

COVID-19 Business Support Grants – 2021/22 Update

Local Restrictions Support Grant (Open) and Additional Restrictions Grant

1. Introduction

- 1.1. A number of Business Support Grants were announced by Government as a package of national grant provisions effective from 5 November 2020. These included:
 - **Local Restrictions Support Grant (Closed) Addendum:** to support businesses that are required to close as a result of the national restrictions being put in place to manage coronavirus.
 - **Additional Restrictions Grant:** local authority run scheme to support businesses more broadly that are severely impacted by the new restrictions.
 - **Local Restrictions Support Grant (Sector):** to support businesses that were required to close in March, and which have never been able to reopen, for example nightclubs.
- 1.2. Following the national restrictions on 2 December 2020, local restrictions on a tier basis were implemented with associated grant funding. These included:
 - **Local Restrictions Support (Closed):** to support businesses required to close for a consecutive period of no less than 14 days as a result of local restrictions put in place to manage coronavirus.
 - **Local Restrictions Support (Open):** to support businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising
 - **Christmas Support Payment for Wet-Led pubs:** to support wet-led pubs in Tier 2 or Tier 3 areas between 2 and 29 December 2020 with a £1,000 flat rate grant.
- 1.3. A number of these schemes are now closed and on 3 March 2021 the Business Restart Grant scheme was announced to support businesses reopening safely as COVID-19 restrictions are lifted.
- 1.4. The Local Restrictions Support Grant (Closed) Addendum (LRSG(C) A), and Business Restart Grant are subject to separate schemes. If your business was required to close and you are a business rate payer, please refer to LRSG (C) Addendum and Business Restart Grant schemes.
- 1.5. This policy focuses on the local authority **Additional Restrictions Grant** and **Local Restrictions Support Grant (Open)** schemes only and grants that are available from 1 April 2021. The purpose of this grant scheme is to support businesses that have been adversely impacted by national and local restrictions imposed to control the spread of Covid-19. It will be for local authorities to devise a scheme and approach that reflects their local circumstances, such as providing support for micro-businesses with fixed costs, businesses that were required to close

and are restarting, for example, re-stocking and making premises COVID-19 secure, or support for businesses that are crucial for their local economies.

- 1.6. The value of the payment to be made to a business is at the discretion of the local authority.
- 1.7. The West of England Unitary authorities (Bath & North East Somerset Council, Bristol City Council, South Gloucestershire Council) and North Somerset Council have developed a regional policy to provide some consistency in the additional support available to businesses across the wider region.
- 1.8. Businesses must apply for support under this scheme directly to the local council where the business is trading. You can [check the postcode of where your business is trading](#) to see which is your local council. Note, if you apply to the wrong council your application will be declined and you will need to apply directly to the correct council.

2. Eligible businesses

2.1 Your business may be eligible if:

- You are not eligible for a Business Restart Grant.
- You are a business rate payer of the premises you trade from, or occupy, and have not been required to close but are severely impacted by localised restrictions on socialising.
- You are not a business rate payer of the premises you trade from, or occupy and your business (including those that are self-employed and sole traders) is based in the relevant council area, is trading on 1 April 2021 and has 49 or fewer employees (a person who receives remuneration via your payroll system), and either:
 - You are required to close (this includes businesses registered for Council Tax);
 - You are not required to close but have closed due to a significant impact on trading;
 - You are continuing to operate, but with significantly reduced demand due to social distancing rules.

Indicators that a business is trading are:

- The business has staff on furlough.
- The business continues to trade online, via click and collect services etc.
- The business is engaged in business activity; managing accounts, preparing for reopening, planning and implementing COVID-safe measures.

This list of indicators is not exhaustive.

3. Funding to be provided to businesses

- 3.1. From 1 April 2021, if you are a business rate payer of the premises you trade from, and are not eligible for a Restart Grant, a one-off grant will be provided as follows:
 - 3.1.1 Grants of up to £1,000 for businesses occupying hereditaments with an RV of exactly £15k or under on the date of the commencement of local restrictions or at the time of previous application.
 - 3.1.2 Grants of up to £1,500 for businesses occupying hereditaments with an RV over £15k and less than £51k on the date of commencement of the local restrictions or at the time of previous application.
 - 3.1.3 Grants of up to £2,000 for businesses occupying hereditaments with a RV of exactly £51k or above on the date of commencement of the local restrictions or at the time of application.
- 3.2. From 1st April 2021, if you are not a business rate payer a one-off grant is available as follows:
 - 3.2.1 Grants of up to £500 for sole trader businesses.
 - 3.2.2 Grants of up to £1,000 for businesses with 1 to 9 employees.
 - 3.2.3 Grants of up to £1,500 for businesses with 10 to 49 employees.
- 3.3. The West of England unitary authorities will collaborate when assessing and awarding grants and eligible businesses will only be entitled to one grant per business (not one per business premises) per period of national and local restriction across the West of England region.
- 3.4. The respective council has discretion as to the prioritisation of all applications received; this is likely to be based on local economic need and subject to the availability of funding. Councils will reserve the right to withhold payment where there is evidence that a business has a detrimental impact on the region, residents or our communities.

