



# Borough of Pendle 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 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 cannot be before 14<sup>th</sup> October 2020;

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

**‘Local Covid Alert Level’ (LCAL)** means the level of alert determined by Government and Local Authorities for the area. LCALs have three Tiers. Tier 1 (Medium): Tier 2 (High) and Tier 3 (Very High). For the purposes of these schemes the definitions used are LCAL1, LCAL2 and LCAL3.

**‘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 developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9<sup>th</sup> September 2020 and amended on 9<sup>th</sup> October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

**‘Local Restrictions Support Grant Scheme (Closed) Addendum;** means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

**‘Ratepayer’;** means the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

**‘State Aid Framework’;** means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; 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 made by the Secretary of State for Business, Energy & Industrial Strategy made on 31<sup>st</sup> 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 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 Grant funding 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 14<sup>th</sup> October 2020.
- 1.9 Where any area enters either a localised restriction (LCAL3) or where a national restriction applies, additional assistance may be given to businesses under the Council's Local Restrictions Support Grants (Closed) Scheme (as amended).

## **2.0 Funding**

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each area when local restrictions (LCAL3) or widespread national restrictions are imposed.

- 2.2 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, no additional funding will be received from Government even if either the local restrictions or widespread national restrictions are re-instated. The Council's funding has been confirmed at £1,842,240.
- 2.3 Given the funding is fixed and covers the period to March 2022 it is difficult to design a grant scheme against the backdrop of uncertainty caused by the ongoing pandemic. Therefore, the Council will maintain this policy under review and reserves the right to either replace, suspend or vary its policy based on the initial and ongoing experience of the grant scheme and in the light of changing local circumstances.

### 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.

#### Eligibility Criteria

- 3.2 The Council has decided that businesses may be eligible if it:
- is located and trades in Pendle;
  - was open and trading as usual on the 4<sup>th</sup> November 2020;
  - does not fall within the list of excluded businesses shown;
  - has no more than 49 employees on its payroll, **and** one of the following applies:
    - (a) it occupies business premises, but the business is not subject to Non- Domestic rating and has legally been required to close due to the COVID-19 restrictions; or
    - (b) it occupies business premises, but the business is not subject to Non- Domestic rating and the business supplies the retail, hospitality and leisure sectors or is in the events sector and has been closed for the period of restrictions due to the severe impact on trading as a result of the restrictions; or
    - (c) it occupies business premises and has remained open during the period of restrictions, but trading has been severely impacted by the restrictions;
  - the business is not entitled to a grant under the Local Restrictions Support Grant (Closed) or (Closed Addendum) scheme;
  - the business has ongoing fixed business-related costs (excluding employee costs); and
  - has experienced a significant fall in income due to the local and national restrictions
- 3.3 For the purpose of this scheme business premises are those recorded on the Council's Non-Domestic rating list as at the 4<sup>th</sup> November 2020. *A limited exception may be made at the sole discretion of the Council for businesses severely impacted which*
- (i) do not occupy business premises and*
  - (ii) employ less than 10 people and*
  - (ii) supply the retail, leisure, hospitality or events sectors.*

3.4 The Council will operate one or more fixed application periods. A high level of demand for these grants is expected. In administering the grant scheme the Council will give higher priority to businesses in the following sectors:

- Hospitality and Accommodation;
- Leisure providers;
- Non-essential retail;
- Businesses which supply the retail, hospitality and leisure sectors;
- Personal care and close contact services;
- Businesses in the events sector;
- Hackney Carriage Vehicle Licence Holders (i.e. the red Taxis operating in Pendle); and
- Indoor Market Traders without a business rates assessment.

## Award Levels

3.5 The Council has decided the following grant award levels:

Business Category	Number of Employees	
	Up to 9	10-49
<b>STANDARD PAYMENTS:</b>	<b>£</b>	<b>£</b>
Qualifying businesses that closed	1,334	2,000
Qualifying businesses that remained open but been severely impacted by the restrictions	750	1,150
<b>OTHER PAYMENTS:</b>		
Qualifying businesses not occupying commercial premises	500	
Indoor Market Traders (non-rated)	500	
Hackney Carriage Vehicle Licence Holders	750*	

3.6 A single grant payment will be made covering the period of national restrictions from 5th November to 2nd December 2020. Grants are payable per business and not per business property.

