



Braintree District Council
Additional Restrictions Grants (ARG) Scheme
- Phase 2

Contents

Definitions 3

Purpose of the Scheme and background..... 4

Funding..... 4

Eligibility criteria and awards 5

Award Levels 6

Excluded businesses - both local and national restrictions 6

The Effective Date 7

Who can receive the grant? 7

How will grants be provided to Businesses? 8

EU State Aid requirements..... 8

Scheme of Delegation 8

Notification of Decisions 9

Reviews of Decisions 9

Complaints 9

Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)..... 9

Managing the risk of fraud 10

Recovery of amounts incorrectly paid..... 10

Data Protection and use of data 10

Definitions

The following definitions are used within this document:

'Additional Restrictions Grant (ARG Phase 2)' 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 LCAL 3 local 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 14th 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), Tier 3 (Very High) and Tier 4 (Stay at Home). For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3 and LCAL4.

'Local lockdown'; means the same as **'Local restrictions';**

'Local rating list'; means 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 schemes developed by the Council in response to announcements made by the Secretary of State for Business, Energy & Industrial Strategy for following schemes; Local Restrictions Support Grant (Closed) (Applicable 9 September to 5 November 2020), Local Restrictions Support Grants - (Closed) Addendum (5 November – 2 December 2020), Local Restrictions Support Grant (Closed) Version 2 (Applicable 2 December onwards) and Local Restrictions Support Grants (Closed) Addendum: Tier 4 (Applicable 19 December onwards).

'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 restrictions;

'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'**.

Purpose of the Scheme and background.

- 1.0 The purpose of this document is to determine eligibility for a payment under the Council's Additional Restrictions Grant Scheme (ARG) Phase 2. The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.1 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 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.
- 1.2 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.
- 1.3 The scheme applies where local restrictions (LCAL3) are put in place **or** where a widespread national lockdown is announced.
- 1.4 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.
- 1.5 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.
- 1.6 Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only.
- 1.7 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 14th October 2020.
- 1.8 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).

Funding

- 2.0 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 local restrictions (LCAL3) or widespread national restrictions are imposed.

- 2.1** 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 re-instated.
- 2.2** The Council has been allocated £3,052,080 funding. 10% of this fund will be used to partner with Local Authorities in North Essex in order to pool that funding to deliver a series of wider business support and skills development interventions across the 2020/21 and 2021/22 financial years.

Eligibility criteria and awards

- 3.0** 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.
- 3.1** 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.
- 3.2** 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 business which are outside of the rating system and which are effectively forced to close.
- 3.3** For the purposes of this scheme the Council has decided that the following businesses will be a priority for the fund:

Businesses that;

- (a) Supply the retail, hospitality and leisure sectors and businesses in the events sector
- (b) Are outside the business rates system but have fixed business costs e.g. market traders, businesses operating from home, shared space users, animal groomers etc
- (c) Are accommodation providers, including animal borders (it should be noted that, where the business is primarily home-sharing and wholly or mainly advertises on home-sharing websites will not be eligible for this grant)
- (d) Are wholly owned or mainly providing private hire vehicles, taxi's, licensed cabs or driving instructors in Braintree District
- (e) Are providing community type facilities (if excluded from other Local Restriction Support Grant (LRSG) schemes) or have significantly diversified to help the community in response to COVID-19
- (f) Are any other business with a rateable premise, not mandated to close, however has not received the LRSG Closed/Open grants but has been significantly impacted by COVID-19 restrictions

3.4 In all cases the business must:

- Be based within the Local Authority area of Braintree District Council
- Not be part of a larger national chain or franchise
- Have been trading on 2nd December 2020 (not subject to strike off or liquidation)
- Have not received the LRSG Open/Closed grants
- Have relatively high, on-going fixed costs for their business (e.g. business premises and/or equipment costs critical to the continued operation of the business, excluding staffing costs)
- Have or expect to incur a >50% fall in income for the period of the National Restrictions (3rd December – 8th March 2021)

3.5 In exceptional circumstances the local authority will consider applications from businesses who do not meet the criteria set out within this policy or who wish to apply for an additional grant.

3.6 The Council will consider grants in exceptional circumstances in 2 cases;

- a) Where a business has already received an Additional Restrictions Grant (ARG) Phase 2 payment but by virtue of the size of the company, the impact on the supply chain, the impact on the local economy and if this business were to fail, the Council would consider making an additional top up payment. Business must have at least 50 employees to qualify for this top up grant.
- b) A business who has already received a Local Restrictions Support Grant (LRSG) Open or Closed but by virtue of circumstances unique to them (and not general impacts on the sector or the economy due to COVID-19) require a further grant to manage the ongoing fixed costs of the business (excluding income replacement or staff costs). If successful, the business will be awarded a fixed amount based on the banding set out within this policy.

Award Levels

4.0 Applications will be assessed individually against the above criteria with grant payments being made based on the size of the business, using three payment bands of;

- £4,416; for businesses occupying properties with a Rateable Value of £15,000 or under OR for non-rated properties a micro business
- £6,621; for businesses occupying properties with a Rateable Value of 15,001 to 50,999 OR for non-rated properties a small business
- £9,931 for businesses occupying properties with a Rateable Value of 51,000 or over OR for non-rated properties a medium/large business
- For exceptional circumstances, payments will be considered on an individual basis, if the impacted businesses can evidence that the survival of their business is at risk and that the realising of that risk would impact significantly on the wider Braintree economy.

Excluded businesses - both local and national restrictions

5.0 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;

- Businesses that were required to close and are in receipt of a Local Restrictions Grant (Closed) unless they can evidence exceptional circumstances as per section 3.7;
- 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.

The Effective Date

- 6.0** 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?

- 7.0** 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.
- 7.1** 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.
- 7.2** Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 7.3** 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.
- 7.4** Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

How will grants be provided to Businesses?

- 8.0** 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) Phase 2 scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during the COVID-19 crisis.
- 8.1** Details of how to obtain grants are available on the Council's website: www.braintree.gov.uk/helpforbusinesses
- 8.2** 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.
- 8.3** 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.
- 8.4** An application for an Additional Restriction Grant Phase 2 is deemed to have been made when a duly completed application form is received by the Council. The scheme will remain open for applications until a review is held in March 2021.
- 8.5** All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

EU State Aid requirements

- 9.0** 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 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).
- 9.1** 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.
- 9.2** 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.

Scheme of Delegation

- 10.0** The Council has approved this scheme.
- 10.1** 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

Notification of Decisions

- 11.0** Applications will be considered on behalf of the Council by the Revenues and Benefit Service.
- 11.1** 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.

Reviews of Decisions

- 12.0** The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 12.1** 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.
- 12.2** The application will be reconsidered by a panel of senior managers, as soon as practicable and the applicant informed in writing or by email of the decision.
- 12.3** If the applicant is dissatisfied with the outcome of their appeal response, the Council will conduct a second internal review process and will accept an applicant's request for a review of its decision.
- 12.4** 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 appeal decision of the Council. New information may be submitted at this stage to support the applicant's ~~secondary~~ appeal.
- 12.5** The application will be reconsidered by a Corporate Director, as soon as practicable and the applicant informed in writing or by email of the decision.

Complaints

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

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

- 14.0** The Council has been informed by Government that all payments under the scheme are taxable.
- 14.1** 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.
- 14.2** All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

Managing the risk of fraud

15.0 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.

15.1 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

Recovery of amounts incorrectly paid

16.0 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.

Data Protection and use of data

17.0 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.