

## Full Business Support Grant Guidance.

### Covid-19 – New Government Business Grant Support Measures

Several new business grant schemes were announced by government on 1 November 2020. The Council can now provide information about the different schemes including how they will be applied.

The following rules apply to all schemes:

- [State aid](#) limits apply
- Businesses are not eligible if insolvent, in administration or with a striking off notice
- Grant is taxable and must be included on the businesses tax returns
- Businesses must inform the Council of any change in circumstances that would make them no longer eligible (this is due to some schemes including a rolling payment)
- Pre-payment checks will be carried out to help prevent fraud
- Business information will be shared with the Department for Business, Energy & Industrial Strategy (BEIS) for research purposes

### Grants covering local Tier 2 restrictions – 24 October to 4 November

#### ***Local Restriction Support Grant (Open) Discretionary***

This scheme was developed to offer grant support to businesses affected through Tier 2, localised restrictions. The Council will therefore receive a pro-rata amount for the period 24 October to 4 November. The Council are yet to receive this allocation.

The funding is based on estimates from Valuation Office Agency data with a 5% top up. Additional funding will be provided if the area remains in Tier 2 following the national restrictions.

Eligibility criteria will be determined by the Council; however, the Government has encouraged support for:

- hospitality and leisure sectors
- hotels
- bed & breakfasts

Fixed eligibility

- Businesses not legally required to close but severely impacted by the restrictions
- Business must have been established prior to entering tier 2

#### **Our proposed approach**

It is proposed that this funding is added to the Additional Restrictions Grant funding which is aimed at supporting businesses affected by restrictions. Information on this scheme is included below.

### Grants from 2 December if area enters Tier 2

The above scheme will be implemented if Tier 2 restrictions are put in place following national restrictions. As above the funding will be included in the 'Additional Restrictions Grant' which is covered below.

## Local Restrictions Support Grant (Sector) - 1 November – reopening of businesses

This scheme has been developed to support businesses who were required to close in March 2020 and have not yet been able to reopen due to on-going restrictions. This is specific to:

- nightclubs, dancehalls & discotheques
- sexual entertainment venues & hostess bars

The scheme is valid whilst the businesses must remain closed, it is replaced by the Addendum/Local Restrictions Support Grant (Closed) during periods of national or Tier 3 restrictions.

The Council will receive a pro-rata amount for these businesses for 1 November to 4 November. The Council is yet to receive this allocation.

If the local restrictions remain in Tier 2 following the current National restrictions, the Council will receive funding in 14-day payment cycles.

Grants will be paid as follows for each 14-day period:

- RV exactly £15,000 and under - £667
- RV over £15,000 and under £51,000 - £1,000
- RV exactly £51,000 and over - £1,500

### **Our proposed approach**

The Council will aim to distribute the grants as per the guidance once funding has been received. This will be outside of the main application route. The Council will proactively contact those eligible.

## Grants covering National Restriction period: 5 November to 2 December 2020

### ***Local Restriction Support Grant (Closed) WITH Addendum applied. Main scheme.***

The Council has been initially allocated £2,538,648 for this scheme.

Grants will be provided for businesses which have been required to close the main part of the business under the national restrictions. The Government has published a [full list of businesses required to close](#).

One payment to be made per eligible business premises for each 28-day period as follows.

- Businesses with RV of exactly £15,000 and under will receive £1,334
- Businesses with RV over £15,000 to less than £51,000 will receive £2,000
- Businesses with RV of £51,000 exactly and above will receive £3,000

Eligibility

- Business must have been open and trading to visiting members of the public on 4 November 2020.
- Business must be registered for business rates on 4 November 2020.

### **Proposed approach**

The Council will aim to distribute grants to eligible businesses as quickly as possible. Businesses must complete an application form online. If found eligible this application will be used for any rolling or alternative grants, they may be eligible for.

