



Harrogate Borough Council
Additional Restrictions Grant Scheme
Phase 6
January 2022

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Definitions

The following definitions are used within this document:

'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 30th December 2021;

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

'Hospitality, Leisure and Accommodation'; as defined within this scheme;

'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 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

'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, background, and funding

- 1.1 On 21 December 2021, the Government announced that a further £102 million would be made available nationally for Local Authorities, through a top-up to the Additional Restrictions Grant (ARG).
- 1.2 The ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions and the rise of the Omicron variant who do not qualify for the 'Omicron Hospitality and Leisure Grant' (OHLG).
<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-omicron-hospitality-and-leisure-grant>
- 1.3 A number of businesses in the Hospitality, Leisure and Accommodation sectors were adversely impacted during December 2021 by a reduction in the number of customers, with cancellations, lower attendance and 'no-shows'. Venues in which social mixing is a primary function, such as restaurants, were notably affected, with a reduction in income for businesses and their suppliers e.g., catering supplies due to general concerns on the rapid rise of the Omicron variant.
- 1.4 Travel and tourism continue to be detrimentally affected by Covid-19. This has led to a significant reduction in trade for associated businesses, particularly for travel agents and pet boarding kennels.
- 1.5 The businesses in the Harrogate district identified as **severely impacted** by coronavirus, in particular the rise of the Omicron variant and travel restrictions are:
- Hospitality – Food related businesses and their suppliers but not including takeaways;
 - Leisure and Events, such as exhibitions, fairs and weddings and their suppliers e.g., audio equipment, organisers;
 - Accommodation providers and their suppliers;
 - Travel agents and associated travel/tourism suppliers e.g., boarding kennels;
 - Travel coach services.
- 1.6 The Government has advised local authorities that they may use their Additional Restrictions Grant (ARG) funding to provide financial assistance to locally based businesses severely impacted by coronavirus and in particular the Omicron variant.

2.0 Principles of the scheme

- 2.1 It has been agreed to award a grant to those businesses **severely impacted** by:
- (a) coronavirus and in particular the Omicron variant, and/or
 - (b) Covid-19 travel restrictions.
- 2.2 In adopting a Phase 6 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 severely impacted by Covid-19 and in particular the Omicron variant;
- Awarding a meaningful amount of grant funding that recognises eligible businesses have on-going fixed costs, such as rent and insurance;
- 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 sharing, pre and post payment assurance checks and audit requirements;
- Operate an internal review process and will accept an applicant's request to review its decision;
- Administering Covid-19 business grant schemes effectively.

3.0 Eligibility criteria

- 3.1 It is acknowledged that a wide range of businesses have, and for some, continue to be affected by Covid-19 and reduced customer confidence. The primary principle of the ARG 6 scheme is to support:
- Eligible businesses that directly offer or supply in-person services within the hospitality, leisure and accommodation sectors and are not eligible for the OHLG; and
 - Businesses in the travel and tourism sectors and associated businesses including travel agents and pet boarding kennels.
- 3.2 It is recognised that some businesses continue to be impacted by Covid-19 and the rise of the Omicron variant. However, in line with government guidance and principles of the scheme support has been focused on those businesses which have been severely impacted.

Hospitality

- 3.3 For the purposes 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. It will include those businesses providing an in-person service and where the food and/or drink is consumed on the premises (indoor or outdoor) but will exclude those business whose main service is a takeaway.
- 3.4 The scheme applies to suppliers to the hospitality sector as they are considered to have been severely impacted by a reduction in attendance and / or cancellations. Examples are food, drink and linen suppliers. Cleaners, window cleaners, stock takers, and persons undertaking repairs/maintenance are not eligible as their services are not directly linked to the reduction in event attendance and/or cancellations.

Leisure and Events

- 3.5 For the purposes of this scheme, a leisure business can be defined as a business that provides opportunities, experiences, and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.

- 3.6 The scheme supports event venues along with suppliers to the industry e.g., caterers, catering equipment and music provision (DJ, audio hire) which are most impacted by a reduction in custom(ers) or cancellations.
- 3.7 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 severely impacted by cancellations and reduced customer confidence.
- 3.8 Other associated businesses, whose services include supplying services and / or products to the leisure and events sectors, including flowers, photography, bridal / wedding party wear and beauticians/hairdressers have been less impacted by a reduction in, or cancellation of, social mixing activity in response to the rise in the Omicron variant and have therefore not been included in this scheme.
- 3.9 Furthermore, in line with government guidance, all retail businesses (including bookmakers), gyms and sports businesses where physical exercise or training is conducted on an individual basis or group basis are excluded.

