

Covid-19
Additional
Restriction Grant
for Businesses
(Discretionary Grant)

March 2021

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1. Introduction and Purpose

Under the Additional Restrictions Grant (ARG), local authorities can develop discretionary grant schemes to help those businesses which are severely impacted by the restrictions put in place to control the spread of Covid-19 but do not meet the eligibility criteria applicable to the Local Restrictions Support Grant (LRSRG) or one-off grant funding under the Restart Grant (RG).

Full eligibility criteria and grant funding levels for round 4 of the Maidstone Borough Council scheme covering the period from the 17th February 2021 are detailed below.

This is expected to be the last round of funding under the scheme in its current form and aims to provide support through to the planned re opening of the retail, hospitality, and leisure sector later this year.

For ease of administration, businesses that qualified for a grant under round 3 of the discretionary scheme (period 5th January to 16th February) and meet the criteria for round 4 of the scheme will be automatically awarded a further grant with no need for a further application.

Businesses must notify the Council of any changes affecting their entitlement to receive a grant.

2. Which businesses will be eligible for the grant?

The basic idea of the Additional Restrictions Grant is simple – financial support for businesses that were trading immediately before the restrictions and have been required to close or have experienced a significant reduction in income because of the national restrictions.

Businesses based in the Maidstone Borough which meet one of the following criteria:

Category A – Non-essential Retail, hospitality or leisure businesses that have been legally required to close; occupy a commercial workspace and have been unable to claim support through the LRSRG or RG as they are not the business ratepayer.

Category B – Supply Chain for goods or services to the retail, hospitality or leisure sector represent 50% or more of the business income, occupy commercial workspace and are unable to claim support through the LRSRG or RG.

Category C - Essential retail businesses which occupy commercial workspace and whilst not legally required to close have decided to temporarily close due to it not being possible to trade in a Covid secure way.

Category D - Limited companies and business start-ups with less than 50 employees, that can evidence a significant reduction in income and have been

unable to claim support through the Self-Employed Income Support Scheme, LRSG or RG. (includes home based businesses)

Category E - Hardship fund, businesses in any sector that have been able to remain open and can evidence a significant reduction in income and trade due to reduced footfall in our town centre and other retail destinations. Are registered for business rates and have been unable to claim support through the LRSG or RG.

3. How much funding will be provided to businesses?

The amount of the payment to be made to a business is at the discretion of the Council and will be subject to demand on the scheme and available funding.

Award levels will vary according to business size and sector.

Category A & C

The Council will aim to make awards to businesses up-to the equivalent to the Local Restrictions Support Grant and Restart Grant.

Businesses with a rateable value or otherwise pay a commercial rent of £15,000 or under will receive a one-off payment of up-to £4,668 (retail) or £10,001 (hospitality, leisure, and personal care).

Businesses with a rateable value or otherwise pay a commercial rent between £15,000 and under £51,000 will receive a one-off payment of up-to £7,000 (retail) or £15,000 (hospitality, leisure, and personal care).

Businesses with a rateable value or otherwise pay a commercial rent of exactly £51,000 or above will receive a one-off payment of up-to £10,500 (retail) or £22,500 (hospitality, leisure, and personal care).

Category B

The council will aim to make awards to businesses up-to the equivalent to 70% of the Local Restrictions Support Grant and Restart Grant.

Properties with a rateable value or otherwise pay a commercial rent of £15,000 or under will receive a one-off payment of up-to £3,268 (retail) or £7,001 (hospitality, leisure and personal care).

Properties with a rateable value or otherwise pay a commercial rent over £15,000 and below £51,000 will receive a one-off payment of up-to £4,900 (retail) or £10,500 (hospitality, leisure, and personal care).

Properties with a rateable value or otherwise pay a commercial rent of £51,000 and over will receive a one-off payment of up-to £7,350 (retail) or £15,750 (hospitality, leisure, and personal care).

Category D

The council will aim to make an award of up-to £2,801.

Category E

The Council will aim to make awards to businesses up-to the equivalent of 70% of the Restart Grant.

Businesses with a rateable value of £15,000 or under will receive a one-off payment of up-to £1,867.

Businesses with a rateable value between £15,000 and under £51,000 will receive a one-off payment of up-to £2,800.

Businesses with a rateable value of exactly £51,000 or above will receive a one-off payment of up-to £4,200.

Authority is delegated to the Head of Economic Development and Regeneration, in consultation with the Director of Finance and Business Improvement to consider and make individual awards up to a value of £100,000 for:

- Businesses in difficulty that are of importance to the borough given their impact on the quantum and or quality of employment, or services to residents or the visitor economy.
- Business support including activity to aid the reopening and recovery of the High Street.

4. Application process

Businesses that qualified for a grant under round 3 of the Additional Restrictions Grant discretionary scheme (period 5th January to 16th December) and meet the criteria for round 4 of the scheme will be automatically awarded a further grant with no need for a further application.

Businesses must notify the Council of any changes affecting their entitlement to receive a grant.

There will be an online application process available on the Council's website for businesses that have not claimed a grant in the last funding round which will be widely publicised to encourage take up.

In accepting a grant businesses are agreeing to provide evidence to demonstrate that they meet the grant criteria. Where evidence is requested and not provided or does not support the claim made the Council may seek repayment of any grant paid.

Due to the limited funds available there will be a fixed period for new applications. Applications for this round of funding, covering the period from the 17th February must be received no later than 16th April 2021.

Payments will be made from week commencing 19th April 2021.

Any applications outside of this period will only be considered in exceptional circumstances. See section 6.

5. State Aid Subsidy Allowances / Businesses in Difficulty

The EU State aid rules no longer apply to subsidies granted in the UK. From the 4th March, the EU-UK Trade and Co-operation Agreement (TCA) has set new limits to how much subsidy can be given to a business under the law and in what circumstances.

There are three subsidy allowances for this scheme set out below:

1. Small Amounts of Financial Assistance Allowance

A business (or single economic actor defined by the TCA) can receive up to a maximum level of subsidy equivalent to £335,000 over any period of three fiscal years.

2. The COVID-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid under the COVID-19 Business Grant Allowance. For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator.

Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (see definition) on 31 December 2019. However, grants can be granted to micro or small enterprises that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

3. COVID-19 Business Grant Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to

access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided certain conditions are met.

Please contact the Council for further advice if you believe that either state aid Subsidy Allowance limitations or the undertaking in difficulty may apply to your business.

6. Decision making and review of decisions

In the interests of efficiency, the authority to consider applications is delegated to the Head of Economic Development and Regeneration, who will ensure that a decision is notified by email as soon as is reasonably practical after the application period closes.

Any request for review of a decision to award or not award a grant or against the level of grant must be made within 7 days of notification of the decision by email to ARG@maidstone.gov.uk.

Authority to consider reviews or any application received beyond the deadline of the 16th April is delegated to the Director of Finance and Business Improvement who will aim to notify the applicant of the final decision in writing within 14 days with a full explanation of the reasons for the decision.