

DECISION TAKEN UNDER DELEGATION TO THE CHIEF EXECUTIVE

Subject:

Local Restrictions Support Grants

Date of Decision:

24 November 2020

Decision Number:

10/2020

Background:

On 22nd October 2020, the Secretary of State for Business, Energy and Industrial Strategy announced a package of support for businesses which have been severely impacted by the imposition of Tier 2 and Tier 3 COVID-19 restrictions, although not forced to close. As a result of the request from Essex councils to be placed into Tier 2 with effect from 17th October 2020, the Local Restrictions Support Grant (Open) funding has been made available to Chelmsford City Council and the Council has had to decide on a discretionary scheme to support affected businesses. In addition to this, the Secretary of State announced a further fund, the Additional Restrictions Support Grant Scheme, on 31st October 2020. The Additional Restrictions Grant funding is intended to support businesses affected during periods of Tier 3 and national lockdown restrictions. Each local authority also has discretion as to how this funding is distributed.

Decision and Reasons for Urgency:

It is necessary to put in place the policies for the distribution of the Local Restrictions Support Grant (Open) – LRSG(Open) and Additional Restrictions Grant (ARG) funding. Those policies are attached as Appendices A and B to the attached briefing note.

The need to provide financial support to businesses quickly would be frustrated by the timescales of the usual decision-making process. The Chief Executive therefore accepted the need to exercise his delegated authority to take urgent decisions and approved the introduction of the policies with immediate effect.

Supporting Information:

The Cabinet Member for Fairer Chelmsford was consulted before taking the decision and had no objection to it.

LOCAL RESTRICTIONS SUPPORT GRANTS - DISCRETIONARY

Background Information for Chief Executive

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1. Introduction

- 1.1 On 22nd October 2020, the Secretary of State for Business, Energy and Industrial Strategy announced a package of support for businesses which have been severely impacted by the imposition of Tier 2 and Tier 3 COVID-19 restrictions, although not forced to close. As a result of the request from Essex councils to be placed into Tier 2 with effect from 17th October 2020, the Local Restrictions Support Grant (Open) funding has been made available to Chelmsford City Council and the Council has had to decide on a discretionary scheme to support affected businesses. In addition to this, the Secretary of State announced a further fund, the Additional Restrictions Support Grant Scheme, on 31st October 2020. The Additional Restrictions Grant is funding intended to support businesses affected during periods of Tier 3 and national lockdown restrictions. Each local authority also has discretion as to how this funding is distributed.
- 1.2 This paper seeks an urgency decision to agree the policies for the distribution of the Local Restrictions Support Grant (Open) – LRSG(Open) and Additional Restrictions Grant (ARG) funding. The need to provide financial support to businesses quickly would be frustrated by the timescales of the usual decision-making process.

2. The Local Restrictions Support Grant (Open) Scheme

- 2.1 The proposed policy has been attached as Appendix A. Businesses that the council has decided should be eligible for grants will be paid grants for every 28 day period, or part thereof, that Tier 2 restrictions are in force.
- 2.2 The funding available for the grant has been calculated by Government as 90% of the amount needed to pay a suggested grant value to businesses in the leisure, hospitality and accommodation sectors plus a 5% uplift. This funding will not be topped up, so the Council has had to be mindful in the formulation of its policy to ensure that as many businesses as possible can be assisted. The proposed rates of grant are:

Businesses with no rateable value (in shared units or based at home) and those businesses with a rateable value up to and including £15,000 - **£934 per 28 day period**

Businesses with a rateable value between £15,001 and £50,999 inclusive - **£1,400 per 28 day period**

Businesses with a rateable value £51,000 and above – **£2,100 per 28 day period**

- 2.3 Businesses potentially eligible for the LRS(Open) grant will be medium, small and micro businesses in the following sectors whose turnover and trade have been severely affected by measures implemented to restrict the spread of COVID-19:

hospitality, leisure and accommodation sectors;
businesses in the supply chain to the hospitality, leisure and accommodation sectors, where the majority of their trade is with those sectors;
Businesses in the 'events' sector

