



**Melton
Borough
Council**

Additional Restriction Grant (ARG) Fund Policy

30 December 2021 onwards

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1. Background to Business Grants

1.1 On 8 December 21 government made an announcement that stated:

- people should work from home if they can,
- people wear face covering in certain public spaces
- remain socially distanced to safeguard the people they care about and work colleagues
- limit the number of people you mix with

Following this announcement, a range of support packages, including grants, were announced by the Chancellor on the 21st December 2021 for industries most impacted by these restrictions.

The guidance for Local Authorities relating to these additional grants were published on the 30 December 2021

1.2 Due to these announcements Melton Borough Council will close its existing ARG schemes and divert any remaining funding to add to the additional funding that is due to be received for the omicron discretionary grants

1.3 Accompanying this additional allocation was an updated ARG guidance document which details what Local Authorities can and cannot do with this funding and what government believes it should be used for. It also identified that Local Authorities have the discretion to develop further criteria to suit local circumstances on top of the national criteria. It is these local criteria and the development of the associated grant scheme that is the subject of this local policy

1.4 For clarity the ARG Scheme will run alongside the mandatory hospitality and leisure grants' being given to businesses in certain sectors. This discretionary scheme will be called the "Omicron Discretionary business grants" to distinguish it from the mandatory and all other ARG grants.

1.5 For clarity this policy is only relevant for determining application for discretionary grants and is wholly separate to the covid-19 additional relief fund that has been announced by govt.

2. The Local Authority Discretionary Grants Fund

2.1 On 30 Dec 2021 the Government released updated guidance to local authorities on how to utilise the ARG funding. This guidance document can be found [here](#) and will likely be subject to potential future updates

2.2 The ARG programme for the Melton Borough area is being managed by Melton Borough Council, which is responsible for delivering grants to eligible businesses and charities. The Council must follow the guidance set by the

Government. The Council has authority to make these payments under Section 1 of the Localism Act 2011.

- 2.3 Local authorities are required to set out the scope of how they intend to spend this funding, providing clear guidance on which types of business are being prioritised, as well as the rationale for the level of grant to be provided. This policy meets this requirement.
- 2.4 The Government intends that these grant scheme widens access to support to local economies. Melton Borough Council will progress these payments as a matter of urgency but recognise the need to undertake a thorough assessment and appropriate due diligence before grants are paid
- 2.5 Where possible the Council has consulted with the business community and wider stakeholders to develop the proposed schemes that will be outlined in this policy. The council has taken full account of the requirements of Government and the issues, threats, challenges and also opportunities that have arisen locally and nationally over the past 18 months when developing these schemes. The council has also utilised lessons learn through the delivery of previous grant schemes made available to support businesses going back to March 2020 to adapt the application process and how the grants will be targeted to maximise impact within the local economy from 1st August to the 31st march 2022 and beyond
- 2.6 Potential applicants will be/are asked to note that:
 1. The Government and the Council expects businesses to take advantage of other Government grant/ support schemes in the first instance where they are able to do so.
 2. Businesses must have been trading by the date the application is made
 3. Grants under this scheme will be subject to tax in line with the applicant's tax arrangements. For businesses, the Government advises this is only where there is an overall profit for the tax year once this award is included.
 4. Grants awarded under this discretionary scheme will not generally affect the Council's business ratings list or any rates charges payable by the recipient.
 5. Notwithstanding this, any applicant who should in fact be added to the rates list will be, which may result in a rates bill. This may also result in a grant being claimable from the mandatory grant scheme rather than this discretionary fund.
 6. Melton Borough Council will not award ARG Growth Fund grants towards Vehicles, Insurances, servicing existing or historic Finance arrangements, or other company debts.

3 Total Funding Available

- 3.2 As is likely to be the case in the Melton area, over subscription to the funding available for this scheme will require local authorities to prioritise which types

of businesses will receive funding, the Government states it will be at the local authority's discretion as to 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.

4 Who Will benefit from the Discretionary Scheme?

4.1 The Government suggests that local authorities may wish to consider collaborating as they design their discretionary schemes to ensure consistency where they are working across a functional economic area, notably here the Leicester and Leicestershire Local Enterprise Partnership (LLEP) area; and to ensure alignment and reduce duplication with any other local discretionary business grants that may have been established. Due to the urgency within which this funding needs to be awarded to local businesses the council has decided to focus on key areas of need within the borough area.

4.2 The funding available for individual businesses and charities will vary from council to council.

4.3 Therefore, it is likely that similar businesses in different council areas across Leicestershire (and indeed further afield) could be subject to different prioritisation and grant amounts.

