

**REPORT TO THE MEETING OF THE EXECUTIVE 11 JANUARY 2022****PORTFOLIO: COMMERCIAL, BUSINESS, LOCAL ECONOMY & LEISURE****REPORT FROM ASSISTANT DIRECTOR, PLACE AND ENVIRONMENT****SUBJECT: ADDITIONAL RESTRICTIONS GRANT: ROUND 5 SCHEME****1 DECISION BEING RECOMMENDED**

- 1.1 That the Council opens a direct business grant scheme funded by the Council's Additional Restrictions Grant allocations and implements the scheme in accordance with the policy attached at Appendix A.
- 1.2 That the Assistant Director, Place and Environment, in liaison with the Portfolio Holder for Commercial, Business, Local Economy & Leisure, be delegated authority to make amendments to the policy as necessary to comply with supplementary Government requirements and/or in the interests of operating an effective and fair grant scheme.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 In December 2021, the Government announced a new package of business support measures in response to actions taken to curb the spread of the Coronavirus Omicron-variant. As part of this package, local authorities are being encouraged to utilise all available Additional Restrictions Grant (ARG) funding to support their local businesses through direct grants, particularly those which may not be eligible for the separate Omicron Hospitality and Leisure Grant.
- 2.2 By operating a new round of the ARG, the Council can ensure that local businesses operating in the sectors most exposed to the impacts of refreshed Coronavirus restrictions are provided with the financial support made available for this purpose by Government, thus helping to support local enterprises and secure jobs.

**3 SALIENT INFORMATION****Additional Restrictions Grant**

- 3.1 In November 2020, and in response to the Coronavirus restrictions in place at that time, Local Authorities received an initial one-off lump sum payment amounting to £20 per head in each area where local restrictions (LCAL3) or widespread national restrictions were imposed. The Council's initial allocation was around £1.7 million. This funding was primarily to be used to support sectors affected by restrictions but not able to access other funds available at

that time, such as the Local Restrictions Support Grant. This included suppliers to affected sectors, businesses not responsible for business rates at their premises, and home and mobile businesses operating in affected sectors.

- 3.2 On 5 January 2021, the Chancellor announced that Local Authorities would receive a further lump sum payment to fund additional activities under the ARG. Each Local Authority was allocated an additional award based on population and distributed from a total pot of around £500 million. The Council received around £776,000 from this second allocation.
- 3.3 As it successfully distributed its two allocations described above before the end of June 2021, the Council was successful in receiving an additional top up allocation of £614,621 to be spent before the end of March 2022.
- 3.4 In January 2022, the Council received a further £155,798.33 'top up' to its allocation as a response to restrictions brought in to combat the Omicron variant.
- 3.5 The proposed fifth round scheme to which this report relates would utilise the Council's remaining ARG allocation, inclusive of the two previous 'top ups'.
- 3.6 In total, the Council has operated four rounds of ARG. The first round of the Council's ARG scheme opened in November 2020 and closed for new applications in December 2020. The second round opened in January 2021 and closed in March 2021. The third round opened in May 2021 and closed in June 2021. The fourth round opened and closed in June 2021. Each round had a different focus, based on an assessment of the sectors in greatest need of support at that time.
- 3.7 To date, over 700 businesses have received a grant from the Additional Restrictions Grant scheme, sharing a total of over £2.4m in support. These figures do not include the thousands more businesses which have received grants since 2020 under separately funded schemes such as the Hospitality and Leisure Grant, Local Restrictions Support Grant or Restart Grant.

