



# **COVID-19 Discretionary Business Grants**

## **(Additional Restrictions Grant)**

### **Policy, Guidance Notes and Checklist**

V4. January 2022

## INTRODUCTION

The Covid-19 pandemic is unprecedented and has had a significant impact on the economy. The Government announced two further schemes in December 2021 which the Council is administering to support businesses most impacted by the Omicron variant.

The grants that are applicable to this phase are shown below.

**Table 1**

|          | <b>Name of fund</b>  | <b>Description</b>  | <b>Status</b>   |
|----------|--|---|---|
| <b>1</b> | <b>Omicron Hospitality and Leisure Grant</b><br><br><b>Mandatory</b> | <p>The Omicron Hospitality and Leisure Grant scheme provides a one-off grant of up to £6,000 for businesses that meet the Government's criteria of being in the hospitality, leisure and accommodation sectors that offer in-person services, where the main service and activity takes place in a fixed, rate-paying premises on the Council's ratings list.</p> <p>It is payable to the listed ratepayer as at 30 December 2021.</p> <p>Full details of the Omicron Hospitality and Leisure Grant scheme can be accessed on the <a href="https://www.gov.uk">gov.uk website</a></p> | <p>Application window open</p><br><br><br><br><br><br><br><br><br><br><b>Closing date 18 March 2022</b> |
| <b>2</b> | <b>Additional Restrictions Grant</b><br><br><b>Discretionary</b>     | <p>Supporting selected businesses sectors who are <b>not</b> eligible for an Omicron Hospitality and Leisure Grant.</p> <p>Businesses eligible for Additional Restrictions Grants include those businesses that support/supply the Hospitality, Leisure and Accommodation sectors.</p> <p>Further information and guidance with regards to eligibility, exclusions and the application process are detailed below.</p>  | <p><b>Closing date 25 February 2022</b></p> <p>(subject to funds)</p>                                   |

**This Policy details the criteria in relation to the Additional Restrictions Grant, which is the only discretionary grant available from January 2022, administered by the Council.**

The amount of funding available from the government's latest round of funding is considerably lower than previously received.

Mansfield District Council has again worked closely with other local authorities within Nottinghamshire to develop a consistent policy of support and funding. Due to individual districts and boroughs economic needs and varying funding levels there remain slight differences, however the discretionary concept remains consistent.

Due to the limited funding available, difficult choices have had to be made about which sectors to prioritise for this round of support. Unfortunately we have not been provided with sufficient funds to support everyone that may have been affected by the Omicron variant and the funding is not expected to meet the potential demand from businesses.

Applications will be considered on a first come first served basis, the date of receipt being where the application is complete with all relevant information supplied by the business. Any incomplete applications or delays in providing any information requested may delay the businesses being considered for funding.

## **OVERVIEW OF THE ADDITIONAL RESTRICTIONS GRANT**

The Additional Restrictions Support Grant will support businesses in meeting its operational costs.

The Additional Restrictions Support Grant is **not** to be used for:

- A wage support mechanism
- To fund capital projects that do not provide direct business support
- To fund projects whereby Local Authorities are the recipients.

It is available to eligible businesses significantly impacted by the Omicron variant, for example, eligible businesses in the direct supply chain to the hospitality, leisure and accommodation sectors along with eligible businesses in the personal care sector (hair and barbering, beauty and wellness).

Grants will be focussed on helping eligible micro and small businesses (i.e. with less than 50 employees)

## **PAYMENT OF THE ADDITIONAL RESTRICTION SUPPORT GRANT**

Additional Restriction Grants will be paid in one instalment to the businesses' business bank account. Grants can only be paid into a mainland UK-based bank account. All grant payments are subject to the satisfactory receipt of:

- A **fully** completed online application which can be found on the Councils website.
- Proof of rent payments made/rental liability (If the applicant is not the person liable to pay business rates at the business premises)
- Proof of residence, taxi licence and taxi rental/lease agreement (for licensed taxi drivers permanently residing in the Mansfield District Council area)
- Proof of business bank account (required for mandatory pre-payment checks and will be verified using credit reference and anti-fraud systems).
- Any other information the Council considers relevant.

