

# Cabinet Agenda

Tuesday, 23 February 2021 at 6.00 pm

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1.	Declaration of Interests	
2.	Additional Restrictions Grant (ARG) Scheme Policy (Tranche 2) <i>(Cabinet Decision)</i> <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	1 - 16

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# Agenda Item 2



**Report To:** Managing Director

**Date of Meeting:** 22 February 2021

**Report Title:** Additional Restrictions Grant (ARG) Scheme Policy (Tranche 2)

**Report By:** Peter Grace  
(Chief Finance Officer)

**Key Decision:** Yes

**Classification:** Open

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## Purpose of Report

To agree a revised Policy for the use and distribution of the Additional Restrictions Grant (ARG) funding received from government. This second scheme is aimed at assisting businesses with property related costs which have not been eligible for the government's Local Restrictions Support Grant (closed) scheme, as well as potentially supporting some other businesses that have been severely impacted by the pandemic. The grant monies received are to cover the period up to 31 March 2022.

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## Recommendation(s)

- 1. The Council's Managing Director in consultation with the Leader of the Council, the Deputy Leader, and the lead member for Financial Management and Estates approve the Hastings Additional Restrictions Grant Policy on behalf of the Council under Emergency Powers.**
- 2. The Chief Finance Officer is authorised to make technical amendments and adjustments to the scheme in consultation with the lead member for Financial Management and Estates to ensure available funding is distributed, and that it meets the criteria set by the Council and remains in line with Central Government guidance.**

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## Reasons for Recommendations

1. The Council needs to agree a further Additional Restriction Grant scheme (a discretionary grant scheme) as a matter of urgency to support businesses within the Borough.
2. Developing a scheme which has limited levels of funding that can not be exceeded, requires a degree of delegated authority to make technical amendments and adjustments to the scheme if grants are to be awarded quickly and to those which meet the eligibility criteria.

## Introduction

1. This further 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.
2. 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.
3. Initially the grant scheme applied where local restrictions (LCAL3) were put in place. It also applies where a widespread national lockdown is announced which happened again from 19 December 2020.
4. 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.
5. 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.
6. Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only.
7. The government advise that
  - (a) No grant can be paid for any period where the localised or widespread national restrictions were in place prior to 14th October 2020.
  - (b) 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).

## Proposal on Use of Funding

8. It is recognised that this funding will be insufficient to support all businesses that have suffered severe financial impacts as a result of the pandemic.
9. The scheme must be relatively simple to administer and apply for. The levels of grants awarded must be sufficient to make a difference to the businesses that have **been severely impacted**. The period which the grant funding scheme is required to cover is long and the number of lockdowns that could occur is clearly unknown. If the Council wishes to retain sufficient resources to assist those businesses that are impacted from future lockdowns it needs to identify and ring fence the necessary resources to do so. It is proposed that this round of funding is limited to £2m, leaving some funding available for future periods.

10. The government consider that this grant regime should not assist businesses with their employee costs but be directed towards those businesses which continue to have unavoidable property related costs. The government have introduced employee assistance packages such as the Furlough scheme, Self-Employed Income Support Scheme grant, (SEISS), and Coronavirus Job Retention Scheme assistance (CJRS).
11. As a first priority (period 5 November to 2 December 2020) this funding scheme sought to first assist those businesses that were not eligible for the Local Restrictions Support Grant (closed) scheme during the national lockdown and ring fenced a proportion of the funding for this period. The application period for the first period ended on the 16 December 2020 and whilst there are still one or two queries that are received on eligibility the scheme is now closed with payments to 60 businesses at a value of £64,152.
12. It is proposed that as resources are freed up, further schemes will be developed (or the existing scheme expanded) to support the local economy which may, for example, include helping to revitalise the arts and culture sector and provide some grants to businesses that have been severely impacted by the pandemic. It has been suggested by one business organisation that the Council considers developing an e-commerce site for local businesses that would assist during the lockdown periods and in recovery. Further suggestions are for grants to help businesses to diversify. It is proposed that these and other suggestions are more carefully considered once this further round of assistance is introduced.
13. The Additional Restrictions Grant (ARG) scheme has been prepared in conjunction with other East Sussex authorities, albeit that each area has its own priorities and differing levels of funding.

