

Harrogate Borough Council  
Additional Restrictions Grants (ARG) Scheme  
Phase 4

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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. For the purpose of this scheme the date cannot be before 1<sup>st</sup> April 2021;

**‘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;

**‘Non-essential retail’;** means those businesses defined within this scheme

**‘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;

**‘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 Council's Additional Restrictions Grant (ARG) Phase 4 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 Secretary of State for Business, Energy & Industrial Strategy 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 purpose of the Council's ARG Phase 4 scheme is to provide financial support for eligible businesses that have been severely impacted by the coronavirus restrictions. Phase 4 supports business in the most impacted sectors by the coronavirus restrictions and recognises the costs that those businesses face in operating safely when reopening, including those businesses that are not eligible for the national Restart grant.

## 2.0 Funding

- 2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities are given a fixed amount of funding to assist businesses through the crisis. In view of this, the Council reserves the right to vary this scheme or to terminate the scheme if funds are exhausted.
- 2.2 Funding will be used to support all businesses eligible for grants under this scheme. In addition, funds may be used where the Secretary of State for Business, Energy & Industrial Strategy instructs the Council to award funds from the ARG allocation.

## 3.0 Eligibility criteria and awards

- 3.1 The Council has decided that for ARG Phase 4, direct grants will be available to businesses in two distinct categories:
  - (a) **Grant 1** – support for businesses with no ongoing fixed commercial property costs; and
  - (b) **Grant 2** – support for businesses with ongoing fixed commercial property costs.
- 3.2 Awards within the Grant 2 scheme will be paid at differing levels depending on the sector or 'strand' in which the business falls:

**Strand A** will be for:

- Non – essential retail; and

- English Language schools.

**Strand B** will be for:

- Hospitality including breweries, catering and wholesale suppliers;
- Leisure and events (including gyms, sports, entertainment and events, and tourist attractions);
- Tourist accommodation; and
- Personal Care

3.3 Full details of both the eligibility criteria and awards are shown below.

### **Grant 1 – support for businesses with no ongoing fixed commercial property costs**

3.4 To be eligible, businesses must operate wholly or mainly within following sectors or their supply chain:

- Non – essential retail;
- Hospitality;
- Leisure (including gyms, sports, entertainment and events, and tourist attractions);
- Tourist accommodation; and
- Personal Care.

3.5 For the purposes of this scheme, a **non-essential retail business** is defined as a business that is used mainly or wholly for the purposes of retail sale or hire of goods or services by the public, where the primary purpose of products or services provided are not necessary to the health and well-being of the public.

3.6 A **hospitality business** is defined as a business whose main function is to provide a venue for the consumption and sale of food and drink. The Council will, as part of its decision consider whether:

- the business offers in-person food and drink services to the general public; or
- it is a business that provides food and/or drink to be consumed on the premises, including outdoors

3.7 A **leisure business** is defined as a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.

3.8 A **gym & sport business** is defined as a commercial or non-profit establishment where physical exercise or training is conducted on an individual basis or group basis, using exercise equipment or open floor space with or without instruction, or where individual and group sporting, athletic and physical activities are participated in competitively or recreationally.

3.9 For the purposes of this scheme, an **accommodation business** can be defined as a business whose main lodging provision is used for holiday, travel and other purposes. The Council will take into account the following when making its decision:

- Does the business provide accommodation for ‘away from home’ stays for work or

leisure purposes? and

- Does the business provide accommodation for short-term leisure and holiday purposes?

3.10 A **personal care** business is defined as a business which provides a service, treatment or activity for the purposes of personal beauty, hair, grooming, body care and aesthetics, and wellbeing.

3.11 In all of the above cases businesses must:

- (a) Have been legally required to close or severely impacted by COVID-19 restrictions;
- (b) Have their main business activity conducted in the Harrogate district. For this scheme this means 50% or more of their business sales or turnover is conducted in the district;
- (c) Have been trading on 1 April 2021. For the purposes of this scheme, a business is considered to be trading if it is engaged in business activity. This will be interpreted as carrying on a trade or profession or buying and selling goods or services in order to generate turnover. The Council will look at trading indicators such as:
  - The business has staff on furlough;
  - The business continues to trade online, via click and collect services etc.;
  - The business is not in liquidation, dissolved, struck off or subject to a striking-off notice or under notice; or
  - The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures;

3.12 Businesses which are mobile, operate from home or other domestic property, including Bed and Breakfasts liable for Council tax, will be eligible.

3.13 Businesses (including Sole Traders, Self Employed) who are liable for rent for commercial shared workspaces (e.g. hairdressers, beauticians, tattooists, etc. renting a chair or room, and permanent Harrogate Borough Council non- essential retail market traders) should apply for Grant 1.

3.14 Where a business operates within more than one sector, then the main service will be determined as the sector that constitutes 50% or more of overall business sales/turnover.