### **Proposed Fifth Round**

- 3.8 Alongside the announcement of a new Omicron Hospitality and Leisure Grant, the Government also updated its guidance to provide clarity on how it would like remaining ARG funding to be used. This includes a new list of sectors that it wishes to see supported with direct grants.
- 3.9 This list has been converted into criteria within the attached policy, requiring the primary activity of any business to be in:
  - Indoor hospitality, including pubs/bars, cafés, restaurants and nightclubs
  - Indoor accommodation, including hotels, B&Bs, catteries and kennels
  - Indoor leisure, including gyms, children's play areas, theatres, cinemas, bowling and similar

- Indoor personal care, including hair, beauty and non-medical cosmetic treatments
  - Suppliers to hospitality, leisure, accommodation or personal care businesses
  - Businesses which organise, facilitate or supply events
  - Hireable halls and indoor venues
  - Travel agents and tour operators
- 3.10 Notwithstanding the list above, it is proposed that businesses which primarily operate in the following sectors will be excluded from the grant scheme. This is to ensure that funding can be focused on those sectors in greatest need and to avoid diluting the amount of funding each business can receive.
- Retail
  - Outdoor hospitality leisure or accommodation
  - Construction
  - Education
  - Health and social care
  - Manufacturing and engineering
  - Agriculture and horticulture
  - Financial and insurance activities
  - Professional services, or
  - Research and development
- 3.11 As it is uncertain exactly how many businesses will be eligible under the policy, it is proposed that the amount of funding an individual business will receive will be calculated after the round has closed and all applications received. However, to ensure proportionality between a business's likely fixed costs and the amount of grant funding it can receive, it is proposed that grants to home-and mobile-businesses will be capped at £500. Grants to businesses operating from non-domestic premises will not be capped and will be based on an equal share of remaining funding. This approach may need to be scaled should the scheme receive unexpectedly high or low demand.
- 3.12 The Government has specified a small number of exclusion criteria which would prevent a business from receiving funding in all cases. These include businesses exceeding the relevant threshold under State Subsidy (formerly 'State Aid') allowances or a business being in administration, insolvent or subject to a striking off notice.
- 3.13 In all cases, businesses wishing to receive funding will need to apply using a standard application form on the Council's website. The application window and form will be publicised through various channels including the Council's dedicated business mailing list (>2,000 subscribers), social media channels, website, local business groups and through cross-referrals with other available grant schemes.

- 3.14 Businesses will be required to provide evidence alongside their application to allow officers to check their authenticity, place of operation and sector. This evidence may include a business bank statement, rent agreement, utility bills, invoices or similar.
- 3.15 Provision of relevant evidence will be particularly important for businesses applying as ‘suppliers’ to a sector affected by Coronavirus restrictions. Suppliers will be expected to provide evidence showing frequent or high-value sales to businesses in affected sectors. As a rule of thumb, officers will expect to see a minimum of £1,000 in revenue generated a month from trade in affected sectors; however, each case will be considered on its merits. This test is considered necessary to avoid cases where businesses experiencing nil or mild impacts are able to automatically receive grant funding intended for those experiencing significant impacts.
- 3.16 There will be no right of appeal to decisions; however, it is officers’ standard practice to give businesses an opportunity to correct their application should information be missing, provided this is done within a stated time frame, usually at least a week.
- 3.17 The assessment process will use proportionate checks to ensure grants are only paid to businesses meeting the criteria set out in the policy. Alongside assessment of the applicant’s own evidence, tools such as the Government Spotlight tool, cross-referral with Council records, and analysis of online footprints will be used to minimise the risk of fraud.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The Council is not obliged to open a fifth round of the ARG; however, failure to do so would leave many businesses without an avenue to financial support during a period of challenging operating conditions. This may indirectly lead to the failure of some local enterprises and job losses and give rise to a resultant increase in demand for income and housing support.
- 4.2 Local authorities will likely be asked to return any unspent funding at the end of March 2022. This therefore creates an imperative to spending the funding available before this date by operating a new grant round or risk losing the opportunity.

#### **5 RISK IMPLICATIONS**

- 5.1 As with any grant scheme, there is a risk of attempted fraud whereby an individual or organisation may apply for a grant despite being knowingly ineligible. Where this fraud is sophisticated, an applicant may even produce false evidence indicating their connection to a real business without their knowledge or consent.
- 5.2 The risk of fraud is, however, considered minimised by the Council’s established processes for assessing applications which include requiring documentary evidence from applicants and checking every application using

the Government's Spotlight tool, cross-referring details with other Council records and assessing the applicant's online footprint. The bank details for which each grant is paid are also checked to ensure they match and are kept as records. Where officers have any doubts over the authenticity of an application, grants will not be paid until or unless these doubts are resolved.