3.7 \* The payment shown covers period from 17/10/20 to 2/12/20 only.

3.8 The Council retains the discretion to vary the amounts and frequency of grant payments taking account of local economic circumstances, the types of business and the level of funding available. As a result the level of payment and eligibility criteria may be subject to change in subsequent application rounds.

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

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

### **National Restrictions**

- (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 that have chosen to close but not been required to, will not be eligible;
- (c) 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
- (d) 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.

### **Local Restrictions**

- (e) Businesses that are not based in Pendle
- (f) Businesses entitled to support under the Local Restrictions Support Grant scheme (i.e. business ratepayers legally required to close due to lockdown restrictions)
- (g) Businesses that are able to continue to trade and can operate their services effectively remotely are not eligible.
- (h) Businesses that are part of national chains
- (i) Businesses that have not been severely impacted (i.e. a reduction in turnover of less than 30%)
- (j) Businesses of the following types:
  - Take-away businesses
  - Petrol Stations, Garages, Vehicle Repair Workshops and MOT Centres
  - Essential retail businesses (unless trading from within premises required to close)
  - Private Hire businesses
  - Financial service providers (e.g. banks, building societies, money lenders, credit unions)
  - Medical Services (e.g. vets, dentists, doctors, osteopaths, chiropractors, pharmacies)
  - Betting Shops
  - Professional Services (e.g. solicitors, accountants, insurance, financial advisers)
  - Public Authorities, Utility Providers, Post Offices
  - Estate & Lettings Agents
  - Property related businesses that include –
    - property developers and construction
    - buy to let businesses
    - property refurbishment projects
    - residential/commercial landlord businesses
  - Funeral Directors
  - Garden Centres

## **The Effective Date**

- 3.10 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?**

- 3.11 Where the business is subject to non-domestic rating, 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.
- 3.12 Where there is no entry in the rating list for the business, the Council will decide who should receive the grant.
- 3.13 Where the Council has reason to believe that the information it holds about the business at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct business.
- 3.14 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

## **4.0 How will grants be provided to Businesses?**

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme 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:  
[https://www.pendle.gov.uk/info/20002/business/539/covid-19\\_support\\_for\\_businesses](https://www.pendle.gov.uk/info/20002/business/539/covid-19_support_for_businesses)
- 4.3 The first application window will open on Friday 27<sup>th</sup> November and close at midnight on the 11<sup>th</sup> December 2020. The Council will assess all applications following the closing deadline and determine its decision at that time in line with this policy. This is considered a fairer approach than adopting a 'first come, first served' basis.
- 4.4 Applicants will need to provide, where relevant and/or appropriate, the following:
- Business Type / Sector
  - Business details
  - Email and contact addresses
  - Company Registration Number
  - Charity Number
  - VAT Registration Number



- Unique Taxpayer Reference
- National Insurance Number
- Business rate account number
- Bank details and bank statement extract to verify details
- Declaration and estimate of the impact the restrictions and ongoing pandemic has had on your business turnover
- Declaration on State Aid and the use of your information

4.5 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.

4.6 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.

4.7 No applications will be received from agents or third parties.

## **5.0 EU State Aid requirements**

5.1 This grant counts towards the total 'de minimis' state aid you're allowed to get over a 3-year period (being the current and previous two financial years) of €200,000. If the business has reached the 'de minimis' threshold, it may still be eligible for funding under the COVID-19 Temporary Framework. The limit for this framework is €800,000.

5.2 The business will be required to declare that it was not an 'undertaking in difficulty' on 31st December 2019, that it is eligible for this aid and, if awarded, that the business will not exceed its State Aid threshold.

## **6.0 Scheme of Delegation**

6.1 This scheme has been approved under the Council's Urgency Powers by the Chief Executive in consultation with Group Leaders

6.2 Officers of the Council will administer the scheme and the Chief Executive is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Central Government guidance.

## **7.0 Notification of Decisions**

7.1 Applications will be considered on behalf of the Council by the Council's Finance Team supported by the Revenues and Benefits Service.

7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

## **8.0 Reviews of Decisions**

- 8.1 There is no appeal procedure and the Council's decision is final.

## **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.