

**Additional Restrictions Grant Scheme Phase 5**

**Agreed by:** Head of Finance in consultation with Cabinet Member REED, Councillor Graham Swift

**Date:** 13 September 2021

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**1.0 Background**

During June 2021 the Government announced that step 4 of the national roadmap to lift all COVID-19 restrictions was paused by four weeks, from 21 June to 19 July 2021.

As a consequence of this extension a number of businesses in the leisure and events sectors were adversely impacted, from being unable to open, cancellations, reductions in scale or continuing to operate at a significantly reduced capacity.

In addition international travel and tourism has continued to be detrimentally affected by on-going restrictions and eligibility criteria. This has led to a significant reduction in trade for associated businesses, particularly for travel agents and dog/cat boarding kennels.

The businesses in the Harrogate district identified as ***most impacted and directly affected*** by the Roadmap extension and travel restrictions are:

- Nightclubs (unable to open)
- Theatres
- Larger live events, such as exhibitions, fairs and weddings and their suppliers e.g. audio, organisers
- Travel agents and associated travel/tourism suppliers e.g. boarding kennels
- Travel coach services

The Government has advised local authorities that they may use their Additional Restrictions Grant (ARG) funding to provide further financial assistance to locally based businesses affected by these restrictions – a top-up to Restart and previous ARG funding. Following the completion of the council's phase 4 ARG scheme in August 2021 it has been identified that sufficient ARG funding remains for a further phase.

**2.0 Purpose of the scheme**

It has been agreed to award a top-up grant to those businesses ***most impacted and directly affected*** by:

- a) the pause to step 4 of the Roadmap, and/or
- b) the ongoing international Covid travel restrictions.

In adopting a phase 5 ARG scheme the council has continued the key criteria that has informed all previous phases of the council's ARG scheme:

- Identifying those businesses that are most impacted and directly affected by the restrictions
- Awarding a meaningful amount of grant funding that recognises eligible businesses have on-going fixed costs, such as rent and insurance, and have experienced an accumulated detrimental impact on income, as a result of the continued Covid-19 restrictions

- Recognises the difference in costs faced by home based/mobile businesses and those operating from commercial premises
- Ensuring compliance with Government criteria on eligibility criteria, data collection and audit
- Provides an opportunity for reconsideration where a business (previously awarded Restart or ARG 4) has not been awarded a phase 5 ARG top-up grant
- Administering grant schemes effectively.

### **3.0 Eligibility criteria:**

It is acknowledged that a wide range of businesses have, and for some, continue to be affected by the Covid-19 restrictions. However, with limited funds remaining it is only been possible to allocate a meaningful grant to those businesses that have been most impacted and directly affected e.g. a live event/activity could not go ahead or was at significantly reduced capacity - theatre, music event, some aspects of weddings (catering, music) and travel overseas.

It is recognised that some other businesses continued to operate at reduced capacity, as a result of the pause to step 4 of the Roadmap. However, given the number of businesses impacted it has not been possible to support all of these with a top-up grant, due to the limited ARG funds remaining.

The travel sector continues to be adversely affected by the ongoing restrictions with international travel. It is also recognised that demand for dog/cat kennels overnight boarding services has reduced as a direct impact of a fall in overseas travel.

#### **Venues and suppliers to larger events, such as exhibitions and weddings**

The pause on step 4 of the Roadmap resulted in larger events being cancelled, rescheduled or reduced in capacity. The council has therefore decided to support those larger event venues where their primary/exclusive function is in providing a venue for events/weddings.

As a consequence many of the affected businesses – such as event organisers - will have faced an increased workload, in communications and administration, but received no additional income. They are businesses that have been most affected by cancellations and reduced capacity.

In the main weddings could still take place, although at a reduced maximum of 30 attendees, or were rescheduled. The impact on wedding suppliers is therefore considered to be contrasting. Caterers and music provision (DJ, audio hire) were most impacted by the inability to hold a large event. Other wedding items including flowers, photography, bridal / wedding party wear and beauticians/hairdressers will have been less impacted by the change in scale, as their services will have still been required.

Those businesses/venues that provide sports fields /clubs and clubs run primarily for the benefit of members e.g. cricket/tennis clubs, Scout Huts and Masonic Halls have been excluded. These businesses have not been most impacted and directly affected by the pause on the step 4 Roadmap.