- 5.3 The officers implementing this scheme have successfully managed several grant schemes over the last 24 months and continue to receive guidance from Government on anti-fraud and assurance processes.
- 5.4 There are not considered to be any unmanageable risk implications from implementing the grant scheme as described.

## **6 RESOURCE IMPLICATIONS**

- 6.1 The fifth round of ARG will be implemented using human resource from the Council's Economic Development team, with support from the Council's Revenues and Benefits team where needed.
- 6.2 There are no direct budgetary implications from this decision, as all funding to be transferred to businesses as grants has been allocated to the Council for this purpose by Government under the various allocations and top-ups described in this report. The Additional Restrictions Grant funding has only been made available for business support and would need to be returned to Government at the end of March 2022 if not spent on business support through this or another grant round.

## **7 LEGAL IMPLICATIONS**

- 7.1 The Council would be subject to the terms and conditions of the agreement which sets out the obligations for issuing the grant. It would be the responsibility of RDC to ensure that the grant is used for the established purpose and administered in line with the policy.
- 7.2 The grant terms state the provision for unspent monies to be returned and the obligations for monitoring and reporting on the award of monies to applicants.

## **8 EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

The decision should be taken as a matter of urgency and not subject to call-in because local businesses are in need of grant funding to support them in challenging

operating conditions and delay in distributing this funding may lead to a greater loss of local enterprise and jobs

LT Lead Officer Signature: \_\_\_\_\_



**Assistant Director, Place and Environment**

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**Background Papers:-**

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.



**Rochford District Council**  
**Additional Restrictions Grants (ARG) Scheme**  
Fifth Round Policy

December 2021

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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.

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

**'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;

## 1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the **fifth round** of 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 Four previous rounds of ARG funding were developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy on 31<sup>st</sup> October 2020 which established and set conditions for an allocation of funding to local authorities titled the Additional Restrictions Grant. Local authorities are given significant discretion on the use of ARG, however Government has stated that it wishes the funding to support businesses which have to close or are otherwise severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives. These grant payments are being administered by local authorities but funded by an allocation from Government.
- 1.3 The first round of the Council's ARG scheme opened in November 2020 and closed for new applications in December 2020. The second round opened in January 2021 and closed in March 2021. The third round opened in May 2021 and closed in June 2021. The fourth round opened and closed in June 2021.
- 1.4 As the Council was successful in distributing its full ARG allocations before the end of June 2021, it was successful in receiving a "top up" from the Government to fund further eligible ARG rounds before the end of March 2022.
- 1.5 Whilst the awarding of grants is 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. These criteria are included within this policy.
- 1.6 Grants under this scheme will be available for the 2021/22 financial year only.

## 2.0 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. The Council's initial allocation was around £1.7 million.
- 2.2 On 5th January 2021, the Chancellor announced that Local Authorities will receive a further lump sum payment to fund additional activities under the ARG. Each Local Authority will be allocated an additional award based on population and distributed from a total pot of around £500 million. The Council received around £776,000 from this second allocation.
- 2.3 As it successfully distributed its allocations described above before the end of June 2021, the Council was successful in receiving an additional top up allocation of £614,621 to be spent before the end of March 2022.

- 2.4 In January 2022, the Council received a further top up of £155,798.33 as a response to new restrictions imposed to combat the Omicron variant. The fifth round scheme to which this policy relates would utilise all remaining funding from the allocations listed below.
- 2.5 This funding is entirely separate to those received by the Council for use on other grant schemes, including the Restart Grant, Local Restrictions Support Grants and newly-announced Omicron Hospitality and Leisure Grant. These schemes are subject to their own conditions and eligibility criteria and funding will not usually be shared across schemes.

