



Additional restrictions grant (ARG) outline scheme January 2022 update)

1. Introduction

- 1.1** On 31 October 2020, the Government announced additional funding to support businesses under national and local Covid-19 alert Level 3 restrictions. This is support for businesses that are not legally required to close but which are severely impacted by the restrictions on socialising put in place to manage coronavirus and save lives. On 21 December 2021, a further announcement was made by central government to top-up this funding in light of the Omicron variant and its impact on certain sectors.
- 1.2** Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care uses 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.
- 1.3** This support will take the form of a grant funding scheme in Financial Years 2020-2021 and 2021-22 but will apply initially only to the 28 day period of national lockdown from 5 November 2020 to 2 December 2020 and the subsequent period of lockdown which commenced on 5 January 2021 and ended on 19 July 2021. In recognition of the transition to recovery a further window for applications applied to the period 19 July to 31 August 2021. Applications were also encouraged from the return of restrictions on 13 December 2021 to apply for the six week period to 23 January 2022 (this was promoted prior to the announcement on 21 December regarding additional support and this guidance supersedes that). If a business has previously received ARG in relation to lockdown/restrictions during 2020/21 and 2021/22, these will not exclude applicants from applying for a further grant in 2021/22.
- 1.4** Each eligible Local Authority has been issued with a one-off lump sum payment based on £20 per head of population, subsequently topped-up

for the third lockdown period. It is envisaged that this will be used primarily to provide discretionary grants but it can be used to support wider business activities. A further top-up is available should funds run out before the end of March 2022 but all monies must be defrayed by 31 March 2022.

- 1.5** This policy should be read in conjunction with the national guidance and FAQs published on the .gov.uk website.

2. How will the grant be provided?

2.1 Wyre Council as the business rates billing authority, will receive the funding from Government and be responsible for making payments to businesses. The council will limit the total awards to the level of funding available from Central Government. This will require the council to prioritise those businesses in targeted sectors.

2.2 The council will determine the payment schedule and timings for these grants to businesses. Each grant will be a one-off payment for the duration of the lockdown but may be topped-up if funds allow.

3. Eligibility criteria of the fund

3.1 Local Authorities have the freedom to determine the precise eligibility criteria for these grants. However, Government expect the funding to be targeted at businesses which – while not legally forced to close – are nonetheless severely impacted by the restrictions put in place and the rise of the Omicron variant particularly in the hospitality, accommodation leisure, personal care, the travel and tourism sector, including group travel, travel agents and tour operators, coach operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), gyms, and other businesses that may have not received other grant funding. There is no restriction on the number of grants a business may receive, subject to subsidy limits. The council will also consider supporting sustainable businesses in the local priority areas outlined below.

3.2 In addition to the above sectors, the following local priorities have been identified:

- Supply chain businesses for the sectors identified in 3.1 including hospitality, leisure and events with their own business rates assessment.
- Small businesses in shared office or other flexible workspaces e.g. industrial parks, science parks, incubators etc., which do not have their own ratings assessment.
- Licensed Taxi Drivers – drivers licensed by the council will be eligible for £500. Applicants who were successful under the first and second application phase where a total payment of £1,000 was granted will have their grant automatically topped-up to

£1,500. This recognises the adverse effect on drivers caused by the numerous lockdown periods, restrictions and the rise of the Omicron variant and is a contribution towards fixed costs and loss of earnings.

- Mobile workers who have been forced to cease trading under lockdown restrictions e.g. driving instructors, hairdressers/beauty.
- Home based businesses with associated fixed property costs.
- Home based businesses with no/low fixed property costs but that can demonstrate a significant loss of income e.g. Event companies based at home, Travel Agents based at home, Education/Tuition companies, Wedding related companies and Photographers.
- Strategic financial assistance to larger businesses that have a critical role to play in Wyre's economic recovery. During previous lockdowns we identified a small number of businesses that fell outside the scope of the numerous business grant schemes but that we are keen to support. This category will bring them within scope of the ARG and allow us to provide financial assistance.
- Businesses locating to, or expanding into vacant premises in any of Wyre's town/larger village centres (premises must be in specific locations) or Fleetwood Market that offer an in-person service that would generate footfall, are a small independent sole trader/operator or locally based chain, have ground floor shop frontage or a (non-casual) stall at Fleetwood Market.

3.3 The above list is not exhaustive, but it is intended to guide the council's decision-making.

3.4 The council's S.151 Officer will have the final determination on whether a business is awarded a discretionary grant and at what amount. There is no further right of appeal. Awards are made at the total discretion of the council. Grants will be capped at £25,000 as under the first lockdown discretionary scheme. It is expected that the vast majority of grants will be for £6,000 or less and in line with the Omicron Hospitality and Leisure Grant scheme approach (maximum £6,000). The upper limit will only be waived in exceptional circumstances and normally where it is in the public interest.

3.5 The council reserves the right to award a minimum grant, and if funds are remaining this may be 'topped up'. Only if national guidance allows it will ARG funds be used to top-up grants paid out to businesses in receipt of the Omicron Hospitality and Leisure Grant.

3.6 Only one discretionary ARG grant will be awarded for the period 13 December 2021 to 23 January 2022 under this application window. This will also apply if more than one Limited Company has the same director(s) or where more than one business has the same proprietor (either sole trader or partnerships). The business must be based and operating predominantly in Wyre. Applicants should not claim for grants

under any other local authority's covid-19 business grants scheme for the same business.

