

## **Redditch Borough Council: Additional Restrictions Grant**

### **Introduction**

1. As part of the Government's response to the Coronavirus it has announced schemes of business support grants intended to help to
  - a) business closed due to tier 3 or national restrictions; Local Restrictions Support Grant (Closed) and Local Restrictions Support Grant (Closed) addendum.
  - b) businesses that are not forced to close but are significantly impacted by restrictions on socialising in place during tier 2 or tier 3 restrictions; Local Restrictions Support Grant (Open).
  - c) businesses that have been closed on a national level; Local Restrictions Support Grant (Sector).
2. The schemes are called Local Restriction Support Grants and they provide payments to businesses on 14-day or 28-day cycles dependant on the level of restrictions.
3. The Government has also provided funding for local authorities in the form of an Additional Restrictions Grant which can be used during tier 3 or national restrictions to provide direct grants to business. Local Authorities have discretion as to how the funds are used and which businesses to support, however, Government guidance encourages support to be provided to:
  - a) Businesses which are not legally required to close but are severely impacted by restrictions put in place to control the spread of Covid-19; and
  - b) Businesses outside the businesses rates system which are required to close but are ineligible for LRSO(Closed) grants.
4. Additional Restrictions Grants can also be used to provide support to larger businesses which are important to the local economy, on top of the funding provided via the LRSO (Closed) Scheme.
5. This document set out which businesses are eligible for funding from the Additional Restrictions Grants, the process for application, the amount of grant that will be paid, and the frequency of payments.

### **Council Approach**

6. The Government guidance gives the council discretion over the grant scheme and its decisions regarding the scheme will be final.
7. The funding allocated to the council by Government can be used for a range of business support measures up to 31<sup>st</sup> March 2022 and therefore requires management in terms of allocation to ensure funding is available for future business

support in the long term; and to provide immediate support in the event of any further national or regional restrictions. Funding has been set aside in tranches to allow for the delivery of support in a phased manner.

8. The Council has received £1,705,220 for the Additional Restrictions Grant and will allocate £852,000 for the initial Additional Restrictions Grant (Discretionary Grant) Scheme. The discretionary grant scheme will focus on providing grants of up to £3,000 in line with the LRSG (Closed) limits.

### **Eligible Businesses**

9. The ARG (Discretionary Grant) Scheme will be available to businesses which:
  - a) are not eligible for LRSG;
  - b) were trading the day before the relevant national or local restrictions took effect; and
  - c) are able to demonstrate that they have had a significant reduction in income due to the Coronavirus Restrictions
  - d) Occupy and trade from premises within the Borough of Redditch; or be providing services mainly within the Borough of Redditch.
10. Businesses in rateable and non-rateable premises can apply.
11. Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible to receive funding under the scheme.
12. There is a requirement for all grants under this scheme to be state aid compliant. Businesses which have already received grant payments that equal the maximum levels of state aid permitted under the de-minimis rules and the Covid-19 temporary state aid framework will not be eligible for the ARG (Discretionary Grant) Scheme.
13. Businesses will be required to make an application for the ARG(Discretionary Grant) scheme within the relevant application period. Applications made outside of the period will be ineligible for grant.

### **Priority of awards**

14. In determining applications for grant priority will be given to businesses
  - a) which occupy rateable premises and are in the supply chain for businesses within the retail, hospitality and leisure sectors.

- b) which occupy rateable premises and are within the events sector, or travel and tourism sector.
  - c) which occupy premises that are not included in the rating list but have been ordered to close by Government e.g. some market traders, and small bed and breakfasts.
  - d) which occupy rateable premises and are supported by the late-night economy e.g. takeaways, taxi companies.
15. Businesses connected to the supply chain for retail, hospitality and leisure sectors will need to provide evidence that 50% or more of their income is from businesses within these sectors.
16. Businesses will need to demonstrate a significant impact on their income due to the Coronavirus restrictions. A significant impact will be a loss in income of over 30%.
17. Businesses from outside the priority groups will be considered for support on a case by case basis but will need to demonstrate a significant loss in income as a result of the coronavirus restrictions.

### **Application Period**

18. The ARG (Discretionary Grant) Scheme will, subject to available funding, provide support to businesses during periods of national or tier 3 restrictions imposed up to 31<sup>st</sup> March 2022.
19. To be eligible for support an application must be made:
- a) For the national restriction in place from 5<sup>th</sup> November 2020 to 2<sup>nd</sup> December 2020; the 20<sup>th</sup> December 2020
  - b) For any subsequent tier 3 or national restriction: The final day of the restriction period.
20. Where restrictions are imposed and extended each extension will be treated as a separate period for the determination of the application period. Therefore, if a tier 3 restriction is in place from 1<sup>st</sup> January to 28<sup>th</sup> January; and is then extended to 25<sup>th</sup> February an application made after 28<sup>th</sup> January 2022 would only be eligible for support for the second period from 29<sup>th</sup> January to 25<sup>th</sup> February. An application made after 25<sup>th</sup> February would be ineligible for support.
21. Where there are continual periods of restrictions successful applications made in the a period will be used to determine support for any continuous period of restrictions; fresh applications will be required where there is a break in the period of restrictions.

For example, if a tier 3 restriction is in place from 1<sup>st</sup> January to 28<sup>th</sup> January; and is then extended to 25<sup>th</sup> February, successful applications made prior to 28<sup>th</sup> January will be used to consider support in the extended period of restrictions.

### Backdating and Appeals

22. In exceptional circumstances applications made outside of the application window will be considered for backdating into the previous period. Evidence of the reasons for delays in application must be provided.
23. Decisions to refuse grant may be appealed in writing and will be determined by the Assistant Financial Support Officer or the Financial Support Manager

### Amount of Grant

24. Grants will be allocated as follow:

Businesses occupying premises in the Non-Domestic Rating List		Businesses which do not occupy ratable premises	
Rateable Value	Grant	Turnover p.a.*	Grant
Less than £15,000	£1,334	Less than £140k	£1,334
£15,000 to £50,999	£2,000	£140k -to £499k	£2,000
Greater than £50,999	£3,000	£500k or above	£3,000

25. The grant amounts will be paid in respect of a 28-day period of restrictions; for periods of between 14 days and 28 days grants will be determined pro rata. No grants will be payable for any period of restrictions of less than 14 days.

### Evidence Required

26. For the applications to be considered, we require businesses to demonstrate that they meet the eligibility criteria above. We anticipate that to do this businesses will need to provide:

Evidence to demonstrate a substantial loss in income as a result of the current lockdown.

Evidence that the business was operating on 4<sup>th</sup> November 2020, or on the day before any periods of tier 3 or national restrictions

Evidence that the business, or its main supply chain was mandated to close

Confirmation of State Aid compliance

Applications completed using the Council's on-line application form.

### **State aid**

27. There is a requirement for all grants made under this scheme to be state aid compliant. Please see further government guidance on this via this link (Section 58 - 62):

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932623/V.1. Additional Restrictions Grant - FINAL LA guidance 03112020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932623/V.1. Additional Restrictions Grant - FINAL LA guidance 03112020.pdf)

### **Other information**

28. Grant income received by a business is taxable therefore funding paid under the ARG (Discretionary Grant) Fund will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.
29. The Government and the Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.
30. The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.