Accommodation

- 3.10 For the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel, or other purposes whether it be for work purposes or leisure.
- 3.11 For avoidance of doubt, accommodation advertised wholly or mainly on Airbnb or similar websites will only be considered if it is operated as a registered business.
- 3.12 This will include both catered and self-catering accommodation including caravan and campsites.
- 3.13 In line with government guidance education accommodation, residential homes, care homes, residential family centres and beach huts are not eligible for this scheme.
- 3.14 Key suppliers to this sector will also be eligible, examples would be a laundry service along with food and drink suppliers.
- 3.15 Cleaners, window cleaners, stock takers and persons undertaking repairs/maintenance would not be included as eligible services for the purpose of the grant.

Travel industry and pet boarding

- 3.16 Travel and tourism related businesses have been severely impacted and continue to be detrimentally affected by Covid-19 with reduced customer confidence. Staff time has often been taken up in cancelling and rebooking holidays, as regulations change at short notice.

- 3.17 This has led to a significant reduction in trade for associated businesses, particularly for travel agents and pet boarding kennels.
- 3.18 Locally based travel businesses have therefore been included for support including tour/coach tour operators.
- 3.19 Pet boarding businesses have experienced a decrease in demand for services, as a direct impact of the travel restrictions. Awards will only be made to those eligible businesses that offer overnight stays/care (including from home). Pet related day care businesses are not eligible for this scheme.

4.0 General Criteria and Awards

- 4.1 Eligible businesses and organisations in all cases must:
- Complete a new application form via MyAccount and submit the required evidence to support their application (The closing date for applications is 12 noon on Monday 14 February 2022 and no payments can be made by the council after 31 March 2022);
 - Not be eligible for assistance under the 'Omicron Hospitality and Leisure Grant';
 - Self-certify that they meet all eligibility criteria;
 - Be based and trading in the Harrogate district on 30 December 2021;
 - Trade in a sector that is recognised as being one that is **severely impacted** by the Covid-19 and in particular the Omicron variant;
 - The decision on eligibility is based on the information provided by the business in its application form;
 - Not be in administration, insolvent or subject to a striking-off notice at Companies House and
 - Not have already received grant payments that equal the maximum subsidy or (previously) state aid limit.

5.0 What grant funding is being awarded in Phase 6 ARG?

- 5.1 The amount of grant awarded in Phase 6 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 Omicron Hospitality and Leisure Grant. In addition, those eligible home based or mobile businesses will receive a lower fixed amount.

Additional Restrictions Grant (ARG) Category Phase 6 grant scheme RV = rateable value	Amount of grant per premise
All eligible home or mobile based business	£1,000
All eligible business with premises of RV or annual rental cost of exactly £15,000 or under on 30 December 2021	£2,667
All eligible business with premises of RV or annual rental cost over £15,000 and less than £51,000 on 30 December 2021	£4,000
All eligible business with premises of RV or annual rental cost of £51,000 or over on 30 December 2021	£6,000

6.0 Subsidies and EU State Aid

- 6.1 The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 6.2 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.
- 6.3 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.
- 6.4 Businesses should make themselves aware of their obligations under Government's subsidies arrangements available on via the following links:
<https://www.harrogate.gov.uk/downloads/file/4327/covid-19-business-grant-subsidy-allowance-guidance>
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7.0 Scheme of Delegation

- 7.1 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.
- 7.2 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.

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 by email to the council within 2 working 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 Appeals received after 2 working days will not be considered.
- 8.4 The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed by e-mail of the decision.
- 8.5 There shall be no appeal in respect of variation of the grant amount specified in the scheme.
- 8.6 A request for a reconsideration will only be accepted when it has been submitted using the review process detailed in the decision email.
- 8.7 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 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 a recipient's tax liabilities and all recipients should make their own enquiries to establish any tax position.
- 10.3 All recipients 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 Phase 6 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.
- 11.2 Grant recipients 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 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.

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.

14.0 Future grant support

- 14.1 The grant under Phase 6 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.