### Eligibility Criteria and Awards

14. Unlike the previous business support grant schemes, the Council is able, should it so choose, to use this funding for other business support activities. However, the Government envisage that this will primarily take the form of discretionary grants.
15. 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, and there will be weekly returns to government on its use, and audit assurance programmes to prevent and detect fraudulent applications. Whilst many of the key conditions will still apply the Council has the discretion to determine the amount of funding offered to individual businesses, eligibility criteria and the frequency of payment.
16. **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.**
17. **The ARG Policy – Tranche 2**

The draft policy is attached. In short a business must be experiencing a severe impact as a result of the pandemic in order to qualify. Evidence of reduced turnover (down by 30% or more) for the period 1 April to 2020 to date – in comparison to the previous year will need to

be shown.

18. **Payment will only be made where fixed costs (property related costs actually incurred) have exceeded the business grants received to date. Property related costs being rates, rent, utility costs, property related service costs, and insurance. Where fixed costs are not involved the grant payable will not exceed turnover lost.**
19. Evidence of the payments made in the period will be required, and payments of rents or service charges to management or group companies or businesses where there is a same named director, are not eligible for the purposes of calculating this grant.
20. Utility costs to ONLY include, gas, electricity, water & sewerage for the purposes of the grant calculation. For avoidance of doubt Transport and Vehicle related costs are not eligible expenditure items for consideration of this particular grant.
21. If the business has no Non-Domestic rating assessment and falls within one of the categories listed in the policy then an award will be granted subject to the conditions detailed.
22. All businesses must provide evidence of trading such as VAT registration, business bank account, details of company etc in support of any application.
23. Where the applicant is self-employed and in receipt of a Self-Employed Income Support Scheme grant (SEISS), they will not be eligible to claim.
24. In all cases businesses must have been trading the day prior to the widespread national restrictions or LCAL3 restrictions to be eligible to receive grant support.

#### **Excluded businesses - both local and national restrictions**

25. 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, save for those detailed in this scheme;
  - 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.
  - e) Businesses that have received a previous grant award that they were not entitled to receive and have not repaid it or where recovery action or prosecution action is being undertaken

## **The Effective Date**

26. The effective date for eligibility is the date of the widespread national restrictions. Businesses must have been trading on 4 November 2020 to be eligible to receive grant support.

## **Funding**

27. Under the Additional Restrictions Grant Scheme (ARG) provisions, the Council has received funding from government amounting to £2,676,332 of which an element has been paid in respect of the period 5 November to 2 December 2020.
28. 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 imposed.
29. The Council only has a fixed amount of funding available from the government for discretionary schemes and this is expected to cover the period to 31 March 2022. Given the funding pressures that the Council itself is currently facing it is unable to add to this level of resources.
30. The level of uptake and estimate of the grants payable under this second round scheme are not known and hence it is a first come first served scheme. If there were to be further local restrictions or national restrictions after this period then the Council could, if it wished to assist these businesses again, ring fence some of the grant money received. Likewise, if the Council has not used all the grant funding it could increase the level of payments to meet more of the fixed property costs of companies that grant schemes have not covered to date. It is proposed that this second tranche of funding will be limited to £2m.

## **Applications and Information**

31. The Council's website can be updated to allow applications for the ARG scheme.
32. The application portal will remain open until 1 April 2021, thus providing a balance between allowing sufficient time to apply for the scheme and provide the necessary supporting documentation, along with the necessity for HBC to make payments rapidly as well as being prepared to open up another window should there be a further lockdown period immediately after this one ends. Applications will be considered against the criteria laid down as and when they are received, and business checks will be undertaken by the Revenues team and internal auditors to verify the details supplied.

## **Delegation**

33. It is recommended that the Chief Finance Officer in consultation with the member for Financial Management and Estates be given delegated authority to make technical and other changes to the scheme to stay within the agreed criteria, government guidelines and funding levels.

## **Review and Appeals**

34. The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
35. 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.
36. 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.

## **State Aid**

37. Any Discretionary Business Grant is given as state aid under either the de minimus rules or the temporary Framework for State Aid – as published on 19 March 2020. This means businesses receiving support under these provisions can receive up to €200,000 or €800,000 respectively in aid over three years (being the current and previous two years).
38. 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.

## **Other Grant Conditions and Responsibilities of the Grant Recipient**

39. The Council has been advised that all grants are taxable. Applicants will need to make their own enquiries to establish any taxable position or liability.

