

HASTINGS BOROUGH COUNCIL

ADDITIONAL RESTRICTIONS GRANT (ARG) SCHEME POLICY

(Tranche 3)

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 there are still funds available for distribution which allows for another scheme to help businesses reopen as the restrictions ease. This scheme will, in part, assist non business rated premises and is similar to the Restart Grant which is already available for those businesses that have a Rateable Value (RV).
- 1.3 However, this scheme will also offer much needed support to rated business premises that have received no help through the statutory grant schemes, including the Restart grant, since the November lockdown.
- 1.4 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 October 2020 which sets out the basic circumstances whereby an additional restriction grant may be made, and a further announcement on 3 March 2021, which introduced additional grant support for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England.
- 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 The scheme applies where local restrictions (LCAL3) are in place, or have been in place, **or** where a widespread national lockdown has been announced.
- 1.7 Grants under this scheme are one-off payments and must be paid before 30 June 2021.

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 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 November to 2 December 2020 (ARG Tranche 1) and payments in respect of the current scheme, ARG Tranche 2, which will continue to be made until 30 June 2021 or until funds are fully committed.
- 2.3 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, it had been announced that there would be no additional funding to be received from government even if either the local restrictions or widespread national restrictions are imposed. This is no longer the case and additional funding will be forthcoming provided all existing funds are distributed before 30 June 2021

2.4 Therefore, the Council has determined that for this third round of the ARG scheme, all remaining funding, currently around £1.5m, will be available on a first come first served basis.

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 3):

- a) the business was trading on 1 April 2021
- b) the business has not received any statutory grants since November lockdown which started on 5 November 2020
- c) the business has not received a statutory Restart grant effective from 1 April 2021
- d) 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
- e) all businesses must provide evidence of trading such as VAT registration, business bank account, details of company etc. in support of any application.

4. Eligibility Criteria - Business rated premises

4.1 The following businesses will be eligible to claim:

- a) Businesses that have not qualified for the statutory schemes since the November lockdown commenced and not received a statutory Restart grant, and;
 - Supply goods and services to the leisure, retail, hospitality, events and tourism sectors or are in these sectors.
 - Did not have to close but have been seriously affected by the pandemic (eg manufacturing businesses, nurseries, convenience stores, garages offering car repair services).

Eligibility Criteria - Non Rated business premises (Shared spaces)

4.2 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.

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

Eligibility Criteria - Non Rated business premises (Other)

4.4 This part of the scheme is a fixed £4,000 grant for smaller businesses that do not have much or any fixed costs. This will include the following:

- a) Bed and Breakfast businesses that are subject to council tax rather than business rates and meet the following criteria:
 - 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.

b) Market Traders who meet the following criteria:

- 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.
- The businesses must have been required to close (eg non-food).
- 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.

c) Small businesses that operate from home and are not business rated, 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;

4.5 These grants will only be payable to businesses established in the borough and the business owner is also a permanent resident within the boundary of Hastings Borough Council.

5. Award Levels

5.1 The table below sets out the proposed amount to be awarded for the different grant categories as specified in the policy.

5.2 It is proposed that the grant award levels detailed in the table below will be paid as one-off payments.

Additional Restrictions Grant (Tranche 3)	Grant Level
Business Rated premises & shared spaces	
1. For businesses with a Rateable Value of up to £15k	£8,000
2. For businesses with a Rateable Value of over £15k and up to £51k	£12,000
3. For businesses with a Rateable Value of over £51k	£18,000
4. Businesses in a Shared Space - no Rateable Value	£8,000
5. Other Businesses (see paragraph 4.4 above):	£4,000
<ul style="list-style-type: none"> • Bed & Breakfast (domestic premises) • Market Traders • Small businesses that operate from home 	

5.3 Where a successful application has been made under ARG (Tranche 2), no further application will be required as they will be considered automatically.

5.4 The level of grants may be amended depending on the level of uptake.

Excluded businesses - both local and national restrictions

5.5 The following businesses will **not** be eligible for an award:

- a) Businesses that have chosen to close but not been required to, will **not be eligible**;
- b) Businesses which have already received grant payments that equal the maximum levels of Subsidy Allowance as described at paragraph 7.
- c) 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.
- d) 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.
- e) 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

5.6 The effective date for eligibility is the date of the widespread national restrictions. Businesses **must** have been trading on 1 April 2021 to be eligible to receive grant support under this round of the scheme.

Who can receive the grant?

5.7 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/lrsg/>

5.8 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.

6. How will grants be paid to Businesses?

6.1 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 offer a lifeline to businesses who are struggling to survive during the Covid-19 crisis, and to help businesses recover and invest further to meet different ways of working in the future.

6.2 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.

6.3 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.

6.4 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.

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

7. Subsidy Allowance (formerly EU State Aid)

- 7.1 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.
- 7.2 This scheme is covered by three subsidy allowances which are set out below.
- 7.3 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.
- 7.4 You are then allowed up to £1,600,000 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.
- 7.5 You may be able to access a further allowance of funding under these scheme rules of up to £9,000,000. Under certain conditions, grants under these three allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

8. Scheme of Delegation

- 8.1 The Council has approved this scheme.
- 8.2 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.

9. Notification of Decisions

- 9.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 9.2 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.

Review of Decisions

- 9.3 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 9.4 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.
- 9.5 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.