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The Additional Restrictions Grant Scheme (ARG)

3.1

The proposed policy has been attached as Appendix B. ARG funding has been made available on the understanding that it can be used in respect of both direct grants to businesses and wider business support measures. The funding can be spent between now and 31st March 2022. Chelmsford City Council has received £3,567,760 and it is proposed that 10% of this amount is 'top-sliced' to be used for wider business support activities. These activities are yet to be determined and will be the subject of a future policy proposal from the

3.2 Economic Development Team.

The balance of £3,210,984 will be utilised to provide direct grants to eligible businesses during periods of Tier 3 or national lockdown conditions. Grants will be paid for 28 day periods, or parts thereof. The proposed rates of grant are:

Businesses with no rateable value (in shared units or based at home) and those businesses with a rateable value up to and including £15,000 - **£934 per 28 day period**

Businesses with a rateable value between £15,001 and £50,999 inclusive - **£1,400 per 28 day period**

Businesses with a rateable value £51,000 and above – **£2,100 per 28 day period**

3.3

A one-off £400 grant for eligible taxi drivers

Businesses potentially eligible for the ARG will be medium, small and micro businesses in the following sectors, whose turnover and trade have been severely affected by measures implemented to restrict the spread of COVID-19, but which are not eligible for a grant from the Local Restrictions Support Grant (Closed) scheme because they have not been legally required to close or have no rateable value:

Retail, hospitality, leisure and accommodation;
businesses in the supply chain to the hospitality, leisure and accommodation

- sectors, where the majority of their trade is with those sectors;
- 3.4 Businesses in the 'events' sector
 - Taxi drivers with a current Chelmsford City Council taxi licence

- There is a detailed list of retail and service sector exclusions to the above which mirrors the list of businesses specifically allowed remain open by Part 3 of the Schedule to SI 1200 of 2020 - The Health Protection (Coronavirus, Restrictions) (England) (No.4) Regulations 2020. For the purposes of the ARG policy, boarding kennels and catteries and laundrettes and dry cleaners will be eligible to apply.
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 - 4.1

Common Restrictions

There are restrictions regarding eligibility to the grants which are common to both policies. A business must have been actively trading immediately prior to start of any relevant period of restriction. It must not be insolvent, in administration or subject to a striking-off notice. There are also restrictions relating to the level of State Aid that a business has received.

5 Conclusion

- 5.1 An urgency decision will allow Chelmsford City Council to invite applications from eligible businesses and begin making payments well in advance of the current period of national lockdown.

List of Appendices

Appendix A – Chelmsford City Council Local Restrictions Support Grant (Open) Scheme
Appendix B – Chelmsford City Council Additional Restrictions Grant Scheme

Background Papers

Department for Business, Energy and Industrial Strategy guidance regarding Local Restrictions Support Grant (Open) and Additional Restrictions Grant Scheme

Chelmsford City Council
Local Restrictions Support Grant
(OPEN)
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 the Council at the point that national restrictions are imposed or at the point the Council first entered LCAL 3 local restrictions;

‘the Council’; means Chelmsford City Council;

‘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 17th October 2020;

‘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 Chelmsford. 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’** mean legally binding restrictions imposed on Chelmsford, where the Secretary of State for Health and Social Care requires the closure of businesses in Chelmsford 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 9th September 2020, amended on 9th 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 (Open)’; 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 22nd October 2020 and which is applicable to businesses that are still open but severely impacted by the restrictions imposed by LCAL2 and LCAL3;

‘Local Restrictions Support Grant Scheme (Sector)’; 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 9th October 2020 (effective from 1st November) and which is applicable to businesses that have been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus;

'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; 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 Local Restrictions Support Grant Scheme (Open).

1.2 The 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 22nd October 2020 which sets out circumstances whereby a grant payment may be made by the Council to businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.