## **Government Reporting**

40. The Council are required to report to the government the level of grants distributed on a weekly basis. Details of companies applying, and payments made will be shared with the responsible government departments and HMRC.

## **Risk Management - Managing the Risk of Fraud and the Protection of Public Funds**

41. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any specified grants will face prosecution and any funding issued will be recovered from them. The Council will use a number of tools, such as credit reference agencies and the government's Spotlight software.

## **Economic/Financial Implications**

42. The grants are fully funded by the government. It is not yet known whether or to what levels new burdens funding will be forthcoming to cover the costs of developing and operating this scheme.

## **Local People's views**

43. The views of local business organisations and Councillors were sought on the development of the first discretionary grant scheme (June 2020), and the initial ARG scheme generally mirrored the same eligibility criteria.



44. The views of local business organisations and Councillors will be sought wherever possible.

### Organisational Consequences

45. A working group has been set up within the Council to develop the scheme and monitor performance. This has comprised officers from, Revenues and Benefits, Transformation, IT, Regeneration, Communications, Accountancy, and Audit.
46. This is putting additional pressures on resources, at the same time as running the existing Test and Trace payment scheme, the Local Restrictions Support Grant (closed) scheme, Closed Business Lockdown Payment, Local Restriction Support Grant (Open) and the Council Tax support hardship scheme. The diversion of resources inevitably impacts on other areas of work – with consequent backlogs and increased pressures on staff.
47. The online application form, and details of the supporting evidence required, is being developed by the Energy Development and Delivery Project Manager and is expected to be available on the website in the next few days.

### Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Gain Approval under Emergency Powers		w/c 22/2/2021	Chief Finance Officer
Application Window opens	Open Application Window/ Communications/ Emails to those who have made expressions of interest	w/c2/2//21	Communications/ IT/ Transformation Team
Assessment and Processing of Payments	Assessments of applications	Ongoing to 1 April 2021	Revenues and Benefits Manager/ Chief Finance Officer/ Transformation Team/
Payment of Grants	Payment of Awards	Ongoing to April /May 2021	Accountancy
Review of Scheme & Development of further proposals	Development of further support packages following review of the take-up of the initial scheme	Ongoing	Chief Finance Officer/ Revenues and Benefits Manager/ Transformation Team/ Communications

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### Wards Affected

All

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### Policy Implications

Report Template v30.0

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**Equalities and Community Cohesiveness**      **No**

Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues & Climate Change	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	Yes
Anti-Poverty	No
Legal	No

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**Additional Information**

Documents Attached:

- (i) Additional Restrictions Grant Policy – Tranche 2

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**Officer to Contact**

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# HASTINGS BOROUGH COUNCIL

## ADDITIONAL RESTRICTIONS GRANT

(Tranche 2 – 18<sup>th</sup> December 2020 to 31<sup>st</sup> March 2021)

### 1. 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 further 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<sup>st</sup> 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 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 Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only.
- 1.8 No grant shall be paid under ARG (Tranche 2) for any period where the localised or widespread national restrictions were in place prior to 18<sup>th</sup> December 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).
- 1.10 The Council has decided that, once the current national restriction has ended, further schemes will be developed to support the local economy should funding permit

## 2. Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities received an initial 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 The Council has received further funding from government in January 2021 and the total funding now amounts to £2,676,332, of which an element has been paid out in respect of the period 5<sup>th</sup> November to 2<sup>nd</sup> December 2020.
- 2.3 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, no additional funding is expected to be received from government even if either the local restrictions or widespread national restrictions are imposed.
- 2.4 The Council has determined that for this second round £2m of funding will be made available on a first come first served basis. The remaining balance will be made available to fund recovery initiatives or more rounds of assistance.

## 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 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 businesses which are outside of the rating system and which are effectively forced to close.
- 3.4 For the purposes of this scheme the Council has determined that the following eligibility criteria must be met in order to receive an Additional Restriction Grant (Tranche 2):

- a) The business must be experiencing a severe impact as a result of the pandemic.

Reduced turnover (down by 30% or more) on the period 1 April to 2020 to date of application – in comparison to the previous year.