## **Grants from 2 December if area enters Tier 3**

### ***Local Restrictions Support Grant (closed)***

If Colchester enters tier 3 at any stage, the above scheme will be implemented based on the government 'closed' guidance. This increases the payment frequency to every 14-days of restrictions and the amount is pro-rata accordingly.

## **Grants covering 5 November to 31 March 2022**

### ***Additional Restrictions Grant (Discretionary)***

The Council has been allocated £3,894,124 which is aimed at supporting businesses affected by national or local restrictions. The Council is required to develop a discretionary scheme based on local need.

The funding has been received as a one-off payment with no planned further provision for discretionary funding. The scheme will be reviewed by government in January 2021.

Eligibility criteria will be determined by the Council; however, the Government has encouraged support for:

- suppliers to retail
- hospitality and leisure sectors
- the events sector
- markets

The funding can be used to support businesses also eligible for the other government schemes. We are also able to use some of the fund for wider business support activities.

### **Proposed approach**

It is proposed that 10% of the fund is retained for other and long term business support. The remainder of the fund will be distributed as follows.

#### **Phase 1**

To provide grant support to the following sectors where they have been required to close or severely affected by the national restrictions. This is not intended to provide support to those covered by the Government's main scheme for national restriction.

- suppliers to the retail and hospitality sectors

- creative industries
- Colchester market traders with fixed on-going costs, such as rent and who have been trading weekly for at least 1 year.
- taxi firms with business premises
- event and event hire companies
- tourism

#### Eligibility criteria

The business must have:

- fixed property related costs
- been open and trading to visiting members of the public on 4 November
- been required to close OR be severely impacted by the restrictions imposed

Exclusions:

- This scheme is not intended to support those who are self-employed or to cover personal income. Other support schemes are available for those who need income support. (add link)

#### Grant levels/payments

It is proposed that the initial phase is paid in line with the Addendum to Local Restrictions Grant (Closed). This therefore means that the initial payment will cover 5 November to 2 December. If national restrictions are extended this will then become a rolling payment until they are lifted, until the funding allocation is exhausted.

- Businesses with RV, rent or mortgage of exactly £15,000 and under will receive £1,334\*
- Businesses with RV, rent or mortgage over £15,000 to less than £51,000 will receive £2,000\*
- Businesses with RV, rent or mortgage of £51,000 exactly and above will receive £3,000\*
- Regular Colchester market traders will receive £500\*

\*The above amounts may be reduced if demand is higher than the allocated amount.

#### Phase 2

Following the implementation of the above scheme, the Council will seek to distribute any of the remaining funding allocation to local independent businesses in the following:

- independent retailers
- independent bars, cafes and restaurants
- independent hair and beauty

The details of the scheme will be finalised once phase 2 is complete and will be dependent on the amount of funding available. It is proposed that grants of up to £10,000 will be available.

## Process for distributing funds

For all the schemes (excluding the sector scheme), the following process will apply.

### **Application**

One application form will be developed in Microsoft Dynamics. The form will be developed to take the business information and determine automatically which grants would apply. This means the business is not required to understand all the schemes available, other than the main eligibility criteria.

It is proposed that the application window for the first phase is open for a two-week period.

### **Pre-grant checks**

Once applications are received the data will be run through the Cabinet Office's Spotlight verification tool. This will provide assurance that the businesses are genuine and were open on 4 November.

Following the Spotlight process any discrepancies will be reviewed by the Business Rates team, more information to verify the business may be requested, or the application will be declined.

The data will also be checked against existing business rates information to ensure businesses fall into the correct eligibility criteria.

Spot checks will also be carried out by the Business Rates team.

### **Payments**

Payments for each type of grant scheme will be paid individually. The payments will be extracted from the Dynamics system and will be checked for duplication.

- The final payment list for each grant scheme will be signed off by an Assistant Director or more senior level.
- The list will then be processed via control directly into the BACS system, a pre-payment check will be completed to check bank details.
- Once the payment has been processed it will take 2 working days to appear in the business bank account. An email notifying the business of the grant they will receive will be sent.