

COVID19 Additional Restrictions Grant Scheme: Mid Devon Policy

Introduction

On 2nd November 2020 the Government announced that funding would be made available aimed at businesses who were forced to close down, and businesses which had suffered significant loss of income due to the 4 week lockdown taking place between the 5th of November and the 2nd of December. The Additional Restrictions Grant Scheme has been designed to help businesses which don't qualify for the Local Restrictions Support Grant.

Government guidance for the Additional Restrictions Scheme can be found at:

<https://www.gov.uk/government/publications/local-restrictions-support-grants-lrsg-and-additional-restrictions-grant-arg-guidance-for-local-authorities>

Purpose:

To support businesses which have been severely impacted by the national lockdown but which do not qualify through the Local Restrictions Grants.

Principles:

- Consistency; to provide common definitions of eligible businesses and a common process and timeframe.
- Efficiency; to issue grants as quickly as possible whilst meeting democratic and technical requirements,
- Fairness; to ensure that the funds are not exhausted before eligible businesses have had the opportunity to apply.

Prioritisation

- Businesses that have been forced to fully close due to national restrictions but do not have a business rates account will be prioritised under this scheme.
- Businesses that have stayed open but have suffered a severe loss of income directly as a result of the Lockdown (50%+ compared to usual or forecasted income) will be prioritised under this scheme.

Exemptions

- The scheme is not to be used as a salary supplement.
- Farms and producers (unless they directly supply Mid Devon hospitality businesses or sell directly to members of the public) that only supply large chains eg supermarkets will not be eligible for this fund.
- Properties that "home share" (such as airBnB) and advertise **solely** through home sharing websites will not be eligible for this fund.
- Second homes will not be eligible for this fund
- To ensure that the limited funding is able to help as many distinct businesses as possible, businesses with common directors but single premises will only be eligible for a single grant
- Landlords of properties where they are not occupying them directly themselves for trading business purposes will not be eligible for this fund.
- Businesses that have chosen to close but not been required to will not be eligible for this grant. This includes business premises which were already closed directly before the restrictions were imposed.

- Businesses which have already reached the State Aid limit.
- Businesses which are subject to insolvency, a bankruptcy order or striking off action are not eligible for funding under this scheme.

Process

- Grants will be awarded at fixed levels; £934, £1400, £2100. Businesses which are not on the business rates system will all be awarded the lower level of £934.
- Storage units and lock-ups and will not be classed as commercial units under this scheme. However, businesses which only occupy these premises will be able to apply to the scheme if they have still been detrimentally affected by the lockdown. Those qualifying will be paid at the lower level of £934.
- As there is insufficient money available for all potential grant applicants, there will be difficult decisions and Councils will need a transparent approach to ensure fairness.
- Once all Government funding provided to the scheme has been allocated, the scheme will close. Councils will not make payments to businesses where this would take the scheme over budget.

Timescales

- The lockdown began on the 5th of November 2020.
- Businesses will need to verify that they were trading up to the 4th of November
- The application process will be open to claims between the 11th of November 2020 and the 25th of November 2020.
- From the 25th of November, all claims will be processed through the national audit checking systems, Spotlight (for limited companies and social enterprises), and NFI (for sole traders and partnerships). These checks will use company numbers and Unique Tax Reference Numbers to verify that businesses are active and to minimise the risk of fraudulent claims being made.
- Payments will be made to businesses from both the Lockdown Grants Scheme and the Additional Resource Grants on the 3rd of December

Administration

- Documentary evidence will be requested in a format that enables easy access and rapid decision making e.g. bank statements will be required to show account details, tenancy agreements will need to be signed and dated, and company accounts / self-assessments should clearly show the company turnover and a breakdown of the expenses
- Applications will also be validated by internal cross checking and retrospective verification.

Appeals

- Businesses wishing to appeal the grant decision should request a review of their application in writing
- Appeals will be reviewed by senior officers operating in Councils' revenues teams

Appendix A: Descriptions and definitions

The information below is provided to guide businesses which are looking to apply to the Additional Restrictions Grant Scheme but are unsure about whether or not they may qualify for support.

Market Traders

- Market Traders are defined to be any sole trader, partnership, social enterprise/CIC or limited company which sells goods wholly or mainly to visiting members of the public from a stall, pitch or similar, from a market or place recognised by the Council as a market This includes:
 - Farmers' Markets
 - General Markets
 - Specialist Markets
 - Car Boot Sales
- Regular trade will be considered to be at least once per month, although seasonal traders may be considered at local discretion.
- Market Traders must be registered with HMRC or Companies House to be eligible for the scheme.
- Market Traders must trade regularly (at least once per month) from a market.
- Market Traders must have a license agreement with the markets at which they trade.
- Market Traders must not be paying business rates for their stall to qualify under the discretionary grant scheme (it is possible that this would make them eligible under previous grant schemes).
- Market Traders trading less frequently than monthly will not take priority for the fund.
- Market Traders can be registered outside of Mid Devon but must regularly trade at markets in Mid Devon.

Tenants of Shared Workspace

- Shared workspace is defined to be business space that multiple businesses work from under a form of booking or tenancy agreement. These spaces include:
 - Innovation and Enterprise Centres
 - Business and Work Hubs
 - Science Parks
 - Community Centres and Spaces including Village, School or Church Halls, Town Squares, Sports Pitches
 - Flexible Workspaces such as Therapy Rooms, Pay-to-Trade Salon Stations
 - Other flexible workspaces whereby businesses incur fixed costs for trading from those premises
- Tenants of shared workspace must trade **regularly** (at least weekly) from a shared or flexible workspace.
- Tenants of shared workspace should not be liable to pay business rates on the basis that the landlord of the workspace has paramount occupation of the premises.
- Tenants of shared workspace must have been trading on **4 November 2020** and shared the premises with other businesses.

Charities

- Charities must be registered charities and will be required to supply their charity number.

- Charities will only be eligible where they occupy a property in receipt of charitable business rates relief, which would otherwise have been eligible for small business rate relief or rural rate relief.
- Premises will need to have a Rateable Value of £15,000 or below, and should be the sole premises occupied by the charity (excluding any premises that would be disregarded under the Small Business Rates Relief scheme).
- Charities will need to have been trading and in receipt of mandatory relief for charities on the 4 November 2020.
- Charitable businesses receiving other help from public funds will not take priority for the fund.

B&Bs and other guest accommodation

- B&Bs must operate from premises paying Council Tax instead of Business Rates (those paying Business Rates are likely to be eligible under the previous scheme).
- B&Bs should provide short stay accommodation for no more than six persons at any one time within the past year.
- The property should be the **sole or main residence** of the proprietor(s) and the bed and breakfast use should be subsidiary to the private use.
- B&Bs must be able to evidence that they were advertising their accommodation and have been trading on **4 November 2020**.
- Properties that "home share" (such as airBnB) and advertise **solely** through home sharing websites will not be eligible for this fund.

Personal services

- These are specifically services where businesses rely on regularly visiting other people's homes for their main business income and are unable to do so due to national restrictions (eg hairdressers, beauty therapists, personal therapists).
- Personal service businesses must be registered with HMRC or Companies House to be eligible for the scheme.
- Home based visits must be the main form of trade for this business (eg daily or weekly) rather than an addendum to a main trading premises.
- Businesses must be able to evidence that they were trading on 4 November 2020.
- Businesses must have their registered address (eg their home address for tax purposes) in Mid Devon or have more than 50% of their clients in Mid Devon and not apply to other authorities for this same grant.