



# Solihull Metropolitan Borough Council Discretionary Business Grants (ARG) Scheme Phase 3 – March 2021

## Version Control

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## Definitions

The following definitions are used within this document:

**'Additional Restrictions Grant (ARG)'** means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

**'COVID-19' (coronavirus);** means the infectious disease caused by the most recently discovered coronavirus;

**'Department for Business, Energy & Industrial Strategy (BEIS)';** means the Government department responsible for the scheme and guidance;

**'Effective date';** means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 5<sup>th</sup> January 2021

**'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 the area. LCALs have five Tiers. Tier 1 (Medium): Tier 2 (High): Tier 3 (Very High); Tier 4 (Stay at Home) and Tier 5. For the purposes of these schemes the definitions used are LCAL1, LCAL2, LCAL3, LCAL4 & LCAL5.

**'Local lockdown';** means the same as **'Local restrictions';**

**'Local rating list';** means the list as defined by Section 41 of the Local Government Finance Act 1988

**'Local restrictions';** and **'Localised restrictions'** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

**'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 9<sup>th</sup> September 2020 and amended on 9<sup>th</sup> 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;

**'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'**.

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## 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 31<sup>st</sup> 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 are severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 The scheme applies where local restrictions (LCAL3) are put in place **or** where a widespread national lockdown is announced.
- 1.5 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 requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 1.6 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.
- 1.7 Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only. Phase 1 of the scheme was available until 2 December 2020. Phase 2 of the scheme was available until 26 February 2021. Phase 3 of the scheme will be available until 31 March 2021 after which time the policy will be reviewed.
- 1.8 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 5 January 2021.
- 1.9 Applications as part of Phase 3 will be accepted from 8 March 2021 to 31 March 2021 only. Applications will not be accepted after this date.
- 1.10 Where any area 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, Local Authorities will receive a one-off lump sum payment amounting to £20 per head in each area when local restrictions (LCAL3) or widespread national restrictions are imposed. A further top up of this funding was received in January 2021.
- 2.2 Once the Council's area is removed from local restrictions (LCAL3) or widespread national restrictions, no additional funding will be received from Government even if either the local restrictions or widespread national restrictions are re-instated.

## 3.0 Eligibility criteria and awards

- 3.1 The Council is able to 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 also wish to assist business which are outside of the rating system and which are effectively forced to close.

### Eligibility Criteria – Main Discretionary Business Grant Scheme

- 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) The discretionary scheme will be for those Solihull businesses that are not eligible for the Local Restrictions Grants (mixture of business rate payers and non-business rate payers);
  - (b) Allocations should not be more than businesses (that are liable for Business Rates) will receive under the Local Restrictions Closed (Addendum) Scheme;
  - (c) Applicants should be able to demonstrate a loss of trade/turnover of at least 10% as a result of the impact of Covid. For the purpose of this grant this should be a comparison of business income as at 31 December 2019 compared to 31 December 2020 (or if a newer business from when they started trading compared to 31 December 2020);
  - (d) Once this has been determined, the Council will then consider how much of their business costs are fixed. For this purpose business costs will be considered as property rent or business mortgage.

- (e) For those applicants who operate their business from home their fixed business costs will automatically be considered as below £15,000.
- (f) The scheme will run for the period 5 January 2021 to end of March 2021 and then be reviewed.
- (g) For those businesses who have already received a discretionary business grant payment since December 2020 they will not need to reapply as an automatic top up payment will be made in line with the table at 3.7

3.5 The information will be used as determined in the following tables:

Scale of Business Losses	Category	Factor
10% to 40%	Low	1
41% to 60%	Medium	2
61% and above	High	3

Fixed on-going costs (pa)	Category	Factor
Up to £15,000	Low	1
£15,001 to £51,000	Medium	2
£51,001 and above	High	3

3.6 Once the scoring factors have been established this will give an overall score as follows:

High	3	6	9
Medium	2	4	6
Low	1	2	3
	Low	Medium	High

### Award Levels – Main Discretionary Business Grant Scheme

3.7 The Council has decided the following grant award levels will apply to businesses in line with their score:

Score	Value of grant
1 to 3	£2,096
4	£3,143
6 to 9	£4,714

### Eligibility Criteria – Taxi Drivers/Private Hire Drivers

- 3.8 Specific support will be provided to Taxi Drivers and Private Hire Drivers as part of this policy. To be eligible for a grant payment the following criteria must be met:
- a) The taxi driver/private hire driver is a resident in Solihull
  - b) They have been a licensed driver for more than 6 months (i.e. prior to 1 September 2020)
  - c) They have not made a claim or received any other business grant from any other local authority



3.9 For all applicants who meet the criteria set out in 3.8 a grant of £1,000 will be awarded.

### **Excluded businesses – both local and national restrictions**

- 3.10 The following businesses will **not** be eligible for an award:
- (a) Businesses who are eligible or who have received a Local Restrictions Grant
  - (b) 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
  - (c) 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.

### **The Effective Date**

3.11 The effective date for eligibility is the 5 January 2021 – the date of the widespread national restrictions. Businesses **must** have been trading on the day before the restrictions came in to force to be eligible to receive grant support (or who would have been trading if restrictions were not in force).

### **Who can receive the grant?**

- 3.12 Businesses/applicants who meet the eligibility criteria and who provide the necessary evidence will receive a grant. Phase 3 applications will only be accepted between 8 March 2021 and 31 March 2021
- 3.13 For those businesses that do not pay business rates a maximum of one grant will be considered. This will apply if more than one Limited Company has the same director (s), where more than one business has the same proprietor (either sole traders or partnerships) and/or where multiple businesses are ran from the same address (excluding those in shared office buildings).
- 3.14 Where the Council has reason to believe that the information provided is inaccurate, it may withhold or recover the grant whilst further checks are made.
- 3.15 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.
- 3.16 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.

## **4.0 How will grants be provided to Businesses?**

- 4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.
- 4.2 Details of how to obtain grants are available on the Council's website:  
<https://www.solihull.gov.uk/Business/Business-rates/COVID-19-Business-Grants>
- 4.3 Businesses who have not previously received a discretionary business grant from December 2020 will be required to complete an online application to confirm that they are eligible to receive the grant. 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, and they should look to provide this, where requested, as soon as possible.
- 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. The application form details the supporting evidence required and this must be provided at the time of application.
- 4.6 Grants to eligible businesses will be sent via BACS to the applicant's business bank account.
- 4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

## **5.0 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 Officers of the Council will administer the scheme and the Director of Finance & Deputy Chief Executive is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.
- 6.2 Solihull Council reserves the right to review and amend the scheme as appropriate.

## **7.0 Notification of Decisions**

7.1 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

## **8.0 Reviews of Decisions**

8.1 In accordance with national guidance there is no appeals process for businesses under this scheme. However reconsiderations of decisions will be made by a Senior Officer if required.

## **9.0 Complaints**

9.1 The Council's 'Complaints Procedure' (available on the Councils website) 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 deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.

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

## **12.0 Recovery of amounts incorrectly paid**

12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

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

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

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