

COVID-19 Business Support Grant Guidance
ADDITIONAL RESTRICTIONS GRANT
SECOND CALL FOR APPLICATIONS – FEBRUARY 2021

Introduction

1. The Government announced a series of grants, to be administered by local councils, to support eligible businesses affected by the second national lockdown, Tier 3 and 4 restrictions and period of the third national lockdown. The two core grant schemes are:
 - **Local Restrictions Support Grant (LRSB)** (Open and Closed) – mandatory scheme for businesses occupying premises with a rateable value impacted by COVID restrictions with higher grant amounts for businesses legally required to close
 - **Additional Restrictions Grant (ARG)** - discretionary scheme to assist other businesses impacted by COVID restrictions.
2. **This guidance sets out the eligibility criteria for the Second Call for applications for the Additional Restrictions Grant**, widening the eligibility criteria to include other businesses identified as being directly affected by COVID restrictions since the first call for applications in November 2020.
3. The Grant is intended to fill gaps within the current Government COVID related schemes and support businesses with high ongoing fixed costs. The scheme is not intended to provide wage support / loss of income. The Government's extended Self-Employment Income Support Scheme (SEISS) and Coronavirus Job Retention Scheme (furlough scheme) are in place to provide those who are self-employed and employees with income support.
4. Derbyshire Dales District Council is responsible for administering the Additional Restrictions Grant to businesses located within the district. The funding can be used to provide grant assistance to businesses in impacted sectors and wider business support measures to support local economic recovery.
5. Following the third national lockdown the District Council has been allocated additional discretionary funding to support the scheme. As with the original allocation, this is to be used across the financial years 2020/2021 and 2021/2022. The total grant fund allocated to the District Council is £2,088,967 minus payments made to successful applicants during Call 1.
6. Under Call 2 **the priority remains to provide discretionary support to impacted businesses ineligible for the Local Restrictions Support Grant** in the form of monthly grant payments.

Scope of the Grant – Second Call for Applications

7. Up to 31 March 2021, priority access will be given to **small and micro businesses** – including any linked or partner enterprises – **with fixed business costs** which:

- were legally required to close on 5 November 2020 (second lockdown) and/or 5 January 2021 (third lockdown) who fall outside the business rates system. Businesses operating in the following sectors are eligible to apply:
 - Hospitality
 - Visitor accommodation
 - Leisure
 - Events sector
 - Non-essential retail
 - Personal care

(The full list of businesses required to close by Government is available [here](#))

- were not legally required to close on 5 November 2020 and/or 5 January 2021, but have been severely impacted by a reduction in trade as a direct result of national lockdowns/tier restrictions i.e. can demonstrate a minimum 30% reduction in turnover, and have ongoing fixed business costs. As set out in section 17, emphasis remains on those businesses operating from business premises.

8. Applications will be considered from the following where the business is their primary source of income:

- businesses in impacted sectors operating from shared business premises
- businesses operating from business premises severely impacted as they supply sectors required to close or have suffered a significant reduction in trade due to COVID restrictions
- qualifying Bed & Breakfast accommodation paying Council Tax – to be eligible to apply businesses must be registered as food businesses with the District Council
- self-catering accommodation providers who pay Council Tax – to be eligible to apply accommodation must qualify as a Furnished Holiday Let (FHL) with an HMRC Tax Return including a Self-Assessment 105 declaration on the eligibility date for the scheme
- outdoor and indoor activity providers unable to open
- businesses directly impacted by delayed or cancelled events
- venues available to rent prior to the second lockdown but required to close
- personal care and other mobile businesses unable to trade.

9. Under Call 2, applications will also be considered from the following where the business is their primary source of income:
- businesses operating from business premises allowed to remain open but which have experienced a significant reduction in footfall / turnover due to COVID restrictions
 - licenced taxi drivers with driver and vehicle licences held with Derbyshire Dales District Council. Taxi drivers who have been awarded grant assistance from another local authority will be ineligible for support
 - regular market traders i.e. trading most days of the week from stall markets or an established unit - either based in the Derbyshire Dales or paying a regular rent on a stall at a recognised market within the District Council's administrative boundary - which are unable to trade due to COVID restrictions or able to trade in essential goods but have been severely impacted by a reduction in trade due to COVID restrictions. Market traders who have been awarded grant assistance from another local authority will be ineligible for support
 - businesses operating from business premises providing services or supplies to schools (required to close during the third lockdown) or severely impacted by school closures e.g. breakfast or after school clubs or through supplying other educational bodies.
10. To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year:
- Turnover: not more than £10.2 million
 - Balance sheet total: not more than £5.1 million
 - Number of employees: a headcount of staff of less than 50
11. To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements:
- Turnover: not more than £632,000
 - Balance sheet total: not more than £316,000
 - Number of employees: a headcount of staff of not more than 10
12. To make an application under the Additional Restrictions Grant, a small or micro business must:
- be based (trading address) in the Derbyshire Dales. Licensed taxi drivers and market traders which meet the criteria in section 9 should first contact the local authority they are based in for support
 - if applying for funding from the second lockdown onwards - have been trading (actively engaged in business activity) on 4 November 2020
 - if applying for funding from Tier 4 restrictions / third lockdown onwards – have been trading on 30 December 2020

