

COVID-19 Business Support Grant Guidance
ADDITIONAL RESTRICTIONS GRANT
First Call for Applications – November 2020

Introduction

1. Following new Government lockdown restrictions announced on the 31 October 2020, further funding has been made available to local councils to support eligible businesses during the second national lockdown and periods of local restrictions. Two grant schemes will be administered in the Derbyshire Dales:
 - **Local Restrictions Support Grant** (Open and Closed) - for businesses with a rateable value which are impacted by the latest COVID restrictions (with higher grant amounts for businesses legally required to close)
 - **Additional Restrictions Grant** - discretionary scheme to assist other businesses impacted by the latest COVID restrictions.
2. This guidance sets out the eligibility criteria for the **Additional Restrictions Grant**, which, under the first call for applications will assist businesses without a rateable value required to close or severely impacted by COVID restrictions as they supply businesses in sectors required to close.
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. 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 fund to businesses located within the district. The District Council has been allocated funding of £1.446m for this grant scheme, which is to be used across the financial years 2020/2021 and 2021/2022. 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. At this stage, the District Council intends to allocate up to 50% of the available funding allocation in the form of **monthly discretionary grant payments** to impacted businesses ineligible for the Local Restrictions Support Grant. The remaining Additional Restrictions Grant allocation will be retained to provide additional support in the event that further local or national restrictions are required and to provide other strategic support to assist the recovery of the Derbyshire Dales economy. This will be the subject of separate guidance.

Scope of the Grant – First Call for Applications

6. During November 2020, December 2020 and January 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 between 5 November and 2 December 2020 due to national restrictions who fall outside the business rates system
 - were not legally required to close but have been severely impacted by restrictions as they supply businesses in sectors required to close
 - are in or supply goods or services to the following sectors:
 - Hospitality
 - Visitor accommodation
 - Leisure
 - Events sector
 - Non-essential retail
 - Personal care
7. The list of businesses required to close by Government is available [here](#)
8. Applications are anticipated from the following types of businesses – noting the qualifying criteria for accommodation providers – where the business is their primary source of income:
 - businesses in impacted sectors operating from shared business premises ineligible for business rates
 - businesses who supply other businesses required to close e.g. catering services / food & drink suppliers
 - Bed & Breakfast accommodation who pay Council Tax due to being ineligible for business rates – to be eligible to apply businesses must be registered as food businesses with the District Council
 - self-catering accommodation providers who pay Council Tax due to being ineligible for business rates – to be eligible to apply accommodation must qualify as a Furnished Holiday Let (FHL with a HMRC Tax Return Self-Assessment 105 declaration) on 4 November 2020
 - outdoor and indoor activity providers unable to open
 - businesses impacted by delayed or cancelled events
 - market traders based in the Dales normally trading at weekly stall markets but unable to trade due to COVID restrictions
 - personal care and other mobile businesses unable to trade.
9. 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

10. 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
11. To make an application for grant under the Additional Restrictions Grant, a small or micro business, either in or supplying the sectors above, must:
- be based in the Derbyshire Dales (trading address)
 - have been open / trading on 4 November 2020 prior to the second national lockdown (businesses remaining open but severely impacted will also need to confirm they were open / trading on 31 October 2020 i.e. when additional restrictions were announced for Derbyshire)
 - be able to demonstrate 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)
 - intend to continue trading beyond 2 December 2020.
12. Businesses that have been unable to provide their usual 'in-person' 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.
13. 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 also be considered on the same basis. 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.
14. 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.
15. The District Council proposes to undertake further grant funding calls through its Additional Restrictions Grant scheme on a quarterly basis. Further information about the eligibility criteria for future calls will be publicised at the appropriate time.

Grant Funding Available

16. The 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 liable 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. Grant awards will be determined as follows:

Closed / Open	Business Category	Grant Level (per 28 days closed / impacted)	Grant Rate
A) Legally required to close	Businesses occupying business premises and paying an annual rent which are: - <i>ineligible for business rates e.g. a business occupying shared space</i> OR - <i>awaiting a rates assessment on or before 4 November 2020</i>	£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 will be awarded grants at 70%	Equivalent to LRSG Closed
B) Legally required to close	Businesses operating from domestic, part domestic or other premises ineligible for business rates where this is their primary source of income e.g. - <i>mobile hairdressers, beauticians, therapists, events businesses, activity providers, market traders and qualifying B&Bs / Self-catering Furnished Holiday Lets (with SA105)</i>	£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 their own rating assessment severely impacted* as they supply businesses in sectors required to close <i>*turnover down 30%+</i>	£934 – RV £15k or below £1,400 – RV >£15k to <£51k £2,100 – RV £51k or above	Equivalent to LRSG Open i.e. 70% of grant for closed business
D) Not legally required to close / severely impacted	Businesses occupying business premises and paying an annual rent severely impacted* as they supply businesses in sectors required to close which are: - <i>ineligible for business rates e.g. a business occupying shared space</i> OR - <i>awaiting a rates assessment on or before 4 November 2020</i> <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

19. Businesses unable to register their premises for business rates will be considered for support. Businesses with premises eligible for rating will be required to seek a rating from the VOA prior to being considered for grant.

20. 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.

Exclusions

21. 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, financial advisors (list not exhaustive)
- have chosen to close but are not legally required to close
- 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 who trades in other locations)
- are from businesses that are part of national chains or franchises
- were in administration, were insolvent or subject to a striking-off notice on or before 4 November 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.

22. 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.

23. As with all COVID-19 Business Support Grants, funding assistance from the Additional Restrictions Grant is subject to State Aid rules – see section 35.

Application Process

24. 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).

25. 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).

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

26. In line with the process for the Local Restrictions Support Grant, applications will initially be considered for the 28-day period national lockdown restrictions are in place. One grant will be considered per qualifying business, including those with more than one business property.
27. Should restrictions continue beyond 2 December 2020, businesses in receipt of Additional Restrictions Grant will be required to re-confirm the status of their business via an on-line declaration (rather than re-apply) prior to being considered for additional monthly grant support.
28. The first call for applications will cover the period to **31 January 2021** unless there is an earlier change to restrictions imposed by Government requiring the eligibility criteria to be reviewed. The position regarding the funding allocation will be reviewed during this period, as will the option to offer additional funding on top of the Local Restrictions Support Grant (Closed) to businesses with a rateable value of £51k or above.
29. 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.
30. 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

31. 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.
32. The following supporting evidence will be required with the application:
- bank statements for the current and previous month, and for the equivalent period in 2019
 - 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).
33. 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.

34. 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

35. 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](#)

36. 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 submit a State Aid Declaration and their grant claim will not be processed until this is provided.

37. 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.

38. 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

39. 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

40. 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](#) {insert link}

Other Important Information

41. 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.

42. 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.

43. 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.

44. 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