

Craven District Council
Additional Restrictions Grant (ARG) Scheme

Contents

Definitions

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

Definitions

The following definitions are used within this document:

'Accommodation definition'; a business whose main lodging provision is used for holiday, travel and other purposes (this also includes Kennels and Catteries);

'Additional Restrictions Grant (ARG)' means the additional funding provided by Government. Funding has been made available to eligible Local Authorities at points since the national restrictions were imposed and additional funding may be received in future.

'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;

'Gym and sport definition'; a commercial establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally;

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

'Hospitality definition'; a business whose main function is to provide a venue for the consumption and sale of food and drink;

'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;

'Leisure definition'; Of business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events, days and nights out, betting and gaming;

'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;

'Non-essential retail definition'; a business that is open to the public and is used mainly or wholly for the purposes of retail sale or hire of goods or services, where the primary purpose of products or services provided are not necessary to the health and well-being of the public;

'Personal care definition'; At business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and athletics, and well-being;

'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 Restrictions 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 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 the 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 2020/21 and 2021/22 financial years only and, within those years, at times defined by the Council.
- 1.8 The Council will determine how to divide any future allocations as the funding is announced, see paragraph 3.1.
- 1.9 The Council reserves the right to vire amounts as felt appropriate and in accordance with the demands placed on the fund.

2 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.

3 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 could be used for wider business support activities.
- 3.2 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 businesses 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 the Restart Grant.
- 3.6 The Council has chosen to align with government's general objectives and principles of the Restart Grant. The scheme is split into 2 strands, broadly reflective of when businesses can expect to open under the existing roadmap and the expected impact of continuing restrictions.
- 3.7 Strand One requires some 'in-person' service. Businesses may also be considered for awards under Strand One if the business does not fall into the categories detailed in Strand Two and there is evidence of being adversely affected by ongoing restrictions.

- 3.8 Strand Two is for businesses within the following sectors: personal care, accommodation, hospitality, recreation, gym and sport and leisure.
- 3.9 Where a **business is held to be Strand One** then the award will be as defined within 3.13; and where the **business is held to be Strand Two** then the award will be as defined within 3.14;
- 3.10 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.
- 3.11 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 previously required to close within the defined categories.

Award Levels

3.12 The council has determined the following grant award levels:

3.13 For those businesses in **Strand One**:

Taxi Drivers

With premises in the Rating List	£2000
Without premises in the Rating List	£250
Market Traders (non-essential goods) per day licensed in Craven	£250 (max £1000)
Driving Instructors	£500

Other:

Without premises in the Rating List	£500
RV up to £15000	£2000
RV £15001 to £51000	£3000
RV over £51000	£4000

3.14 For those businesses in **Strand Two**:

Businesses not in the Rating List (other than B&Bs)	£2000
B&B Accommodation	£4000
RV up to £15000	£4000
RV £15001 to £51000	£5000
RV over £51000	£6000

Excluded businesses – both local and national restrictions

3.15 The following businesses will not be eligible for an award:

- (a) Bed and Breakfast and self catering businesses which are basically ‘home sharing’; where advertising is wholly undertaken through ‘home sharing’ websites businesses will not be eligible;
- (b) 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;
- (c) 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; and
- (d) Where a person or company runs more than one business from the same premises, or where businesses are connected, only one grant will be paid; this means that if a Restart grant has been awarded there will be no eligibility for an ARG for the ‘other’ business.

The Effective Date

3.16 The effective date for eligibility is 1st April 2021.

Who can receive the grant?

- 3.17 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.
- 3.18 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.
- 3.19 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.20 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.
- 3.21 Where there is no entry in the rating list for the business, the Council will have the 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 Restart Grant will offer a lifeline to businesses who are struggling to survive during 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/business-support-grants/business-support-grants-2021-national-lockdown>
- 4.3 In all cases, businesses will be required to complete an application form to confirm that they are eligible to receive the grant. 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 to 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 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.
- 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 applicants 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.