### **3.0 Eligibility criteria and awards**

- 3.1 The Council is expected to use its Additional Restrictions Grant (ARG) funding for business support activities and Government envisage that this will primarily take the form of discretionary grants to businesses although it can be used to fund wider business support activities where businesses are the direct beneficiaries.
- 3.2 If Local Authorities use the ARG for direct business support grants, Government has stated that the same overall conditions of grant **must** apply as for the Local Restrictions Support Grant (Closed) scheme. However, the Council will have the discretion to limit eligibility criteria, alter the amount of funding offered to individual businesses and the frequency of payment.
- 3.3 When the ARG was first launched, Government stated that local authorities *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 local authorities may also wish to assist business which are outside of the rating system and which are effectively forced to close.
- 3.4 In December 2021, the Chancellor announced a new round of business support being made available for certain businesses as a consequence of new Coronavirus restrictions imposed to deal with the Omicron variant. This support included a new grant scheme for hospitality and leisure businesses occupying rateable premises (called the Omicron Hospitality and Leisure Grant) and additional discretionary funding, where needed, to support other affected businesses.
- 3.5 In the same month, local authorities received a letter from Rt Hon Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy which urged them to pay out any remaining ARG funds as quickly as possible and to prioritise those businesses that have been severely impacted by the spread of the Omicron variant.
- 3.6 The Council also operated a short business survey in December 2021 which requested information from local businesses on how they felt remaining ARG funding should be prioritised.
- 3.7 The eligibility criteria set out in this policy has sought to support those businesses which are worst affected by the latest Coronavirus restrictions, those sectors identified as needing supported in the business survey, and those sectors which the Government has specifically requested be supported as a priority.

3.8 The Council has around £755,000 in funding remaining after the first four rounds of ARG, inclusive of all allocations and “top ups”. This full remaining amount will be allocated to this new fifth round.

## Eligibility Criteria

- 3.9 In order to receive a grant, the primary activity of a business must meet at least one of the following criteria:
- Indoor hospitality, including pubs/bars, cafes, restaurants and nightclubs
  - Indoor accommodation, including hotels, B&Bs, catteries and kennels
  - Indoor leisure, including gyms, children’s play areas, theatres, cinemas, bowling and similar
  - Indoor personal care, including hair, beauty and non-medical cosmetic treatments
  - Suppliers to hospitality, leisure, accommodation or personal care businesses
  - Businesses which organise, facilitate or supply events
  - Hireable halls and indoor venues
  - Travel agents and tour operators
- 3.10 Notwithstanding Paragraph 3.9, businesses will **not** be eligible to receive a grant if their primary activity is in any of the following sectors: retail, outdoor hospitality leisure or accommodation, construction, education, health and social care, manufacturing and engineering, agriculture and horticulture, financial and insurance activities, professional services or research and development.
- 3.11 Where businesses are applying as a supplier, they will be expected to provide documentary evidence of frequently supplying eligible sectors. As a rule of thumb, businesses which cumulatively receive under £1,000 per month in revenue from supplying eligible sectors are unlikely to be considered eligible, however all cases will be considered on their merits. This test is considered necessary to ensure suppliers receiving grants under this scheme are those with the greatest exposure to current Coronavirus restrictions.
- 3.12 The final level of grant awarded to a business will be calculated once the final number of eligible applicants has been determined. However grants to mobile and domestic-based businesses will be capped at £500. All businesses occupying non-domestic premises will then receive an equal amount proportionate to the amount of funding remaining. The Council reserves the right to adjust this approach, however no business will be eligible to receive more than £5,000 and it is expected the average grant award will be significantly lower than this.
- 3.13 The Council will not usually award multiple grants to the same business or individual unless that business or individual can clearly demonstrate that it operates multiple premises in Rochford District. The Council reserves the right to refuse any and all payments to any business or individual that is considered to be intentionally making multiple claims for the same business or premises.
- 3.14 Applicants will be required to provide evidence proportionate to the need to verify that their business is eligible and that the application is not fraudulent. This may include business bank statements, invoices and/or utility bills. Applicants should make every effort to provide this information upfront as the Council reserves the right to refuse applications which are ambiguous, incomplete or contradictory.