- 1.3 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down certain criteria which **must** be met by each business making an application. The Department has also indicated the types of business which should be given the grant.
- 1.4 The scheme applies where local restrictions either under LCAL2 (High) or LCAL3 (Very High) are put in place on or after 17th October 2020.
- 1.5 Grants under this scheme will be available for the 2020/21 financial year only.
- 1.6 Where there is a widespread national restriction, this scheme will be replaced by the Council's Local Restrictions Support Grant Scheme (Closed) and potentially the Additional Restrictions Grant (ARG) scheme.

2.0 Funding

- 2.1 Chelmsford expects to receive funding to meet the cost of payments to businesses within the business rates system based on an assessment of the number of eligible business hereditaments. This may not be sufficient to meet

3.0 Eligibility criteria.

- 3.1 The Local Restrictions Support Grant (Open) is primarily aimed at hospitality, hotel, bed & breakfast and leisure businesses. The Council does have the discretion as to how to award grant funding to individual businesses and will award to businesses outside of these sectors.
- 3.2 Government, whilst wanting Councils to exercise their local knowledge and discretion, has strongly suggested that the Council follow their criteria for the awards. The Council has decided to adopt these principles, and, in all cases, the Council will only consider businesses for grants where **all** of the criteria are met.

Eligibility criteria determined by the Council.

- 3.3 The Council has determined the following criteria:
(a) Businesses that were established and trading on the day prior to the introduction of LCAL 2-type (High) or LCAL 3-type (Very High) restrictions within the area and which satisfy one or more of the following criteria;

- (i) Medium, small and micro businesses in the hospitality, leisure and accommodation sectors whose turnover and trade has been severely affected by the localised restrictions on socialising are eligible;
- (ii) Medium, small and micro businesses in the supply chain to the hospitality, leisure and accommodation sectors, where the majority of their trade is with those sectors are eligible;
- (iii) Medium, small and micro businesses in the 'events' sector are eligible.

3.4 In each case, the business will be required to certify to the Council that they have been severely impacted by the restrictions to be eligible for a grant.

3.5 The decision as to whether a business has been 'severely affected' will be at the absolute discretion of the Council. In most cases this will be obvious due to the nature of the business. A business in these sectors will have had to make adjustments which have limited its capacity or customer footfall or its ability to trade normally or trade has severely reduced as a result of restrictions on movement or freedom to assemble. It may be necessary to ask for further information in borderline cases.

3.6 Medium, small and micro are defined as follows:

- a medium-sized business has fewer than 250 employees and either a turnover of up to €50 million or a balance sheet total of up to €43 million
- a small business has fewer than 50 employees and either a turnover of up to €10 million or a balance sheet total of up to €10 million
- a micro-business has fewer than ten employees and either a turnover of up to €2 million or a balance sheet total of up to €2 million

3.7 Examples of hospitality, leisure and accommodation, 'supply chain', 'events' (these are not definitive)

Hospitality venues such as cafes, restaurants, pubs, bars, takeaways, coffee shops and social clubs

Leisure and sports facilities such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, and shooting ranges

Entertainment venues such as theatres, concert halls, cinemas, museums and galleries, casinos, amusement arcades, bingo halls, bowling alleys, skating rinks, go-karting venues, soft play centres and areas, circuses, fairgrounds, funfairs, zoos and other animal attractions, water parks and theme parks, botanical gardens, art galleries (where art is not for sale or hire) and heritage homes

Personal care facilities such as hair, beauty, tanning and nail salons, tattoo parlours, spas, massage parlours, body and skin piercing services

Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest- and Boarding Houses
- Holiday homes
- Caravan parks and sites

Businesses involved in the supply chain to the hospitality, leisure, and accommodation sector where more than half the trade is with that sector such as: commercial laundries, wedding planners/photographers, bridal wear, catering, travel agents, boarding kennels and catteries etc

Events businesses – such as wedding planners, trade fair planners, marquee hire

4.0 The grant award, award periods and excluded businesses

Where the business is shown in the local non-domestic rating list

4.1 The Council has decided that the following awards shall be granted:

- (a) Grants of £934 per 28-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (b) Grants of £1,400 per 28-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (c) Grants of £2,100 per 28-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions (LCAL2 or LCAL3).