4. Eligibility Criteria

If your business meets all the following criteria, you could be eligible for a grant:

- 4.1. Businesses trading on 1 April (see indicators above), excludes activities undertaken for the purposes of acquiring or setting up a proposed new trade).
- 4.2. Businesses within the West of England region with ongoing fixed business-related costs e.g. rent, service charges, tool and equipment hire.
- 4.3. Businesses not entitled to a Business Restart Grant.
- 4.4. Businesses which can demonstrate they have suffered a significant fall in income (including online activity) due to the Covid-19 crisis.
- 4.5. Businesses that do not pay business rates directly with 49 or fewer employees (a person who has received remuneration via your payroll system in the last 3 months and who has a contract of employment).

5. Exclusions from the Discretionary Scheme

- 5.1. If your business is outside of the West of England region.
- 5.2. Businesses entitled to a Business Restart Grant.
- 5.3. Businesses that have reached the subsidy allowance limit.
- 5.4. Businesses that are in administration; are insolvent or where a striking-off notice has been made.
- 5.5. Businesses that are part of a national chain.
- 5.6. Private / residential accommodation where rooms / properties are let out, that do not have a food licence.
- 5.7. Self-employed who are eligible for/in receipt of Self-Employment Income Support Scheme and do not have material monthly fixed costs.

6. Application process

- 6.1. Automated Process - the Local Authority will assess the previous application against the grant criteria that may apply. Payments will be made by BACS only. A letter will be sent to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant schemes. This includes where Local Authorities already have bank details for businesses and are in a position to send out funding immediately. Businesses will need to notify their Local Authority if they no longer meet the eligibility criteria for further grants. For example, if they close permanently and they will be required to return the funding.
- 6.2. New Claimants - businesses must apply using the online application form (which will include, where required, the ability to upload documents at point of application) within the published dates.
- 6.3. Only one application is required per business and must list each premises they operate (within the West of England region).
- 6.4. Applicants will need to provide, where relevant and/or appropriate the following:
 - Business type/sector
 - Company registration number
 - Charity number
 - VAT registration number
 - Business rate/council tax account number
 - Number of employees
 - Photo ID or alternatively a passport number or driving licence number of the applicant

- Declaration as to the impact on your business, including the proportion of trade you have lost from the closure of other businesses. We may ask for further information or supporting evidence
 - Declaration as to State Aid
 - Bank details for payment
 - Email or correspondence address
 - Declaration of accuracy and consent to use data for wider verification.
- 6.5. The volume of eligible businesses within the region indicates that this grant scheme may be over subscribed. It is up to each local authority to decide how to structure and prioritise eligible grant applications received based on economic need. This may vary across the region and the local authority decision will be final. No separate dispute mechanism is in place with this fund and the dispute resolution process under the constitution of the respective council would apply.
- 6.6. Recognising the need to get support out to businesses swiftly whilst balancing the total grant awards within the funding available to the council and clearly evidence the demand (should additional funding be subsequently available), the application process will use an application window for grants from 1 April 2021 followed by assessment against the criteria within this policy followed by prioritisation if necessary to ensure the funding is not exceeded. The councils reserve the right to close the window for applications at any time should funding be exhausted or if further guidance from government is received.
- 6.7. Businesses are encouraged to apply early and each local authority will aim to process applications in a timely manner, subject to accurate and appropriate evidence being provided at the point of application.

7. Who will receive this funding?

- 7.1. The person, business or organisation who according to their application is the eligible beneficiary, certified by the evidence included in their application.
- 7.2. This support is in addition to businesses' eligibility for the Government's existing Coronavirus Job Retention Scheme or its equivalent, government backed loans.
- 7.3. There is no right of appeal against a decision made under this policy.

8. Will this grant scheme be subject to tax?

- 8.1. Grant income received by a business is taxable therefore awards made under this scheme will have to be declared within the relevant annual tax return.
- 8.2. Only businesses making an overall profit once grant income is included will be subject to tax.

9. Managing the risk of fraud

9.1. Local authorities will not accept deliberate manipulation and will work collaboratively across the region and nationally to share intelligence and resources to detect fraud. Any business found to be giving false eligibility information or seeking to gain additional grant will be investigated. The council will recover money paid in error and fraudulent claims will be prosecuted in the courts.

10. Subsidy Allowances

10.1. Businesses must make a declaration when applying for this scheme in line with the following:

- Small Amounts of Financial Assistance Allowance – businesses are allowed up to £335,000 (subject to exchange rates) over any period of 3 years.
- COVID-19 Business Grant Allowance – businesses are allowed up to £1,600,000.
- COVID-19 Business Grant Special Allowance - if limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance have been met, businesses may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 provided certain conditions are met.
- Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

11. Local Discretion

11.1 Where exceptional circumstances exist, the council reserves the right to vary the criteria of this scheme to respond effectively to local economic need.