- b) Where any business has or will receive any other business grant from the Council in respect of the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, for example a Small Business Grant, Local Restriction Support Grant (Closed) or a Closed Business Lockdown Payment, etc. **no payment will be made from the Additional Restriction Grant (Tranche 2) if the level of funding already received exceeds the fixed costs incurred e.g. rates, rent, utility costs, property related service costs, and insurance.**

Evidence of the **payments having been made** in the period will be required, and payments of rents or service charges to management or group companies, trusts, family members, or businesses where there is a same named director, are **not** eligible for the purposes of calculating this grant.

Utility Costs to ONLY include, gas, electricity, water & sewerage for the purposes of the grant calculation. For avoidance of doubt Transport and Vehicle related costs, staffing costs, parent company or head office overheads are not eligible expenditure items for consideration in respect of this grant.

- c) If the business has no Non-Domestic rating assessment and falls within one of the categories detailed below, then an award will be considered (subject to the criteria in this section).
- d) All businesses must provide evidence of trading such as VAT registration, business bank account, details of company etc. in support of any application.
- e) Where the applicant is self-employed and in receipt of a Self-Employed Income Support Scheme grant (SEISS), they will not be eligible to claim.
- f) In all cases businesses must have been trading the day prior to the widespread national restrictions or LCAL3 restrictions to be eligible to receive grant support. The categories and criteria are:

#### **4. Eligibility Criteria - Business rated premises**

- 4.1 The scheme will pay new or additional grants to businesses that have lost more than 30% of their turnover compared with last year where the grants they may have received to date do not meet their fixed costs. Please see paragraph 3.4 above.
- 4.2 The following businesses will be eligible to claim:
  - a) Businesses that did qualify for the statutory scheme but need a top up to help cover their fixed costs;
  - b) Businesses that did not qualify for a statutory grant but supply goods to the leisure, retail, hospitality, and tourism sectors;
  - c) Businesses that do not have to close (and have not closed) but that have been seriously affected by the pandemic (e.g. manufacturing businesses, nurseries, convenience stores, garages offering car repair services).

#### **Eligibility Criteria - Non Rated business premises (Shared spaces)**

- 4.3 The scheme will pay new or additional grants to businesses that have lost more than 30% of their turnover compared with last year where the grants they may have received to date do not meet their fixed costs. Please see paragraph 3.4 above.
- 4.4 Shared spaces are defined by the Council as businesses that do not have a separate assessment for Non-Domestic Rating (ie those businesses that do not occupy a separate hereditament within the 2017 Rating List) and, on the effective date were trading and shared the premises with other businesses.
- 4.5 In shared spaces, business rates and other costs are normally included in the rent.

#### **Eligibility Criteria - Non Rated business premises (Other)**

- 4.6 The scheme will pay new or additional grants to businesses that have lost more than 30% of their turnover compared with last year where the grants they may have received to date do not meet their fixed costs. Please see paragraph 3.4 above.
- 4.7 This part of the scheme is a fixed £1,000 grant for smaller businesses that do not have much or any fixed costs, but have lost more than 30% of their turnover This will include the following:

- a) Bed and Breakfast businesses that are subject to council tax rather than business rates, more details at paragraph 4.11;
  - b) Market Traders, more details at paragraph 4.12
  - c) Small one-person businesses that operate from home and are not business rated and **do not qualify for the self-employed income support scheme (SEISS)**, but have significant losses relating to the pandemic. Includes, but is not limited to:
    - Businesses offering accommodation-finding services to language schools;
    - Businesses offering services in people's homes (e.g. cleaners, plumbers, electricians etc)
    - Musicians and other performers;
    - Creative artists selling their works in tourism/retail outlets;
- 4.8 The scheme will also be open to businesses that have applied before; this is a new scheme for the current lockdown period.
- 4.9 The grant will only be payable where any business related grants received from the Council during the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 do not exceed the loss of turnover.
- 4.10 The grant will only be payable to businesses established in the borough and permanent residents within the boundary of Hastings Borough Council.

### **Bed & Breakfast**

- 4.11 For the purpose of this scheme, these businesses are those that:
- a) pay council tax (domestic) rather than business rates,
  - b) provide short stay accommodation for no more than six persons at any one time within the past year
  - c) the property is the sole or main residence of the proprietor and the proprietor resides in the property attending to paying guests during their stay.

### **Market Traders**

- 4.12 For the purposes of this scheme, market traders are defined as a business or person who sells goods wholly or mainly to visiting members of the public from a stall, pitch or similar and do not occupy a separate hereditament within the 2017 Rating List.
- 4.13 The businesses must be required to close (non-food etc).
- 4.14 All market traders must prove to the council that as at the effective date, they had a regular (at least weekly) pitch or stall within the Council's area and they reside in the borough. Where a market trader trades less frequently, the business will not be considered priority for a grant.