## **Excluded businesses – both local and national restrictions**

- 3.15 Notwithstanding the provisions of Paragraphs 3.9 and 3.10, the following businesses will **not** be eligible for any award under any circumstances:
- (a) Businesses which primarily operate outside Rochford District;
  - (b) Businesses that have chosen to temporarily close but have not been legally required to;
  - (c) Businesses which have already received grant payments that equal the maximum levels of State Subsidy and/or State Aid allowable under the conditions of the grant; and
  - (d) Businesses that were in administration, are insolvent or where a striking-off notice has been made on or since the 1<sup>st</sup> January 2021 that has not been quashed at the time of the application being assessed

## **The Effective Date**

- 3.15 There is no longer a date on which businesses must have started trading to be eligible for a grant. However, where a business is newly formed, the Council will seek to establish whether that business has truly been trading for a sufficient period so as to make any application legitimate. In these instances, the Council reserves the right to request documentary evidence such as business bank statements or invoices to assess how long the business has been trading for.
- 3.16 For the avoidance of doubt, a business is unlikely to be considered ‘trading’ if it has not yet received necessary regulatory approvals (e.g. licenses); signed a rental agreement for its premises; opened a business rates account; or paid rent, utility or other business costs for a period covering at least 3 months. All cases will, however, be considered on their merits.

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

- 3.17 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 at the effective date.
- 3.18 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.
- 3.19 Where it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.20 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.
- 3.17 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.
- 4.2 Details of how to obtain grants will be published on the Council's website.
- 4.3 In all cases, applicants will be required to confirm through an application that they are eligible and wish to receive the grant. 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 Businesses who believe they are eligible for a grant award under this policy will be required to apply through a standard form on the Council's website during a defined application window. 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 within this application window and the applicant has subsequently received a reference number as proof of their application.
- 4.6 The amount allocated to this grant is finite and the final amounts awarded to businesses will be determined once the application window has closed. Grants will not be awarded to businesses whose eligibility cannot be determined within the application window or who fail to apply within the application window or using the appropriate application form.
- 4.7 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 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. BEIS Guidance for public authorities explaining the subsidies chapter of the TCA, World Trade Organisation rules on subsidies, and other international commitments can be found here: <https://www.gov.uk/government/publications/complying-with-theuks-international-obligations-on-subsidy-control-guidance-for-publicauthorities>
- 5.2 On Thursday 4 March 2021 new subsidy allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.
- 5.3 The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).
- 5.4 The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.
- 5.5 There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

### **Small Amounts of Financial Assistance Allowance**

- 5.6 Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.

### **COVID-19 Business Grant Allowance**

- 5.7 Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

## COVID-19 Business Grant Special Allowance

- 5.8 Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met:
- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and the date of application, including such costs incurred in any part of that period ('eligible period');
  - b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
  - c. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
  - d. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
  - e. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
  - f. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.
- 5.9 An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.
- 5.10 Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex B of the guidance document) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.
- 5.11 Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>. All schemes and individual awards over £500,000 must be uploaded within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an individual beneficiary must also be uploaded within six months of being granted. For access to and any further questions on the database, please contact the BEIS subsidy control team at [subsidycontrol@beis.gov.uk](mailto:subsidycontrol@beis.gov.uk)

## **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 Assistant Director, Place and Environment 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 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 There will no right to appeal decisions made under the scheme. Applicants should therefore make sure they read the application form thoroughly and provide all the information requested.
- 8.2 Where the Council writes to applicant requesting clarification or further evidence, applicants should seek to provide this information before the deadline given, which will usually be no shorter than a week. Applicant should alert the Council as quickly as possible if they are unable to meet this deadline. The Council reserves the right to refuse applications where applicants fail to respond to requests before given deadlines without good reason.
- 8.3 Applicants can nevertheless request a written reason for any decision made within 14 days of receiving a decision letter.

## **9.0 Complaints**

- 9.1 The Council's 'Complaints Procedure' (available on the Councils 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 will 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.