

Cheltenham Borough Council

Additional Restrictions - Discretionary Business Grant Scheme Round 4 May 2021

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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

‘Covid-19’ (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

‘Department for Business, Energy & Industrial Strategy (BEIS)’: means the Government department responsible for the scheme and guidance;

‘Effective date’; Means, for eligibility of the grant, the commencement of the relevant award period in section 2

Hereditament; means the assessment defined within Section 64 of the Local Government Finance Act 1988

‘Local lockdown’; means the same as ‘Local restrictions’;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Ratepayer’; means the person who, according to the Council’s records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

‘Subsidy Allowance’; refers to the provisions which exist from 4 March 2021 to limit the amount of funding any one organisation or business can receive as part of grant schemes put in place by the government

1.0 Purpose of the Scheme and background.

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council’s Additional Restrictions Grant Scheme (ARG). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.
- 1.2 The Additional Restrictions Grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy on 31st October 2020. The announcement set out the basic circumstances whereby an additional restriction grant payment can be made by the Council to a business which has to close or is severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.
- 1.3 Whilst the awarding of grants will largely be at the Council’s discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.
- 1.4 This scheme will apply in respect of award periods specified in section 2.

2.0 Award and Application Periods

- 2.1 The Additional Restrictions Grant scheme will be available for specific periods which will be added to this section.

Round	Award Period	Application window	Effective Date	Grant award
1	05/11/20 – 01/12/20	Closed	05/11/2020	As per 3.5 below
2	05/01/21 – 15/02/21	17/02/21 - 10/03/21	05/01/2021	As per 3.5 and 3.6 below
3	16/02/21 – 31/03/21	17/03/21 – 31/03/21		As per 3.5 - 3.7 below
4	01/04/21 – 16/05/21	05/05/21 – 16/05/21		As per 3.5 - 3.7 below

3.0 Eligibility criteria and awards

- 3.1 The Council is able to use Additional Restrictions Grant funding for business support activities and the Government envisage that this will primarily take the form of discretionary grants but it can also be used for wider business support activities.
- 3.2 All funding provided under this scheme should provide direct support to businesses impacted by coronavirus restrictions. The Council has the discretion is able to set the amount of funding offered to individual businesses. The business premises must be within Cheltenham Borough Council's area.
- 3.3 To be eligible for this scheme Business must be registered with companies house, HM Revenue and Customs (HMRC) for VAT purposes or for sole traders and partnerships registered for self -assessment purposes HMRC.

Eligibility Criteria

- 3.4 For the purposes of this scheme the Council has decided that the following eligibility criteria must be met in order to receive a round 4 Additional Restrictions Grant:

Category 1 - Specified business types (non-business rate payers) forced to remain closed

To be eligible for any of the business types in this category all businesses must:

- Be one of the specified types detailed below and must **not** be the registered ratepayer
- Be making rent or mortgage payments for the business premises in respect of which the application refers to
- Be established and trading from the premises on a regular basis prior to being forced to close due to the restrictions
- Be required to remain closed due to the premises being subject to restrictions until 17 May or 21 June 2021

For the purpose of this category regular is defined as at least 3 days per week

Specified businesses are:

a) Bed and Breakfast premises which pay council tax instead of business rates

To be eligible for this category the Bed and Breakfast property must:

- Be domestic and therefore subject to council tax rather than business rates;
- Provide short stay accommodation for no more than six persons at any one time within the past year;
- Be the sole or main residence of the proprietor(s) and the bed and breakfast use is subsidiary to the private use;
- Have at least two rooms capable of being let separately.
- In determining subsidiary use the Council shall take into account:
 - Whether the majority of the premises is being used for business purposes: and
 - If the premises have been adapted to alter the character of the property beyond that of a private house.
- The Council has determined that, any premises where it considers that the Bed and Breakfast business is basically 'home sharing' and where advertising is wholly undertaken through 'home sharing' websites, will be excluded from this scheme.

b) Hairdressers/beauticians/businesses providing personal care/wellbeing/in person training services that do not have their own business rates assessment and trade in premises that are required by law to remain closed until 17 May or 21 June 2021

And

c) Businesses in the hospitality, leisure/tourism and events sector that do not have their own business rates assessment and trade in premises that are required by law to remain closed until 17 May or 21 June 2021

