



East Devon District Council

Additional Restrictions Grant (ARG4)

Policy & Guidance

Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’; and **‘ARG4’** means the additional funding provided by Government;

‘the Council’; means East Devon District Council;

‘COVID-19’ (coronavirus); and **‘Omicron’** 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 from which severe impact from coronavirus will be considered. For the purpose of this scheme the date cannot be before 1st December 2021;

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

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

‘Omicron Hospitality and Leisure Grant (OHLG) scheme’; means the grant scheme developed by the Council in response to an announcement made by the Chancellor of the Exchequer on 21st December 2021 and which is applicable to rated businesses in the hospitality and leisure sectors;

‘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;

‘Subsidies’; means the Government’s replacement scheme for the previous state aid framework; 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 fourth round of the Council's Additional Restrictions Grant (ARG4) scheme. The Council, as the Business Rates Billing Authority is responsible for payment of these grants.

1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Chancellor of the Exchequer on 21st December 2020 which sets out the basic circumstances whereby an ARG4 payment may be made by the Council to a business which has been severely affected by coronavirus restrictions and the rise of the Omicron variant.

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. This is set out within the published [Guidance for Local Authorities](#).

1.4 Additional Restrictions Grant funding issued to the Council by BEIS will be available for the 2021/22 financial years only.

2.0 Funding

2.1 Government has provided the Council with a third fixed Additional Restrictions Grant 'top up' funding allocation of £277,681.38 which is available to assist impacted businesses. The Council has until 31st March 2022 to spend this funding allocation, with any funds remaining after this date being subject to recovery by BEIS.

2.2 The Council's ARG4 scheme has been designed to ensure the ARG funding is fully distributed by this time in assisting businesses that have been severely impacted by the recent rise in COVID-19 cases but which are not able to access the Government's mandatory [Omicron Hospitality and Leisure Grant](#) (OHLG).

3.0 Eligibility criteria and awards

3.1 For the purposes of this scheme the Council has decided that the following eligibility criteria must be met in order to receive an Additional Restriction Grant (ARG4).

3.2 In line with Government guidance, the Council's ARG4 scheme will support businesses which can evidence that their trade has been severely affected by the current increase in COVID-19 cases at any stage since 1st December 2021. The scheme will not be available for businesses who are eligible for, or who have been awarded, a Government (mandatory) Omicron Hospitality and Leisure Grant (OHLG).

3.3 The Council particularly encourages applications from businesses both within and which supply the hospitality leisure, personal care, events and travel and tourism sectors, as well as wedding industries, wholesalers, English language schools, breweries, freelance and mobile businesses, gyms and other businesses where they can confirm they are not eligible for the Omicron Hospitality and Leisure Grant (OHLG).

3.4 Businesses and organisations which are not included within the specific list of exclusions detailed within this scheme will be able to apply to the ARG4 scheme if sufficient evidence can be provided that they have been 'severely impacted' by the increase in COVID-19 cases between the 1st

December 2021 and March 2022. This includes non-excluded home-based and mobile businesses that can evidence they are registered companies or sole traders.

3.5 Government have made clear that discretionary grants, including the ARG must not be used as a wage supplement, rather to support businesses with their fixed costs. As such, ARG applicants that can demonstrate ‘severe impact’ must also evidence specific fixed business costs outside of any residential property and staffing costs.

3.6 Each application will be considered on a case-by-case basis. The Council considers ‘severe impact’ to describe an evidenced drop in the business’ normal trading, income or service provision compared to a more representative period of comparable trading. This severe impact must be caused by either

- (a) a significant drop in demand for goods/services due to the recent local increase in COVID-19 cases;
- (b) an inability to supply demand for goods/services due to staff COVID-19 infections;
- (c) an inability to supply demand for goods/services due to supply chain issues directly resulting from the recent global increase in COVID-19 cases; or
- (d) a significant drop in demand for goods/services due to restrictions affecting international travel due to the recent global increase in COVID-19 cases.

It should be made clear within the ARG4 application how this decreased level of trade is a direct consequence of the increase in COVID-19 cases since December 2021, and not as a result of more predictable (e.g. seasonal) fluctuations in demand.

