVID-19 crisis.

Eligibility criteria that have to be met for both schemes

- 3.6 Applications will be accepted from businesses within all sectors including home based businesses and to obtain an Additional Restrictions Grant award, the business must meet the following eligibility criteria in full:
- (a) Applications will be accepted from businesses that have been required to close or, where they are allowed to remain open, have suffered significant loss in trade;
 - (b) The business must have fixed ongoing costs which are unavoidable and must be able to provide evidence. It should be noted that homeworkers will be able to apply, as well as mobile workers, but claims must relate to fixed costs as this is not a wage substitution scheme;

- (c) The business must have experienced a reduction in income due to the crisis and not through a general failure in the business;
- (d) The business must have been trading at the effective date;
- (e) In all cases, the business must prove that it is a clearly defined business, undertaking a recognised trade. All businesses must provide evidence of trading such as VAT registration, business bank accounts, business accounts or details of company registration if appropriate; and
- (f) The business must not be excluded from the grant scheme as prescribed by Government (Section 4)

The Council's (ARG) Main Scheme eligibility, scoring and awards

- 3.7 Businesses who are entitled to an award under either the Council's Local Restrictions Support Grant Scheme (Closed) or, where appropriate the Local Restrictions Support Grant Scheme (Open) will not be eligible for an award under the Council's (ARG) Main Scheme.
- 3.8 In all cases, businesses applying for an award will need to provide evidence that it has experienced a loss in income as a result of the imposition of either the local restrictions (LCAL3) or widespread nationwide restrictions.
- 3.9 In all cases, the Council will require evidence from businesses to support any application.
- 3.10 The Council has decided that businesses that are primarily home based may be awarded a grant. However, the business must, at the effective date, have provided services that are wholly or mainly 'in person' and which cannot be provided remotely.
- 3.11 The scoring criteria shown below shall be used to assess need and to determine the level of any award. In all cases, the Council may require evidence from businesses to support any application.

The (ARG) Main Scheme scoring criteria

Criteria
1. Has your business been legally required to close?
1a. Does your business mainly supply or trade with businesses required to close?
1b. Has your business experienced significantly reduced customer spend?
2. How much are your fixed property costs i.e. What does the business pay in rent /lease / business rates per annum for commercial premises?
Paying over £51,000pa
Paying between £15,000pa - £51,000pa
Paying less than £15,000pa
Not paying for commercial premises, but other business expenses (such as leased van/car/machinery)
No fixed business costs (for the purposes of this question we do not accept phone, broadband, insurance, home mortgage as fixed business costs)
3. Number of Employees (include part-time employees)

Criteria
250 or more employees
50 – 249 employees
10 – 49 employees
5 - 9 employees
2 -4 employees
1 employee or sole trader

(ARG) Main Scheme Award Levels

- 3.12 The grants awarded will be based on the total score achieved by the business in line with the scoring mechanism in 3.11. The Council expects to award grants to a value of between £1000 and £2000 to qualifying applicants. However, in the event of the scheme being over or undersubscribed, the Council reserves the right to amend those values as it sees fit, in order to balance the demand against the amount of funding available.
- 3.13 Businesses will be entitled to one award only from the Council's (ARG) Main Scheme for any single period of widespread national or local restriction (LCAL3). Where the Council's area is subject to more than one period of restriction, the Council reserves the right to allow further applications for (ARG) Main Scheme awards subject to funds being available.

The Council's (ARG) Exceptions Grant Scheme, eligibility and awards

- 3.14 The Council has ringfenced a sum of the original Government allocation for Additional Restrictions Grants to enable additional support to be given to business where the Council is of the opinion that the failure or closure of that business would be of significant impact to the local economy.
- 3.15 Any business with over 10 employees may apply for an award under this part of the scheme and this may be granted in addition to any other award subject to the exclusions listed in Section 4 below.
- 3.16 The Council will take a range of factors into account when deciding whether to award a grant including (but not limited to);
- The potential loss of employment;
 - The effect on services provided to residents within the Council's area; and
 - The effect on the local economy.
- 3.17 Each application will be considered by the Director of Development and Place or those delegated by him/her on its own merits and the Council may award a grant under this scheme up to £10,000 on a case-by-case basis.

4.0 Excluded businesses – both local and national restrictions

- 4.1 The following businesses will **not** be eligible for an award from any of the schemes:
- (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.

5.0 The Effective Date

- 5.1 The effective date for eligibility (for either schemes under the Additional Restrictions Grant provisions is the date of the widespread national or local restrictions (LCAL3). Businesses **must** have been active and trading on the day before the date of national or LCAL3 restrictions to be eligible to receive grant support.

6.0 Who can receive the grant?

- 6.1 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.
- 6.2 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.
- 6.3 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 6.4 Where any business or individual 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.

7.0 How will grants be provided to Businesses?

- 7.1 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.

- 7.2 Details of how to obtain grants are available on the Council's website:
<https://www.somersetwestandtaunton.gov.uk/business-rates/national-lockdown-support-grant/>
- 7.3 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.
- 7.4 The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 7.5 An application for an Additional Restriction Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 7.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

8.0 EU State Aid requirements

- 8.1 Any grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 8.2 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.
- 8.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

9.0 Scheme of Delegation

- 9.1 The Council has approved this scheme.
- 9.2 Officers of the Council will administer the scheme and the Director of Development and Place or those delegated by him/her is authorised to make amendments to the scheme to ensure it meets the criteria set by the Council and, in line with Government guidance.
- 9.3 The Council will keep this policy under review throughout the life of the scheme.

10.0 Notification of Decisions

- 10.1 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 the application window is closed.

11.0 Complaints

11.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

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

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

12.2 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.

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

13.0 Managing the risk of fraud

13.1 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.

13.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant will be passed to Government and its departments for the purpose of analysis and also to prevent fraud.

14.0 Recovery of amounts incorrectly paid

14.1 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.

15.0 Data Protection and use of data

15.1 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.