

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

January 2021

[www.maidstone.gov.uk](http://www.maidstone.gov.uk)



## **1. Introduction and Purpose**

On 4 January 2021, Government announced that a new national lockdown would be introduced starting 5 January 2021. The Chancellor subsequently announced further measures to support businesses required to close across the country, including grant funding through the Local Restrictions Support Grant (Closed) and the Closed Businesses Lockdown Payment (CBLP) schemes.

See announcement: <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

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 (LRSG).

Full eligibility criteria and grant funding levels for round 3 of the Maidstone Borough Council scheme covering the period 31<sup>st</sup> December 2020 to 16<sup>th</sup> February 2021 are detailed below.

For ease of administration, businesses that qualified for a grant under round 2 of the discretionary scheme (period 2<sup>nd</sup> December to 30<sup>th</sup> December) and meet the criteria for round 3 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.

The following eligibility criteria apply:

Category A - Businesses must be operating in the sector (retail, hospitality or leisure) that has been legally required to close; occupy a commercial workspace within the borough and be unable to claim financial support through the LRSG as they are not the business ratepayer for the premises which they occupy; or

Category B - Businesses must receive their primary source of income (over 50%) through the supply of goods or services to the sector (retail, hospitality or leisure), occupy a commercial workspace within the borough and are unable to claim financial support through the LRSG; or

Category C - Businesses that are essential retail, occupy commercial workspace within the Borough and whilst not legally required to close have decided to close and temporarily cease trading due to it not being possible to trade in a Covid secure way due to the nature of premises occupied; or

Category D - Businesses which are classified as either a small or micro business (less than 50 employees), that have seen a significant reduction in income and have been unable to claim support through either the Self-Employed Income Support Scheme or any other mandatory Business Grant Schemes provided by the Government and delivered by Maidstone Borough Council. For the avoidance of doubt, this includes limited companies working from home with no commercial property.

Category E - Businesses in the sector (retail, hospitality or leisure) that have been legally required to close; have a rateable value of exactly £51,000 or above and are in receipt of a Local Restrictions Support Grant.

### **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.

#### Category A & C

The Council will aim to make awards to businesses equivalent to the Local Restrictions Support Grant and Closed Business Lockdown Grant.

Businesses with a rateable value or otherwise pay a commercial rent of £15,000 or under will receive a payment of £6,001.

Businesses with a rateable value or otherwise pay a commercial rent between £15,000 and under £51,000 will receive a payment of £9,000.

Businesses with a rateable value or otherwise pay a commercial rent of exactly £51,000 or above will receive a payment of £23,500.

#### Category B

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

Properties with a rateable value or otherwise pay a commercial rent of £15,000 or under will receive a one-off payment of £1,401.

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 £2,100.

Properties with a rateable value or otherwise pay a commercial rent of £51,000 and over will receive a one-off payment of £3,150.

Category D – The council will aim to make an award of £1,401.

Category E – The council will aim to make a one-off award of £10,000 in addition to any entitlement under the Local Restrictions Support Grant.

#### **4. Application process**

Businesses that qualified for a grant under round 2 of the Additional Restrictions Grant discretionary scheme (period 2<sup>nd</sup> December to 30<sup>th</sup> December) and meet the criteria for round 3 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 31<sup>st</sup> December to 16<sup>th</sup> February 2021 must be received no later than 23<sup>rd</sup> February 2021.

Payments will be made from week commencing 25<sup>th</sup> February 2021.

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

#### **5. State Aid / Businesses in Difficulty**

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period. However, the United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

Subsidies can be provided in line with the Principles set out in Article 3.4, Chapter Three of the TCA. This includes subsidies related to COVID-19 that have previously been given under the State aid Temporary Framework.

All recipients are required to comply with the maximum permitted funding under the relevant State aid rules – EUR 200,000 over three years under the De Minimis Regulation, or EUR 800,000 under the COVID-19 Temporary Framework

for UK Authorities. The De Minimis aid and the Temporary Framework can be combined to bring the aid per company to up to €1 million.

Any aid provided under this scheme will be relevant if you wish to apply, or have applied, for any other aid granted on the basis of the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received.

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation<sup>3</sup>) on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19

This undertaking in difficulty test does not apply to small and micro undertakings (less than 50 employees and less than EUR 10 million of annual turnover and/or annual balance sheet) unless they are subject to insolvency proceedings, have received rescue aid that has not been repaid, or are subject to a restructuring plan under State aid rules.<sup>5</sup>

Please contact the Council for further advice if you believe that either state aid 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 23<sup>rd</sup> February is delegated to the Director of Finance and Business Improvement who will aim to notify the applicant of the final decision in writing within 7 days with a full explanation of the reasons for the decision.