### **Awards – Grant 1**

3.15 All eligible businesses will receive a final one-off payment of £1,500

## **Grant 2 – support for businesses with ongoing fixed commercial property costs**

- 3.16 To be eligible under this part of the scheme the business must:
- (a) Have been legally required to close or severely impacted by COVID-19 restrictions;
  - (b) Have their main business activity conducted in the Harrogate district. For this scheme this means 50% or more of their business sales or turnover is conducted in the district;
  - (c) Have been trading on 1 April 2021. For the purposes of this scheme, a business is considered to be trading if it is engaged in business activity. This will be interpreted as carrying on a trade or profession or buying and selling goods or services in order to generate turnover. The Council will look at trading indicators such as:
    - The business has staff on furlough;
    - The business continues to trade online, via click and collect services etc.;
    - The business is not in liquidation, dissolved, struck off or subject to a striking-off notice or under notice; or
    - The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures;
  - (d) Operate from commercial premises with ongoing fixed property costs e.g. business rates and/or rent;
- 3.17 In order to be eligible for grants under the Grant 2 scheme , businesses must wholly or mainly operate within the following sectors or their supply chain (all business type definitions are as per Grant 1):

### **Strand A**

- Non – essential retail; and
- English Language schools.

- 3.18 Eligible businesses in Strand A will receive final grants of up to £6,000 depending upon their annual rental costs/rateable value.

### **Strand B**

- Hospitality including breweries, catering and wholesale suppliers;
- Leisure and events (including gyms, sports, entertainment and events, and tourist attractions);
- Tourist accommodation; and
- Personal Care.

- 3.19 Eligible businesses in Stand B will be in the hospitality, leisure, events, tourist accommodation and personal care sectors or their supply chain and will receive final grants of up to £18,000 depending upon their annual rental cost/rateable value.

- 3.20 Where a business operates within more than one sector, then the main service will be determined as the sector that constitutes 50% or more of overall business sales/turnover and grants awarded accordingly.

## Awards – Grant 2

3.21 The Council has decided that the following grants will be awarded to Strand A and B businesses:

	Strand A	Strand B
Annual rental cost/Rateable Value £15,000 and under	£2,667	£8,000
Annual rental cost/Rateable Value £15,001 to £51,000	£4,000	£12,000
Annual rental cost/Rateable Value over £51,000	£6,000	£18,000

3.22 Where the business premises are subject to Non-Domestic Rates and the applicant is liable for the business rates then the rateable value will be used to determine the grant award level.

## Excluded businesses – all schemes

3.23 The following businesses/organisations will not be eligible for an award:

- Businesses in areas outside the scope of the localised restrictions, as defined by Government, and not subject to a widespread national restriction;
- Businesses that have chosen to close but not been required to, will not be eligible;
- Businesses which have already received grant payments that equal the maximum subsidy or (previous) state aid limit;
- Businesses must not be eligible to claim under the Government’s mandatory RESTART scheme;
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction to widespread national restrictions; and
- Hackney carriage/private hire drivers (and any of their linked businesses) licenced by Harrogate Borough Council.

## The Effective Date

3.24 The effective date for eligibility is the 1<sup>st</sup> April 2021. Businesses **must** have been trading on that day to be eligible to receive grant support. The definition of trading is as stated in this scheme.

## Who can receive the grant?

3.25 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.

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



- 3.27 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.28 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 recognises the importance of these grants to assist businesses and support the local economy in responding to the challenges of COVID-19.
- 4.2 Details of how to obtain grants are available on the Council's website:  
[www.harrogate.gov.uk/business](http://www.harrogate.gov.uk/business)
- 4.3 Applications for Phase 4 will be open for a time limited period. It is proposed that this will run from Wednesday 26 May 2021 until Sunday 13 June 2021.
- 4.4 The Council reserves the right to reserve supplementary information from businesses to support its assessment of grant applications. This information must be provided within the specified timescale, or the application will be declined.
- 4.5 An application for an Additional Restrictions Grant is only deemed to have been made when a duly completed application form is received and acknowledged via the Council's online procedure.
- 4.6 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 Government's subsidies arrangements available on [gov.uk](http://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 Revenues, Welfare and Customer Services Manager 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 Head of Finance is authorised to make changes to the scheme in relation to phase timings and the funding allocation for each level.

## **7.0 Notification of Decisions**

- 7.1 Applications will be considered on behalf of the Council by the Revenues and Local Taxation team and the Economy and Transport Team.
- 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 The Council will operate an internal review process and will accept an applicant's request for a review of its decision. Appeals will only be accepted where a grant is refused. There shall be no appeal in respect of variation of the grant amount specified in the scheme.
- 8.2 All such requests must be made in writing to the Council within 7 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 internal review process will be undertaken by the Executive Officer for Economy and Transport, Revenues & Income Manager, or the Revenues, Welfare and Customer Services Manager, as soon as practicable and the applicant informed in writing or by email of the decision.

## **9.0 Complaints**

- 9.1 The Council's Complaints procedure, available at [www.harrogate.gov.uk/complaints](http://www.harrogate.gov.uk/complaints) will be applied in the event of any complaint received about the 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.