

Lancaster City Council Additional Restrictions Grants (ARG) Scheme

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ 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) and Tier 3 (Very High). For the purposes of these schemes the definitions used are LCAL1, LCAL2 and LCAL3.

‘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 scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020 and amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

‘Local Restrictions Support Grant Scheme (Closed) Addendum; means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

‘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’**.

1.0 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 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.
- 1.3 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 are available for the 2020/21 and 2021/22 financial years only.
- 1.8 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 14th October 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).

2.0 Funding

- 2.1 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. In some cases, Combined Authorities will receive the funding when a group of Local Authorities enter LCAL Very High restrictions at the same time and agree to a package of support together. In these cases, the Combined Authority will be subject to the same conditions and obligations under this guidance as Local Authorities.

2.2 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.

3.0 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 business which are outside of the rating system and which are effectively forced to close.

Eligibility Criteria

3.4 For the purposes of this scheme the Council has decided that there will be two separate grant strands – one for businesses with a rateable value and one for businesses without a rateable value.

3.5 For businesses without a rateable value the following eligibility criteria must be met in order to receive an Additional Restriction Grant. The business:

- (a) Was open and trading up to the date that the restrictions that severely impacted the business came into force;
- (b) Does not have a rateable value (It should be noted that businesses that are in receipt of rate relief **do** have a rateable value);
- (c) Has fixed business related costs that are unavoidable and need to be paid, given the impact of additional restrictions of LCAL3 or widespread national restrictions;
- (d) Has been severely impacted or closed as a consequence of the additional restrictions imposed by the move to LCAL3 or widespread national restrictions
- (e) Is a Medium, Small or Micro business according to the Companies Act of 2006.

3.6 Examples of fixed business-related costs include rent, business mortgage, insurance, utilities, phone contract, ongoing maintenance contracts, franchise payments, vehicle costs, professional body memberships, subscription licences (including ICT software), equipment maintenance and loan repayments. Domestic payments (e.g. mortgage, utilities, insurance, phone charges) where the home-based business pays a share of a domestic bill are not be allowed.

- 3.7** Eligibility is not affected if businesses have accessed the Furlough Scheme, Job Support Scheme, the Kick Start scheme or is receiving any funds or support relating to re-opening or trading safely, new business services or products or new trading arrangements, including digital
- 3.8** For the purposes of the non-rateable value scheme, the business will not be eligible if:
- it has been able to continue to operate during the lockdown because it does not depend on providing direct 'in-person' services from its premises;
 - it has chosen to close without being severely impacted by the additional LCAL3 or widespread national restrictions;
 - it has a rateable value;
 - the business owner is eligible for the Self Employment Income Support Scheme;
- 3.9** For businesses with a rateable value the following eligibility criteria must be met in order to receive an additional restriction grant. The business:
- occupies property on which it pays business rates to Lancaster City Council (if you are in receipt of business rates relief you are also eligible)
 - was trading up to the date that the restrictions that have severely impacted your business came into force - fully constituted businesses not in liquidation, dissolved or subject to a striking off notice are eligible and deemed to be trading
- 3.10** For the purposes of the rateable value scheme, the business will not be eligible if:
- has not been financially severely impacted because it has been able to continue to operate during the local restrictions or national lockdown because it does not depend on providing direct in-person services from its premises
 - it has been forced to close by government mandate – these businesses should apply to LRS (Closed)
 - was not a ratepayer in the business rates system upon the date that the business entered the relevant Local or National Restrictions Grant Scheme are ineligible

Award Levels

- 3.11** The council has decided the following grant award levels for the non-rateable value scheme:
- If your business is eligible and has fixed business costs of £1,000-£3,000 per annum, you will receive a grant of £125 per complete two-week period;
 - If your business is eligible and has fixed business costs of £3,001-£6,000 per annum, you will receive a grant of £250 per complete two-week period;
 - If your business is eligible and has fixed business costs of £6,001-£15,000 per annum, you will receive a grant of £450 per complete two-week period;
 - If your business is eligible and has fixed business costs of £15,001 - £30,000 per annum, you will receive a grant of £700 per complete two-week period; and
 - If your business is eligible and has fixed business costs of £30,001 - £50,999 per annum, you will receive a grant of £875 per complete two week period
 - If your business is eligible and has fixed business costs of £51,000 + per annum, you will receive a grant of £1,050 per complete two-week period.
- 3.12** Business owners who have more than one business may make an application for each business. The aim is to pay successful applications within five working days upon receipt of a valid application.

- 3.13** The Council reserves the right to change the qualifying criteria upon review if it feels it is appropriate to do so, reflecting changing circumstances and demand on funds.
- 3.14** For the rateable value scheme the Council has decided to match payments to the level of the government LRSG (Open) scheme.
- 3.15** Businesses will be able to make an application for each eligible hereditament

Excluded businesses - both local and national restrictions

- 3.16** 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;
 - (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.

The Effective Date

- 3.17** 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. Fully constituted businesses not in liquidation, dissolved or subject to a striking off notice are eligible and deemed to be trading

Who can receive the grant?

- 3.18** 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 or business owner in respect of the non-rateable value scheme at the effective date.
- 3.19** Where the Council has reason to believe that the information it holds about the ratepayer or business owner at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer or business owner.
- 3.20** Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.21** 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.
- 3.22** Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

4.0 How will grants be provided to Businesses?

- 4.1 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) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Details of how to obtain grant are available on the Council's website:
www.lancaster.gov.uk/lrsg
- 4.3 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.
- 4.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 4.5 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.
- 4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

5.0 EU State Aid requirements

- 5.1 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 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).
- 5.2 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.
- 5.3 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.

6.0 Scheme of Delegation

- 6.1 The Council has approved this scheme.
- 6.2 Officers of the Council will administer the scheme and the Section151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 7.2 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.

8.0 Reviews of Decisions

- 8.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 8.2 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.
- 8.3 The application will be reconsidered by the Section 151 Officer, as soon as practicable and the applicant informed in writing or by email of the decision.

9.0 Complaints

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

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

- 10.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 10.2 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.
- 10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

- 11.1 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.
- 11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

- 12.1** 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.

13.0 Data Protection and use of data

- 13.1** 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.