3.7 Full details on how to claim are shown in Section 4.

3.8 There will be provision for ‘special cases’ to be considered within the Council’s ARG Policy. Businesses within East Devon who are experiencing exceptional circumstances will be required to email arg@eastdevon.gov.uk with specific justifications for support and full details of their case for consideration by the Service Lead – Growth, Development & Prosperity.

3.9 Only one ARG4 will be awarded to any business under this scheme, not including ‘special cases’. No automatic right of approval for any subsequent grant is implied or should be assumed.

3.10 If an applicant is a director/shareholder of more than one business registered/trading at a particular address, only one of those businesses can receive an ARG4 grant. The applicant will be ineligible for an ARG4 grant if another one of their businesses has received an Omicron Hospitality and Leisure Grant for the same space (or a proportion of that space) that the business applying for ab ARG4 occupies.

Award Levels

3.11 The Council has confirmed the following grant award levels for the current ARG4 scheme;

Discretionary: ARG4				
Impact	Non-ratepayer	£0-£15k RV ratepayer	£15-£51k RV ratepayer	£51k+ RV ratepayer
Impacted trade	£889	£1,350	£2,000	£3,000
Suspended trade	£1,778	£2,667	£4,000	£6,000

3.12 Businesses who can evidence that the recent rise in COVID-19 cases led to the temporary suspension of trade for at least five consecutive working days are eligible to receive a grant in the

higher grant bands. Businesses who can evidence that the recent rise in COVID-19 cases led to a severe loss of trade, but not the temporary suspension of trade altogether, are eligible to receive a grant in the lower grant bands.

Ineligible businesses

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

- (a) Businesses which can obtain or have obtained a grant under the Omicron Hospitality and Leisure Grant scheme;
- (b) Businesses which have already received grant payments that equal the maximum levels of subsidy permitted;
- (c) Businesses that were in administration, are insolvent or where a striking-off notice has been made; and
- (d) Businesses that do not primarily operate and trade within East Devon.

3.14 In addition to the above and to ensure limited grant funds are prioritised to those businesses most severely impacted by the current rise in COVID-19 infections, the following businesses and hereditaments are specifically excluded from Council's ARG4 scheme:

- Any properties or parts of properties used for personal use
- Charitable or non-commercial organisations that are not engaged in business/commercial activity;
- 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; Beach huts or similar structures; and
- Self-catered accommodation for holiday use.

The Effective Date

3.15 The effective date for eligibility is the 1st December 2021. Businesses **must be able to demonstrate they were** trading on the day prior to 1st December 2021 to be eligible to receive grant support.

Who can receive the grant?

3.16 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. Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

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

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 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 person 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 ARG4 scheme together with the Omicron Hospitality and Leisure Grant scheme will offer a lifeline to businesses who are struggling to survive during the COVID-19 pandemic.

4.2 Full details of the Council's scheme, including how to apply are available online at <https://eastdevon.gov.uk/arg> and marketed via the East Devon business update which all businesses in district are encouraged to subscribe to.

4.3 The online application form is available to complete with effect from the X February 2022. This initial scheme will remain open for a period of 4 weeks until 5pm on the X March 2022. The Council reserves the right to close the scheme earlier should the allocated funding be exhausted.

4.4 All applicant businesses will be required to upload up to date bank statement(s) (for the account used by the business). This must contain the name of account, sort code and account number for verification purposes. In the case where a business is a limited company, the details of a business account (rather than a personal account) must be provided.

4.5 The Council will undertake both pre- and post-payment anti-fraud checks. Any attempt to fraudulently claim public grant funding will be reported to the National Anti-Fraud Network (NAFN) and will result in funds being recovered and legal action being taken.

4.6 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.

4.7 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible. The council may suspend an application in the event an applicant fails to provide sufficient evidence of

- (a) their business primarily operating and trading within East Devon;
- (b) significant adverse impact of the recent increase in COVID-19 infections on their business;
- (c) the ARG being used to mitigate fixed business costs (and so not used to supplement wages)

4.8 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.

4.9 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 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, however, 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.

5.4 Businesses should make themselves aware of their obligations under the Government's subsidies arrangements on 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 Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

6.3 The Council reserves the right to change this scheme at any time.

7.0 Notification of Decisions

7.1 All decisions made by the Council shall be notified to the applicant 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 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, 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.

13.2 Applicants will be made aware 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 purpose of monitoring and evaluating the scheme.