Where the business is NOT shown in the local non-domestic rating list

4.2 In addition to the above, the Council has decided that the following awards will be

available to businesses which are not currently shown in the non-domestic rating list, which are able to remain open, but which are severely impacted by the restrictions, and which satisfy the eligibility criteria for the award of a grant.

- (a) Grants of £934 per 28-day period;

Award periods

- 4.3 It should be noted that, in all cases, grants will be paid for every 28-day period that the criteria are met. Awards will be pro-rated if a period of restriction is less than 28 days or an alternative grant funding scheme becomes applicable. Any business failing to meet the criteria will not be awarded a grant.

5.0 Excluded businesses

- 5.1 The following businesses will **not** be eligible for an award:
- (a) Businesses that are able to continue to trade and are not severely impacted as they can continue to provide their services normally;
 - (b) Businesses in areas outside the scope of Chelmsford's localised restrictions, as defined by Government;
 - (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;
 - (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 national restriction;
 - (e) Businesses not trading immediately before the restrictions, unless trading immediately before a continuous period of these and other previous restrictions: and,
 - (f) Specific businesses subject to national closures since 23rd March 2020 will not be eligible for this funding. They will be provided support through the strand of the Local Restrictions Support Grant (Sector) for nationally mandated business closures.

6.0 The Effective Date

- 6.1 The effective date for eligibility of grants under this scheme is the date of the local restrictions.
- 6.2 Where a business is shown in the local non-domestic rating list the Rateable Value used in determining the level of grant will be that shown for the hereditament in the local rating list as at the effective date. Any changes to the local rating List (Rateable Value or to the hereditament) after that date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility.

- 6.3 The Council is not required to adjust, pay or recover grants where the local rating list is subsequently amended retrospectively to the effective date.

7.0 Who can receive the grant?

- 7.1 Government has stated that the person who will receive the grant will be, where the business has a hereditament in the local non-domestic rating list, the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date.
- 7.2 Where grants are awarded to businesses who are not liable for rates, the Council shall decide who shall be awarded the grant.
- 7.3 Where the Council has reason to believe that the information it holds about the ratepayer or business at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 7.4 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 7.5 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 business or individual is found to have falsified records in order to obtain a grant.

8.0 How will grants be provided to Businesses?

- 8.1 Details of how to obtain grants are available on the Council's website: <https://www.chelmsford.gov.uk/business/coronavirus-help-and-guidance-forbusinesses-and-employers/grants-for-businesses-affected-by-coronavirus/>
- 8.2 In all cases businesses will be required to confirm that they are eligible to receive the grants. This includes where the Council already has bank details for the business and is in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.

- 8.3 The Council reserves the right to request any supplementary information from businesses. No grant will be paid where requested information has not been supplied. The judgement as to the suitability or completeness of any supplied information will rest solely with the Council.
- 8.5 An application for a Local Restrictions Support Grant (Open) is deemed to have been made when a duly completed application form is received via the Council's online procedure.
- 8.6 All monies paid under this scheme are expected to be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

9.0 EU State Aid requirements

- 9.1 Any Local Restrictions Support Grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 9.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.
- 9.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

10.0 Scheme of Delegation

- 10.1 The Council has approved this scheme.
- 10.2 Officers of the Council will administer the scheme and the Director of Finance is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and remains in line with Government guidance.

11.0 Notification of Decisions

- 11.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 11.2 All decisions made by the Council will be notified to the applicant either in writing or by email. A decision will be made as soon as practicable after an application is received.

12.0 Reviews of Decisions

- 12.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.
- 12.2 All such requests must be made in writing or by email 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.
- 12.3 The application will be reconsidered by a senior officer as soon as practicable and the applicant informed in writing or by email of the decision.

13.0 Complaints

- 13.1 The Council's 'Complaints Procedure' (<https://www.chelmsford.gov.uk/your-council/have-your-say/complaints/>) will be applied in the event of any complaint received about this scheme.

