

Cabinet Agenda

Wednesday, 26 January 2022 at 6.00 pm

For further information, please contact Democratic Services on 01424 451484 or email:
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2.	Additional Restrictions Grant (ARG) Scheme Policy (Tranche 4) <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	1 - 6

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ADDITIONAL RESTRICTIONS GRANT (ARG) SCHEME POLICY

(Tranche 4)

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 policy is being designed as the Government has provided further funds to support businesses that may have been severely impacted by the Omicron variant, including those outside of the business rates system.
- 1.3 Eligibility for this scheme is restricted due to the limited availability of funding.
- 1.4 **If you are eligible for the Omicron Hospitality and Leisure Grant, you will not be considered for a grant under this ARG Policy.**
- 1.5 Whilst the awarding of grants is largely 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.
- 1.6 Grants under this scheme are one-off payments and must be paid before 31 March 2022.

2. Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, up until December 2021, the Local Authority had received funds totalling £3,198,875 of which only £34,543 remains.
- 2.2 The Council has now received further funding of £119,339 from government in January 2022. This gives us a total of £153,882 to help businesses impacted by the Omicron variant as per the details in this document.
- 2.3 The Council has determined that for this fourth round of the ARG scheme, all remaining funding, £153,882, will be available on a **first come first served basis**, with the scheme set to close for applications on 14 March 2022 (or earlier if the funding has been committed).
- 2.4 In the unlikely event that there are any remaining funds above and beyond the £119,339, these will be used for general business support purposes.

3. Eligibility Criteria

3.1 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 4):

- the business must have been severely impacted by the Omicron variant.
- only one business may apply in respect of a premises where the same director is linked to the other business or businesses at the same premises.
- all businesses must provide evidence of trading such as VAT registration, business bank account, details of company etc. in support of any application.
- the business must not be in liquidation, dissolved, struck off or subject to a striking-off notice or under notice.

4. Eligibility Criteria - Business Rated premises

4.1 The following types of business may claim:

- Suppliers to the hospitality sector
- Nurseries providing childcare
- English Language schools and accommodation services

5. Eligibility Criteria - Non Rated business premises (Shared Spaces)

5.1 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 are trading and sharing the premises with other businesses.

5.2 In shared spaces, business rates and other costs are normally included in the rent.

5.3 The business should offer in-person services where their main service and activity is in the hospitality, leisure or accommodation sectors and takes place in their shared space.

5.4 Businesses listed at paragraph 4.1 above, operating in a shared space are also eligible.

6. Eligibility Criteria - Non Rated business premises (Domestic premises)

6.1 Bed and Breakfast businesses that are subject to council tax rather than business rates and meet the following criteria will be eligible:

- pay council tax (domestic) rather than business rates,
- provide short stay accommodation for no more than six persons at any one time within the past year,
- 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.

6.2 Home-based businesses that offer in-person services where their main service and activity is in the hospitality sector, or meets the eligibility criteria included in 4.1 above.

7. Award Levels

- 7.1 The table below sets out the amount to be awarded for the different grant categories as specified in the policy.
- 7.2 The grants will be paid as one-off payments.

Additional Restrictions Grant (Tranche 4)	Grant Level
1. For businesses with a Rateable Value up to £15k	£2,667
2. For businesses with a Rateable Value over £15k and less than £51k	£4,000
3. For businesses with a Rateable Value of exactly £51k or over	£6,000
4. For businesses in a shared space – no Rateable Value	£2,667
5. For Bed & Breakfast businesses as per paragraph 6.1 above	£1,000
6. For home based businesses as per paragraph 6.2 above (paying Council Tax within the borough)	£500

- 7.3 Grants will be paid on a first come first served basis in respect of applications that have been correctly completed and with the required supporting documentation. Please note that funds are very limited.

8. Excluded Businesses

- 8.1 The following businesses will not be eligible for an award:
- Businesses which have already received grant payments that equal the maximum levels of Subsidy Allowance as described at paragraph 8.
 - Businesses that are in administration, are insolvent, or where a striking-off notice has been made.
 - 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.
 - Businesses that are eligible for the Omicron Hospitality and Leisure Grant.

9. The Effective Date

- 9.1 The business must have been trading on 30 December 2021.

9.2 For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity.

10. How to make a claim?

10.1 Details of who is eligible to claim and how to make a claim are available on the Council's website:

<https://www.hastings.gov.uk/my-council/covid19/businesses/>

10.2 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 applicant is found to have falsified records in order to obtain a grant.

11. How will grants be paid to Businesses?

11.1 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 is intended to support businesses particularly in the light of the Omicron variant.

11.2 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.

11.3 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.

11.4 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.

11.5 All monies paid under this scheme will be funded by government and paid to the Council under S31 of the Local Government Act 2003.

12. Subsidy Allowance (formerly EU State Aid)

12.1 The new domestic subsidy allowance for the COVID-19 business support grants took effect on 4 March 2021. Applications made prior to that date are subject to the previous rules.

12.2 This scheme is covered by three subsidy allowances which are set out below.

12.3 Small Amounts of Financial Assistance Allowance means you are allowed up to £335,000 (subject to exchange rates) over any period of three years COVID-19 Business Grant Allowance.

12.4 You are then allowed up to £1,900,000 COVID-19 Business Grant Special Allowance if you have reached your limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance.

12.5 You may be able to access a further allowance of funding under these scheme rules of up to £10,000,000. Under certain conditions, grants under these three allowances can be combined for a potential total allowance of up to £12,235,000 (subject to exchange rates).

12.6 For further details please go to the following link <https://www.businesssupport.gov.uk/>

13. Scheme of Delegation

13.1 The Council has approved this scheme.

13.2 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 and determine the final distribution of any remaining monies.

14. Notification of Decisions

- 14.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 14.2 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.

15. Review of Decisions

- 15.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 15.2 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.
- 15.3 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.

16. Complaints

- 16.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.
- 16.2 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)
- 16.3 The Council has been informed by government that all payments under the scheme are taxable.
- 16.4 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.
- 16.5 All applicants should note that the Council is required to inform her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

17. Managing the Risk of Fraud

- 17.1 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.

18. Recovery of Amounts Incorrectly Paid

- 18.1 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.

19. Data Protection and Use of Data

- 19.1 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.
- 19.2 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.

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