



Selby District Council

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 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 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 a national restriction 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.

2.3 The Council has been allocated £2,617,382.00 to the end of the financial year 2021/22.

3.0 The scheme

3.1 The Council's Additional Restrictions Grant scheme basically falls into two distinct sections namely:

- (a) Ongoing support to businesses affected by local or national restrictions and where the business is unable to access Central Government mandatory; and
- (b) One-off support to businesses that are experiencing Exceptional Hardship.

3.2 The Council is able to use this funding for both of the above and details of both schemes are provided within this document.

4.0 Ongoing Support - Eligibility criteria and awards

4.1 For the purposes of this scheme element, the Council has decided that it will support businesses which are affected by the widespread national restrictions but not eligible for Local Restrictions Grant (Closed) funding as follows:

(a) Businesses which are not on the government list of businesses which must close but have been forced to close through lockdown and who may or may not be liable for Non-Domestic Rates:

This will include businesses outside of the Non-Domestic Rating system or those who are not directly the ratepayer for business rates **and** their premises which are not on the government list of business which must close but have been forced to close due to lockdown and therefore fall outside the scope of Local Restrictions Grant (Closed) scheme.

This will include non-essential retail, hospitality venues, leisure and sports facilities, accommodation providers, entertainment venues, personal care facilities, market traders, personal services providers such as hairdressers and beauty therapists, leisure and sports businesses, and providers of holiday accommodation outside of the Non-Domestic Rating system.

(b) Businesses where trade is impacted due to lockdown who may or may not be liable for Non-Domestic Rates:

Businesses which, while not legally forced to close, who are nonetheless severely impacted by the restrictions, such as but not limited to businesses which supply retail, hospitality and leisure sectors or businesses in the events sector

Where a business is severely impacted, a statement will be required from the business showing that at least 50% of their revenue comes from businesses required to close within the national restrictions, and this will have an impact on their income of at least 50%.

Examples of these businesses will include suppliers of goods and services to businesses forced to close. This will include businesses with no premises but high fixed costs.

- 4.2 For the avoidance of doubt, the Council means by “businesses,” those organisations that are formally constituted as companies, partnerships, and charities, together with sole-traders and the self-employed.
- 4.3 Eligible businesses will be required to be either:
- (a) From a Selby-based business which have fixed premises in Selby; or
 - (b) The business must either be run by a Selby District resident or trade within the District.
 - (c) Applications will be considered from market traders who mainly trade in the district but live elsewhere as long as they only apply and receive the grant from one local authority.
- 4.4 Businesses that are able to continue to trade and can operate their services effectively remotely and who are not totally reliant on ‘in-person’ services.

Ongoing Support - Award Levels

- 4.5 The Council has decided the following grant award levels:

Businesses subject to Non-Domestic Rating

- (a) For properties with a rateable value of £15k or under, grants to be **£1,334 per 28-day period**, or £667 per two weeks;
 - (b) For properties with a rateable value of between £15k-£51k grants to be **£2,000 per 28-day period**, or £1,000 per two weeks; and
 - (c) For properties with a rateable value of £51k or over grants to be **£3,000 per 28-day period**, or £1,500 per two weeks.
- 4.6 Top Up grants for the Local Restriction Support Grant scheme will not be paid out to businesses except in exceptional circumstances where this is essential to support the wider local economy.

Businesses not subject to Non-Domestic Rating

- (a) For those **with** fixed commercial premises costs such as rent payable to a landlord a **payment of up to £3,000 per 28-day qualifying restriction period** (e.g. shared office space, or any business who pays for space, even when they are not able to trade); and

- (b) For those without fixed premises costs but who have fixed ongoing business costs (such as but not limited to, leasing costs, insurances etc.) , **a payment of up to £1,334 per 28-day qualifying restriction period.**

5.0 Exceptional Hardship Fund - Eligibility Criteria

- 5.1 The Exceptional Hardship Fund is available for all micro, small or medium sized businesses that are mandated to close during either any local or national restrictions and, in addition, for all businesses that remain open but have been severely affected by the restrictions.
- 5.2 The definitions of the size of business are as follows:
- A 'Micro' business is defined by s384A (and not excluded by s384B) of the Companies Act 2006 and must meet two of the following requirements in a year:
 - Turnover must not be more than £632,000 per annum
 - The Balance sheet total should not be more than £316,000; and
 - The number of employees should be less than 10.
 - A 'Small' business is defined by s382 and 383 (and not excluded by s384) of the Companies Act 2006 and must meet two of the following requirements in a year:
 - Turnover must not be more than £10.2 million per annum;
 - The Balance sheet total should not be more than £5.1 million; and
 - The number of employees should be less than 50.
 - A 'Medium-Sized' business is defined s465 and 466 (and not excluded by s467) of the Companies Act 2006 and must meet two of the following requirements in a year:
 - Turnover must not be more than £36 million per annum;
 - The Balance sheet total should not be more than £18 million; and
 - The number of employees should be less than 250
- 5.3 In all cases, businesses will need to demonstrate that they are experiencing or have experienced exceptional financial hardship during national restrictions
- 5.4 The Council will require businesses to provide evidence of this or to certify that they meet the criteria, and it should be noted that priority will be given to businesses who have not been able to access other grant schemes.

Award Levels – The Exceptional hardship Scheme

- 5.5 The Council has decided that, where the business meets the eligibility for the Exceptional Hardship Fund an award may be granted at the Councils discretion up to an amount of £25,000
- 5.6 This is the maximum amount an individual business will be paid. In assessing the application consideration will be given to the amount of loss incurred, the actual fixed costs and the grant available to distribute

6.0 Excluded businesses – both schemes

- 6.1 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.

7.0 The Effective Date

- 7.1 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.

8.0 Who can receive the grant?

- 8.1 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.
- 8.2 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.
- 8.3 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 8.4 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.

9.0 How will grants be provided to Businesses?

- 9.1 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.
- 9.2 Details of how to obtain grants are available on the Council's website:
<https://www.selby.gov.uk/local-restrictions-support-grant>

- 9.3 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.
- 9.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 9.5 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.
- 9.6 If funds remaining at the end of the scheme, the Council will make these available to for business support and advice. If more applications are received than can be paid, grants will be awarded on a first come first served basis.
- 9.7 The Council reserves the right to close the scheme at any time.

10.0 Subsidies and EU State Aid

- 10.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 10.2 The United Kingdom, however, remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 10.3 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.
- 10.4 Businesses should make themselves aware of their obligations under Government's subsidies arrangements.

11.0 Scheme of Delegation

- 11.1 The Council has approved this scheme.
- 11.2 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.

12.0 Notification of Decisions

- 12.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.

12.2 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.

13.0 Reviews of Decisions

13.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.

13.2 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.

13.3 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.

14.0 Complaints

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

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

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

15.2 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.

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

16.0 Managing the risk of fraud

16.1 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.

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

17.0 Recovery of amounts incorrectly paid

17.1 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.

18.0 Data Protection and use of data

18.1 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.