14.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC) and other Government bodies

- 14.1 The Council has been informed by Government that all payments under the scheme are taxable.
- 14.2 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.
- 14.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

15.0 Managing the risk of fraud

- 15.1 Neither the Council nor Government will accept any form of fraud or other deliberate manipulation of the scheme. 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.

- 15.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant will be passed to Government upon request.

16.0 Recovery of amounts incorrectly paid

- 16.1 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.

17.0 Data Protection and use of data

- 17.1 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.
<https://www.chelmsford.gov.uk/your-council/about-our-website/our-privacy-policy-and-privacy-notices/>



Appendix B

Chelmsford City 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 the Council at the point that national restrictions are imposed or at the point the Council first entered LCAL 3 local restrictions;

‘the Council’; means Chelmsford City Council;

‘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 17th 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 Chelmsford. 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’**; mean legally binding restrictions imposed on Chelmsford, where the Secretary of State for Health and Social Care requires the closure of businesses in Chelmsford 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 9th September 2020 and amended on 9th 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;

‘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;

‘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 31st 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 is 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 Grants 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 5th November 2020.
- 1.9 Where Chelmsford 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, Chelmsford has received a sum of £3,567,760 to be utilised during 2020/21 and 2021/22. No further funding is expected. Chelmsford has decided to use £3,210,984 in direct grants to business and £356,776 in wider business support activities.

3.0 Eligibility criteria and awards

- 3.1 The Council will 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.
- 3.2 If Local Authorities use the Additional Restriction Grant for direct business support grants, Government has stated that the same conditions of grant **must** apply as for the Local Restrictions Support Grant (Closed) scheme. However, the Council will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
- 3.3 Government has stated that the Council *may* also consider making grant payments to those businesses which, while not legally forced to close, are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. Government has also stated that the Council may wish to assist businesses which are outside of the rating system and which are effectively forced to close.

Eligibility Criteria

3.4 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:

(a) Businesses that were established and trading on the day prior to the introduction of LCAL 3-type (Very High) restrictions within the area and which satisfy one or more of the following criteria;

(i) Medium, small and micro businesses in the retail, hospitality, leisure and accommodation sectors whose turnover and trade has been severely affected by the localised restrictions on socialising are eligible;

(ii) Medium, small and micro businesses in the supply chain to the hospitality, leisure and accommodation sectors, where the majority of their trade is with those sectors, are eligible;

(iii) Medium, small and micro businesses in the 'events' sector are eligible;

(iv) Taxi drivers with a current Chelmsford City Council taxi licence.

3.5 In each case, except for taxi drivers where the grant is dependent solely upon possession of a current valid Chelmsford City Council taxi licence, the business will be required to certify to the council that they have been severely impacted by the restrictions to be eligible for a grant.

3.6 The decision as to whether a business has been 'severely affected' will be at the absolute discretion of the Council. In most cases this will be obvious due to the nature of the business. A business in the above sectors will have had to make adjustments which have limited its capacity or customer footfall or its ability to trade normally or trade has severely reduced as a result of restrictions on movement or freedom to assemble. It may be necessary to ask for further information in borderline cases.

3.7 Medium, small and micro are defined as follows:

- a medium-sized business has fewer than 250 employees and either a turnover of up to €50 million or a balance sheet total of up to €43 million
- a small business has fewer than 50 employees and either a turnover of up to €10 million or a balance sheet total of up to €10 million
- a micro-business has fewer than ten employees and either a turnover of up to €2 million or a balance sheet total of up to €2 million

3.8 Examples of hospitality, leisure and accommodation (these are not definitive)

Hospitality venues such as cafes, restaurants, pubs, bars, takeaways, coffee shops and social clubs

Leisure and sports facilities such as leisure centres and gyms, swimming pools, tennis and basketball courts, golf courses, fitness and dance studios, climbing walls, archery, driving, and shooting ranges

