



Exeter 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 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 9th September 2020;

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

'In-person services' means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link, or written communication;

'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 at home). For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3 and LCAL 4.

'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 which is applicable to businesses forced to close under either LCAL2 or LCAL3;

Local Restrictions Support Grant Scheme (Closed Addendum) Tier 4; means the grant scheme which is applicable to businesses forced to close under LCAL4;

Local Restrictions Support Grant Scheme (Closed Addendum) Jan 5th 2021 onwards; means the grant scheme which is applicable to businesses forced to close under national restrictions from 5th January 2021;

Local Restrictions Support Grant Scheme (Closed Businesses Lockdown Payments) means the one-off grant scheme which is applicable to businesses forced to close under national restrictions from 5th January 2021;

Local Restrictions Support Grant Scheme (Open); means the grant scheme developed by the Council in response to an announcement by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 and which is applicable to businesses that are still open but severely impacted by the restrictions imposed by LCAL2 and LCAL3. It does not apply in LCAL 4;

Local Restrictions Support Grant Scheme (Sector); means the grant scheme which is applicable to businesses that have been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus. This scheme does not apply in LCAL4

'Rateable value'; means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions;

'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;

'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 by the Secretary of State for Business, Energy & Industrial Strategy 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 is 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 will be 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 The ARG provides local councils with grant funding to support:
 - Businesses that are required to close due to Tier 3 or national restrictions, but which are not registered for business rates; and
 - Businesses (rated and non-rated) that did not have to close but are severely impacted by the Tier 3 or national restrictions.
- 1.10 Businesses required to close which are registered for business rates are not eligible for this scheme, as they are instead eligible for the Local Restrictions Support Grants (Closed) Scheme).

2.0 Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, the Council received a one-off lump sum payment amounting to £20 per head for when widespread national restrictions were imposed from 5 November 2020.
- 2.2 On Tuesday 5 January 2021, the Government announced further funding to support businesses through a top-up to the Additional Restrictions Grant.
- 2.3 The Council's allocation of £3,795,377 will be used as follows:
- (a) £1,937,277 for one-off discretionary grants to support eligible businesses impacted during the current and previous national lockdown period and while Tier 3 local restrictions were in place
 - (b) £1,040,000 will be used by the Council to support businesses through a range of interventions both during and post the Covid-19 crisis;
 - (c) £48,100 will be utilised for exceptional hardship support or 'special cases'; and
 - (d) £770,000 will be retained to allow for any subsequent discretionary grant programme requirement before 31 March 2022.
- 2.4 The Council reserves the right to vire amounts between each of the funds as necessary to either meet the demand of applications for grants or to support businesses through strategic Economic Development projects should any amount of grant funds remain.

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 for one-off discretionary grants

- 3.4 In line with Government guidance, the Council's Additional Restrictions Grant (ARG) scheme will support businesses that have had their trade affected by the restrictions in place during these periods. This includes closed businesses that don't pay business rates

as well as businesses that have not been required to close but are still severely impacted by the restrictions.

- 3.5 The Council particularly encourages applications from businesses both within and which supply the retail, hospitality, leisure, events and tourism sectors as well as Early Years/Day Nurseries and taxi operators with Exeter City Council as their local licensing authority.
- 3.6 Businesses and organisations which are not included within the specific list of exclusions detailed within this scheme will be able to apply to the Additional Restrictions Grant (ARG) scheme if sufficient evidence can be provided that they have been severely impacted by the restrictions in place. This includes non-excluded home-based and mobile businesses that can evidence they are registered with Companies House (if they are a limited company) or with HMRC (if they are self-employed or sole traders).
- 3.7 Government have made it clear that discretionary grants must not be used as a wage supplement, rather as a support to the business that the self-employed person runs. As such, ARG applicants whose businesses have not been required to close and can demonstrate significant impact, must also evidence significant fixed business costs. This will exclude any personal or domestic costs.
- 3.8 Each application will be considered on a case-by-case basis and the Council considers significant impact to describe an evident drop in the business' normal trading, income or service provision. It should be shown that this decreased level of trade is a direct consequence of the restrictions in place during these periods, and not as a result of more predictable (e.g. seasonal) fluctuations in demand.
- 3.9 To prevent overspend from the Council's allocation of funding, applications will not be accepted from any business that is eligible for an award from the Local Restrictions Support Grant (Closed) Scheme or the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme and the Closed Businesses Lockdown Payment.
- 3.10 Notwithstanding the above, there is provision for 'special cases' to be considered within the Council's ARG policy for support from funding put aside for exceptional hardship where the loss of a business would be a significant impact to the economy of the district. Businesses within the Exeter district who are experiencing exceptional circumstances will be required to email the Council with specific justifications for support and full details of their case for full consideration by the Economic Development Team.
- 3.11 Only one Additional Restrictions Grant (ARG) will be awarded to any business and will cover the current and previous national lockdown period and while Tier 3 local restrictions were in place and include a Top-up Lockdown Payment. The Council will make payment as a single sum and reserve the right to amend the level of grant award. Any subsequent period of new national restrictions will require a new application for Additional Restrictions Grant (ARG) from any business which would be required to satisfy what may be different eligibility criteria for that scheme. No automatic right of approval for any subsequent grant is implied or should be assumed of from the current scheme.