#### **International travel industry and dog/cat boarding**

The travel industry continues to be detrimentally affected by on-going international restrictions with low levels of customer confidence. Staff time has often been taken up in cancelling and rebooking holidays, as regulations change at short notice.

Locally based travel businesses have therefore been included for support including travel coach services.

Pet boarding businesses have experienced a decrease in demand for services, as a direct impact of the international travel restrictions. Awards will only be made to those businesses that offer overnight stays/care (including from home). It is accepted that pet related day care businesses have been affected by more people working from home. This is not directly related to the pause in step 4 of the Roadmap or travel restrictions.

### Community Centres /Village Halls

In recognition of their main role as the primary indoor public centre, in their locality, Community Centres /Village Halls will be awarded a top up grant. It is recognised that a wide range of event activities will have been detrimentally impacted over time and by the pause in step 4 in the Roadmap.

### 3.1 General Criteria and Awards

Eligible businesses and organisations in all cases must:

- Have been awarded a grant under either the Council’s phase 4 ARG scheme or Restart scheme
- Continues to be based and trade in the Harrogate district.
- The business must be in a sector that is recognised by the council as being one that is **most impacted and directly affected** by the pause on step 4 of the Roadmap and/or ongoing international travel restrictions
- The decision on eligibility is based on the information provided by the business in its successful application, or appeal, for phase 4 ARG or Restart.
- Not be in administration, insolvent or subject to a striking-off notice at Companies House.
- Not have already received grant payments that equal the maximum subsidy or (previously) state aid limit.

### 4.0 What top-up grant funding is being awarded in phase 5 ARG?

The amount of top-up grant awarded in phase 5 ARG is based on business premise Rateable Value (RV) or annual rental cost. All eligible business will receive one grant per business rated (or leased) premise, in line with the criteria for Restart grants.

<b>Additional Restrictions Grant (ARG) Category</b>	<b>Amount of top-up grant</b>
<b>Phase 5 top-up grant scheme</b> RV = rateable value	
All eligible home or mobile based business	£1,500
All eligible community centres / village halls	£1,500
All eligible business with premises of RV or annual rental cost of £15,000 and under	£4,000

All eligible business with premises of RV or annual rental cost over £15,000 and less than £51,000	£5,000
All eligible business with premises of RV or annual rental cost of £51,000 or over	£6,000

Those business and organisations which have been identified as eligible will receive the top-up grant(s) paid directly into their bank accounts following notification. There is no application process. This will ensure those eligible receive grant funding as soon as possible and enable an effective use of council resources.

## 5.0 Subsidies and EU State Aid

The EU state aid rules no longer apply to subsidies granted in the UK following the end of the transition period. 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.

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.

Businesses should make themselves aware of their obligations under Government's subsidies arrangements available on [gov.uk](https://www.gov.uk)

## 6.0 Scheme of Delegation

The Council has approved this scheme by the delegated authority of the Head of Finance in consultation with Cabinet Member Resources Economy and Economic Development.

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.

## 7.0 Reviews of Decisions

The Council will operate an internal reconsideration process and will accept a request from the recipient of a phase 4 ARG or Restart grant payment for a reconsideration of its decision not to award a phase 5 ARG top-up grant payment. There shall be no appeal in respect of variation of the grant amount specified in the scheme.

Requests for a reconsideration will only be accepted where this is submitted in writing by email to [businessgrants@harrogate.gov.uk](mailto:businessgrants@harrogate.gov.uk) by 5pm on Thursday 30 September 2021. All such requests must state in detail the reasons why the business considers themselves to have been / are mostly impacted and directly affected by the pause on step 4 of the Roadmap and / or ongoing international travel restrictions. Information may be submitted to support the request for a reconsideration.

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.

## **8.0 Complaints**

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.

## **9.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)**

The Council has been informed by Government that all payments under the scheme are taxable.

The Council does not accept any responsibility in relation to a recipient's tax liabilities and all recipients should make their own enquiries to establish any tax position.

All recipients should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

## **10.0 Managing the risk of fraud**

Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any phase 5 ARG top-up grant recipient 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.

Grant recipients should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

## **11.0 Recovery of amounts incorrectly paid**

If it is established that **any grant** 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.

## **12.0 Data Protection and use of data**

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.

## **13.0 Future grant support**

The top-up grant under phase 5 will be the council's final ARG scheme, as there will be insufficient funds remaining to provide any further grant funding to businesses. At the current time the Government has not provided any indication that additional Covid-19 business grant funding will be allocated to local authorities.