- Businesses defined in c and d above will be those required to close or stop operating by the Schedule to The Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020 and listed on the Government guidance "Closing Certain businesses and venues in England which can be viewed here <https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england>
- these will be businesses which do not have a separate assessment for Non-Domestic Rating (i.e. those businesses who do not occupy a separate hereditament within the 2017 Rating List) but pay rent or mortgage payments for the business space occupied

Category 2 – Not applicable for Round 4

Category 3 - Not applicable for Round 4

Category 4 - Businesses with property costs (business rate payers and non-business ratepayers) supplying the hospitality, leisure, tourism or events sector that:

- **trade in premises that are required by law to remain closed until 17 May or 21 June 2021 and/or**
- **trade directly with businesses that are either required by law to remain closed until 17 May or 21 June 2021 or are able to open but serve customers outside only**

This category applies to Businesses that are either

- the business ratepayer for the premises in respect of which the application is being made on 1 April 2021

or

- businesses which do not have a separate assessment for Non-Domestic Rating (i.e. those businesses who do not occupy a separate hereditament within the 2017 Rating List) but are making rent or mortgage payments for the business premises in respect of which the application is being made. Businesses must be established and trading from the premises on a regular basis prior to 1 April 2021. For the purpose of this category regular is defined as at least 3 days per week

To be eligible all businesses must+:

- Be providing goods and or services that are integral to the supply chain for the hospitality, leisure, tourism or events sector
- Demonstrate that the majority of its business is supplying goods and or services to the businesses in the hospitality, leisure tourism or events sector that are subject to restrictions until 17 May or 21 June 2021
- Demonstrate that they have been severely impacted due to the restrictions on retail, hospitality, leisure, tourism or events sector
- Premises used for storage will only be included for the purpose of this scheme if the use is pertaining to the direct running of the business

Category 5 - Not applicable for Round 4

Category 6 – Local businesses that are pubs, bars, restaurants, café's, hotels or guesthouses that serve food and/or drink to customers at the premises and are either:

- **Required to remain closed by law until 17 May or 21 June**
- **Open from 12 April 2021 but only able to serve customers outside**

To be eligible businesses must:

- be the registered ratepayer occupying the premises on 1 April 2021

Businesses will not be eligible if

- On or after 1 April 2021, they have permanently closed, are in administration, insolvent, dissolved, about to be dissolved or where a striking-off notice has been issued
- They are part of national chains, affiliated to national chains or are franchises

Category 7 – Businesses supplying, or in, the hospitality, leisure, tourism or events sector that do not have business premises and trade directly with businesses, or at locations, that are required by law to remain closed until 17 May or 21 June 2021, or, able to open but serve customers outside only

To be eligible

- The business must have unavoidable on-going fixed business costs (excluding employee costs, mobile phone, broadband, any personal or household costs such as mortgage and utility bills)
- The business must be a main source of income for the applicant
- The business must provide evidence that it is in or supplies the retail, hospitality, leisure, tourism or events sector
- The business must be clearly definable with evidence of trading such as business accounts, business bank account, vat registration, registered with companies house
- The business owner applying for the grant must be resident and either registered for council tax or in the register of electors in Cheltenham from 1 April 2021
- The business must be unable to operate or be severely impacted due to the on-going restrictions on the businesses they trade with
- Professional services businesses (legal, financial) are excluded
- Businesses must demonstrate they have been severely impacted and there is a financial need for support

Category 8 - Not applicable for Round 4

Category 9 - Not applicable for Round 4

Category 10 - Bus companies paying rent in respect of scheduled bus departures from premises in Cheltenham's Non-Domestic Rating list

- To be eligible businesses must be operating scheduled bus routes which excludes school service, day trips, holidays and tours
- Businesses that are part of national chains, affiliated to national chains or are franchises are excluded

Award Levels

- 3.5. Eligible businesses will receive a one-off payment based the number of applications received.
- 3.6 No payments will be made until after the application deadline has passed and all applications have been assessed
- 3.7 The Council has complete discretion to determine the amount of grant awarded to businesses and there will be no right of appeal against the amount.