Award Levels

3.12 The Council has decided the following grant award levels:

	Lockdown 2 Nov 2020 (27 days) Max	*Tier 2 (29 days) Max	*Tier 2 (14 days) Max	Tier 3 (5 days) Max	**Lockdown 3 Jan 2021 (42 days) Max	**One-Off top-up Jan 2021 Max
	05.11.2020 – 01.12.2020	02.12.2020 – 30.12.2020	16.12.2020 – 30.12.2020	31.12.2020 – 04.01.2021	05.01.2021 – 15.02.2021	-
Non-rated	£901	£968	£484	£167	£1,401	£2,800
RV < or = £15k	£901	£968	£484	£167	£1,401	£2,800
RV > £15k but < £51k	£1,350	£1,450	£725	£250	£2,100	£4,200
RV = £51 k or >	£2,025	£2,175	£1088	£375	£3,150	£6,300

*Only one Tier 2 amount is applicable dependent upon trading start date in 14 cycle.

**Jan Lockdown 3 and One-Off top up always paid in tandem.

Ineligible Businesses

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

- (a) Businesses which can obtain a grant under the Local Restrictions Support Grant (Closed) Scheme or Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme
- (b) 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
- (c) 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.

3.14 In addition to the above, and to ensure limited funds are prioritised to those businesses most severely impacted the following businesses and hereditaments are specifically excluded from the Council's Additional Restrictions Grant (ARG) Scheme:

- Any properties or parts of properties used for personal use;
- Charitable business receiving other help from public funds;
- Businesses whose primarily trade comprises:
 - Show homes;
 - Car Parking;
 - Storage containers; Containers; Storage premises;
 - Yards, land or properties used for storage only;
 - Advertising or advertising stations or hoardings;
 - Communication stations or telecommunication equipment;
 - Solar panel sites;
 - ATM's, cash machines or equivalent;

- Schools/Academies/Educational establishments and premises (which are publicly funded);
- Lockers or similar structures;
- Student accommodation; and
- Second homes and any premises which the Council considers to be basically ‘home sharing’ or ‘home swapping’ and advertised solely online through ‘home sharing’ or equivalent websites, will not be eligible for this fund.

The Effective Date

3.15 The effective date for eligibility is the date of the widespread national or local restrictions (LCAL3). Businesses **must** have been trading on the first full day of national or LCAL3 restrictions to be eligible to receive grant support.

Who can receive the grant?

3.16 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.

3.17 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.

3.18 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.

3.19 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.

3.20 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 grants are available on the Council’s website:
www.exeter.gov.uk/BusinessSupportGrants/

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 to 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 Subject to State Aid limits, businesses will be entitled to receive a grant for each eligible hereditament within the restriction area. So some businesses may receive more than one grant where they have more than one eligible hereditament.
- 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.
- 4.8 This scheme will remain open until 31 March 2021 however the Council reserves the right to close the scheme earlier should the allocated funding be exhausted.
- 4.9 All applicant businesses will be required to upload up to date bank statements for the account used by the business. These must contain the name of account, sort code and account number for verification purposes.
- 4.10 The Council will undertake both pre- and post-payment anti-fraud checks. Any attempt to fraudulently claim public grant funding will result in funds being recovered and legal action being taken.
- 4.11 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.

5.0 Subsidies and EU State Aid

- 5.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 5.2 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 5.3 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU State aid Temporary Framework.

6.0 Scheme of Delegation

- 6.1 This policy has been agreed by the Director for City Development, Housing and Supporting People in consultation with the Leader of the Council and the Portfolio Holder for City Centre and Corporate Services. Any revision to the policy will be agreed by the Director in consultation with the Portfolio Holder.
- 6.2 Officers of the Council will administer the scheme and the Director for City Development, Housing and Supporting People in consultation with the Portfolio Holder for City Centre and Corporate Services 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 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. This decision shall be final.

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, recipients may be contacted for research purposes, and details of each individual grant will be shared with Government for research and evaluation purposes.

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.
- 13.2 Applicants should note that detail about their application, including business name, contact details and amount awarded, will be shared with the Department for Business, Energy and Industrial Strategy for the purposes of monitoring and evaluating the scheme.