



# **Mid Devon District Council Additional Restrictions Grants (ARG) Omicron Discretionary Scheme**

## Contents

Definitions .....	3
1.0 Purpose of the Scheme and background.....	4
2.0 Funding.....	4
3.0 Eligibility criteria and awards.....	4
Supporting Paperwork .....	5
4.0 Award Levels.....	5
5.0 Excluded Businesses .....	6
6.0 The Effective Date: .....	6
7.0 Who Can Receive the Grant?.....	7
8.0 How Will Grants be Provided to Businesses? .....	7
9.0 Prioritisation .....	7
10.0 Subsidies and EU State Aid .....	8
11.0 Scheme of Delegation.....	9
12.0 Notification of Decisions.....	9
13.0 Reviews of Decisions .....	9
14.0 Complaints.....	9
15.0 Taxation and the provision of information to Her Majesty’s Revenues and Customs (HMRC) .....	9
16.0 Managing the risk of fraud .....	10
17.0 Recovery of amounts incorrectly paid.....	10
18.0 Data Protection and use of data.....	10

## 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;

**'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';** The effective date for this scheme shall be deemed to be 30<sup>th</sup> December 2021, the date of the Government announcement of the new mandatory scheme;

**'Hereditament(s)';** means the assessment defined within Section 64 of the Local Government Finance Act 1988;

**'Local rating list';** means the list as defined by Section 41 of the Local Government Finance Act 1988;

**'Omicron Hospitality and Leisure Scheme';** means the business grants scheme announced on 30<sup>th</sup> December 2021;

**'Rateable Value';** means the value ascribed to the hereditament on 1<sup>st</sup> April 2017 and shown in the local rating list on 30<sup>th</sup> December 2021;

**'Ratepayer';** means the person who will receive the grant will be 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;

**'Subsidies';** means the replacement for state aid subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU;

**'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 (ARG) Omicron Discretionary Scheme. 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, and Industrial Strategy (BEIS) on 21 December 2021 regarding additional restriction grant payments to businesses that have been severely affected by the rise in Omicron cases.
- 1.3 Whilst the awarding of grants will be largely at the Council's discretion, 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 2021/22 financial year only.
- 1.5 No grant under this scheme shall be paid for any period prior to 30 December 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**

- 3.1 The Additional Restrictions Grant: Omicron Scheme is aimed at businesses that have suffered a severe impact due to the rise of Omicron cases over the December (in particular, Christmas) period, which has affected their ability to trade. For the purposes of this fund, impact on businesses is deemed to include:
  - Loss of demand / trade (e.g., reduced custom, reduced passing footfall, cancellations);
  - Staff absences (due to COVID-19 or caring for dependants with COVID-19);
  - Inability to access lateral flow rapid testing kits;
  - Supply chain disruption; and
  - Recruitment difficulties
- 3.2 For the purpose of this scheme, 'severely impacted' is deemed to be where the rise in Omicron cases has directly caused at least 50% reduction in business income compared to the usual income for a similar period and/or the business has been forced to cease trading for 5 or more days.
- 3.3 The ARG Omicron scheme will be open to applications from businesses:
  - Located within Mid Devon (and be trading wholly or mainly within Mid Devon);

- Trading on 30 December 2021;
- Able to demonstrate a severe impact directly as a result of the rise of Omicron cases; and
- Must have legal business status (i.e., registered with Companies House or HMRC).

3.4 This grant is intended for businesses that are not eligible for help under the Omicron Hospitality and Leisure Grant Scheme.

### **Supporting Paperwork**

3.5 Documentary evidence will be requested by the Council, and this should be provided in a format that enables easy access and rapid decision making e.g.:

- A recent statement (within 3 months) for the account used by the business – this needs to show the account name, account number and sort code to verify the payment information and it needs to show evidence of active trading (eg business income);
- A recent utility bill (within 3 months) for the property the business occupies – this needs to show the property details to verify the trading address;
- A copy of the business' most recent tax return (summary) to HMRC. This can either be a self-assessment (for sole traders), a tax summary (for sole traders/partnerships) or company return (for companies). This should clearly show the business turnover and a breakdown of the income/expenses. Businesses that do not yet have a set of accounts will need to supply a letter from their accountant to evidence impact of COVID-19 on their business;
- Accommodation businesses (including bed and breakfasts) must be able to evidence that they were advertising their accommodation and were trading on the effective date; or
- Additional evidence may be requested as required.