4.4 As set out by the Government, the ARG are primarily and predominantly aimed at:

1. Providing direct grant support to businesses severely impacted by restrictions.
2. Supporting businesses that have been unable to access other business support grant schemes.
3. Supporting home businesses and sole traders (without using ARG as a wage support mechanism for employees or owners of a business).
4. Other business support measures that allow businesses to be the direct recipients of ARG funding.
5. Distributing funding to a LEP or Growth Hub for the provision of wider business support.

4.5 Local Priority

To best support the recovery of Melton's Economy moving forward the Council has, predominately, chosen to award grants to those businesses most significantly impacted by the restrictions announced by government in relation to the emergence of then Omicron variant but who are not eligible for the mandatory grant.

Due to this the following areas will be prioritised for funding awards through these grants

- Businesses in the hospitality and leisure sectors – as determined within the mandatory grants guidance – Annex A – but who are not eligible for this grant as they do not directly pay business rates.
- Suppliers to these industries in instances where they are able to identify a significant portion of their income (50%) comes from these sectors identified in the mandatory grant process.

4.6 As well as this it is expected that there will be an oversubscription of these grant funds and therefore prioritisation will be given to those businesses who meet the following criteria.

- Have received less than £30k in grants through schemes run by the local authority since the start of December 2021.
- Have seen income impacted by over 70% due to these restrictions.

Should there still be funding available by the end of February 2022 any applicants who have not been funded due to falling outside of the prioritisation criteria will be awarded funding at this point.

4.7 The allocations identified above are notional. The council reserves the right to withhold funding should further information come to light between award and payment. Grants will be made on a first come first serve basis through weekly grant panel assessments.

4.8 The emphasis of this fund will be on making meaningful payments to those businesses that are best able to demonstrate need, rather than paying as many businesses as possible small amounts. Due to this grants will be determined on a case by case basis following careful consideration of the information provided. Therefore an application to this grant scheme does not guarantee the full amount requested, or any grant amount, will be received.

4.9 There will be an Online application adhering to ARG guidance

4.10 Discretionary amounts will fall in line with the mandatory amounts of either £2667, £4000 and £6000 and be assessed either based on turnover or amount paid in rates, whichever is applicable. However, MBC reserves the right to offer differing amounts in exceptional circumstances.

5 Who Cannot Benefit from the Discretionary Scheme

5.1 Eligibility varies depending on the grant scheme applied for (eligibility for each scheme is identified in Section 4). However businesses will not be able to apply should they be located outside of the Melton Borough area or not trading as of the date of the application

6. Application Process and Timescale

- 6.1 The Government has mandated that local authorities will need to run some form of application process as the potential beneficiaries are highly unlikely to be known directly by the local authorities. Also, the Council must manage the process in a fair and equitable manner within the funding available.

The Council invites applications via its website

<https://forms.melton.gov.uk/PLANBGRANTAPPLICATION/launch>

Any applicant who is unable to apply via the website should contact business@melton.gov.uk

- 6.2 Applications will be live for a 6-week period and can be made from the 05 Jan 2022 until 16 Feb 2022. Potential applicants should assume that this window will not be extended, although the Council reserves the right to do so. It is expected that Melton will undertake 1 assessment of all applications received on a weekly basis until the deadline date.
- 6.3 The Council's application will set out the information required from applicants, which will be the minimum reasonably required to establish eligibility and enable a fair and equitable assessment of grant entitlement.
- 6.4 The Council will individually assess and validate applications as they are received and may request further information should it be required. The pre-payment checks will include confirming eligibility, checks against Companies house and other government websites.
- 6.5 Applicants would also be asked to confirm that by accepting payments they are in compliance with State Aid rules, that to the best of their knowledge they are eligible for the scheme, and acknowledge that the council reserves the right to recover any funding made in error or as the result of misleading information being submitted. The Council's website will require applicants to confirm acceptance of various compliance statements through tick boxes.
- 6.6 There will be no automatic right of appeal against a decision not to award a grant, or against the value of any grant. However, the Council may, at its discretion, reconsider any refusal or grant value if there is clear evidence that a significantly wrong decision may have been made and assuming there is enough grant funding left to enable a new decision to be made. The only further recourse available to applicants is a judicial review, which is the means by which the decisions of the Council under discretionary powers may be challenged.

7. Managing the Risk of Fraud

- 7.1 The Council and the Government will not accept deliberate manipulation and fraud. Any business or person caught falsifying their records or the information submitted to gain a grant award will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.
- 7.2 The Government's grants management and counter fraud functions will provide local authorities with access to 'Spotlight', a digital assurance tool. This tool will also assist the Council with pre and post payments assurance, including identification of high-risk payments. There will also be joint working across councils and government departments in preventing fraud.
- 7.3 The Council also reserves the right to use any details submitted by businesses to check against national records and databases to highlight any potential fraudulent activity.

8. Policy Review

- 8.1 This policy has been written in line with Government guidance and Local Priorities. It will be subject to dynamic review as circumstances dictate and in line with future clarifications and changes that may be announced by the Government.