## ELIGIBILITY CRITERIA FOR THE ADDITIONAL RESTRICTION GRANT

An eligible business must be able to demonstrate that the business:

- a) Is excluded from entitlement to a mandatory Omicron Hospitality & Leisure Grant
- b) Is a small or micro business as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006. The business will be asked to declare the number of staff as part of the application process.
- c) Is a business in the following sectors
  - Boarding Kennels/Catteries
  - Businesses in the Hospitality, Leisure and accommodation sectors (includes takeaways located in the Mansfield BID area)
  - Businesses in the Personal Care sector\* (as defined in Annex C of the Restart Grant guidance)
  - Businesses supporting/supplying the Hospitality, Leisure and accommodation sectors
  - Tour operators
  - Taxi drivers\* resident within the Mansfield District Council area
- d) Occupies commercial premises as at 30 December 2021 that has a rateable value within the Mansfield District Council area, or if they occupy a commercial space within those rated premises but it is not separately rated, that they pay a fixed rental cost for the business premises occupied\* (Domestic mortgage/rent costs are not admissible as property related charges).

\*In the personal care sector a reduced award level applies to room/chair rental businesses situated within rated premises.
- e) In the case of licensed taxi drivers, they must be permanently resident in the Mansfield District Council area where they pay a fixed rental/lease cost for the taxi vehicle\* (proof of residence, taxi licence and rental/lease costs will be required as part of the application process)

\*In case of taxi businesses, a reduced award level applies
- f) Was trading on 30 December 2021 and continues to trade i.e. continuing to trade with a view to making a profit or surplus (not a dormant company). This will ensure the grant is targeted at businesses whose owners/directors have demonstrated that they believe the business remains viable. You may need to provide proof of recent activity.
- g) Has not reached the limit of aid allowed under the COVID-19 Subsidy Allowances.

Where a business operates services in more than one category, the Council will determine eligibility based upon the main service principle (which category constitutes 50% or more of the businesses overall income. Additional evidence may be required such as a copy of annual accounts, management

accounts or a statement from an appropriately qualified Chartered Accountant to confirm the business income breakdown.

**Table 2 – ADDITIONAL RESTRICTION SUPPORT GRANT RATES FROM JANUARY 2022**

| Category   | Rate of grant   |
|--|---|
| Eligible businesses listed as the ratepayer that <b>wholly</b> occupy business premises with a rateable value, or<br><br>Eligible businesses that pay fixed rental costs for a rated business premises (excluding personal care room/chair rentals): | £1,000* for a Rateable Value £15,000 and under<br><br>£1,750* for a Rateable Value of over £15,000 and below £51,000<br><br>£3,000* for a Rateable Value £51,000 and over |
| Eligible businesses in the personal care sector renting a room or chair within a rated business premises   | £ 500 fixed award   |
| Eligible Taxi drivers that pay a fixed rental/lease cost for the vehicle   | £100 fixed award  |
| <i>The Council reserves the right to amend the financial limits and amounts stated above.</i>  |   |

**Note:** We reserve the right to modify and/or withdraw each grant award and its associated conditions, particularly to ensure that public money is spent well. This may be in response to changes in national legislation, local economic and health conditions and changes in funding circumstances.

## **BUSINESSES EXCLUDED FROM ADDITIONAL RESTRICTIONS GRANT**

A business will be excluded from applying for a grant if, on the date it makes the application it:

- Is eligible for or has already received an Omicron Hospitality and Leisure Grant
- Is dissolved or about to be dissolved
- Is insolvent or if insolvency action had been instigated against it (including any petition or where a striking off notice has been made)
- Is dormant as of the 31 December 2021, i.e. not trading but not insolvent or has ceased trading

- Gyms and sports businesses (as defined in OHLG & Restart guidance)
- Non-essential retail (as defined in Restart guidance)
- Businesses that are unable to demonstrate, if requested, a negative impact as a result of the Omicron strain of Covid-19.
- Take-away businesses that are **NOT** located within the Mansfield BID area
- Businesses that have been subject to environmental health or planning enforcement prosecution since 1 April 2020 will be excluded from all discretionary grants

## APPLICANTS RESPONSIBILITIES

Businesses are responsible for providing true and accurate information, and applicants are asked to note that:

- a) The business for which the application is made must be currently experiencing genuine financial hardship as a result of the Omicron variant of COVID-19 crisis and must have an evident need for financial relief under the terms and conditions of the Additional Restrictions Grant.
- b) Providing wrong or misleading information is a criminal offence and any such information may be used against applicants in any subsequent criminal investigation. The information provided on the online application form will be externally verified by anti-fraud and bank verification/credit referencing agencies as part of the Governments' new requirements for mandatory pre-payment checks on all applications. It may be made available to other government departments/agencies for the purposes of preventing or detecting crime and for scheme evaluation and survey purposes for which you may be contacted by the Government. Grant applicant personal data will be retained for a period of 10 years as required by BEIS.
- c) Any grant received by a business must be declared as income in the tax return of the business. Payments made to businesses before 5 April 2021 will fall into the 2020/21 tax year. Unincorporated businesses will be taxed when they receive the grant income. Only businesses which make an overall profit once grant income is included will be subject to tax. Unincorporated businesses will be taxed when they receive the grant income.
- d) Any grant received by the business will be used only for the purpose intended i.e. to help alleviate the financial pressure of the recipient business and to the exclusion of any other individual or third-party gain.
- e) The applicant will be asked to certify that the information provided on behalf of the business is true and correct to the best of the applicant's knowledge and belief, and should it be subsequently determined that the grant was awarded on the basis of wrong or misleading information, or paid in error, the grant will be subject to recovery in full.
- f) The applicant understands that if the Council approves the application, the terms and conditions shall be enforceable on the basis of the Terms and Conditions of the grant scheme.

## THE GRANT APPLICATION PROCESS

It is anticipated that the grant funding available will not satisfy the combined amount of funding requested by applicants. Therefore the following application process has been adopted:

- a) **Applications can only be made online\***. Therefore, before you apply there are some steps that you will need to take. Please read the eligibility criteria and checklist first to find out if you qualify.
- b) The closing date for applications is 5.00 pm on 25 February 2022 subject to funds being available. The Council reserve the right to amend the closing date.
- c) During the application window, the Council will only accept fully completed online applications with all of the required evidence to support each application. An application made during the 'grant application window' does not guarantee approval for payment.
- d) On receipt of the online application and evidence, the Council will send an email to acknowledge receipt and a Unique Reference Number (URN) will be allocated to the application. Please ensure you retain this number.
- e) If the application is not accompanied by all necessary supporting evidence, the Council will email the applicant to advise that information is missing. The application will not be processed until this evidence is received, i.e. the onus is on the applicant to provide the evidence in a timely manner. If the applicant does not respond within 3 working days of email from the Council the application will be withdrawn without further consideration. No further contact will be made.
- f) Unsuccessful applicants will be advised of the outcome of an application by email. There is no right to dispute or appeal a discretionary decision.
- g) Dependent upon availability of funds, further application 'windows' may be opened and/or 'top-up' payments **may** be allocated to businesses at the Council's discretion, but this is not guaranteed.
- h) The Council will seek to reach a decision within 10 working days, or as soon as reasonably practicable, of receipt of a completed application that has all the required evidence attached. Due to the additional pre-payment checks required by the Government, applications take longer to deal with and so delays are anticipated. Successful applicants will be notified by email, and payments will be made by BACS (payments usually take three working days to arrive in accounts).
- i) The Council will prioritise consideration of grant applications when received and will not respond to canvassing or queries about progress of the application.
- j) Canvassing any officer responsible for the execution of this grant's process or elected individual will render the applicant disqualified from this process.

- k) If the businesses circumstances change after the application has been submitted but before a decision has been notified, applicants are under a duty to advise the Council of the change of circumstances affecting their business.

## EVIDENCE AND CHECKLIST

The Council is relying on businesses to be **honest and open**, and to present evidence of need and eligibility for the Additional Restrictions Grant (If you provide false or inaccurate information then the Council will take appropriate action). If a business believes that it is eligible to apply for the grant the following checklist may be used to help gather evidence.

| Information       | Evidence Required   | Comment  |
|-------------------|---|--|
| Applicant details | Submit information on the online application form   | <p>Your business name.</p> <p>Nature of the business, how this relates to the specific sectors listed above and explanation of how the business has been affected (self-declaration statement).</p> <p>Your contact name and number(s). Your business trading address and postcode.</p> <p>Company registration number (if applicable) or self-assessment tax return and your VAT number (if VAT registered).</p> <p>Business Rates reference number.<br/>Proof of rental payments.</p> <p>Confirmation of proportion of income (for mixed services businesses only)</p> |
| Payment details   | <p>Your business bank account number and sort code (only provide bank account details where a BACS payment can be accepted).</p> <p>A copy of a business bank statement, clearly showing the bank account holder's name, sort code and account number and business address.</p> <p>A utility bill clearly showing your business address</p> | <p>These details must match the name of the business or individual listed on the business rates bill or lease.</p> <p>The bank account must be mainland UK-based</p> <p>The bank statements provided must show the business trading at the eligibility date up to the point of application.</p>  |