- be able to evidence a minimum 30% reduction in turnover due to COVID restrictions (where allowed to remain open and continuing to trade, including any SEISS or JRS payments)
 - where occupying rated premises occupy business property with a combined rateable value below £101,000
 - intend to continue trading following grant support.
13. Businesses that have been unable to provide their usual 'in-person' / main customer service from their premises and are providing an alternative service e.g. a business forced to close now providing a takeaway only or delivery service are eligible to apply subject to meeting the remaining scheme criteria.
14. The Government has confirmed that Town and Parish Councils are eligible to apply for support if they meet all of the scheme criteria (and are not eligible for Local Restrictions Support Grant). Applications to the Additional Restrictions Grant will only be considered where premises are legally required close. Applications from registered charities will be considered on the same basis (unless exceptional circumstances can be demonstrated). Charities must be local i.e. a charity which operates within the Derbyshire Dales and whose charitable objects primarily benefit residents of the Derbyshire Dales and is not affiliated to a national charitable organisation.
15. The District Council reserves the right to vary the terms of the Grant at any time, and without notice, should it be necessary to do so.

Grant Funding Available

16. The monthly grant amounts to be awarded to successful applicants take account of the fixed costs of different businesses applying for support and the grant rates available to businesses registered for business rates under the Local Restrictions Support Grant (Open and Closed).
17. Awards will also reflect whether an applicant has received support from the extended Self-Employment Income Support scheme and whether the business is their primary source of income.
18. Where applicable, monthly grant awards will apply from 5 November 2020 i.e. the period of the second lockdown and continue during the period of current national restrictions. Awards to businesses directly affected by Tier 4 restrictions / third lockdown onwards will apply from 31 December.
19. With the exception of Category E (see below), grant awards will range from a minimum of £500 to £3,000 per 28 days closed or severely impacted. The District Council may, at its discretion, award the minimum grant in individual cases based on fixed costs / business turnover:

Closed / Open	Business Category	Grant Level (per 28 days closed / impacted)	Grant Rate
A) Legally required to close	Businesses occupying business premises not registered for business rates e.g. a business occupying shared space and paying an annual business rent	£1,334 – Annual rent £15k or below £2,000 – Annual rent >£15k to <£51k £3,000 – Annual rent £51k or above Businesses able to maintain partial trading on-line <u>may</u> be awarded grants at 70%	Equivalent to LRSG Closed
B) Legally required to close or reliant on events or premises required to close	Businesses operating from domestic, part domestic or other premises not registered for business rates where this is their primary source of income e.g. - mobile hairdressers, beauticians, therapists, events businesses, activity providers, market traders and qualifying B&Bs / Self-catering Furnished Holiday Lets (with SA105) OR - businesses <u>directly reliant</u> on events, venues or other premises required to close	£800 – business ineligible for SEISS £500 – business eligible for SEISS	Higher grant rate equivalent to 60% LRSG Closed
C) Not legally required to close / severely impacted	Businesses occupying business premises with a combined rateable value below £101,000 and severely impacted by a reduction in trade* due to COVID restrictions <i>*turnover down 30%+</i>	£934 – RV £15k or below £1,400 – RV >£15k to <£51k £2,100 – RV £51k to <101k	Equivalent to LRSG Open i.e. 70% of grant for closed business
D) Not legally required to close / severely impacted	Businesses occupying business premises not registered for business rates e.g. a business occupying shared space paying an annual business rent and severely impacted by a reduction in trade* due to COVID restrictions <i>*turnover down 30%+</i>	£934 – Annual rent £15k or below £1,400 – Annual rent >£15k to <£51k £2,100 – Annual rent £51k or above	Equivalent to LRSG Open i.e. 70% of grant for closed business
E) Not legally required to close / severely impacted	Businesses severely impacted* by a reduction in footfall due to COVID restrictions where this is their primary source of income including licenced taxi drivers and market traders dealing in essential goods <i>*turnover down 30%+</i>	£350	Minimum grant to support running costs / stall rent

20. Businesses unable to register their premises for business rates will be considered for support. Businesses with premises eligible for rating will be referred to the District Council's Business Rates team with a view to considering the premises for business rates assessment.

