

RYEDALE
DISTRICT
COUNCIL



Ryedale District Council Local Restrictions Support Grants Open Scheme

Contents

Definitions	3
1.0 Purpose of the Scheme and background.....	5
2.0 Funding.....	5
3.0 Eligibility criteria and awards.....	5
Eligibility Criteria	5
Ineligible businesses	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 Notification of Decisions.....	9
7.0 Reviews of Decisions	9
8.0 Complaints.....	9
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

‘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

‘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 (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 developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th October 2020 (effective from 1st November) and 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 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 Local Restrictions Support Grant Scheme (Open).
- 1.2 The 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 circumstances whereby a grant payment may be made by the Council to businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down certain criteria which **must** be met by each business making an application. The Department has also indicated the types of business which should be given the grant.
- 1.4 The scheme applies where local restrictions either under LCAL2 (High) or LCAL3 (Very High) are put in place on or after 1st August 2020.
- 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 Grants under this scheme will be available for the 2020/21 financial year only.
- 1.7 Where there is a widespread national restriction, this scheme will be replaced by the Council's Local Restrictions Support Grant Scheme (Closed) and potentially the Additional Restrictions Grant (ARG) scheme.

2.0 Funding

- 2.1 Central Government has provided the Council with a sum of £27,665. The funding level is finite and therefore the Council, although keen to support the maximum number of businesses it can, cannot exceed the amount received from Government.

3.0 Eligibility criteria and awards

- 3.1 The Local Restrictions Support Grant (Open) is aimed at hospitality, hotel, bed & breakfast and leisure businesses.

Eligibility Criteria

- 3.2 For the purposes of this scheme the Council has decided the following businesses may receive a grant:

- (a) Those providing Hospitality, Accommodation and Leisure services / facilities
- (b) A business which occupies commercial premises, are permitted to remain open for business, but do not have a business rates account (and are therefore ineligible for the Local Restrictions Support Grant (Open) scheme)
- (c) A business operating from a domestic premises, which have been severely detrimentally impacted by the general fall in economic activity / trade and sales as a result of the current Tier 2 restrictions
- (d) The type of eligible business includes but are not limited to the following:
 - Hotels, Guesthouses, B&Bs and other accommodation businesses which are open but are not registered for business rates;
 - Businesses whose majority of customers are operating within the Hospitality, Accommodation & Leisure sectors;
 - Businesses paying commercial rent / lease;
 - Businesses operating out of a domestic premises.

3.3 In all cases the business must be trading at 1st December 2020 and must be located within the Ryedale boundary.

3.4 **Businesses must have unavoidable ongoing fixed business costs** – for the purpose of this scheme, The Council determines fixed business costs to be: Rent / lease; Mortgage; Utilities; Business Insurance; IT rental / lease; Vehicle rental / lease or other bespoke insurance. For the avoidance of doubt, wages, pensions and National Insurance Contributions, PAYE payments and fuel costs will not be taken into consideration.

3.5 **Business must demonstrate that they have suffered a significant fall in come due to the COVID-19 crisis** – the Council has determined that businesses must certify there has been a significant fall in income for the period 1 November to 31 December 2020 compared with the same period in 2019.

The Council will require a business to submit a bank statement for November or December 2020.

The Council must be sure that the fall in income is due to the COVID-19 crisis and not a general failure of the business. Where necessary, businesses may need to provide additional evidence to the Council to support their application.

3.6 **Businesses must have been trading on 1 December 2020**, the day prior to the Local COVID Alert Level Tier 2 (High) restrictions. The Council will undertake due diligence tests to ensure businesses are not dormant, subject to a winding up order, in administration or subject to striking off.

3.7 Any business failing to meet the criteria or failing to provide the Council with sufficient information to determine whether they meet the criteria, will not be awarded a grant.

Ineligible businesses

3.8 The following exclusions apply to this scheme:

- Businesses which were not trading at 1 December 2020;
- For the avoidance of doubt, businesses that were in administration, are insolvent or where a striking-off notice has been made;

- Applications from Partnerships which are being dissolved, or have been dissolved, will not be accepted;
- Applications from bankrupt sole traders will not be accepted;
- Applicants not registered with HMRC, Companies House, or the Charity Commission;
- Any business premises, or premises being used in connection with the business, outside the Ryedale area;
- Businesses whose primary trade is take-away;
- Property related businesses such as property developers, building companies, buy-to-let businesses, estate agents and landlords (commercial and domestic); and
- Any business that does not operate within the Hospitality, Accommodation or Leisure sectors.

Award Levels

3.9 The Council will consider each business case upon receipt of a completed application form. The information provided by a business on an application form will be used by the Council to determine the level of grant payment. The application form is available online via the Council's secure online website platform and the information provided by a business within the application form will be declared to be correct and accurate by the applicant.

3.10 The Council has decided the following grant award levels:

- £467
- £700
- £1,050.

Each application will be assessed for the reduction in revenues (sales / income / orders) the business has suffered as a result of COVID-19 as well as unavoidable ongoing fixed business costs it incurs

3.11 Only one grant will be awarded to any business. This will also apply if more than one Limited Company has the same Director(s) or where more than one business has the same proprietor (either sole traders or partnerships).

Excluded businesses – both local and national restrictions

3.12 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; and
- (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.

The Effective Date

3.13 The effective date for eligibility is the date of the local restrictions (LCAL2). Businesses **must** have been trading on the first full day of LCAL2 restrictions to be eligible to receive grant support.

Who can receive the grant?

- 3.14 Where the applicant is a business rate payer, 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.
- 3.15 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 business or ratepayer.
- 3.16 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.17 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.

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.
- 4.2 Details of how to obtain grants are available on the Council's website:
<https://www.ryedale.gov.uk/covid-19-2020/support-for-business.html>
- 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 a 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 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).
- 5.2 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.
- 5.3 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.

6.0 Notification of Decisions

- 6.1 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 an application is received.

7.0 Reviews of Decisions

- 7.1 The Council will operate an internal review process and will assess an applicant's request for an appeal of its decision
- 7.2 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.
- 7.3 The application will be reconsidered as soon as practicable and the applicant informed in writing or by email of the decision.

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.

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.