Entertainment venues such as theatres, concert halls, cinemas, museums and galleries, casinos, amusement arcades, bingo halls, bowling alleys, skating rinks, go-karting venues, soft play centres and areas, circuses, fairgrounds, funfairs, zoos and other animal attractions, water parks and theme parks, botanical gardens, art galleries (where art is not for sale or hire) and heritage homes

Personal care facilities such as hair, beauty, tanning and nail salons, tattoo parlours, spas, massage parlours, body and skin piercing services, laundrettes and dry cleaners

Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest- and Boarding Houses
- Holiday homes
- Caravan parks and sites

Businesses involved in the supply chain to the hospitality, leisure, and accommodation sector where more than half the trade is with that sector such as: commercial laundries, wedding planners/photographers, bridal wear, catering, travel agents, boarding kennels and catteries etc

hire Events businesses – such as wedding planners, trade fair planners, marquee

3.9 Exclusions to the above eligible categories

Food retailers, including food markets, supermarkets, convenience stores and corner shops

Off licences and licenced shops selling alcohol (including breweries)

Pharmacies (including non-dispensing pharmacies) and chemists

Newsagents

Hardware stores

Building merchants and building services

Petrol stations

Car repair and MOT services

Bicycle shops

Banks, building societies, credit unions, short-term loan providers, savings clubs, cash points, currency exchange services, bureaux de change or any other business transmitting money or representations of money by any means and cheque cashing services

Post Offices

Funeral directors

Dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services related to mental health

Veterinary surgeons and pet shops
Agricultural supplies shops
Storage and distribution facilities, including delivery drop-off or collection points, where the facilities are in the premises of a business included in these exceptions
Car parks
Public toilets
Garden centres

Award Levels

3.10 The Council has decided the following grant award levels will be awarded:

Where the business is shown in the local non-domestic rating list

3.11 The Council has decided that the following awards shall be granted:

- (a) Grants of £934 per 28-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions (LCAL3);
- (b) Grants of £1,400 per 28-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions (LCAL3);
- (c) Grants of £2,100 per 28-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions (LCAL3).

Where the business is NOT shown in the local non-domestic rating list

3.12 In addition to the above, the Council has decided that the following awards will be

available to businesses who are not currently shown in the non-domestic rating list, who are able to remain open but who are severely impacted by the restrictions, and which satisfy the eligibility criteria for the award of a grant.

- (a) Grants of £934 per 28-day period;

3.8 Eligible taxi drivers only – a one-off grant of £400

Excluded businesses – both local and national restrictions

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

- (a) Businesses in areas outside the scope of Chelmsford's 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;
- (e) Businesses not trading immediately before the restrictions.

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 In **all** cases, 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.
- 3.12 Where the Council has reason to believe that the information it holds about the ratepayer at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 3.13 Where it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.14 Where any business 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.
- 3.15 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

4.0 How will grants be provided to Businesses?

- 4.1 Details of how to obtain grants are available on the Council's website: <https://www.chelmsford.gov.uk/business/coronavirus-help-and-guidance-for-businesses-and-employers/grants-for-businesses-affected-by-coronavirus/>

- 4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and is in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.
- 4.4 The Council reserves the right to request any supplementary information from businesses. No grant will be paid where requested information has not been supplied. The judgement as to the suitability or completeness of any supplied information will rest solely with the Council.
- 4.5 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.

5.0 EU State Aid requirements

- 5.1 Any grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).
- 5.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.
- 5.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

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 Director of Finance is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and remains in line with Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.

- 7.2 All decisions made by the Council will be notified to the applicant either in writing or by email. A decision will 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 or by email 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 in writing or by email of the decision.

9.0 Complaints

- 9.1 The Council's 'Complaints Procedure' (<https://www.chelmsford.gov.uk/your-council/have-your-say/complaints/>) 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 any form of fraud or other deliberate manipulation of the scheme. 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 upon request.

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 will be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.
<https://www.chelmsford.gov.uk/your-council/about-our-website/our-privacy-policy-and-privacy-notices/>