21. Businesses who have applied to the Coronavirus Job Retention Scheme, Business Interruption and Bounce Back Small Business Loan schemes or are eligible for the extended Self-Employment Income Support Scheme are eligible to apply for this Grant. However, eligibility for Self-Employment Income Support will be taken into account when determining the level of grant award.
22. In addition to awarding monthly payments to eligible businesses, including those remaining closed or allowed to re-open during the December Tier 3 restriction period, the District Council reserves the right to award additional one-off grant support for the third lockdown period. Ordinarily, one-off grants to businesses legally required to close will be in line with the Closed Business Lockdown Payment – introduced by Government in January and currently only available to businesses eligible under LRSG – with a similar one-off grant on a pro-rata basis to businesses not legally required to close but severely impacted, prioritising those supplying closed sectors. However, the District Council may, at its discretion, award a lower amount based on individual business circumstances. In the first instance, businesses operating from business premises i.e. with a business rating assessment and/or a commercial lease in place / paying an annual business rent with ongoing fixed costs will be considered for this additional support i.e. those qualifying in Categories A, C and D. Subject to available funding remaining, other businesses may be considered for this additional support in future.
23. The one-off lockdown grants will be up to a maximum of £9,000 with the amount awarded based on consideration of rateable value or annual business rent, turnover and employee numbers. **Please note:** businesses in receipt of Additional Restrictions Grant will be notified direct by the District Council should they be eligible for this additional assistance.
24. At its discretion, and in exceptional circumstances, the District Council also reserves the right to consider awarding additional one-off funding on top of the Local Restrictions Support Grant or Additional Restrictions Grant to eligible small or micro businesses occupying business property with a combined rateable value or annual business rent below £101,000. This grant will only be available in exceptional circumstances and be considered on a case by case basis in circumstances where a business has suffered significant disruption or is facing significant hardship relating to high, ongoing fixed property-related costs and the failure of the business would have a significant local economic impact. Grants will again be up to a maximum of £9,000 and be based on rateable value or annual business rent, turnover and employee numbers.

Exclusions

25. A business is ineligible to apply for support from the Additional Restrictions Grant if they:

- are eligible for support from the Local Restrictions Support Grant
- are able to continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely e.g. accountants, solicitors, insurance agents, on-line businesses, financial advisors and other financial services including banks, building societies, bureaux de change and loan providers. Other businesses excluded include: post office sorting offices, take-away businesses, landlords and property developers, care homes and GP practices (list not exhaustive). Vacant premises and public car parks are also excluded (private car parks will be considered under category E only)
- have chosen to close but are not legally required to close (businesses not legally required to close but unable to trade in a COVID secure manner and therefore have remained closed may be considered if they can evidence ongoing fixed costs)
- have received a Local Restrictions Support Grant passed on by a landlord
- have received Additional Restrictions Grant support in another district (e.g. a market trader or taxi driver who trades in other locations)
- are part of national chains or franchises
- are eligible for the Fisheries Response Fund, Domestic Seafood Supply Scheme, the Zoos Support Fund or Dairy Hardship Fund
- were in administration, were insolvent or subject to a striking-off notice on or before 4 November 2020 and/or 30 December 2020 or at the time of application
- have previously received grant payments that equal the maximum levels of State Aid permitted under the De-minimis and COVID 19 Temporary State Aid Framework.

26. Grants will not be awarded to organisations whose activities are contrary to the vision and values of the District Council as set out in section 5.4 of the Council's Policies for Discretionary Rates Reliefs December 2018¹.

27. As with all COVID-19 Business Support Grants, funding assistance from the Additional Restrictions Grant is subject to State Aid rules – see section 39.

Application Process

28. The District Council has prepared an on-line application process for the Additional Restrictions Grant. This will be the route for all applications (except in exceptional cases where an applicant does not have internet access).

