



Stroud District Council Additional Restrictions Grants (ARG) Scheme 5

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

‘COVID-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date is

‘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

‘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;

‘Subsidy Allowance’; refers to the provisions which exist from 4 March 2021 to limit the amount of funding any one organisation or business can receive as part of grants schemes put in place by the government.

1.0 Purpose of the Scheme and background

1.1 The purpose of this document is to determine eligibility for a payment under the Council's Additional Restrictions Grant Scheme (ARG). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.

1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 31st October 2020 which sets out the basic circumstances whereby an additional restriction grant payment may be made by the Council to a business which has to close or are severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.

1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.

1.4 Grants under this scheme will be available for 2021/22 only.

2.0 Funding

2.1 The Additional Restrictions Grant Scheme (ARG) aims to support businesses severely impacted by coronavirus restrictions.

2.2 Local Authorities received an allocation of the £500 million top-up to the ARG scheme in January 2021, as a result of further national restrictions being imposed. This allocation was based on a per-head calculation.

2.3 Local Authorities received an allocation of the £425 million top-up announced in the 2021 Budget, based on the Local Authorities spending their existing allocations of ARG.

3.0 Exclusions to Additional Restrictions Grant funding

3.1 Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.

3.2 Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

3.3 ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients.

3.4 The council reserves the right to withhold payment and has discretion to determine which businesses to support

4.0 Eligibility criteria and awards

4.1 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.

4.2 The Council will have the discretion to alter the amount of funding offered to individual businesses.

4.3 To be eligible for this scheme businesses must be registered with Companies House, HM Revenue and Customs (HMRC) for VAT purposes or for sole traders and partnerships registered for self-assessment purposes HMRC.

Eligibility Criteria

4.4 For the purpose of this scheme the Council has decided that the following eligibility criteria must be met in order to receive an Additional Restriction Grant:

Hospitality

For the purpose of this scheme, a hospitality business can be defined as a business whose main function is to provide a venue for the consumption and sale of food and drink.

The Council will use the following criteria to assess whether a business is eligible for a ARG payment.

- Businesses offering in person food and drink service to the general public
- Businesses that provide food and/or drink services to be consumed on the premises, including outdoors

The following businesses are considered eligible as hospitality:

- Public houses and pub restaurants
- Wine Bars
- Restaurants
- Cafes
- Food Courts
- Roadside restaurants

For the purpose of this scheme, the following businesses are considered as not eligible as hospitality.

- Food kiosks
- Businesses whose main service is a takeaway

Award Levels

4.5 The Council has decided the following grant awards levels

- Hospitality businesses occupying hereditaments on the local rating list with a rateable value of exactly £15,000 or under on 07/12/2021 will receive a payment of £1,600
- Hospitality businesses occupying hereditaments on the local rating list with a rateable value over £15,000 and less than £51,000 on 07/12/2021 will receive a payment of £3,100
- Hospitality businesses occupying hereditaments on the local rating list with a rateable value of exactly £51,000 or over on 07/12/2021 will receive a payment of £4,600

4.6 Payments will be made once the application has been checked and assessed.

4.7 The Council has complete discretion to determine and change the amount of grant award to businesses and there will be no right of appeal against the amount.

Excluded businesses – both local and national restrictions

4.8 The following businesses will **not** be eligible for an award:

- a) Businesses in areas outside the scope of the localised restrictions, as defined by Government and not subject to a widespread national restriction;
- b) Businesses 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 are in administration, are insolvent or where a striking-off notice has been made.
- d) Businesses whose premises are not in the rating list.
- e) The council reserves the right to withhold payment and has discretion to determine which businesses to support

The Effective Date

4.9 The effective date for eligibility is 07/12/2021.

Who can receive the grant?

4.10 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.

4.11 Where the Council has reason to believe that the information it holds about the applicant or ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

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

4.13 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.

5.0 How will grants be provided to businesses?

5.1 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 affected by the restrictions.

5.2 Details of how to obtain grants are available on the Council's website:
www.stroud.gov.uk/business/business-rates

5.3 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.

5.4 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.

5.5 The Council will email all eligible businesses inviting them to access the web form and submit an application and declaration.

5.6 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.

5.7 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

6.0 Subsidy Control

6.1 The new domestic subsidy allowance for the Covid-19 business support grants took effect on 4 March 2021. Applications made prior to that date are subject to the previous state aid rules. The new subsidy allowance scheme is covered by 3 subsidy allowances:

- Small amounts of financial assistance allowance – you're allowed up to £335,000 (subject to exchange rates) over any period of 3 years
- Covid-19 business grant allowance – you're allowed up to £1,600,000
- Covid-19 business grant special allowance - if you have reached your limits

Under the small amounts of financial assistance allowance and Covid-19 business grant allowance, the business may be able to access a further allowance of funding under these scheme rules of up to £9,000,000, provided certain conditions are met.

Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

6.2 Any grant awarded is required to comply with the subsidy allowance rules. The applicant will be required to declare to the Council that they will exceed the limits.

7.0 Scheme of Delegation

7.1 The Council has approved this scheme.

7.2 Officers of the Council will administer the scheme and the Section151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

8.0 Notification of Decisions

8.1 Eligibility and applications will be considered on behalf of the Council by the Revenues and Benefits Service.

8.2 All decisions made by the Council shall be notified to the applicant by email. A decision shall be made as soon as practicable after the application window has closed.

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 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.