- 3.7** Businesses that were established prior to 30 December 2021 within the Wyre Council area are eligible and must have been trading on or before that date.
- 3.8** Businesses that were in administration, dormant, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 3.9** The council will use its discretion in identifying the right businesses to receive this funding, based on our application process.
- 3.10** The council will prioritise hospitality, accommodation, leisure and the other sectors listed at 3.1 for grant funding in this scheme. The list is not exhaustive but is intended as a guide on the types of business that the Government considers should be a priority for the scheme.
- 3.11** Through the application process the council will require the business to state that, by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where the council already has bank details for businesses and are in a position to send out funding immediately.
- 3.12** Businesses will need to notify the council promptly if they no longer meet the eligibility criteria for additional grants.
- 3.13 Who is it not for?**

Your business will not be eligible if it:

- Has been able to continue to operate during the period of restrictions because it does not depend on providing direct in-person services from its premises and has not been severely financially impacted.
- Has chosen to close without being severely impacted by the additional restrictions and rise of the Omicron variant.
- The business owner has another business that is still trading and unaffected by the additional restrictions.
- If your business qualified for Omicron Hospitality and Leisure Grant then this will take precedence and unless guidance allows you will not qualify for the ARG.
- The business owner has another source of employment income.
- Has reached the state aid or business subsidy allowance equivalent limit. The earlier Covid-19 business grants count towards state aid or business subsidy allowance equivalent.
- Payments count towards the total de minimis state aid or equivalent allowed and it your responsibility to check whether this

applies to you. Further information is available on the www.gov.uk website.

- Was in administration, insolvent or where a striking-off notice has been made.
- Is in areas outside the scope of the localised/national restrictions, as defined by the government.

3.14 Businesses that should be on the rating list but were not on the list at the qualifying date are excluded from applying for this scheme.

4. How much funding will be provided to businesses?

4.1 The council will receive funding based on population. This is a fixed sum and will not be varied.

4.2 Grants of up to £25,000 will be available but it is expected that the vast majority will be for £6,000 or less. The upper limit will only be waived in exceptional circumstances and normally where it is in the public interest. Each grant will be awarded on a case-by-case basis with commonality between sectors e.g. home based travel agents will all receive the same amount. Only one grant per eligible business will be payable although if funding remains these grants may be topped-up at the discretion of the S.151 Officer. Where no rateable value exists the size of the businesses and projected impact will be used to provide a professional judgment by officers on the level of grant that should be applied.

4.3 The government understands that Local Authorities are best-placed to determine local needs for supporting recovery. They want Local Authorities to exercise their local knowledge and discretion and they recognise that economic need will vary across the country. Therefore, while the government are setting suggested criteria for the funding, they are allowing Local Authorities to determine exactly which businesses to support.

4.4 In taking decisions on the appropriate level of grant, the council may want to take into account the level of fixed business costs (excluding pay related) faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses.

4.5 It may be that smaller amounts of funding are more suitable for the smallest businesses in the Wyre area, enabling the council to help more businesses that are sustainable in the long term. This may apply particularly where businesses do not have a ratings assessment.

4.6 The council will use an application process unless otherwise stated. This will allow us to undertake proportionate pre-payment checks to confirm eligibility relative to the local scheme and to allow us to determine how to use our discretion in relation to the appropriate level of grant.

4.7 Where limits to funding available for this scheme requires the council to prioritise which types of businesses will receive funding, it will be up to the council to determine which types of business are most relevant to their local economy. There will be no penalty for Local Authorities because of their use of discretion to prioritise some business types.

5. Managing the risk of fraud and payments in error

5.1 The Government will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution, and any funding issued will be recovered, as may any grants paid in error.

5.2 The council must continue to ensure the safe administration of grants and that appropriate measures are put in place, pre-award, to mitigate against the increased risks of fraud and payment error. Prepayment checks will be proportionate and will include confirming that, by accepting payments, recipients are in compliance with State Aid or equivalent subsidy allowance rules.

6. Will these grants be subject to tax?

6.1 Grant income received by a business is taxable. The ARG will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax.

7. Pre and post event assurance

7.1 All Local Authorities are required to follow the national guidance and conduct activity to provide assurance that the grants have been paid out in line with the eligibility and State aid/business subsidy allowances conditions for these schemes.

7.2 The Government will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain additional grant money will face prosecution, and any funding issued will be recovered, as may any grants paid in error.

7.3 The general principle applies that Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the council is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including of these grants.

7.4

Data will be shared with government departments, who will store it securely and process it for monitoring and evaluation purposes only. This includes, but is not limited to, follow up evaluation surveys relating to the business support grant schemes.

8. State Aid/Subsidy Allowances

8.1 Any grant awarded is required to comply with the law on State Aid or equivalent subsidy allowances. 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 or business subsidy allowances.

8.2 It is the responsibility of the applicant to comply with State Aid or equivalent business subsidy allowances legislation and the council cannot give advice on this matter.

9. Complaints

9.1 The council's Complaints Procedure is available on the council website www.wyre.gov.uk and will be applied in the event of any complaint received about this scheme.

10. Notification of decisions

10.1 Applications will be considered by designated officers of the council.

10.2 All decisions made by the council shall be notified to the applicant in writing or by email. A decision shall be made as soon as practicable after receiving an application and any supporting documentation required. If application windows are used a decision shall be made as soon as practicable after the closure of the application period.

11. Scheme of Delegation and Changes to the ARG Scheme

11.1 This scheme is subject to change either as a result of a variation in the Government's policy or the council's need to react to the evolving situation. The council's S.151 Officer will administer the scheme and make any technical scheme adjustments deemed necessary.

11.2 This scheme has been approved under the Council's Emergency Powers by the Chief Executive.