



Craven District Council Additional Restrictions Grants (ARG) Scheme

Contents

Definitions	3
1.0 Purpose of the Scheme and background.....	5
2.0 Funding.....	6
3.0 Eligibility criteria and awards.....	6
Eligibility Criteria	6
Award Levels	6
Excluded businesses – both local and national restrictions.....	8
The Effective Date.....	8
Who can receive the grant?.....	8
4.0 How will grants be provided to Businesses?	9
5.0 EU State Aid requirements	9
6.0 Scheme of Delegation.....	9
7.0 Notification of Decisions.....	10
8.0 Reviews of Decisions	10
9.0 Complaints.....	10
10.0 Taxation and the provision of information to Her Majesty’s Revenues and Customs (HMRC)	10
11.0 Managing the risk of fraud	11
12.0 Recovery of amounts incorrectly paid.....	11
13.0 Data Protection and use of data.....	11

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 9th September 2020;

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

‘In-person services’ means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link, or written communication;

‘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), Tier 3 (Very High) and Tier 4 (Stay at home). For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3 and LCAL 4.

‘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 which is applicable to businesses forced to close under either LCAL2 or LCAL3;

Local Restrictions Support Grant Scheme (Closed Addendum) Tier 4; means the grant scheme which is applicable to businesses forced to close under LCAL4;

Local Restrictions Support Grant Scheme (Closed) Addendum 5th January 2021 onwards; means the grant scheme which is applicable to businesses forced to close under widespread national restrictions from 5th January 2021;

Local Restrictions Support Grant Scheme (Open); 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 22nd October 2020 and which is applicable to businesses that are still

open but severely impacted by the restrictions imposed by LCAL2 and LCAL3. It does not apply in LCAL 4;

Local Restrictions Support Grant Scheme (Sector); means the grant scheme which is applicable to businesses that have been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus. This scheme does not apply in LCAL4

'Rateable value'; means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions;

'Ratepayer'; means the person who will receive the grant will be 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;

'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 or above) 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 Grant funding under this scheme will be available for the 2020/21 and 2021/22 financial years only and, within those years, at times defined by the Council.
- 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 The Council has decided that the Additional Restrictions Grants Funding shall be broadly divided into two parts. This was determined for the initial allocation as:
- 65% of the funding to be allocated to direct business grants which will be provided either under any widespread national restrictions or if the Council's area is placed under LCAL3 or above restrictions
 - 35% for general business support and recovery.
- The Council will determine how to divide any future allocations as the funding is announced.
- 1.10 The Council reserves the right to vire amounts as felt appropriate and in accordance with the demands placed on the fund.

2.0 Funding

- 2.1 Funding for the Additional Restrictions Grant (ARG) is provided and defined by government. The initial allocation was a one-off lump sum payment amounting to £20 per head in each area where local restrictions are imposed. Subsequent allocations may be received and the formula for calculating the amount due is likely to vary.
- 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 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 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.

Eligibility Criteria

- 3.4 Although all business can apply for a grant under this scheme funds are limited, and priority will be given to:
- (a) local businesses not on the rating list but mandated to close;
 - (b) local businesses which are 'severely impacted' by business closures caused by the National Lockdown Restrictions, even if not required to close themselves;
 - (c) businesses where the failure of the business would have a significant impact on the local economy.
- 3.5 The business must **not** be eligible for either the Local Restrictions Support Grant (OPEN) scheme or Local Restrictions Support Grant (CLOSED) scheme.
- 3.6 Where a **business is mandated to close** then the award will be as defined within 3.11; and where **the business can remain open** then the award will be as defined within 3.13;
- 3.7 The Council reserves the right to vary the level of awards in exceptional circumstances.

3.8 In all cases the business must provide evidence to the Council that they have been 'severely impacted'. We will assess 'severely impacted' depending upon the business type but in general this will mean that a business is heavily dependent on businesses / sectors that have been required to close within the defined categories and that as a result they can demonstrate a reduction in their income of at least 50% from recent and similar periods.

3.9 In the case of market traders, all awards shall be made on a pro-rata basis with full payment of the amounts shown only being made where normal trading would be for 4 days per week or more.

Award Levels

3.10 The Council has decided that the following awards shall be granted:

Where the business is mandated to close.

3.11 The Council has decided the following grant award levels:

- (a) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on the date of the commencement of the national or local restrictions (LCAL3) will receive a payment of £667 per 14-day qualifying restriction period;
- (b) Businesses occupying hereditaments with a rateable value of over £15,000 and less than £51,000 on the date of the commencement of the national or local restrictions (LCAL3) will receive a payment of £1,000 per 14-day qualifying restriction period;
- (c) Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or above on the date of the commencement of the national or local (LCAL3), will receive £1,500 per 14-day qualifying restriction period; and
- (d) Where the business is not shown on the rating list on the date of the commencement of the national or local restrictions (LCAL3) will receive a payment of £667 per 14-day qualifying restriction period.

3.12 Depending on the funds available, the Council reserves the right to vary the payments to any business, and to open and close the scheme according to circumstances. Notice will be given via the council's website when the scheme opens and closes, and businesses should make applications swiftly to ensure that deadlines are not missed. The Council may award a single one-off payment to businesses that are mandated to close; such an award is entirely discretionary and subject to funds being available.

Where the business can remain open.

3.13 The Council has decided the following grant award levels:

- (a) Grants of up to £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the national or local restrictions (LCAL3);

- (b) Grants of up to £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the national or local restrictions (LCAL3);
- (c) Grants of up to £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the national or local restrictions (LCAL3); and
- (d) Where the business is not shown on the rating list on the date of the commencement of the national or local restrictions will receive a payment of £467 per 14-day qualifying restriction period (LCAL3).

Excluded businesses – both local and national restrictions

3.14 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) Bed and Breakfast businesses which are basically ‘home sharing’ and where advertising is wholly undertaken through ‘home sharing’ websites will not be eligible;
- (c) Businesses that have chosen to close but not been required to, will not be eligible;
- (d) 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
- (e) 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

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

Who can receive the grant?

3.16 In **all** cases, 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.

3.17 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.

3.18 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.

3.19 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.

- 3.20 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the 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:
<https://www.cravenc.gov.uk/coronavirus-advice-and-information/new-business-support-grants-november-2020/>
- 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 Restriction 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 Subsidies and EU State Aid

- 5.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 5.2 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 5.3 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU State aid Temporary Framework.

6.0 Scheme of Delegation

- 6.1 The scheme is subject to Council approval.

- 6.2 Officers of the Council will administer the scheme and the Section 151 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 Revenues and Benefits Service.
- 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 Reviews of Decisions

- 8.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 8.2 All such requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 8.3 The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

9.0 Complaints

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

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

- 10.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 10.2 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.
- 10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

- 11.1 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.
- 11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

- 12.1 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.

13.0 Data Protection and use of data

- 13.1 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.