

**RYEDALE
DISTRICT
COUNCIL**



Ryedale District Council

Additional Restrictions Grant (ARG) Scheme

Contents

Definitions	3
1.0 Purpose of the Scheme and background	4
2.0 Funding	4
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?	7
4.0 How will grants be provided to businesses?	8
5.0 EU State Aid requirements	8
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 & Customs (HMRC)	9
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

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 Local COVID Alert Level 3 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 14 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 purpose of this scheme the definitions used are LCAL1, LCAL2 and LCAL3.

“Local lockdown”; means the same as “Local restrictions.”

“Local rating list”; mean 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 on 9 September 2020 and amended on 9 October 2020 and which is applicable to businesses forced to close under 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 lockdown.

“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 on 31 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 is severely affected due to localised or widespread national lockdown restrictions being 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 and 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 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 Grants 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 14 October 2020.

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 LCAL3 or widespread national restrictions are imposed.
- 2.2 Once the Council's area is removed from 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 the 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 Restrictions 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 businesses which are outside of the rating system and which are effectively forced to close.

Eligibility criteria

- 3.4 For the purpose of this scheme the Council has decided that the following businesses may receive an Additional Restrictions Grant (ARG):
- a) A business which has been mandated to close, who do not have a rateable value and cannot claim under the Local Restrictions Support Grant Scheme (Closed) and have unavoidable on-going fixed commercial property costs.
 - b) A business having rateable premises, and the business is severely negatively impacted by COVID-19 restrictions but are not mandated to close premises.
 - c) A business not mandated to close but have been severely financially impacted by COVID-19 restrictions.
 - d) The type of eligible business includes but are not limited to the following:
 - a. Business whose majority of customers are operating within the Retail, Hospitality & Leisure and Events sectors;
 - b. Market Trader not allowed by law to trade whilst under LCAL3 or wider national lockdown restrictions;
 - c. Bed and Breakfast business paying Council Tax not Business Rates
 - d. Business paying a commercial rent / lease
 - e. Self-employed not eligible for other Government support (e.g. SEISS)
 - f. Business operating out of a domestic premise; and
 - g. Charitable / voluntary group not in receipt of other types of Government COVID-19 funding.
- 3.5 In all cases the business must be trading at 4 November 2020 and must be located with the Ryedale boundary.

- 3.6 **Businesses must have unavoidable on-going fixed business costs** – for the purpose of this scheme, the Council determines fixed business costs to be: Commercial rent / lease; Utilities; Business Insurance; IT rental / lease; Vehicle rental lease; Accountancy fees 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.
- 3.7 **Business must demonstrate they have suffered a significant fall in income due to COVID-19 restrictions** – the Council has determined that businesses must certify there has been a significant fall in income due to COVID-19 and not a general failure of the business. Where necessary, businesses may need to provide additional evidence to the Council to support their application.
- 3.8 **The Council will require a recent bank statement** to be submitted with each application in order to fulfil the Council’s verification checks and audit requirements.
- 3.9 **Businesses must have been trading on 4 November 2020**, 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.
- 3.10 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

- 3.11 The following exclusions apply to this scheme:
- Businesses which were not trading at 4 November 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 dissolved, or have been dissolved, will not be accepted;
 - Applications from bankrupt sole traders will not be accepted;
 - Applications 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;
 - Financial Services businesses;
 - Medical service providers;
 - Professional Services;
 - Post Office Sorting Offices; and
 - Property related businesses such as property developers, building companies, buy-to-let businesses, estate agents and landlords (commercial and domestic).

Award Levels

3.12 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.

3.13 The Council has decided the following grant award levels for each 28 day period Ryedale is under LCAL3 or widespread national restrictions:

- £500;
- £1,334;
- £2,000; and
- £3,000.

Each application will be assessed on its unavoidable ongoing fixed business costs with consideration given to the reduction in revenue (sales / bookings / orders cancelled) as well as its local economic impact as a result of COVID-19 restrictions.

3.14 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(s) (either sole traders or partnerships).

Excluded businesses – both local and national restrictions

3.15 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

3.16 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?

3.17 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.

3.18 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 business or 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 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. The Council's Additional Restrictions Grant (ARG) (Discretionary) scheme together with the Local Restrictions Support Grant (LRS) for Closed businesses will offer a lifeline to businesses who are struggling to survive during the COVID-19 health emergency.
- 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 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 (ARG) 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 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 or email 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 this scheme are taxable.
- 9.2 The Council does not accept any responsibility in relations 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 HMRC of all payments made to businesses under this scheme.

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.