¹ [NNDR Discretionary Reliefs Policy Approved 5 December 2018.pdf](#)

29. Businesses will be required to register for an on-line account to access the application form (businesses in receipt of previous COVID Discretionary Grant will not be required to create a new account).
30. One grant will be considered per qualifying business, including those with more than one business property. In exceptional circumstances, a business with a second business property with its own separate business rating and fixed costs may be considered.
31. Under continuing lockdown restrictions, businesses which have successfully applied to the Additional Restrictions Grant will be required to re-confirm the status of their business via an on-line declaration (rather than submit a new application) prior to being considered for additional monthly grant support. **Please note:** businesses will be notified direct by the District Council when they are able to make a further claim.
32. This second call for applications is expected to cover the period to **31 March 2021** unless there is an earlier change to restrictions imposed by Government requiring the eligibility criteria or period to be reviewed.
33. Please be aware that processing of applications and grant payments may take up to 20 working days. Grant payments will be made direct to the business bank account provided via faster payment. Businesses must supply a copy of a recent bank statement to enable payment verification.
34. Should the grant fund be oversubscribed the District Council reserves the right to end the call for applications and only consider those applications received to this point.

Evidence Required

35. Grant awards will be based on the information submitted and declarations made by businesses within their application. The Government and the District Council will not accept deliberate manipulation or fraud. Any business providing false or misleading information to gain grant money will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.
36. The following supporting evidence will be required with the application:
- bank statements to evidence trading and, where required, reduction in turnover
 - most recent HMRC Tax Return Self-Assessment OR filed annual company accounts. Current management accounts may also be submitted
 - evidence of business rent obligations / payments made (where applicable).

37. As part of their application, businesses will be required to make a series of declarations to confirm their eligibility for grant assistance, including State Aid compliance, and that the information they have provided is accurate.
38. Information provided by businesses will be subject to both pre and post payment checks by the District Council's Auditor. The District Council reserves the right not to proceed any further with an application if there is doubt over the evidence provided.

State Aid

39. All grants provided under the Additional Restrictions Grant must be State Aid compliant. Businesses applying for assistance are required to confirm that in accepting a grant, the business, including any linked or partner enterprises, will not exceed State Aid limits. Further details can be found [here](#)
40. Payments will be made under the De Minimis Aid regulation, meaning applicants can receive up to €200,000 of aid over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years). Any business in receipt of State Aid must provide a State Aid Declaration.
41. COVID grant payments, including those previously issued by the District Council count towards the total De Minimis State Aid allowed over a three-year period (€200,000). If a business has reached that threshold but is still eligible for aid, payments will be made under the COVID-19 Temporary Framework for UK Authorities scheme under which the maximum level of aid that a company may receive is €800,000 (€120,000 per undertaking active in the fishery and aquaculture sector or €100,000 per undertaking active in the primary production of agricultural products). This is across all UK schemes under the terms of the European Commission's Temporary Framework. Recipients must also declare they were not an undertaking in difficulty on 31 December 2019 but faced difficulties or entered into difficulty thereafter as a result of the COVID-19 outbreak. This aid is in addition to any aid that you may have received under the De Minimis regulation.
42. Recipients will need to declare any grant funding awarded to any other aid awarding body who requests information on how much public aid you have received.

Decisions

43. Applications will be determined by District Council Officers using the criteria set out in this document. A record will be made of the decision, the grant awarded, or the reasons for rejection. The decision will be notified to the applicant in writing (email) and where a grant has not been awarded, a short explanation of the reason will be given.

Appeals Process

44. If you have been informed that your business is not eligible for an Additional Restrictions Grant and you feel that the decision is wrong, you can appeal for that decision to be looked at again. Your case will then be reviewed by a different officer(s) to check that the initial decision was correct. Details of the District Council's Appeals process are available [here](#). There will be no appeals process in relation to the grant amount awarded.

Other Important Information

45. Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

46. Grant claims will be processed through a series of checks, including checks against our business rates database and checks for fraud including use of the Government Spotlight anti-fraud software and the National Fraud Initiative database. The District Council reserves the right to verify/put on hold any application to enable detailed checks to be carried out. Any suspected cases of fraud will be investigated by the Council's Auditor and passed onto relevant the relevant Government agency.

47. The Government guidance on which this document is based has been subject to change and, as such, this document may also be subject to change. The District Council does not accept any liability if any of the changes affect the eligibility of any business for the Additional Restrictions Grant. In addition, the District Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving payments under this Grant.

48. Enquiries about the Fund can be emailed to discretionarybusinessgrants@derbyshiredales.gov.uk

Privacy Notice

Derbyshire Dales District Council takes your privacy seriously. We will treat all personal information provided in confidence and store it securely in accordance with the Data Protection Act 2018 and General Data Protection Regulations.

Your information will be used for the purpose for which it was intended, to provide a Coronavirus community response.

Your data may be shared with other departments within the Council, other Government Departments, Councils and third party processors operating on their behalf. We may also share information with other enforcing authorities for the purpose of preventing fraud, misuse of public funds and any legal or statutory requirements.

For more information on how we process your personal data and your rights as a data subject, visit www.derbyshiredales.gov.uk