3.6 Where a business is unable to show active trading on the above documents, they will be required to submit six months' worth of bank statements. If it is not possible to evidence active trading within these six months, then the business will be deemed to be inactive and not eligible for a grant.

## **4.0 Award Levels**

4.1 The Council has decided that the award levels for this scheme shall be a **single one-off grant payment of £1,000.**

4.2 Once all Government funding provided to the scheme has been allocated, the scheme will close. Councils will not make payments to businesses where this would take the scheme over budget.

4.3 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.

## 5.0 Excluded Businesses

5.1 The following businesses will not be eligible for an award:

- Businesses which have already reached the Subsidy limit (see [www.middevon.gov.uk/subsidyinfo](http://www.middevon.gov.uk/subsidyinfo) for more information);
- Businesses that are not the ratepayer for that business premises;
- Businesses which are subject to insolvency, a bankruptcy order or striking off action are not eligible for funding under this scheme;
- Applications from landlords for properties where they are not occupying them directly themselves for trading business purposes will not be eligible;
- Businesses that were not actively trading on the effective date;
- Businesses not registered for business rates in Mid Devon;
- Businesses outside the scope of the funding scheme, as defined by Government, are also excluded;
- Town and parish councils are not eligible for grants from this fund; and
- Second homes will not be eligible for this fund.

5.2 To meet the scheme's priorities and to ensure that the limited funding is able to help as many distinct businesses as possible, the following restrictions also apply:

- With the exception of non-rated registered bed and breakfast businesses, home-based businesses will not be eligible for an award;
- Seasonal businesses that would normally be closed during December will not be eligible for an award;
- Businesses with common directors will only be eligible 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 Omicron Hospitality and Leisure Scheme;
- Businesses not in a priority sector as outlined in Appendix A will not be eligible for an award;
- Charities and social enterprises will not be eligible for an award;
- Businesses that are eligible for a grant from the Omicron Hospitality and Leisure Scheme will not be eligible for discretionary funding (this includes applications for separate hereditaments);
- Only one award will be paid per business irrespective of the number of hereditaments (business premises) it occupies; and
- Storage units and lockups will not be classed as commercial units under this scheme. However, businesses that only occupy these premises and fall within a priority sector will be able to apply to the scheme if they have been detrimentally affected by the rise in Omicron cases.

## 6.0 The Effective Date:

6.1 The effective date for eligibility is 30 December 2021.

## **7.0 Who Can Receive the Grant?**

- 7.1 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 the rating list is incorrect, the Council is under no obligation to award grants based on backdated changes. Consideration may be given where the Council was notified of a change of liable party prior to 30 December 2021. However, grants cannot be given to newly rated premises added to the rating list after 30 December 2021.
- 7.2 Where the Council has reason to believe that the information it holds about the applicant at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct person or business to receive the grant.
- 7.3 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 7.4 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.

## **8.0 How Will Grants be Provided to Businesses?**

- 8.1 Details of how to obtain the grants are available on the Council's website: [www.middevon.gov.uk/lockdowngrants](http://www.middevon.gov.uk/lockdowngrants)
- 8.2 Businesses will need to complete an application form and provide supporting paperwork to evidence that they were trading on the effective date. Applications will be deemed to have been made only upon receipt of both the completed application form and supporting papers. The Council reserves the right to request any supplementary information from businesses and they should to provide this, where requested, as soon as possible.
- 8.3 The application process will be open for applications between 21 January 2022 and 14 February 2022.
- 8.4 From 15 February 2022, all applications will be assessed and processed through the national audit checking system Spotlight. This check will use Company Numbers and Unique Tax Reference Numbers to verify that businesses are active and to minimise the risk of fraudulent claims being made.

## **9.0 Prioritisation**

- 9.1 The priority of this scheme is to support businesses:
- (a) in a sector identified as most affected (this includes food and drink supply, and leisure and tourism supply); and
  - (b) who operate from a rated premises.

