



# **Mid Devon District Council Additional Restrictions Grants (ARG) Restart Discretionary 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 or LCAL4 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 14<sup>th</sup> 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 four Tiers. Tier 1 (Medium): Tier 2 (High), Tier 3 (Very High) and Tier 4 (Stay 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;

**‘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;

**‘Subsidies’;** means the Government’s replacement scheme for the previous state aid framework; 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 (ARG) Restart Discretionary Scheme. The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 The grant scheme has been developed by the Council in response to an announcement made by Government on 3<sup>rd</sup> March 2021 which introduced additional grant support for businesses.
- 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 Grant funding under this scheme will be available for the 2020/21 and 2021/22 financial years only.
- 1.5 No grant under this scheme shall be paid for any period prior to 1<sup>st</sup> April 2021.

## **2.0 Funding**

- 2.1 Under the Additional Restrictions Grant Scheme provisions, Local Authorities have received a fixed amount of funding to support businesses.
- 2.2 In view of this, the Council reserves the right to vary the amount of any grant and also to bring the scheme to an end when funds are exhausted.

## **3.0 Eligibility criteria and awards – ARG Restart Discretionary Grants**

- 3.1 The Council has decided that the discretionary restart grant will be open to businesses who are not eligible to apply for a main (mandatory) restart grant and must have been an active and trading business on or before the 1<sup>st</sup> of April 2021
- 3.2 **Any** business applying must be able to demonstrate to the Council that:
  - It has suffered significant financial losses due to the Covid-19 crisis; and
  - The business has fixed ongoing business expenses which exceed the levels specified

### **Award Levels – ARG Restart Discretionary Grants**

- 3.3 The Council has decided that the amounts payable for the ARG Restart Discretionary Scheme will be as follows:
  - (a) For businesses with monthly business expenses greater than £170 but less than £500, a one-off restart grant of £500; and
  - (b) For businesses with monthly business expenses greater than £500, a one-off restart grant of £1,500.

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- 3.4 Only one award will be paid per business irrespective of the number of hereditaments it occupies.
- 3.5 Please note, the Council has a fixed funding envelope for this scheme and in the event that the scheme is over or undersubscribed, the Council reserves the right to amend the grant amounts accordingly or to prioritise the awards to those businesses most in need. A trigger point will be reached when the available grant funds fall below £200,000 and the Council will review demand for the grant scheme and amend it accordingly to avoid overspend. Any underspend from the scheme after claims have been processed following the final application date on the 30<sup>th</sup> of June 2021 will be put towards other business recovery support activities in line with BEIS guidance

### **Excluded businesses**

- 3.6 The following businesses will **not** be eligible for an award:
- (a) Businesses that have a rateable value of greater than £51k;
  - (b) Businesses in areas outside the scope of the localised restrictions, as defined by Government and not subject to a widespread national restriction;
  - (c) Businesses that have already been awarded a restart grant under the Government's mandatory scheme;
  - (d) Businesses that have chosen to close but not been required to, will not be eligible;
  - (e) Businesses which have already received grant payments that equal the maximum levels of State aid or subsidy permitted under the de minimis and the COVID-19 Temporary State Aid Framework;
  - (f) 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; and
  - (g) In order to ensure that the limited funding reaches as much of the economy as possible, businesses with common directors or owners will only be able to apply for a single grant, and their other businesses will be excluded from receiving discretionary funding. This also applies where another of their businesses has received funding through the main (mandatory) restart grant.

### **The Effective Date**

- 3.7 The effective date for eligibility is the 1<sup>st</sup> April 2021.

### **Who can receive the grant?**

- 3.8 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.

- 3.9 Where the Council has reason to believe that the information it holds about the ratepayer or business at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 3.10 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.11 Where any business or individual 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.

## **4.0 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 will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Details of how to obtain grants are available on the Council's website:  
<https://www.middevon.gov.uk/lockdowngrants>
- 4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. 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. Where any business has previously applied and been awarded a grant under this scheme, the Council may make awards without any further application being required.
- 4.6 Applications for funding for the Additional Restrictions Restart Grant (April 2021 onwards) close on 30 June 2021 or when the funding is fully allocated, whichever is sooner.

## **5.0 Subsidies and EU State Aid**

- 5.1 Grants under this Scheme will be given under one of the Subsidy Allowances. In calculating allowance limits, applicants are required to include any other De Minimis state aid or aid received under the EU Commission Temporary Framework for State Aid published on 19 March 2020. The applicant will be required to declare to the Council if they have received any other State Aid or Subsidy Allowances.
- 5.2 The applicant may receive a grant under this Scheme using one of the following Subsidy Allowances:

- (a) Small Amounts of Financial Assistance Allowance: applicants may receive financial assistance of up to £335,000 in any three-year period, calculated over the current year and the two previous ones;
- (b) Covid-19 Business Grant Allowance: applicants may receive financial assistance of up to £1,600,000. This allowance includes grants previously received under the Covid-19 business grant schemes and any State Aid previously received under the EU Commission's Temporary Framework;
- (c) Covid-19 Business Grant Special Allowance: if the applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and the Covid-19 Business Grant Allowance, it may be able to access a further allowance of funding. The applicant must meet a number of conditions before any subsidy can be received. Further advice is available on the [gov.uk](https://www.gov.uk) website.

## **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 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.

## **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 a senior 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.

## **14.0 Use of any underspend**

- 14.1 If there are remaining Additional Restrictions Grant funds available after awards to eligible businesses have been made (that applied by the closing date), the remaining funds will be allocated in priority order according to the following:
- (a) **(Highest Priority)** Due to the shortfall in funding provided by BEIS for the main Restart Grant, any eligible businesses for the main Restart Grant that applied by the deadline (30 June 2021) will be allocated funding from the Additional Restrictions Grant instead. Where funding levels permit, grants will be paid at the same level as they

would have been awarded from the main Restart Grant scheme. Where funding levels do not permit this, the remaining funds will be distributed evenly amongst those eligible applicants (at an amount no greater than they would have received from the main Restart Grant scheme).

- (b) **(Next Priority)** In line with direction from BEIS and in response to the extended period of restrictions (up to 19 July), where funding levels permit, we will offer an additional flat-rate grant (up to £1,500 where funding levels permit) to businesses operating from (and responsible for) rated premises in affected sectors, specifically:
- a. Licensed wedding venues (where this is their substantive business)
  - b. Night-clubs
  - c. Theatres and other strategic tourism businesses specifically affected by the extended restrictions on their ability to trade

- 14.2 Any remaining funds after both the above have been awarded, will be put aside for specific business support projects to assist businesses during the COVID recovery process.