Applications and evidence

- 3.8 Funding for this grant scheme is being limited and therefore it will only be open for businesses to apply during the application window for the relevant award period detailed in 2.1 above. Applications will not be accepted after the relevant application window has closed. The application form will be made available on the Council's website
- 3.8 Businesses must provide bank statements for the business with their application covering the whole of March 2021. The bank statements must show the name, address and business income and expenditure. If bank statements are not provided or they do not show evidence of business transactions the application will be rejected. A bank statement for a period prior to March 2021 may be required and must be provided if requested.
- 3.10 Applications not meeting the eligibility criteria will be rejected

Excluded businesses

3.11 The following businesses will **not** be eligible for an award:

- (a) Businesses that do not meet the criteria for the relevant category in 3.4 above
- (b) Businesses that have no premises related or other on-going fixed business costs
- (c) Businesses that have not satisfactorily demonstrated they were established and trading on 1 April 2021 and continue to be trading when the grant award is being considered
- (d) Businesses that do not provide the required bank statements to evidence valid bank account, name, address and relevant business transactions
- (e) Professional services businesses such as legal and financial
- (f) Businesses that do not provide the information requested, including evidence of business costs or paying rent/mortgage for business premises
- (e) Businesses that, where required, have not supplied sufficient information to demonstrate that have been severely impacted
- (f) Businesses will not be eligible for more than one of the categories in 3.4 above
- g) Businesses which have already received grant payment that equal the maximum levels of Subsidy Allowance permitted under EU-UK Trade and Co-operation Agreement (TCA)
- (h) Businesses that are in administration, are insolvent, are dissolved, about to be dissolved, subject to a striking-off notice or under notice

Who can receive the grant?

3.12 The person or business entitled to receive the grant will be the applicant.

3.13 Where the Council has reason to believe that the information it holds about the business, or has been provided by the business, at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

3.14 Where, it is subsequently determined that the records held, or information provided, are incorrect, the Council reserves the right to recover any grant incorrectly paid.

3.15 Where any business misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a grant.

3.16 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

4.0 How will grants be provided to Businesses?

4.1 Payment of a grant under this scheme will only be paid to a valid bank account. For limited companies payment will only be made to company or trading bank account

4.2 Details of how to obtain grants are available on the Council's website:

https://www.cheltenham.gov.uk/info/26/business_support_and_advice/1475/covid-19_business_support_grants

4.3 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.

4.4 The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.

4.5 An application for an Additional Restriction Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.

4.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

5.0 Subsidy Allowance

5.1 The new domestic subsidy allowance for the COVID-19 business support grants came in to effect on 4 March 2021 and apply in respect of grant applications from this date. Applications made prior to that date are subject to the previous State Aid rules. The scheme includes three subsidy allowances

- Small amounts of financial assistance allowance –up to £335,000 (subject to exchange rates) over any period of 3 years
- COVID-19 business grant allowance – up to £1,600,000
- COVID-19 business grant special allowance - if the limits under the small amounts of financial assistance allowance and COVID-19 business grant allowance have been reached , the business 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.

5.2 Any grant awarded is required to comply the subsidy allowance rules. The applicant will be required to declare to the Council that they will exceed the limits.

6.0 Scheme of Delegation

6.1 Officers of the Council will administer the scheme and the Head of Revenues and Benefits in consultation with the Cabinet Member for Finance and Assets is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

7.0 Notification of Decisions

- 7.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 7.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

8.0 Review of Decisions

- 8.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision regarding eligibility for a grant. There will be no review in respect of the grant amount awarded.
- 8.2 All requests in respect of eligibility for a grant must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's request for a review of the decision.
- 8.3 The applications will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

9.0 Complaints

- 9.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

10.0 Taxation and the provision of information to Her Majesty's Revenue and Customs (HMRC)

- 10.1 The council has been informed by Government that all payments under the scheme are taxable.
- 10.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.
- 10.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

11.0 Managing the risk of fraud

- 11.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare entitlement to any of the specified grants will face prosecution and any funding will be recovered from them.
- 11.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

12.0 Recovery of amounts incorrectly paid

- 12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13.0 Data Protection and use of data

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

14.0 Administration

- 14.1 An application form will be available on the Council's website. As funding for this grant scheme is limited it will only be open for businesses to apply for a maximum period of 14 days from the date the application form is made available on the Council's website.
- 14.2 Applications will be assessed in date order as they are received.