

HASTINGS BOROUGH COUNCIL

ADDITIONAL RESTRICTIONS GRANT

(Tranche 2 – 18th December 2020 to 31st 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 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 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 18th 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 5th November to 2nd 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 1st April 2020 to 31st 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 1st April 2020 to 31st 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 19th December 2020 to 31st 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.

Additional Restrictions Grant (Tranche 2)	Grant Level
Business Rated premises & Shared Spaces	
1. For businesses with a Rateable Value of under £15k	Maximum £10,000 See Paragraph 4.16 above
2. For businesses with a Rateable Value of between £15k and less than £51k	Maximum £20,000 See Paragraph 4.16 above
3. For businesses with a Rateable Value of £51k and over	Maximum £30,000 See Paragraph 4.16 above
4. Businesses in a Shared Space - no Rateable Value	Maximum £10,000 See Paragraph 4.16 above
Other Businesses	£1,000
Please refer to paragraph 4.7 above	
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.	

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 4th 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 19th 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.