### **Award Levels**

- 4.15 The table below sets out the proposed amount to be awarded for the different grant categories as specified in the policy.
- 4.16 **The maximum grant awards will be paid, except where such an award would exceed the fixed property related costs actually incurred, or would do so once added to business grants already received in the year. In these circumstances the amount payable will be the difference in property related costs (if higher) to the grants received to date.**

- 4.17 It is proposed that the following grant award levels will be paid for the current national restrictions subject to the eligibility criteria detailed in this policy. This will be a single one off payment covering the period 19<sup>th</sup> December 2020 to 31<sup>st</sup> March 2021. Further rounds of assistance may follow depending upon resources available.
- 4.18 The level of grants may be amended depending on the level of uptake.

<b>Additional Restrictions Grant (Tranche 2)</b>	<b>Grant Level</b>
<b>Business Rated premises &amp; Shared Spaces</b>	
<b>1. For businesses with a Rateable Value of under £15k</b>	<b>Maximum £10,000</b> <b>See Paragraph 4.16 above</b>
<b>2. For businesses with a Rateable Value of between £15k and less than £51k</b>	<b>Maximum £20,000</b> <b>See Paragraph 4.16 above</b>
<b>3. For businesses with a Rateable Value of £51k and over</b>	<b>Maximum £30,000</b> <b>See Paragraph 4.16 above</b>
<b>4. Businesses in a Shared Space - no Rateable Value</b>	<b>Maximum £10,000</b> <b>See Paragraph 4.16 above</b>
<b>Other Businesses</b>	<b>£1,000</b>
Please refer to paragraph 4.7 above	
<b>NB. Evidence of being refused Self Employed Income Support grant will be required, along with evidence of loss of turnover. No grant is payable if grants received in the year exceed turnover lost.</b>	

#### **Excluded businesses - both local and national restrictions**

- 4.19 The following businesses will **not** be eligible for an award:
- Businesses in areas outside the scope of the localised restrictions, as defined by government and not subject to a widespread national restriction, save for those detailed in this scheme;
  - Businesses that have chosen to close but not been required to, will **not be eligible**;
  - 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
  - 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.
  - Businesses that have received a previous grant award they were not entitled to receive and have not repaid it or where recovery action or prosecution action is being contemplated or undertaken.

- f) Businesses based wholly or mainly outside the Borough, or where not business rated the individual is not a permanent resident of Hastings Borough Council.

### **The Effective Date**

- 4.20 The effective date for eligibility is the date of the widespread national restrictions. Businesses **must** have been trading on 4<sup>th</sup> November 2020 to be eligible to receive grant support under this round of the scheme.

### **Who can receive the grant?**

- 4.21 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.
- 4.22 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.
- 4.23 Where it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 4.24 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.
- 4.25 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

### **5. How will grants be paid to Businesses?**

- 5.1 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), and the Local Restrictions Support Grant (Open) will offer a lifeline to businesses who are struggling to survive during the Covid-19 crisis,
- 5.2 Details of how to obtain grants are available on the Council's website:  
**<https://www.hastings.gov.uk/my-council/covid19/businesses/lrsg/>**
- 5.3 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.
- 5.4 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.
- 5.5 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.
- 5.6 All monies paid under this scheme will be funded by government and paid to the Council under S31 of the Local Government Act 2003.



## **6. EU State Aid requirements**

- 6.1 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<sup>th</sup> 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).
- 6.2 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.
- 6.3 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.

## **7. Scheme of Delegation**

- 7.1 The Council has approved this scheme.
- 7.2 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.

## **8. Notification of Decisions**

- 8.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 9. 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.

### **Review of Decisions**

- 9.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 9.2 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.
- 9.3 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.

## **10. Complaints**

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

## **11. Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)**

- 11.1 The Council has been informed by government that all payments under the scheme are taxable.
- 11.2 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.
- 11.3 All applicants should note that the Council is required to inform her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

**12. Managing the risk of fraud**

12.1 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.

**13. Recovery of amounts incorrectly paid**

13.1 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.

**14. Data Protection and use of data**

14.1 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.

14.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant will be passed to the relevant government departments and HMRC.