|   |   |   |
|---|---|---|
| Evidence that you are a micro or small business   | <p>This will be done by way of self-declaration on the online application form.</p> <p>Details may be checked using the Companies House register.</p>                       | <p>Under the Companies Act 2006:</p> <p>A <b>Micro business</b> must satisfy two or more of the following:</p> <ul style="list-style-type: none"> <li>• Turnover: Not more than £632,000</li> <li>• Balance sheet total: Not more than £316,000</li> <li>• Number of employees: a staff headcount of not more than 10</li> </ul> <p>A <b>Small business</b> must satisfy two or more of the following:</p> <ul style="list-style-type: none"> <li>• Turnover: Not more than £10.2 million</li> <li>• Balance Sheet total: Not more than £5.1 million</li> <li>• Number of employees: a staff headcount of up to 50</li> </ul> |
| Proof of rent charged (if you do not occupy a property liable for business rates as the liable party) | <p>Proof of rent charged (for example lease agreement or rental receipt)</p> <p>Note - Mortgage payments are <b>not</b> considered a rent charge and are not admissible</p> | <p>Charge has to relate to business premises listed in Mansfield District Council's business rates list.</p> <p>Domestic premises are excluded</p>  |
| Taxi drivers  | <p>Proof of where applicant resides</p> <p>Proof of a current taxi licence</p> <p>Proof of fixed rental cost for the taxi vehicle</p>                                       | <p>Utility bill/bank statement showing current address</p> <p>Current taxi licence</p> <p>Taxi rental/lease agreement</p>   |
| Self-employed in supply chain   | <p>Evidence of type of business self-assessment (contract /copy invoices/accounts).</p> <p>Latest Tax return.</p> <p>Evidence of recent trading</p>                         | <p>Self-declaration – what is the business and how does it link to the grant? Paragraph from applicant.</p>   |
| Evidence of eligibility under State aid rules   | <p>You will need to demonstrate this by way of self-declaration statement on the online application form. See SUBSIDY/STATE AID section below.</p>                          | <p>Self-declaration – You will be asked to confirm the total amount of subsidy/state aid received to date.</p> <p>If you are unsure whether State aid applies to your business, you will need to seek independent legal advice</p>  |

## HOW WE WILL USE YOUR INFORMATION

We will use your information to assess your application for financial support. We will confirm information about you and your account from credit referencing and anti-fraud agencies to confirm account validity and your identity/business viability. If you provide false or inaccurate information, we will record this. If you would like full details on how we use your information, please refer to the Council's privacy policy. We will share information provided by you with other Government agencies for the detection and prevention of fraud/crime and for monitoring and evaluation purposes. You may be contacted by BEIS to conduct evaluation surveys. All grant applicant data is to be retained for a period of 10 years as specified by BEIS.

**Any business falsifying their records to gain additional grant will face prosecution and any funding issued will be recovered.**

## **SUBSIDY/STATE AID**

All successful businesses will be required to declare that by accepting the grant payment, the business confirms that they are eligible for the grant scheme, including that any payments accepted will be in compliance with Subsidy control requirements (previously called state aid). Any business that has reached the overall limit of payments permissible under COVID-19 subsidy control allowances will not be able to receive further grant funding. For full details of the COVID -19 Business Grant Subsidy Allowances, please refer to the government guidance.

## **TAX**

Grant income received by a business is taxable and any funding paid from this scheme will be subject to tax and must be declared as income in the tax return of the business. Payments made to businesses before 5 April 2021 will fall into the 2020/21 tax year. Unincorporated businesses will be taxed when they receive the grant income. Only businesses which make an overall profit once grant income is included will be subject to tax. Unincorporated businesses will be taxed when they receive the grant income.

## **RIGHT TO UPDATE THIS POLICY**

The Council reserves the right to update, change or withdraw this policy without notification or prior warning in the event that the government updates or changes its guidance to us or in the event of an error, omission, or unallocated funds.

## **APPEALS**

There is no right to appeal and the decision of the Council is final. The Council's interpretation of this document is at its own discretion and it will be the final arbiter of the definitions contained within this policy.