- 9.2 As the ARG is a limited pot of money, it is likely that there is insufficient money available for all potential grant applicants; as such there will be difficult decisions. To ensure a fair process, all applications will be assessed after the closing date of the scheme on 14 February.
- 9.2 Businesses in Priority Sector Group A will be prioritised over businesses in Priority Sector Group B (see Appendix A). Businesses with 5 or more employees will be prioritised under this scheme.
- 9.3 Grants will be awarded to businesses that meet the qualifying criteria, normally offered first according to the following prioritisation:
- (a) Businesses in priority sector group A, to businesses with 5 or more employees and to businesses who have previously received no other COVID business support grants; followed by
  - (b) Businesses in priority sector group B, to those with 4 or fewer employees and to those who have previously received other COVID business support grants.
- 9.4 The Council will review all applications on a case-by-case basis. Where demand is greater than funds permit, applications will then be allocated on a first-come first-served basis according to date the full application form (including supporting paperwork) was received.
- 9.5 All successful applications will be processed through further anti-fraud checks.

## **10.0 Subsidies and EU State Aid**

- 10.1 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.
- 10.2 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.

## **11.0 Scheme of Delegation**

- 11.1 The Council has approved this scheme.
- 11.2 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.

## **12.0 Notification of Decisions**

- 12.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service and The Growth Economy and Delivery Team.
- 12.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. Applicants will be notified of grant award decisions by 28 February 2022 and payments made soon thereafter.

## **13.0 Reviews of Decisions**

- 13.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 13.2 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.
- 13.3 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.

## **14.0 Complaints**

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

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

- 15.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 15.2 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.

- 15.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

## **16.0 Managing the risk of fraud**

- 16.1 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 specific grants will face prosecution and any funding issued will be recovered from them.
- 16.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.
- 16.3 The Council will undertake anti-fraud checks on all applications (as required by the Government). If your application fails this check, this will delay or reject your payment.

## **17.0 Recovery of amounts incorrectly paid**

- 17.1 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.
- 17.2 Successful applicants will be subject to follow-up spot checks e.g., to ascertain how the funding was spent. A random sample of 10% will be selected for this purpose.

## **18.0 Data Protection and use of data**

- 18.1 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.

## Appendix A

### PRIORITY SECTOR GROUP A:

#### Eligible businesses

Sector	Included	Excluded
<b>Food and Drink Supply</b>  <i>Businesses that support the local hospitality sector through provision of produce</i>	Breweries, vineyards and distilleries Farms, fisheries and food producers that supply hospitality venues	Businesses that only sell online Farms, food producers and wholesalers that only supply retail venues Food Retailers Ice-Cream Vans
<b>Leisure and Tourism Supply</b>  <i>Businesses that support the leisure and tourism industry through the offer of cultural or recreational activities but are not eligible for the Omicron Hospitality and Leisure Scheme</i>	Circuses and Fun Fairs Coach Tour Operators Event businesses Event Caterers (mobile caterers, private caterers) Taxi companies Tour Operators Travel Agencies	Florists Leisure retailers (eg sports shops, angling stores and clubs) Photographers Taxi Drivers Wedding apparel suppliers
<b>Accommodation</b>	Non-rated B&Bs	Properties that "home share" Second Homes
<b>Hospitality</b>	Retail businesses with onsite cafés/restaurants	Takeaways

### PRIORITY SECTOR GROUP B:

#### Eligible businesses

Sector	Included	Excluded
<b>Personal Care</b>  <i>Businesses that directly supply the events industry through personal pampering services</i>	Beauty Parlours Hairdressers Saunas Spa Resorts Tanning Salons	Animal Groomers Health-related personal care businesses (eg podiatrists, opticians, optometrists) Permanent Make-up and Cosmetic Surgery Piercing Studios Sports Massage, Physiotherapy and Chiropractors Tattooists
<b>Leisure and Tourism (including Leisure and Tourism Supply)</b>  <i>Businesses that offer recreational/cultural activities or support the leisure and tourism industry</i>	Outdoor Leisure businesses (including fisheries, riding schools etc) Photography studios Dog Kennels and Catteries	Horse Trainers Livery and Stud Farms
<b>Sports and Fitness</b>  <i>Businesses offering group activity classes inside a studio/venue</i>	Dance Halls and Schools Gyms and Fitness Centres Pilates and Yoga Studios (with a rated premises) Sports Clubs	Fitness Instructors Home-based gyms and studios Personal Trainers Swimming Teachers